



The role of perceived organisational support and leader humor in participative leadership and innovative work behaviour in small firms

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ABSTRACT

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The objective of this study was to investigate the impact of participatory leadership on the work behaviour of employees in small enterprises, specifically focusing on their level of innovation. Furthermore, the present study sought to examine the mediating effect of perceived organizational support and the moderating effect of leader humor. The study utilized a quantitative research design. The researchers utilized a cross-sectional survey methodology in order to collect data. The study utilized a non-probability sampling methodology. Small-scale business employees made up the study's participants. The hypotheses of the study were tested using the Partial Least Square Structural Equation modelling (PLS SEM). The findings indicated that participative leadership is positively related to employee IWB. The mediating effect of perceived organizational support in the relationship between participative leadership and innovative work behaviour is significant. The study's theoretical implication is around the development of a model that illustrates the impact of perceived organizational support and leader humor on the connection between participative leadership and employee innovative work behaviour. The study's findings contribute to the comprehension of the various aspects that can impact the association between participatory leadership and innovative work behaviour exhibited by employees. Practical implications include the attendance of training on leadership and innovation by owners/managers and employees of small firms.

Contribution/Originality: Research on the effect of participative leadership on innovative work behaviour in the context of small firms is scarce. Studies that have explored the mediating effect of perceived organisational support and the moderating role of leader humor in the relationship between participative leadership and innovative work behaviour are sparse.

1. INTRODUCTION

Small, medium, and micro enterprises (SMMEs) contribute significantly to the economies of both developing and developed countries (Afsar & Badir, 2017). In the Organization for Economic Cooperation and Development (OECD) member countries, SMMEs account for between 60 and 70% of jobs (Organisation for Economic Cooperation and Development, 2021). SMMEs account for about 91% of formal, registered businesses in South Africa. In addition, SMMEs contribute about 60% of all jobs and 34% of the gross domestic product of South Africa (Banking Association of South Africa, 2021). According to McKinsey (2020), although SMMEs are of great importance to the economy of South Africa, they are also the most at-risk firms. SMMEs suffer from weak

performance, and approximately 70% of new SMMEs in South Africa fail within the first five years of operation. The high failure rate of SMMEs has negative implications for employment, poverty alleviation, and economic growth (Bushe, 2019).

Many factors, both internal and external, are responsible for the weak performance and high failure rate of SMMEs. These include limited financial and managerial resources and a high level of competition (McKinsey, 2020). In a highly competitive and unstable business environment caused by short product lifecycles, changes in consumer behaviour, and technological progress, firms look at different ways to gain a competitive advantage. One of the ways to achieve competitive advantage is through innovation and innovative behaviour (Akram, Lei, Haider, & Hussain, 2020; Koziol-Nadolna, 2020). Employees are one of the most important resources of an organization, and their innovative behaviour at work is vital to organizational survival and success (Bani-Melhem, Zeffane, & Albaity, 2018; Smolarek & Sułkowski, 2020).

Innovative work behaviour (IWB) is associated with the generation of new ideas by employees and the implementation of those ideas into new methods, products, and services (Lecat, Beusaert, & Raemdonck, 2018). Because of the importance of employee IWB, it is important to identify its potential antecedents (Bani-Melhem et al., 2018). Leadership, described as the act of leading people to achieve certain goals, is needed for SMMEs to manage internal and external challenges, motivate and manage employees, and improve performance in a highly dynamic business environment (Anju & Mathew, 2017). Leadership style is the way that a leader influences the behaviour of followers or employees. Leadership styles include servant, ethical, transformational, autocratic, and participative (Gemedda & Lee, 2020). Participative leadership is a leadership style in which leaders and followers come together to solve problems and make decisions (Sagnak, 2016).

Empirical studies have investigated the relationship between diverse leadership styles and IWB with inconclusive empirical findings (Amankwaa, Gyensare, & Susomrith, 2019). Despite the significant effort by leadership researchers, there exists a need for theoretical precision about the processes and mechanisms through which leadership can influence employee IWB (Usman, Ghani, Cheng, Farid, & Iqbal, 2021). This study draws on perceived organisational support (POS) as a mediating variable and leader humor as a moderating variable in the relationship between participative leadership and employee IWB.

