

The Influence of Immaterial Incentive on Employee Innovation Behavior: The Mediating Effect of Organizational Identity

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Abstract

Innovation is the primary driving force for development, and how to promote innovation is an issue we need to think about together. Incentives are the means of enterprises in the process of promoting innovation, which will have an impact on the innovation behavior of employees. Incentives can be divided into material incentives and non-material incentives. This study through the introduction of group identity intermediary variables, using literature method, questionnaire survey method, mathematical statistics method for non-material incentive impact on employee innovative behavior research. Through the research design and analysis, the research conclusions are as follows: (1) Non-material incentives can have a positive impact on employees' innovative behaviors, non-material incentives can have a significant positive impact on employees' innovative behaviors; (2) Employee organizational identity plays a significant mediating role in the relationship between non-material incentives and employee innovation behavior. Non-material incentives can positively influence employees' sense of organizational identity, and then positively influence employees' innovative behavior.

Keywords

Immaterial Incentive; Employees; Innovation Behavior; Organizational Identity.

1. Introduction

1.1. Research Background

Under the social background of advocating innovation, how to create an "innovative society", "innovative country" and cultivate "innovative talents" has gradually become a hot issue of common concern. More and more enterprises also begin to develop towards the model of innovative enterprises, and innovation has gradually become the core competitiveness of enterprises. Innovation refers to the behavioral process in which a group or individual uses new ideas, ideas and knowledge to solve problems or improve and achieve effective results in some specific environment (Herbert, S. 2007). Only by stimulating the innovative behavior of employees can we improve the production technology and income of enterprises, that is, the innovation of employees is the essence of enterprise innovation. Therefore, it is of great practical significance to study how to improve employees' innovative behavior. American scholar William James believes that if there is no incentive, most of the employees' abilities will be hidden underwater like an iceberg and can only play 20% to 30% of their abilities. However, if the incentive given to employees by enterprises is sufficient, they will play 80% - 90% of their abilities (Yu, Z. M. 1997). Therefore, the importance of incentive to employees' ability is worthy of attention, and employees' innovative behavior is also a manifestation of ability. The impact of incentive on employees' innovative behavior is also a research field concerned by scholars at home and abroad.

1.2. Research Problems

In Maslow's hierarchy of needs theory, motivation is divided into five levels. From top to bottom (in the shape of a pyramid ladder), they are self realization needs, respect needs, social needs,

security needs and physiological needs. According to this, the incentive can be divided into material incentive and non-material incentive. The need for material is the basic reason for people to engage in a certain work, which belongs to the needs of the bottom. However, only by meeting the needs of the bottom, people will pursue higher-level needs. Therefore, material incentive is still very important, but modern China is already in a period of rapid development. Most people have not been troubled by the problem of food and clothing. People basically meet their needs through work. At this time, the role of non-material incentive is particularly prominent, and enterprise employees pay more and more attention to the spiritual needs. Therefore, this paper mainly discusses the impact of non-material incentive on employees' innovative behavior.

1.3. Objective of the Study

Nowadays, various enterprises gradually pay attention to the non-material incentive for employees' innovation and vigorously publicize the innovation behavior, but the incentive effect is not ideal, and even causes employees' dissatisfaction. Scientific and reasonable non-material incentive can improve the work enthusiasm of employees, play a benign auxiliary role for enterprises, and make enterprises maintain vitality and competitive advantage in the market. Therefore, it is urgent to solve the task of how to correctly guide enterprises to encourage employees to innovate. This paper mainly studies the influence mechanism of non-material incentive on employees' innovative behavior from the perspective of employees' organizational identity.

1.4. Research Significance

This paper will take organizational identity as an intermediary variable, build a model between intangible incentive, organizational identity and employee innovation behavior, and conduct research among the three variables, in order to enrich relevant theories and research at home and abroad, and let enterprises know more about the impact of intangible incentive on innovation behavior.

This study provides a reference for the practice of non-material incentive in enterprises. Scientific and effective incentives can improve employees' work enthusiasm, work efficiency and work autonomy, and promote the rapid development of enterprises. This study discusses the impact of non-material incentives on employees' innovative behavior, and expounds the role of organizational identity between the two, which provides a practical reference for enterprises.

1.5. Research Assumptions

H1: there is a significant positive correlation between non-material incentive and employees' innovation behavior.

H2: there is a significant positive correlation between non-material incentive and employees' organizational identity.

