

# **The Impact of High Quality Relationship on Innovative Work Behavior of Employees through Psychological Wellbeing: A Case of Pharmaceutical Sector in Pakistan**

by

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*The impact of qualities and experiences of high quality relationship is of great value to the companies and field of human resource. Pakistan is facing critical situation regarding qualities and experiences of relationship of employees. Innovative work behavior of employees has not been studied in developing countries like Pakistan. In order to assist the business in pharmaceutical sector this study is aimed at investigating the effect of experiences and qualities of high quality relationship on innovative work behavior of employees. Pharmaceutical sector was considered for this study as this sector has significant contribution in Gross Domestic Product (GDP) of Pakistan. This research was quantitative in nature in which data was collected from managerial and non-managerial employees of pharmaceutical sector. Total 310 questionnaires were completely filled and entered in SPSS for analysis. Correlation analysis was performed in SPSS to show relationship between the variables. Model was tested through structural equation modeling in AMOS and goodness of fit indices were estimated using Hu and Bentler (2010) criteria and all the values were found to show good fit model. To test the mediation among variables through regression the SOBEL test was used as a supplemental test. All the direct and mediational hypotheses were accepted. The results reveal that the psychological wellbeing mediates the relationship between experiences, qualities of high quality relationship and innovative work behavior. Limitation of the study and managerial implications are also discussed along with guideline for future research.*

## **1. Introduction**

Capacities and experiences of high quality relationship have an effect on the innovative work behavior of employees. Researchers found that these constructs help to enhance the psychological wellbeing of employees by contributing the

technical and structural core of organization by implementing the measures to improve the innovative work behavior of employees. Capacities of high quality relationship have three dimensions which are connectivity, emotional carrying and tensility of employees within the organization. And experiences of high quality relationships consist of mutuality and positive regard for workers within the organizations. This study investigated the impact of capacities and experiences of high quality relationships on employee's creative work behavior which is being mediated by psychological wellbeing. Three dimensions being used in order to measure the aptitudes of high quality relationships including Emotional Aptitude, tensility and connectivity while experiences of high quality relationships are dimensioned into Mutuality and Positive Regard. This study examines whether the relationship between these interpersonal relationships and innovative work behavior of employees is mediated by psychological wellbeing.

Organizations want to keep their employees innovative because when capacities and experiences of employees working in the organization will be high, they will work creatively and resultantly perform well for the wellbeing of the organization. Organizational creativity is a complicated phenomenon which enables a structure to follow the environmental and technically latest capabilities and maintain competitive position in the market. Psychological wellbeing also plays a vital role in the performance of organization where employees who are psychologically and emotionally strongly bonded can work creatively and in a unique way.

Interactional relationships at work place have an important effect on the employee's psychological wellbeing and innovative work behavior. High quality relationships are those streams through which employees behave well in the organization and work innovatively to create competitive advantage for firms. In public sector organizations these capacities and experiences of relationships are low as compared to private sector organizations in Pakistan. Researchers have shown that there exists a significantly positive relationship between these variables. Dutton and Heaphy (2003) proposed that experiences and capacities of high quality relationships become a reason to explore and define the features that make a supportive work environment between two people. At the same time, employees who experience high quality relationship experience a feeling of esteem and association with the firm. Our study is based on the work of Dutton and Heaphy (2003) who provided this conception to explain this relationships. The first cluster explains the features and capacities of high quality relationships while the other captured the experience of every person in the relationship. Psychological wellbeing has a mediatory role in our study which mediates the relationship between independent and dependent variable, and its scale was developed by Heun (2001). Innovative work behavior keeps the organization within the market and helps to maintain its competitive advantage. And it is in direct relationship with these relationships and its scale was developed by Ettlle and O'Keefe (1982). Previous investigations showed that there exists positive and direct relationship between these variables (Carmeli, 2009).

The objective of this study is to examine the impact of capacities and experiences of high quality relationships, by considering the intervening play of psychological wellbeing in the pharmaceutical sector of Lahore, Pakistan. Innovative work behavior of employees is of significant importance for the management of any organization. Revealing the most important reason for

innovative work behavior will help the management to take important measures to take important decisions in this regard. To reiterate, this study examines the connection between capacities and experiences of high quality relationship and innovative work behavior in the presence of mediating variable psychological wellbeing. It will be an addition to the existing body of knowledge nationally as well as internationally as it brings new evidence to bear on the issue from Pakistan.