POS describes the degree to which employees are of the opinion that their organisations appreciate their contributions and care about their wellbeing. Employees may form a favourable or unfavourable perception of organisational support on the basis of the actions and behaviour of leaders or managers (Tan et al., 2019). Humor is a valuable leadership tool that can lead to many positive outcomes in the workplace (Rosenberg, Walker, Leiter, & Graffam, 2021). Humor can create a pleasant and relaxed atmosphere at work that supports creativity and innovation (Zhang, Yin, Akhtar, & Wang, 2022). Humor can reduce the perception of risks and uncertainties related to the creation of ideas and implementation of IWB by employees (Zhang & Su, 2020). This suggests that both POS and leader humor can be mechanisms through which participative leadership can affect employee IWB.

Empirical research on the impact of participative leadership on employee IWB in the context of SMMEs is scarce. Researchers have not established conclusive evidence of a connection between participative leadership and employee performance (Lam, Huang, & Chan, 2015). Also, studies that have explored the mediating effect of POS and the moderating role of leader humor in the context of participative leadership and employee IWB are scarce. Thus, the objectives of this study are (1) to examine the effect of participative leadership on employee IWB. (2) To investigate if POS mediates the relationship between participative leadership and employee IWB. (3) To examine if leader humor moderates the relationship between participative leadership and employee IWB. The findings of this study will lead to a better understanding of the mechanisms through which participative leadership can affect employee IWB. This will help owners/managers of SMMEs understand the leadership style to adopt to support employee IWB and improve firm performance.

2. LITERATURE REVIEW

2.1. SMMEs

There are qualitative and quantitative descriptions of SMMEs in South Africa. The qualitative description shows that to be regarded as a small business, a firm should be a distinct and separate body operated by one or more owners. There is also a schedule that clarifies the sector and uses the number of employees and annual turnover to quantitatively classify small firms into micro, small, and medium (Government Gazette, 2019). For instance, SMMEs in the retail sector are defined as follows: Number of employees. Micro (1-10), small (11-50), and medium (51-250). Turnover. Micro (equal or less than 7.5 million Rand), small (equal or less than 25 million Rand), and medium (equal or less than 80 million Rand) (Government Gazette, 2019). This study used the number of employees to categorise SMMEs.

2.2. Social Exchange Theory

Huang, Iun, Liu, and Gong (2010) point out that a theory widely used to explain the effect of participative leadership behaviour on employee work performance is the Social Exchange Theory (SET). The theory argues that employees reciprocate leaders' behaviour towards them with their own matched behaviour on the basis of mutual reciprocity (Blau, 1964). Hollander (1980), in a study that links leadership to social exchange processes, argues that leadership is not complete without followers' attention. The influence of leaders over followers is an exchange. The leader obtains approval in the form of status, esteem, and the likelihood of greater influence, while followers get the benefits of the leader's effort in the form of positive team results. Wang, Hou, and Li (2022) remark that SET provides a powerful theoretical basis for research on participative leadership. Participative leaders actively give employees the power to make decisions at work, allow employees to express their personal opinions, and give employees the information resources necessary for their participation in decision-making in organisations. This leads employees to adopt a series of behaviours in response to the perceived support of leaders.

Participative leadership styles help employees develop long-term relationships with leaders and obtain trust and socio-economic input. This leads to social exchange as employees reciprocate by engaging in beneficial and positive work-related behaviours (Wang, Zhou, Bao, Zhang, & Ju, 2020). The SET suggests that when a participative leader provides employees with autonomy and support, such employees are likely to reciprocate with positive attitudes and behaviour, which can positively affect their innovative behaviour (Usman et al., 2021).

2.3. Participative Leadership

Participative leadership can be described as a leader's non-authoritative behavior that receives input from employees and allows them to be involved in the decision-making process (Bhatti et al., 2019). Somech (2010) describes participative leadership as shared or joint decision-making by leaders and employees. The focus of participative leadership is the sharing of decision-making and power between the leader and followers. Participative leadership involves subordinates and leaders making decisions together (Sagnak, 2016). According to Miao, Newman, and Huang (2014), participative leadership is a style of leadership in which a leader shares problem-solving with subordinates before making a decision. Participative leadership has been associated with many positive organizational and individual outcomes (Sagnak, 2016). A participative leader proactively seeks out and applies follower feedback, which fosters a strong sense of value and job satisfaction (Halaychik, 2016). The involvement of subordinates in decision-making creates a diversity of ideas. In addition, followers are most likely to accept changes to policies and procedures that they participated in creating (Halaychik, 2016). Participative leadership has weaknesses in terms of the time taken to take decisions. The involvement of subordinates in the decision-making process can lead to role ambiguity and stress among subordinates (Benoliel & Somech, 2010; Halaychik, 2016). The undesirable impacts of participative leadership include role stress, knowledge hiding, and power struggles. This can damage team effectiveness (Chen & Zhang, 2023; Zhu, Liao, Yam, & Johnson, 2018).

