Employability and innovative work behaviours in SMEs in a Euroregion

A cross-national comparison between Belgium and the Netherlands

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Abstract

Purpose – The purpose of this paper is to investigate possible differences in the degrees of employability, leader–member exchange (LMX) and innovative work behaviours in a comparison between Belgium and the Netherlands. Although neighbouring countries, disparate national cultures between the two are assumed to influence the amount of employability, LMX and innovative work behaviours among their respective working populations. Furthermore, this paper aims to validate a mediation model across the two countries to test whether employability (partially) mediates the relationship between LMX and innovative work behaviours.

Design/methodology/approach – Data from employees and their immediate supervisors working in small- and medium-sized enterprises (SMEs) in Belgium and the Netherlands supported the hypothesized model. Structural equation modelling was used to investigate the mediation model using a multi-source approach.

Findings – The amount of employability and innovative work behaviours of employees appeared to differ significantly between Belgium and the Netherlands. Furthermore, the results suggested that for both countries a positive relationship with one’s immediate supervisor (LMX) is beneficial in the light of workers’ innovative work behaviours, through its impact on employability, which was found to be a full mediator in this relationship.

Research limitations/implications – Future studies using a longitudinal approach could give more insight into the model relationships. Moreover, the variation in systems, national contexts and managerial practices in the Euroregion calls for more cross-national comparative scholarly research.

Practical implications – SMEs often do not employ professionals to manage human resources, that is, supervisors themselves have to carry the responsibility to encourage employees to further develop themselves and to enhance their innovative work behaviours. This while the challenge of more cross-national cooperation encourages a boost for innovations in the Euroregion.
Originality/value – This study is the first cross-national validation of a mediation model wherein a competence-based measure of employability is incorporated as a possible mediator in the relationship between LMX and innovative work behaviours.

Keywords Quantitative, Employability, Advanced Statistical, Small- and Medium-sized enterprises, Cross-national comparison, Innovative work behaviours, Leader–member exchange

Paper type Research paper

Introduction
Small and medium-sized enterprises (SMEs) represent the majority of all enterprises in Belgium and the Netherlands (European Commission, 2018a), accounting for the larger portion of employment and economic value added, with 69.3 per cent of the Belgian and 64.2 per cent of the Dutch working population, respectively, being employed in SMEs (European Commission, 2018b, c). Despite these companies’ important contributions to the economy of the distinguished countries, the HRM literature is characterized by a large gap regarding the scholarly work on human resources in SMEs (Sheehan, 2014). Research on HRM practices mainly focuses on larger working organizations, though there appears to be important differences between larger working organizations, on the one hand, and small- and medium-sized companies, on the other hand. As regards the latter, earlier research has indicated that HRM policies in SMEs are constructed informally, have a short-term focus and are characterized by personal approaches (Garavan et al., 2016; Stoffers and Van der Heijden, 2018). Consequently, given the fact that in many SMEs formal HRM policies are lacking (Nolan and Garavan, 2016, supervisors in SMEs play an even more crucial role in stimulating employee development and performance (Stoffers et al., 2018) in comparison with large organizations where more formal policies are in place.

In particular, for SMEs, it is critical to enhance their employees’ ability to portray innovative behaviours in order to realize competitive advantage. Innovative work behaviours can be defined as “the intentional creation, introduction, and application of new ideas within a work role, group or organization, in order to promote role performance, the group, or the organization” (Janssen, 2000, p. 288). These kinds ofbehaviours not only involve generating new ideas but also promoting and realizing innovative ideas; that is, innovative work behaviours not only concern wanting to innovate but also being able to innovate.

Unfortunately, the level of innovation in SMEs is much lower than needed, primarily because of the complexity, uncertainty and high risk which is typical of innovation (Griffiths-Hemans and Grover 2006; Parida et al., 2012). Next to that, SMEs frequently lack a multi-disciplinary competence base among their working staff members (Bianchi et al., 2010). In other words, the employability or career potential (Van der Heijde and Van der Heijden, 2006; Van der Heijden et al., 2018) of employees working in SMEs is in urgent need of further enhancement, in order to safeguard SMEs potential to contribute to innovations (Van der Zee et al., 2012). Employability can be defined as “the continuously fulfilling, acquiring or creating of work through the optimal use of competences” (Van der Heijde and Van der Heijden, 2006, p. 453), referring to the competences of workers to respond to company requirements now and in the future.