H3: employees' organizational identity has a significant positive correlation with employees' innovation behavior.

H4: employees' organizational identity plays an intermediary role between non-material incentive and employees' innovative behavior.

2. Literature Review

2.1. Research on Incentive

From the perspective of management, the classical incentive theory is divided into content incentive theory, process incentive theory and behavior transformation incentive theory (Winter, R. P. & Jackson, B. A., 2014).

The content-based incentive theory is based on Maslow's hierarchy of needs theory, which is divided into five levels of needs by Maslow and forms a ladder from low to high (Guo, W. 2018). The first is the physiological needs and security needs, which belong to the lowest needs, the basic conditions for people's survival and development, and the condition basis for other needs. Then it is the need for social interaction. Human beings themselves are social animals. When the living conditions are met, the need for social interaction will also appear, followed by the need for respect and self realization. When the lower level needs are met, people will have a stronger demand for respect and self realization. If the needs of employees are met by the enterprise, employees will also give due or more feedback to the enterprise. According to the research of past scholars, when employees are in different environments, their demand levels will also change. From the current economic situation and economic environment in China, on the whole, the material needs of employees have been met to a certain extent. Therefore, enterprise employees in China will be more inclined to high-level needs (Liu, B & Zhang, S. Y. 2009).

2.2. Concept of Organizational Identity

From the perspective of decision-making, scholar Simon pointed out that when the decision-maker's decision-making basis is the impact of alternatives on the group, the decision-maker has an organizational identity for the Group. Organizational identity is the process in which employees realize organizational goals as personal goals. Some researchers believe that organizational identity is a psychological feeling generated by individuals in the process of looking for self-worth (Xu, H. 2019). Individuals connect self-concept with organizational characteristics in the organizational environment, which has a classification effect. But another researchers believe that organizational identity is the perception that an individual is consistent with or subordinate to an organization (Scott, S. G. & Bruce, R. A.,1994). People with a high sense of organizational identity are more proactive and can generate self drive to do more behaviors outside their roles. Therefore, such employees have higher performance and higher goals (Bai, G.Y. & Xu, X. Y. 2016). Based on the above views, organizational identity is defined as the connection of individuals to the organization at the psychological level, and shows the process of realizing organizational goals as personal goals.

2.3. Concept of Non-material Incentive

Non material incentives have nothing to do with employees' material income, but the role of non-material incentives on employees is worth affirming. It can meet the spiritual and psychological needs of employees, and make employees work more actively and hard to serve the enterprise (Kleysen,F.R. & Street,C.T., 2001). Based on the above literature analysis, this study defines intangible incentive: intangible incentive is an incentive factor other than material, such as organizational environment, organizational culture, training, enterprise trust and so on.

2.4. Dimensions of Non-material Incentives

In reality, employees have certain requirements for the organizational environment. A beautiful office environment and advanced organizational culture can make employees satisfied. At this stage, employees in China also attach great importance to whether the values of the enterprise fit with themselves. For enterprises, the more the values of employees meet the requirements of the enterprise, it is more conducive to the development and operation of the whole enterprise. Therefore, this kind of incentive dimension can be attributed to organizational environment incentivee (Mael,F.,& Ashforth,B.E.,1992).

2.5. Summary of Relevant Research on Employee Innovation Behavior

This study draws on the research results of Lu Xiaojun and Zhang Guoliang, considers that it is reasonable to divide employees' innovative behavior into two stages in the research, and defines employees' innovative behavior: it refers to the behavioral process in which employees produce new ideas or new solutions in the working process and apply them to work practice (Li Shuo, Yi Lingfeng & Yin Yishuai, 2020).

3. Research Methodology

3.1. Quantitative Analysis

Quantitative analysis is a method to identify hazards. It was originally a branch of analytical chemistry, with the main goal of determining the content of various components in substances. According to the effective data collected from the questionnaire, and with the help of various analysis methods, carry out relevant statistical sorting and research analysis, such as descriptive statistical analysis and correlation analysis, analysis of variance, regression analysis, intermediary effect test analysis, etc.

3.2. Questionnaire Survey Method

According to the collected relevant literature, design the questionnaire, distribute the questionnaire to the enterprise employees, track the distribution of the questionnaire, recover the questionnaire, test the effectiveness, and sort out the information and data required for this research topic.