2.4. Perceived Organizational Support (POS)

Based on the organizational support theory (OST), POS refers to a general perception of employees regarding the extent to which an organization values their contributions and cares about their well-being (Kurtessis et al., 2017). POS helps an employee develop a positive attitude and helps the organization reach its goals (Caesens, Stinglhamber, Demoulin, De Wilde, & Mierop, 2019). POS helps to boost the obligations of employees towards their organisation and enhances both their in-role and extra-role performance (Maan, Abid, Butt, Ashfaq, & Ahmed, 2020).

2.5. Humor

Humor can be described as a discrete social behaviour that involves playful verbal and nonverbal activity (Robert & Wilbanks, 2012). According to Zhang and Su (2020), leader humor is a type of social interaction that leaders engage in to amuse their staff or subordinates. According to Zhang et al. (2022), leader humor is a deliberate form of interpersonal humor that leaders use to strengthen their relationships with their subordinates. Leader humor can lead to the building of good leader-subordinate relationships, the reduction of employee stress, and the promotion of employee creativity through positive emotions (Cooper, Kong, & Crossley, 2018).

There are many types of humor (Nezlek, Derks, & Simanski, 2021). Affiliative leader humor is aimed at amusing people and creating a positive atmosphere in social interactions. Affiliative humor is associated with positive employee work-related attitudes and behaviours and positive organizational outcomes (Ali, Mahmood, Ahmad, & Ikram, 2021; Karakowsky, Podolsky, & Elangovan, 2020). Aggressive humor involves insults or put-downs directed at individuals. Self-enhancing humor refers to an individual's ability to laugh at themselves, such as by making a joke after the occurrence of something bad (Nezlek et al., 2021). Self-defeating humor happens when an individual puts himself/herself down in an aggressive manner (Riggio, 2015). This study focuses on affiliative humor that is aimed at creating a positive atmosphere at work.

2.6. Innovative Work Behaviour (IWB)

IWB can be defined as employee behaviour aimed at generating, introducing, and /or applying ideas, processes, procedures, and products that are new and of benefit to an organization (West & Farr, 1990). IWB is the behavioural pattern of an employee in an organization that leads to the development and innovation of novel ideas the adoption of new technologies and processes that help to achieve the goals of the organization and improve performance (Jalil, Ullah, & Ahmed, 2021). Hakimian, Farid, Ismail, and Nair (2016) remark that in the context of small firms, IWB refers to innovation by employees that can give a firm the ability to obtain a competitive advantage in the markets. Innovation is of critical importance to businesses in today's rapidly changing business environment, as it allows the achievement of a competitive edge. Among the various types of innovation, IWB is a cornerstone as it allows employees to generate new ideas for the benefit of their organisations (Farrukh, Meng, Raza, & Wu, 2023).

2.7. Hypotheses

2.7.1. Participative Leadership and Innovative Work Behaviour

Participative leadership involves decision-making procedures that allow subordinates to design and guide their tasks, take part, and influence important decisions (De Jong & Den Hartog, 2010). Participative leadership takes the form of delegation, consultation, and joint decision-making. The study by De Jong and Den Hartog (2010) was based on survey data from matched dyads of knowledge workers and their supervisors in knowledge-intensive firms in the Netherlands. The results of the empirical study show that participative leadership and employee IWB are significantly positively related. Fatima, Majeed, and Saeed (2017) remark that many organizations have shifted from transactional leadership styles to modern leadership styles, such as participative leadership. This style of leadership

brings a positive change to an organization as leaders share their powers by encouraging subordinates to be participative in decision-making. [Fatima et al. \(2017\)](#) find that participative leadership positively affects employee IWB. [Qi, Liu, Wei, and Hu \(2019\)](#) argue that inclusive leadership can lead to employee engagement in the innovative process. In addition, inclusive leadership through joint decision-making allows employees to participate in the innovation process. Also, an inclusive leader provides the resources, time, information, and support necessary for employees to be innovative. The findings of the study, based on data collected from employees and supervisors of 15 service organizations in six cities in China, indicate that inclusive leadership and employee IWB are positively correlated. [Newman, Rose, and Teo \(2016\)](#) remark that employees are involved in decision-making under participative leadership. However, participative leadership styles do not necessarily provide specific guidance and role-modelling that encourage creative or innovative behaviour. Participative leadership encourages employee creativity through the involvement of employees in the creative process ([Chen, Wadei, Bai, & Liu, 2020](#)). It is hypothesized that H1: Participative leadership and employee IWB are significantly positively related.