In the current economy, due to global competition, ever-increasing market pressures, informatization and leaner organizations (Greenhaus et al., 2008; Lazaroa and Taylor, 2009), job qualifications are changing at an ever-increasing rate, and the predictability of traditional career paths has become impossible. Hence, remaining highly adaptable has become a priority for working organizations across the globe (Jacobs, 2019), and both employability and innovative work behaviours are important employee characteristics for dealing with contemporary challenges (Hapsari et al., 2019). Innovation in a firm is fuelled by employee innovativeness, which has proven to contribute positively to SMEs’ performance (Abdullah et al., 2014; Kesting and Parm Ulhøi, 2010). Hence, HRM practices in SMEs, as conducted by supervisors, should focus on stimulating employability and innovative work behaviours in order to realize new products and services.
Nowadays, leader–member exchange (LMX) is one of the most dominant leadership models in predicting various organizational outcomes (Gooty and Yammarino, 2016). LMX has been defined as the quality of the employee’s relationship with his/her supervisor, and this interaction between the two parties is the basis of social exchange theory (see Blau, 1964; Cropanzano and Mitchell, 2005). Supervisor ratings of employee’s job performance are the most frequently studied outcome of LMX at the individual level (see Dulebohn et al., 2012 for an overview). Following this line of reasoning, it is plausible that high-quality LMX, characterized by employees being in encouraging relationships with their supervisors, has an impact on the employability–innovative work behaviours linkage. Specifically, building upon the conservation of resources (COR) theory (Hobfoll, 1989), we argue that, under the condition of high-quality LMX, supervisors facilitate employees’ employability enhancement (see also Raghuram et al., 2017) and provide them with benefits helpful for additional development of their competencies. The provided benefits (e.g. rich communication, increased support, and more attractive work roles) that are given to employees in high-quality LMX relationships enhance their existing resources (see also Harris et al., 2011), and therefore LMX can be seen as a contextual resource within the COR framework. Theoretically, such a contextual resource entails the ability to facilitate innovative work behaviours when obtaining valued outcomes like employability, being the assumed mediator in this contribution. Moreover, high-quality LMX, exposed in more support, acceptance and security, can motivate and empower employees to try out and to experiment with new things that are provided in a job, which is then of benefit to their employability (see also Yizhong et al., 2019) and innovative work behaviours (Stoffers et al., 2014).

This empirical study took place in the Euroregion, which is a geographical region with cross-national cooperation (Medeiros, 2011) between Belgium and the Netherlands. The Euroregion is supposed to encourage a boost for innovative capabilities in the area, and the cooperation process between the neighbouring countries is both “necessary and valuable; necessary as regions with fragmented economies have few chances of prospering in a highly competitive global economy, and valuable as the differences in development trajectories between neighbouring areas in separate countries can lead to complementarities and productive interactions” (Hansen, 2013, p. 3).

In order to gain more insights into possible ways to increase the innovative power of employees working in SMEs in the Euroregion, our first research purpose was to investigate possible differences in the degrees of employability, LMX and innovative work behaviours in Belgium and the Netherlands. Although Belgium and the Netherlands are neighbouring countries, national differences between the two are assumed to influence the amount of employability and innovative work behaviours among their employees. Especially, previous research from Bauer et al. (2016) has already shown that characteristics of national cultures can have positive effects (e.g. learning of new routines and knowledge transfer) or negative effects (e.g. distrust and conflict). To support our cross-national comparison, we use the scholarly work by Hofstede (1980) that suggests disparities on various dimensions between Belgium and the Netherlands.

Currently, there is a lack of empirical work on the interplay between innovation and national differences (Érez et al., 2015). Jandhyala and Phene (2015) posit that innovation is a country-specific phenomenon, herewith stressing that theories are often nation dependent and the resulting need for cross-national comparisons in empirical research. In a similar vein, there is a need for more cross-national employability research (Bozionelos et al., 2016). Therefore, the second purpose of this study was to cross-validate, for the two distinguished countries (Belgium and the Netherlands), a mediation model wherein it was hypothesized that employability (partly) mediates the relationship between LMX, on the one hand, and innovative work behaviours, on the other hand (see also Stoffers et al., 2014).
Different contexts shape the individual definition of employability as they signal different characteristics of employability, in terms of the traits, attitudes and behaviours that employees believe their employers see as a valuable (Sparrow and Hiltrop, 1997). Hence, we aim to validate a mediation model across two national contexts since model equivalence cannot be postulated a priori across different settings (He and Van de Vijver, 2012). To the best of our knowledge, no previous research has investigated a cross-national comparison of our hypothesized (partly) mediation model, herewith contributing to closing an important knowledge gap in the literature in the domains of employability and innovative work behaviours, and adding to the theorizing around the LMX framework as well.

In the next section, an overview of the scholarly literature on the impact of national cultures on innovative work behaviours, employability and LMX will be given. Subsequently, we will discuss the argumentation behind our model relationships, followed by our research hypotheses. After that, an explanation of the research methodology will be outlined, and the outcomes of the preliminary analyses will be portrayed. Then, we will compare the scores of Belgian and Dutch employees regarding innovative work behaviours, employability and LMX. Subsequently, we will examine the predictive validity of LMX and employability for innovative work behaviours, and we will investigate whether employability (partly) mediates the relationship between LMX and innovative work behaviours across national contexts. Finally, we will discuss our findings and come up with some practical implications of our study, we will go into the limitations of our study and we will explore possible future research perspectives.