3.3. Research Results

Regression analysis and hypothesis testing

Based on the above correlation analysis, most of the variables in this study have a certain correlation. However, the correlation only shows that there is a correlation between the two, and the direction of the correlation still needs to be verified by regression analysis. The study conducted regression analysis on 169 effective samples collected to verify the relationship between various variables. Models 1 and 2 discussed the regression of employees' innovation behavior, and model 3 discussed the regression of non-material incentive to organizational identity.

Table 1. Regression analysis indicators

Model	Correlation coefficient R	Correlation coefficient square (R Square)	Adjust R square	Error of standard estimation
1	0.582	0.338	0.334	0.512
2	0.650	0.422	0.415	0.480
3	0.598	0.357	0.353	0.5618

Note: the dependent variable of models 1 and 2 is employee innovation behavior, and the dependent variable of model 3 is organizational identity

It can be seen from table 3 that the regression equation of non-material incentive on employee innovation behavior is: employee innovation behavior = 0.555, non-material incentive + 1.502; The regression equation of non-material incentive and organizational identity on employee innovation behavior is: employee innovation behavior = 0.349 non-material incentive + 0.325 organizational identity + 1.096; Organizational identity = 0.635 intangible incentive + 1.248. It can also be seen from table 3 that the impact of non-material incentive and organizational

identity on employees' innovation behavior is positively correlated, which provides further proof for the test of H1, H2 and H3.

Table 2. Regression variance table anovac

Model		Sum of squares	df	mean square	F	Sig.
1	Regression	22.385	1	22.385	85.347	0.000
	Residual	43.802	167	0.262		
	Total	66.188	168			
2	Regression	27.951	2	13.975	60.672	0.000
	Residual	38.237	166	0.23		
	Total	66.188	168			
3	Regression	29.284	1	29.284	92.798	0.000
	Residual	52.700	167	0.316		
	Total	81.984	168			

Note: the dependent variable of models 1 and 2 is employee innovation behavior, and the dependent variable of model 3 is organizational identity

Table 3. Regression coefficient and significance test

Model	Non standardized coefficient		Standard coefficient	t	Sig.	
	B	Standard error	Beta			
Continued table 3						
1	(constant)	1.502	0.233		6.440	0.000
	Immaterial incentive	0.555	0.06	0.582	9.238	0.000
2	(constant)	1.096	0.234		4.693	0.000
	Immaterial incentive	0.349	0.070	0.365	4.966	0.000
	organizational identification	0.325	0.066	0.362	4.915	0.000
3	(constant)	1.248	0.256		4.880	0.000
	Immaterial incentive	0.635	0.066	0.598	9.633	0.000

Note: the dependent variable of models 1 and 2 is employee innovation behavior, and the dependent variable of model 3 is organizational identity

In order to verify the research hypothesis, the intermediary action analysis of this study is analyzed with the help of the bootstrap method in process V2.13, the plug-in of SPSS software, and the theoretical model action diagram as shown in Figure 3 is drawn for verification.

During the hypothesis test of this study, the number of bootstrap samples was changed to 5000 and the confidence interval was changed to 95%. Its purpose is to confirm that organizational identity plays an intermediary role in the relationship between non-material incentives and employees' innovative behavior.

By studying the relevant theories of bootstrap, it shows that when there is no zero between the upper and lower limits within the 95% confidence interval, the significant intermediary effect of organizational identity between non-material incentive and employee innovation behavior is established. Therefore, this study assumes that H4 is valid.

Table 4. Bootstrap analysis of significance test of mediating effect of organizational identity

Route	Standardized indirect effect value	95% confidence interval	
		upper limit	lower limit
Non material incentive → employee organizational identity → employee innovation behavior	0.6346*0.3250=0.2062	0.1036	0.3316

4. Finding and Conclusion

The innovation of this study is to introduce the intermediary variable organizational identity as the intermediary value of the impact of non-material incentives on employees' innovation behavior. However, there are still deficiencies in the research.

Firstly, the theories and literature on non-material incentive, employee innovation behavior and organizational identity are not enough. This paper selects organizational identity as the intermediary variable, but most of the relevant studies are foreign literature. The relevant literature has relatively few studies on organizational identity, and the collection of directly related literature is also relatively small.

Secondly, this study uses a questionnaire to investigate, 169 valid questionnaires are collected, and the number of samples is relatively small. Most of the questionnaires are from Guangdong enterprises, which may ignore the specific situation of enterprise employees in other provinces. The collection scope of the questionnaire should be expanded to cover all provinces.

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