2.7.2. Participative Leadership and Perceived Organizational Support

[Shanock, Shore, and Eisenberger \(2017\)](#) remark that leadership plays an important role in understanding perceptions of POS because subordinates tend to identify leaders with the organizations that they represent. Therefore, the supportive treatment that employees receive from the leaders of an organization significantly contributes to a positive perception among employees. Researchers have discovered that different leadership philosophies affect POS. [Tan et al. \(2019\)](#) find that when employees perceive that their leaders are ethical, it will improve their' POS. The findings of the study indicate that ethical leadership has a significant positive relationship with POS. [Qi et al. \(2019\)](#) remark that supportive behaviors through inclusive leadership can help employees favorably perceive an organization. The findings of the study show that inclusive leadership is positively related to POS. According to the social exchange theory, employees who feel their leaders support them are more likely to take part in activities that advance organizational objectives ([Imran, Elahi, Abid, Ashfaq, & Ilyas, 2020](#)). [Fattah, Yesiltas, and Atan \(2022\)](#) remark that participative decision-making is related to the promotion and use of feedback in decision-making. This can promote POS as employees perceive that their contributions are valued by their leaders and organisations. The findings of the study by [Fattah et al. \(2022\)](#) indicate a significant positive relationship between participative decision-making and POS.

Participative leaders support employees and encourage them to actively participate in decision-making. This can enhance the perception of POS by employees ([Bhatti, Juhari, Piaralal, & Piaralal, 2017](#)). It is hypothesized that H2: Participative leadership and POS are significantly positively related.

2.7.3. Perceived Organizational Support and Innovative Work Behaviour

[Afsar and Badir \(2017\)](#) argue that POS comprises certain psychological characteristics that may increase employee IWB. According to the Social Exchange framework, POS creates feelings of obligation that can help improve behaviours that support the achievement of organizational goals. When employees perceive that their organization shows concern and supports their actions, there will be an inclination towards the initiation of creative ideas, exploration of possible opportunities, and translation of creative inputs into innovation ([Akgunduz, Alkan, & Gök, 2018](#)). The findings of the study by [Inam et al. \(2021\)](#) indicate a significant positive relationship between POS and employee creativity. Afsar and Badir conclude that POS and IWB are positively related. It is hypothesized that H3: POS and IWB are significantly positively related.

2.7.4. Mediating Effect of Perceived Organizational Support

[Qi et al. \(2019\)](#) point out that a leadership style that includes employees in decision-making can affect innovative behaviour through POS. The higher the level of inclusion and resources that employees receive from

leaders and organizations, the higher the POS and the higher the level of motivation of employees to engage in innovative behaviour. The findings of the study indicate that POS mediates the relationship between inclusive leadership style and employee IWB. According to Zaman, Qureshi, and Butt (2020), POS partially mediates the effect of Leader-Member Exchange (LMX) on IWB. Aslan (2019), in a survey of 348 participants working at carpet manufacturing companies in Gaziantep found that POS partially mediates the relationship between a leadership style that includes employees in decision-making and IWB. This study hypothesizes that H4: *This study's hypothesis is that H4: POS mediates the effect of participative leadership on employee IWB.*