National comparison between Belgium and the Netherlands
The environment in which people work is changing rapidly, and innovation is of critical importance for business performance and its growth (Ahlstrom, 2010; Kwan and Chiu, 2015). Furthermore, a remarkable increase in ethno-cultural diversity in the workplace has occurred over the past years (Zhan et al., 2015), and cross-national employability has increased in importance. Moran et al. (2014) argue that in order to create opportunities for cooperation, customs, business protocols, mindsets and underlying national cultures of counterparts from other countries must be learned and well-understood.

Belgium and the Netherlands share a vast communal border that links the Flemish-speaking part of Belgium with the Netherlands. In the southern part of the Netherlands, at a strategic level, a focus is placed on the value of (international) employees (Ledbrainport, 2015), by, for example, initiatives on cross-national innovation, employee mobility and cooperation (ITEM, 2015). However, it might be necessary to expand this current attention and to explicitly invest in employees’ employability in order to realize innovative work behaviours. In addition, we argue that focusing on collaboration between Belgium and the Netherlands while realizing open innovation initiatives, employees might encounter difficulties due to their disparate cultures. Therefore, it is of utmost importance to better understand possible differences regarding cultural dimensions for the two distinguished countries.

Hofstede et al. (1991) described national culture according to several dimensions, that is, aspects of national culture that can be measured comparative to other dimensions. A number of national cultural dimensions are crucial to innovative outcomes, and countries that are highly innovative have distinct national cultural patterns in comparison to those that are not that innovative (Rossberger and Krause, 2012). Each dimension is scored on an index that ranges from 0 to 100 (Hofstede, 1980), and using the indices, it is possible to place and compare countries and national cultures. Some dimensions show large differences in national culture between Belgium and the Netherlands (Hofstede and Minkov, 2010), see, for example, the dimension uncertainty avoidance (BE, 97/NL, 53) with a difference of 44. As regards the second dimension, long-term orientation vs short-term orientation
(BE, 82/NL, 67), a difference of 15 is found, whereas a difference score of 23 is found for power distance (BE, 61/NL, 38), herewith indicating quite some discrepancies between Belgium and the Netherlands.

All in all, extensive scholarly studies confirm that Belgium and the Netherlands differ from one another in terms of national culture (Claes and Gerritsen, 2004; Hofstede and Hofstede, 2001; Orriëns, 1998). Hofstede and Hofstede (2001) even report that no two countries, with a common border and a similar language, are so far separated as Belgium and the Netherlands.

**Employability and innovative work behaviours in SMEs**

**Comparing innovative work behaviours in Belgium and the Netherlands**

To survive the rapidly changing economy, firms must be able to change and adapt (Trott, 2008), and therefore, innovation has received much academic interest. Numerous studies stress the importance of innovative work behaviours among employees for effective functioning and long-term organizational survival (Janssen, 2000; Schuh et al., 2018; Yu et al., 2018). Employees’ innovative work behaviours concern activities in the three steps of innovation – idea generation, promotion and realization (Janssen, 2000). Unfortunately, SMEs face challenges when it comes to innovation; they have fewer financial resources and opportunities to recruit specialized employees (Van de Vrande et al., 2009; Vosser, 1998).

Due to these constraints, SMEs increasingly have to rely on employees to create small, innovative steps that benefit the firm in the long term. In addition, as SMEs do not commonly have highly specialized R&D units, they mainly have to rely on the networks of their employees. As a result, employees who develop new ideas to, for example, improve firm processes are highly valuable for the company to survive.

Due to different values and practices, clashes between two cultures can lead to a lack of collaboration and understanding (Bauer et al., 2016). In specific, cultural differences have been found to have a negative influence on innovativeness (Kostova, 1999). National comparisons between Belgium and the Netherlands, based on Hofstede’s dimensions (Gerritsen, 2001, 2014), suggest that Belgium has higher scores for uncertainty avoidance, indicating that Belgians are more strongly hindered by ambiguous or uncertain situations, and are inclined to avoid such situations. Previous research suggests that societies that are more prone to accept uncertainty are more innovative (Shane, 1995), and, therefore, we assume that the amount of innovative work behaviours that is shown at the workplace is lower among employees in Belgium, where uncertainty avoidance is higher, in comparison to the Netherlands. Hence, the following is hypothesized:

**H1.** Belgian employees score lower on innovative work behaviours in comparison with their Dutch counterparts.

**Comparing employability in Belgium and the Netherlands**

The degree to which employees are able to generate, promote and realize new ideas depends on their domain-specific knowledge and skills (Stoffers et al., 2014), that is, on their employability or career potential (Van der Heijde and Van der Heijden, 2006; Van der Heijden et al., 2018). Employability is at the core of a positive process that leads to optimal employee functioning (Vanhercke et al., 2014) and may be operationalized as a competence-based employee characteristic that consists of five dimensions: occupational expertise, anticipation and optimization, personal flexibility, corporate sense and balance (Van der Heijde and Van der Heijden, 2006; Van der Heijden et al., 2018). According to Van der Heijde and Van der Heijden (2006), occupational expertise is defined as domain-related knowledge and skills. Anticipation and optimization comprises preparing for, and adapting to, future changes in a personal and creative manner, and striving for the best
possible results. Personal flexibility refers to the capacity to adapt easily to all kinds of changes in the internal and external labour market that do not pertain to one’s immediate job domain. Corporate sense is defined as the participation and performance in different workgroups, such as organizations, teams, occupational communities, and other networks, and incorporates sharing responsibilities, knowledge, experiences, feelings, credits, failures, goals, etc. Balance is defined as compromising between opposing employers’ interests as well as one’s own opposing work, career and private interests (employee) and between employers’ and employees’ interests. This dimension refers to diverse competences involving not only domain-specific competences within one’s current job, but also future-oriented competences such as the ability to take charge of personal development, adapting to changes, identifying with a company and balancing giving and taking.

Protecting one’s life-long employability comprises a key characteristic to survive in nowadays’ labour markets (see also Forrier et al., 2015; Fugate et al., 2004; Van der Heijden, De Lange, Demerouti and Van der Heijde, 2009; Vanhercke et al., 2014). Therefore, we posit that having a long-term orientation, which expresses the degree to which members of a society maintain some links with its own past while dealing with the challenges of the present and the future (Hofstede, 1983), is important to develop employability. According to Hofstede and Minkov (2010), Belgian and Dutch people differ according to their long-term orientation, in the sense that Belgians are relatively more long-term oriented in comparison with their Dutch counterparts. In long-term oriented nations, important work values entail learning and adaptiveness (Hofstede and Minkov, 2010), which are important aspects of employability (Fugate and Kinicki, 2008; Van der Heijden et al., 2016). As Belgians score relatively higher on long-term orientation in comparison to their Dutch counterparts, we hypothesized the following:

**H2.** Belgian employees score higher on the distinguished employability dimensions in comparison with their Dutch counterparts.

**Comparing LMX in Belgium and the Netherlands**

The nature of the relationship between employees and supervisors is related to employees’ performance and innovativeness (Agarwal et al., 2012). LMX refers to the quality of the relationship and the interaction between these two parties, and a high score for this variable implies a relationship that is characterized by mutual trust, respect and obligation (Graen and Uhl-Bien, 1995). In nations wherein power distance is low, LMX is higher (see also Anand et al., 2011). Gerritsen (2001) argues that Belgium has a greater power distance than the Netherlands (see also Hofstede, 1980; Hofstede and Minkov, 2010), suggesting more hierarchy in Belgium, wherein supervisors have more privileges and are less accessible. In nations with a high power distance, individuals accept social stratification and unequal distribution of power (Rockstuhl et al., 2012). The greater distance between supervisors and subordinates leads to less trust and fewer open relationships. Building upon Anand et al. (2011), who suggest that power distance is negatively associated with LMX, we hypothesized the following:

**H3.** Belgian employees report less LMX in comparison with their Dutch counterparts.

**Towards a mediation model for innovative work behaviours**

In trusting relationships, employees perceive greater psychological safety (Edmondson, 1999; Hu et al., 2018; Moss et al., 2009), which refers to safety regarding risk taking. Psychological safety makes employees feel safe to try new things, without fear of negative consequences if something goes wrong. Therefore, employees with high-quality LMX feel sufficiently safe to try new things, and thus, to engage in innovative work behaviours.
(see also Hapsari et al., 2019; Volmer et al., 2012). In a similar vein, previous scholarly research in this field (Wang et al., 2005) suggests that LMX relates positively extra-role behaviours shown by employees, which are more and more expected and go over and above one's formal job descriptions, and that are beneficial for the organization. Taking this line of research further, we argue that employees who feel that they have a positive, high-quality relationship with their supervisor are inclined to portray more innovative work behaviours. Hence, we hypothesized the following:

**H4.** LMX is positively related to innovative work behaviours.

Employees who perceive positive relationships with their supervisors or experience a transformational leadership style have been found to possess more employability or career potential (Camps and Rodríguez, 2011; Van der Heijden, Boon, Van der Klink and Meijs, 2009; Van der Klink et al., 2014; Yizhong et al., 2019). Furthermore, LMX and employability were found to be positive among employees working in SMEs (Stoffers et al., 2014). Therefore, we hypothesized the following:

**H5.** LMX is positively related to employability.

Earlier research conducted in the Netherlands (Stoffers et al., 2018) suggests that employability is an important antecedent of innovative work behaviours. Innovation depends on the domain-specific knowledge and expertise of employees, and on the employee’s capability to both proactively and reactively adapt to all kinds of changes in one’s field (see also Van der Heijde and Van der Heijden, 2006; Van der Heijden, De Lange, Demerouti and Van der Heijde, 2009; Van der Heijden et al., 2018). In other words, employability competences are needed for the creation, promotion and realization of new ideas (Lecat et al., 2018; Froehlich et al., 2018). Concretely, Stoffers et al. (2018) reported that SMEs that encourage and invest in employability herewith enhance their employees’ innovativeness as well. Therefore, we hypothesized the following:

**H6.** Employability is positively related to innovative work behaviours.

**Mediation model**

Moreover, we argue that employability may (partially) mediate the relationship between LMX and employability (see H4). A good relationship with one’s supervisor, as expressed in experiencing support to try new things and to develop new ideas, among others, is expected to result into an increase in the worker’s employability or career potential, which, in turn, may lead to more innovative work behaviours. Employees who are encouraged by their supervisors are inclined to invest more time in personal development, leading to more employability (see also Lecat et al., 2018; Stoffers et al., 2014). Highly qualified employees who are also able to adapt to changes in their work environment are able to perceive new opportunities and to adjust their expertise, herewith increasing the firm’s capabilities to adapt (Ericsson, 1999; Lecat et al., 2018; Youndt et al., 1996). Therefore, employability is expected to (partially) mediate the relationship between LMX and innovative work behaviours, in both the Netherlands and Belgium:

**H7.** Employability (partially) mediates the relationship between LMX and innovative work behaviours.

**Methods**

**Participants and procedures**

The respondents were employees of SMEs operating in the provinces of Limburg, in Belgium and the Netherlands. Using the European Union’s definition, SMEs are companies that employ fewer than 250 employees (European Commission, 2014). The participants had
several job types, primarily at middle and higher levels of functioning. Sampling criteria included a geographical representation and SMEs were approached through the researchers’ personal contacts, in association with the Chamber of Commerce of Belgium and the Employers Association (MKB Limburg) for SMEs in the Netherlands (i.e. convenience sampling).

Building upon the outcomes of previous studies (Adams et al., 2006; Globe et al., 1973), various control variables were included in preliminary analyses: gender (1 = male; 2 = female), age and length of work experience. The incorporation of these factors improves the generalizability of our findings by mitigating alternative hypotheses and confounding effects (Blickle et al., 2011).

**Measures**
Innovative work behaviours were measured using the thoroughly validated nine-item scale developed by Janssen (2000) that includes three dimensions: idea generation (three items), idea promotion (three items) and idea realization (three items). Example items of innovative work behaviours included: “I create new ideas for improvements” (for idea generation), “I mobilize support for innovative ideas” (for idea promotion) and “I transform innovative ideas into useful applications” (for idea realization). All items were scored using a seven-point Likert-type scale that ranged from never (1) to always (7).

Employability was measured using the five-dimensional scale of Van der Heijde and Van der Heijden (2006). Elaborate tests of its reliability and validity aspects, testing convergent, discriminant and predictive validity (for career success) have yielded very promising results (see also Van der Heijden and Bakker, 2011; Van der Heijden, De Lange, Demerouti and Van der Heijde, 2009; Van der Heijden et al., 2018). The scale comprises the following dimensions: occupational expertise (15 items), anticipation and optimization (8 items), personal flexibility (8 items), corporate sense (7 items) and balance (9 items). Sample items of employability were: “I consider myself competent to provide information on my work in a way that is comprehensible” (for occupational expertise), “I consciously devote attention to applying my newly acquired knowledge and skills” (for anticipation and optimization), “I adapt to developments within my organization” (for personal flexibility), “I share my experience and knowledge with others” (for corporate sense) and “I achieve a balance in alternating between reaching my own career goals and supporting my colleagues” (for balance). All items were scored on a six-point Likert-type scale that ranged from, for instance, not at all/never (1) to considerable degree/very often (6), depending on the item’s wording.

LMX was measured using a profound validated measurement instrument by Graen and Uhl-Bien (1995) (see also Graen et al., 1982). The supervisor–employee relationship was assessed using a seven-item version of the instrument. Six items assessed leader–member relationships on three dimensions: respect (two items), trust (two items) and obligation (two items), and one global item assessed relationship quality. Sample items of LMX were: “Regardless of how much formal authority he/she has built into his/her position, what are the chances that your leader would use his/her power to help you solve problems in your work” (for trust), “Do you know where you stand with your leader” (for respect), “I have enough confidence in my leader that I would defend and justify his/her decision if he/she were not present to do so” (for obligation) and “How would you characterize your working relationship with your leader?” as a global item addressing relationship quality. Participants scored items using a five-point Likert-type scale that ranged from not at all (1) to extremely (5) (Table I).

**Analyses**
To check the quality of the data, assumptions for analysis were tested (i.e. linearity, randomness, homoscedasticity, normality of errors and no multi-collinearity) (Field, 2013).
No violations of the assumptions were found, so therefore the analyses could proceed as planned. We incorporated the control variables in the preliminary analyses. The outcomes of these analyses indicated that there was no reason to incorporate the control variables in the subsequent analyses. For testing $H_1$–$H_3$, we used independent samples $t$-tests (see Table II).