2.7.5. Moderating Effect of Leader Humor

Zhang and Su (2020) point out that humor is a social mode that is aimed at amusing people. The perception of leader humor is related to the generation, promotion, and implementation of innovative ideas by employees (Pundt & Venz, 2017). Leader humor is associated with employee positive emotions, work engagement, organisational commitment, and organisational citizenship behaviour (Goswami, Nair, Beehr, & Grossenbacher, 2016; Rosenberg et al., 2021). One of the most important functions of a leader is to cultivate employee IWB (Fang, Chen, Wang, & Chen, 2019). Leader humor encourages the expression of creative ideas by employees (Pundt & Venz, 2017). Humor can be hypothesised to have direct and indirect effects on unit and individual performance (Avolio, Howell, & Sosik, 1999). The study examines the link between different leadership styles, the use of humor, and two measures of performance. The findings indicate that humor moderates the relationship between different leadership styles and individual and unit-level performance. According to Valle, Kacmar, and Andrews (2018), humor moderates the relationship between ethical leadership and employee dissatisfaction. Hughes and Avey (2009) discovered that humor moderates the impact of transformational leadership on trust and affective commitment. A participative leader can use humor to encourage the expression of creative ideas and innovative behaviour (Pundt & Venz, 2017). It is hypothesised that H5: *Leader affiliative humor moderates the relationship between participative leadership and employee IWB.*

The conceptual framework used for the study is depicted in Figure 1.

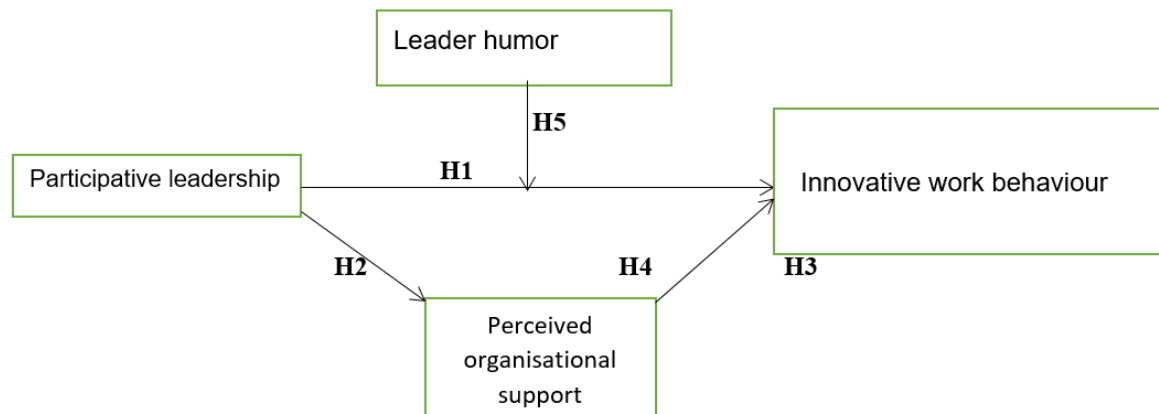


Figure 1. Conceptual framework.

3. RESEARCH METHODOLOGY

The survey was conducted in two District municipalities located in the Limpopo Province of South Africa, namely Capricorn and Waterberg. The cross-sectional survey method was adopted to obtain data from the respondents. The study adopted the non-probability sampling method (convenience and snowball) because of the non-availability of a formal sampling frame for SMMEs in the study area. The respondents were employees working for SMMEs. The participating SMMEs were in the retail, wholesale, and accommodation sectors. The researcher obtained permission from the owners/managers of SMMEs to contact their employees. After this

process, the employees were contacted to request their participation in the survey. Employees who agreed to participate in the survey were given a questionnaire to complete. The employees were regularly reminded through telephone calls to complete the questionnaire. A pilot study was done with ten SMMEs and thirty employees to improve face and content validity. The Partial Least Square Structural Equation Modelling (PLS SEM) was used for data analysis.

3.1. Measures of Constructs

Employee perception of participative leadership was measured by a six-item scale adopted from Arnold, Arad, Rhoades, and Drasgow (2000). Items include “the owner/manager of my firm listens to my work group’s ideas and suggestions,” the owner/manager of my firm uses my work group’s suggestions in making decisions that affect us,”

Perceived organisational support was measured using the eight-item scale that selected the high-loading items in the original 36-item scale (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Rhoades & Eisenberger, 2002). Items include “My firm takes pride in my accomplishments at work”.

Employee perception of affiliative leader humor was measured using the five-item humor scale by Avolio et al. (1999). Items include “owner/manager of our firm uses humor to take the edge off during stressful periods”.

Employee perception of their innovative behaviour was measured using the nine-item scale adopted by Ng and Lucianetti (2016). Items include “I create new ideas for improvements in my firm”.

4. RESULTS

4.1. Biographical Detail

Seven hundred questionnaires were distributed during data collection, and three hundred and two were returned and found usable. The biographical details of the respondents are as follows: There were 178 female and 124 male respondents. The age brackets of the respondents showed that 104 respondents were between 21-30 years, 106 respondents between 31-40 years old, 65 respondents were between 41-50 years old, and 27 respondents between 51-60 years old. The findings indicate that 215 firms have between 10 and 50 employees and can be classified as small business. 87 firms have between 51 and 250 employees and can be classified as medium-sized business.