Structural equation modelling (SEM) was used to investigate the hypothesized research model (Figure 1). Jöreskog (1993) suggests SEM for three purposes: strictly confirmatory, in which relationships among latent constructs are hypothesized and a model is tested for adequate fit; for alternative modelling, in which two or more models are hypothesized and investigated which model(s) provide the most parsimonious fit; and for model development,

<table>
<thead>
<tr>
<th>Measure</th>
<th>Belgium</th>
<th>The Netherlands</th>
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<tbody>
<tr>
<td>Employment</td>
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<td></td>
</tr>
<tr>
<td>Occupational expertise</td>
<td>0.90</td>
<td>0.91</td>
</tr>
<tr>
<td>Anticipation and optimization</td>
<td>0.80</td>
<td>0.84</td>
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</tr>
<tr>
<td>Balance</td>
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<tr>
<td>Leader–member exchange</td>
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<td></td>
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<td>Respect</td>
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<tr>
<td>Obligation</td>
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Table I. Overview table

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<th>Measure</th>
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<td>Innovative work behaviours</td>
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<td>Idea generation</td>
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<td>Idea promotion</td>
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<td>Idea realization</td>
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<tr>
<td>Employability</td>
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<td>Occupational expertise</td>
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</table>

Table II. Results for innovative work behaviours, employability and leader–member exchange

Notes: Belgian sample ($n = 105$) and Dutch sample ($n = 487$). df = 590. All tests were two-tailed. *$p < 0.05$
in which information from multiple models is used, and a final model that provides the most parsimonious fit is selected. This study uses alternative modelling and model development to construct a final model, which suggests mediation among latent constructs. Model 1 was a baseline model, suggesting that LMX correlates with both employability and innovative work behaviours. This baseline model was constructed and tested in order to establish that subsequent alternative models were warranted (Figure 2).

In order to test $H4$–$H6$, we used standardized $\beta$s and $p$-values. Maximum-likelihood estimation of covariance matrices was used for all SEM analyses. To investigate the hypothesized mediation, four models were tested, indicating measures of model parsimony. The strengths of the relationships among constructs within the models were considered, guiding choices regarding inclusion or exclusion of paths in subsequent models. Model fit was assessed using three indices: normed $\chi^2$ ($\chi^2$/df), root mean square error of approximation (RMSEA) and the goodness-of-fit index (GFI) (Jöreskog, 1969). Following recommendations, the $\chi^2$/df ratio should be less than 3, the RMSEA less than 0.08 and the GFI greater than 0.90 (Browne and Cudeck, 1993). Subscale scores for the dimensions of each construct were used as estimates of latent constructs, rather than the raw scores of all items (Coffman and MacCallum, 2005).

Model 2 suggests that employability relates positively to innovative work behaviours. A separate SEM was constructed and tested to establish that this particular relationship exists besides possible complications which may occur when testing other relationships in the same model. Establishment of the relationship between employability and innovative work behaviours plays a role in subsequent models, hence this separate model (Figure 3).

Model 3 suggests that employability mediates the relationship between LMX and innovative work behaviours. Model 3, assuming a partially mediated relationship, was tested, incorporating employability as a mediator, and with a direct effect between LMX and innovative work behaviours taken into account as well (Figure 4).

Model 4 was identical to Model 3, except that the direct effects were removed, herewith implying a fully mediated model. Models 3 and 4 were compared using two criteria.
First, results from SEM analyses were compared to determine which model provided a more parsimonious fit. Second, $\beta$ coefficients for the relationships among constructs were examined to determine which model accounted for more explained variance when predicting innovative work behaviours (Figures 4 and 5).

Results
Descriptive statistics and preliminary analyses
The means, standard deviations and correlations between all study variables are presented in Table II. Our outcomes indicate that Dutch employees had significant lower innovative work behaviours scores in comparison with their Belgian counterparts, therefore $H1$ was not supported by our data. On the other hand, $H2$ suggested that Belgian employees score higher on the distinguished employability dimensions in comparison with their Dutch counterparts and was supported with our data. $H3$ suggested that Belgian employees report less LMX in comparison with their Dutch counterparts, and was not supported in this empirical study.

For the interpretation of the results regarding $H4$–$H6$, we used $\beta$ coefficients and $p$-values (see Table III). $H4$ suggested a significantly positive relationship between LMX and innovative work behaviours, for both countries in our sample. The $\beta$ coefficient for the Belgian sample was $0.078$ ($p > 0.05$) and $0.252$ ($p < 0.001$) for the Dutch sample, therefore
H4 was not supported with our data. H5 suggested a significantly positive relationship between LMX and employability, for both countries. The β coefficient for the Belgian sample was 0.296 (p < 0.05), and for the Dutch sample it was 0.341 (p < 0.001). With this outcome H5 was supported. H6 suggested a significantly positive relationship between employability and innovative work behaviours as well, for both countries. The β coefficient for the Belgian sample was 0.675 (p < 0.001) and for the Dutch sample it was 0.593 (p < 0.001), herewith supporting H6.