4.2. PLS SEM

The study followed and achieved the requirements for the evaluation of the measurement model with respect to factor loading, composite reliability, Cronbach’s alpha, and the average variance extracted (Hair, Risher, Sarstedt, & Ringle, 2019). Tables 1, 2, and 3 depict the results of the measurement model, the Fornell-Larcker criterion, and the Heterotrait–Monotrait ratio (HTMT).

The diagonals represent the square root of the AVE. The other figures show the correlations.

4.3. Structural Model

Hair et al. (2019) point out that the structural model can only be measured when the required criteria for the measurement model are met. The requirements of the structural model, such as common method bias, the R^2 , the f^2 , the Q^2 and model fit by Hair et al. (2019), were met. The f^2 obtained in the study ranges from 0.000 to 0.032. The Q^2 obtained in the study is 0.153, and the standardised root mean residual (SRMR) is 0.03. The SRMR’s measurement of the model fit is acceptable.

Table 4 depicts the results of the structural model. The results show that participative leadership and employee IWB are significantly positively related. In addition, the results indicate that participative leadership and perceived organizational support are significantly positively related. Furthermore, the results show that the relationship

between perceived organizational support and employee IWB is positive and significant. Hypotheses one, two, and three are supported.

Table 1. Evaluation of the measurement model.

Constructs	Items	Loading	Cronbach's alpha	Composite reliability	AVE
Participative leadership (PAL). (Mean 4.25; Standard deviation 1.01)	PAL1	0.810	0.818	0.901	0.602
	PAL2	0.825			
	PAL3	0.752			
	PAL4	0.729			
	PAL5	0.735			
	PAL6	0.800			
Perceived organisational support (POS) (Mean 3.62; Standard deviation 0.99)	POS 1	0.802	0.814	0.912	0.593
	POS2	0.769			
	POS3	0.772			
	POS4	0.806			
	POS5	0.777			
	POS6	0.729			
	POS7	0.762			
	POS8	0.740			
Leader humor (LEA) (Mean 4,10; Standard deviation 1.05)	LEA1	0.806	0.775	0.910	0.592
	LEA2	0.762			
	LEA3	0.750			
	LEA4	0.812			
	LEA5	0.729			
	LEA6	0.779			
	LEA7	0.742			
Innovative work behaviour (IWB) (Mean 3.25; Standard deviation 1.02)	IWB1	0.817	0.729	0.923	0.573
	IWB2	0.751			
	IWB3	0.744			
	IWB4	0.767			
	IWB5	0.729			
	IWB6	0.738			
	IWB7	0.777			
	IWB8	0.728			
	IWB9	0.743			

Table 2. Fornell-Larcker criterion.

CON	PAL	POS	LEA	IWB
PAL	0.776			
POS	0.614	0.770		
LEA	0.517	0.624	0.769	
IWB	0.622	0.601	0.596	0.757

Table 3. HTMT.

CON	PAL	POS	LEA	IWB
PAL				
POS	0.538			
LEA	0.526	0.584		
IWB	0.569	0.537	0.656	

Table 4. Structural model.

Path	Coefficient	T-statistics	Decision
H1: PAL→IWB	0.209	5.337 *	Supported
H2: PAL→POS	0.193	4.492**	Supported
H3: POS-IWB	0.175	3.607**	Supported

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

Table 5. Mediation.

Path	Indirect effect	Total effect and T-statistics	Confidence interval bias (Corrected) LL-UL	Decision	VAF
H4 PAL→POS→IWB	0.152**	0.299** (1.127)	0.061 0.188	Accepted (Partial mediation)	50.83%

Note: **<0.05.

Table 5 depicts the mediation results. The results show that the indirect path between PAL, POS, and IWB is significantly positive. The results depict a complementary partial mediation, and hypothesis four is supported.

Table 6. Moderation results.

Hypothesized path	Path coefficient	T-statistics	Decision
H5 moderation of LEA→PAL on IWB	0.126	3.366*	Supported

Note: *P<0.01.