H7 suggested that employability (partially) mediates the relationship between LMX and innovative work behaviours. Four models were tested using SEM, which provided indicators of model parsimoniousness as well. In addition, we took the strengths of the relationships among constructs within the models into account, which guided our choices to include or exclude relationships in subsequent models. Not all of the models met the required cut-offs for the fit indices (see Table IV), however, the purpose of model comparison is to discover which model is better; that is, adhering strictly to recommended cut-off values can lead to Type II errors (the incorrect rejection of a null model) (Marsh et al., 2004). Model 3 was an elaboration of the baseline model (Model 1), with the relationship that was found in Model 2 incorporated. Model 3 comprised a partially mediated model since the direct relationship between LMX and innovative work behaviours was included as well. Model 4 was identical to Model 3, except for the fact that the direct effect was removed. Consequently, this comprised a full mediation model. Comparing Models 3 and 4, the results were nearly identical. The correct way to interpret these results is that Model 4 is superior to Model 3 since Model 3 is more complicated than Model 4, but that this complication (i.e. the added relationship) does not explain the data better. Therefore, given the same results, Model 4 is superior because it is simpler (i.e. more parsimonious). A closer examination of the β coefficients for the relationships tested in the distinguished models revealed that Model 4 was superior in that all its relationships were significant. Consequently, Model 4, the fully mediated model, was chosen as the preferred model, herewith supporting H7.

Discussion

Reflection on the outcomes

This study elucidates the pattern of relationships between LMX, employability and innovative work behaviours, comparing employees in Belgium and the Netherlands. Although these are neighbouring countries, significant national differences might influence employees’ perceived LMX, employability and innovative work behaviours of Belgian and Dutch employees.

Contrary to H1, our results suggest that Belgian employees engage in more innovative work behaviours, which is surprising since we expected Belgians to score lower on this construct, due to their higher score for uncertainty avoidance, one of Hofstede’s national

<table>
<thead>
<tr>
<th>Model</th>
<th>National context</th>
<th>χ²</th>
<th>df</th>
<th>χ²/df</th>
<th>RMSEA</th>
<th>GFI</th>
</tr>
</thead>
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<tr>
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<td>0.809</td>
</tr>
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<tr>
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<td>8,224</td>
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<tr>
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</tr>
<tr>
<td></td>
<td>Dutch</td>
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<td>52</td>
<td>4,683</td>
<td>0.087</td>
<td>0.919</td>
</tr>
</tbody>
</table>

Table IV. Structural equation results for all models

Note: Belgian sample (n = 105) and Dutch sample (n = 487)
cultural dimensions (Gerritsen, 2001). One possible explanation for this outcome is that the research sample in this scholarly work consisted of employees from one region of Belgium only, where the uncertainty avoidance might be lower. Belgium is divided into two large regions – Flanders and Wallonia – which are characterized by several national cultural differences that might influence their specific scores on the distinguished Hofstede’s dimensions. In particular, only employees from Limburg in the Flemish region completed the questionnaire, a region in which entrepreneurship and innovation recently receive a growing attention and support, due to a strategic action plan that has been developed to stimulate Limburg’s economy after the closing of one of the region’s largest employers in the automotive industry (Provincie Limburg, 2015).

Paying attention to workers’ life-long employability is a condition to survive in nowadays’ labour markets (see also Forrier et al., 2015; Fugate et al., 2004; De Vos et al., in press). In line with our expectations, and building on the notion that both countries differ as regards their score for long-term orientation, we found that Belgian employees have a higher level of employability, which accords with H2.

Opposing H3, no significant difference was found between Belgian and Dutch employees regarding their level of LMX. This outcome is surprising as previous research found that power distance is larger in Belgium and, hence, less LMX was expected in Belgium. A possible explanation might be that ethnical and religious groups are often unaffected by national borders (Hofstede et al., 2014). Given the fact that this study investigates the Limburg regions of Belgium and the Netherlands, being regions that historically share many ethnical and religious values, the pattern of scoring for certain variables may be similar regardless of national context (Cornips and Knotter, 2016).

Contrary to H4, we found that the relationship between LMX and innovative work behaviours was significant, yet only for the employees in the Dutch sample. This outcome can be explained by the reflection that was given above, regarding the outcomes for H1. Specifically, it was mentioned that, recently, the participating region in Belgium has received a growing attention and support on entrepreneurship and innovation (Provincie Limburg, 2015). The latter might have overshadowed LMX as being the decisive factor for innovative work behaviours.

Both H5, dealing with the relationship between LMX and employability, and H6, going into the relationship between employability and innovative work behaviours, were supported in both samples, using our data. In particular, the relationship between LMX and innovative work behaviours appeared to be explained by employability in both samples, over and above the direct effect of LMX, herewith supporting the full mediation model as proposed in H7.

In sum, the results of this study contribute to closing an important knowledge gap in the literature in both the domains of employability and innovative work behaviours, and adding to the theorizing around the LMX framework as well (Atatsi et al., 2019; De Vos and Van der Heijden, 2015; Froehlich et al., 2018).

Practical implications

Although SMEs represent the majority of companies in the Euroregion, empirical research that addresses HRM issues in this group of firms is scarce (Harney, 2015). The ever-increasing speed in developments (e.g., new production concepts and new technology) combined with the expanded globalization with increased demands on productivity, creativity and flexibility require that employees have to renew their competencies across working life (Messmann et al., 2017; Stoffers et al., 2018). In other words, employability and innovative work behaviours are gaining momentum. Highly qualified, flexible, committed employees who continually work on personal development are an important asset to a firm (Atatsi et al., 2019). As the results of this study highlight, such employees are inclined and
better prepared to develop new ideas that benefit the firm. Overall, the results of examining our model relationships appear robust since, overall, a similar pattern of outcomes was found in both the Belgian and Dutch region, except for the effect of LMX on innovative work behaviours, which could not be found for Belgium. Although we found that the individual scores for employability and innovative work behaviours differed between Belgium and the Netherlands, the positive relationship of employability on innovative work behaviours came up for both countries. The outcomes of our study emphasize that stimulating employability is crucial to being innovative. An important way in which firms can enhance their workers’ employability is by working on the relationships between leaders and their subordinates (Camps and Rodríguez, 2011; Yizhong et al., 2019). Leadership programmes related to transformational leadership styles (Bass, 1999) might improve the quality of LMX between employees and their supervisors, and, as a result, also indirectly affect workers’ employability and innovative work behaviours. Unfortunately, SMEs often do not employ professionals to manage human resources, that is, supervisors themselves have to carry the responsibility to encourage employees to further develop themselves and to enhance their innovative work behaviours (Stoffers and Van der Heijden, 2018). In this line of reasoning, it might be helpful to consult an independent HRM specialist who can assist management to critically reflect on the HRM strategies, policies and practices of the SME in order to increase learning and development possibilities for employees within the organization or even initiate a collaboration or co-creation (Ehlen et al., 2017), between similar SMEs in this regard. The challenge of more cross-national cooperation of SMEs encourages a boost for innovations in the Euroregion (Durà et al., 2018).

Limitations and recommendations for further research
Several limitations and opportunities for additional research were identified. All data have been collected using surveys opening up the possibility of response set consistencies or common-method bias (Doty and Glick, 1998). As regards the design of our study, we tried our best to reduce common-method variance, for instance, by applying short questionnaires and a mix of different response formats and labelling (Podsakoff et al., 2012).

In this study, only self-ratings have been used and further research is needed to better understand how this might have affected our results. On the other hand, as regards our mediating measure, previous research has shown that other ratings of employability are less differentiated and show less variance between the employability sub-dimensions (Van der Heijden et al., 2016). In this regard, self-ratings of employability seem to have been a proper choice for getting a more nuanced picture in this particular research. Nevertheless, it would be interesting to use multi-source data to better understand the impact of quality of LMX between employees and their supervisors on employee’s innovative work behaviours.

As the design of this study was cross-sectional, a multi-wave design would give more information about the stability and change of the variables in our research model, and about cross-lagged (i.e. over time) relationships compared with our cross-sectional approach (Schalk et al., 2011). Also, reciprocal relationships (e.g. cross-lagged effects between antecedents and outcomes) might be taken into account in future work (Xanthopoulou et al., 2009). For instance, it might be that employees with more innovative behaviours that are a prerequisite to survive in nowadays’ labour markets might also become more employable, over time, herewith implying that positive reciprocal relations between the study variables might exist.

The current sample merely consisted of respondents from the Belgian and Dutch Limburg region. Further research is needed to address issues of generalizability to other Euroregions and/or countries (Perkmann, 2003). The variation in systems, national contexts and managerial practices in several European countries invite for more cross-national comparative research of the competence-based antecedents of innovative work behaviours.
Finally, the Belgian sample in this study is relatively small in comparison with the Dutch sample. Although it did not endanger the analysis (see Results’ section), a future larger sample is preferred. A strength of our study was that we incorporated respondents representing all major sectors, companies of different sizes and different gender and educational compositions. Variances in the dependent, independent and control variables seem to suggest that we did not select a specific type of respondents. Still, future studies should try to collect larger and even more varied samples.

Conclusion
Knowledge about the competence-based antecedents of innovative work behaviours is of theoretical and practical relevance, yet is still rare so far. The results of this study add important knowledge about the central role of LMX in stimulating employability, and consequently innovative work behaviours, of employees working in SMEs. Theories are often nation dependent and there is a need for more cross-national comparisons in empirical research (Bozionelos et al., 2016; Jandhyala and Phene, 2015). In this study, we found that the individual scores for employability and innovative work behaviours differed between Belgium and the Netherlands. However, the relationships in our research model appear to be robust (following our cross-national validation) since, overall, a similar pattern of outcomes was found for both countries. Concretely, a high-quality relationship with one’s immediate supervisor (LMX) is beneficial in the light of workers’ innovative work behaviours, through its impact on their employability, which was found to be a full mediator in this relationship.

References


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Further reading

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