The product-indicator method was used to evaluate the moderating effect of leader humor in the relationship between participative leadership style and employee IWB. The results of the interaction terms as depicted by Table 6 (β 0.126 T 3.366, $p < 0.01$) are significant, and hypothesis five is supported. Additionally, the slope of the relationship between participative leadership and IWB, which takes leader humor into account, shows that the relationship gets stronger when leader humor is high. This shows that when the leader-humor climate is high, the relationship between participative leadership and IWB tends to be stronger.

5. DISCUSSION

The study examined the relationship between participative leadership and employee IWB in small firms. In addition, the study investigated whether perceived organizational support mediates the relationship between participative leadership and employee IWB. Furthermore, the moderating effect of leader humor on the relationship between participative leadership and employee IWB was examined. The findings indicated a significant positive relationship between participative leadership and employee IWB. The findings suggest that participative leadership encourages innovative employee work behaviour. Previous empirical studies support the findings. De Jong and Den Hartog (2010) find that participative leadership and employee IWB are significantly positively related. Fatima et al. (2017) show that participative leadership positively affects employee IWB. The findings indicated a significant positive relationship between participative leadership and POS. The findings suggest that employees' involvement in decision-making through participative leadership can positively enhance their POS. Previous empirical studies support the findings. Qi et al. (2019) remark that inclusive leadership can help employees perceive the support of their organization. The findings showed that POS and IWB are significantly positively related. Akgunduz et al. (2018) remark that when employees perceive that their organizations show concern and support their actions, there will be an inclination towards the initiation of creative ideas and the translation of creative inputs into innovation. The findings can be linked to previous empirical studies. Afsar and Badir find a significant positive relationship between POS and IWB. Dogru (2019) also finds a significant positive relationship between POS and IWB. The findings indicated that POS partially mediates the relationship between participative leadership and IWB. The findings suggest that POS can be a mechanism through which participative leadership can affect IWB. Qi et al. (2019) find that POS mediates the relationship between inclusive leadership style and employee IWB. Aslan (2019) finds that POS partially mediates the relationship between inclusive leadership and IWB. The findings indicated that leader-affiliated humor moderates the relationship between participative leadership and employee IWB. The findings suggest that the perception of leader humor is related to the generation, promotion, and implementation of innovative ideas by employees (Pundt & Venz, 2017). Previous empirical studies on the moderating role of humor in the relationship between leadership styles and employee outcomes support the findings. The findings of the study

by Avolio et al. (1999) show that humor moderates the relationship between different leadership styles and individual work performance. Hughes and Avey (2009) find that humor moderates the relationship between transformational leadership, trust, and affective commitment.

6. CONCLUSION AND IMPLICATIONS

The study examined the relationship between participative leadership and employee IWB. In addition, the study examined the mediating role of perceived organizational support (POS) and the moderating role of leader humor. The results of the empirical study indicated that participative leadership is positively related to employee IWB. The mediating effect of POS is significant. Also, leader humor moderates the effect of participative leadership and IWB. Theoretically, the study developed and tested a theoretical model that shows how POS and leader humor can affect the relationship between participative leadership and employee IWB. The findings of the study provide an important insight in the context of the mechanisms through which participative leadership can affect employee IWB. The novel contribution of the study is the identification of leader humor and POS as mechanisms through which participative leadership can improve employee IWB in the context of small firms. The findings of the research have important practical implications for small firms. The findings show the importance of participative leadership in improving employee IWB. Therefore, it is important for the managers/owners of small firms to adopt a participative leadership style that involves employees in decision-making. This will help to create innovative employees. Owners/managers and employees of small firms should attend training on leadership and innovation. Organisations that support small business development should create awareness about the benefits of participative leadership. The study limitations are as follows: Data collection focused on employees of small firms in two municipalities in one Province in South Africa, and this may limit the generalizability of the findings. Other studies can improve the generalisability of the findings by including employees in other provinces of South Africa. Also, the study relied on self-reported data of employees rather than objective observations. This may lead to a social desirability bias. Other studies can obtain responses from managers of small firms. In addition, the study used a cross-sectional research design, which limits cause-and-effect relationship because the data was only collected at a certain point in time. A longitudinal research design will help to improve cause and effect. In addition, other studies can examine the moderating effect of meaningful work and the mediating effect of trust in leadership in the relationship between participative leadership and employee IWB.

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Transparency: The author states that the manuscript is honest, truthful, and transparent, that no key aspects of the investigation have been omitted, and that any differences from the study as planned have been clarified. This study followed all writing ethics.

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