## **2. Literature Review**

### **2.1 Capacities of High Quality Relationships**

The present era is the era of competing through people and relationships. It is important to construct interpersonal relationship between workers and management in order to sustain a reputation in a market. Interpersonal relationship has significant impact on people at work place (Dutton & Ragins, 2007). Through high-quality interpersonal relationship at work place, people engage in learning behavior that helps an organization for achieving its desired goals (Lewin and Regine, 2000). The capacities of relationship enable members to exchange their views, ideas, information and experience for solving problems and establishing new conduct for improving work process and outcomes. These relationships and associations have some bearing on the personnel working in an organization, on their involvement in some social activities and on the coordination, cooperation and interaction and identification of faults (Weick and Roberts, 1993).

Relationship has different capacities and functional characteristics like emotional carrying capacity, tensility and connectivity. Emotional carrying capacity describes the level of positive as well as adverse feelings. These relations demonstrate a higher emotional facing aptitude which proposes that an individual faces multi dimensions feelings of each other. By establishing a culture of sharing ideas and thoughts and exchanging analytical data, new innovations can be created. Kozlowski and Ilgen, (2006) proposed that by encouraging positive alterations at work environment organizations can enhance these relationships. Argote, (1999) proposed that some learning behaviors can be implemented to improve work behaviors and to carry on the steps of reflections; due to that we can enhance and share the knowledge base. Previous studies have investigated that there is very little information available about the facilitation of these types of behaviors in organizations but some observers have also noticed that the investigation about these learning behaviors mostly remained unobserved (Carmeli, 2007, p. 41). At work place these relations are the base factors, if employed by personnel, that can assist the organization for the achievement of its goals. Researchers investigated that aptitude of these relations and their focus on the short description of the extent of these relational knot at workplace, making the organization gain its value. Previous research has proposed that these high connections are demonstrated by higher extent of connectivity and in higher aptitude relationships there exists lot of experiences according to a specific environment appreciated by vitality and positive esteem. Actually studies have demonstrated that these types of interpersonal relationships are the benchmarks for developing a higher level of learning behavior in any organization (Dodgson, 1993).

### **2.1.1 Emotional Carrying Capacity**

Emotional carrying capacity can be briefly termed as an association's capability to deal with all types of emotional feelings according to the situation (Carmeli, 2009). Emotional carrying capacity is the level of showing all dimensions of feelings in organizations. Emotions are one of the parts of people's daily life experience in workplace and it helps us to know the relationships with others (Fineman, 2000). Having more emotional carrying capacity in a relationship presents greater quality of the relationship between two or more people and they can manage and control emotions of each other more efficiently. With greater emotional carrying capacity, people did not have problem to convey their sentiments to each other; having no fear to communicate objectionable thoughts will make it more convenient to demonstrate such vexing feelings in a favorable way. Greater emotional carrying capacity makes a positive understanding among persons and they feel easy to reveal their irritating views. Greater emotional carrying capacity in a relationship has more acceptability for each other, and they feel more comfortable to express their emotions—positive and negative—and build a better understanding between them (Dutton and Heaphy, 2003).

According to Dutton and Heaphy (2003), there are three properties of emotional carrying capacity which are communication of maximum emotions to interactive person, showing the negative ones and do it in a positive and developing manner. Stephens et al. (2013) said that it is visible, stated or unstated actions of different individuals that convey their inner feelings and sentiments about a particular situation. Kennedy-Moore and Watson (2001) proposed that emotional communication can be considered as a significant source of knowing each other's instant reactions of a particular dealing in a workplace. Weiss and Cropanzano, (1996) said that sharing of emotion provides frankness and trust and brings people close. This can affect the productivity directly by enabling people to express more emotions, which in turn could increase their loyalty to the organization.

Dutton and Ragins (2007b) proposed that solid emotions can affect the relationship, obligation and productivity. Kelly and Barsade (2001) stated that more information sharing will be helpful for solving the problems and it will also enhance the commitment of the participants. She further explored that expressing more emotions, confronting them boldly and responding to them positively will build a trustworthy, committed, friendly, and empathetic relationship. Thoits (1996) investigated that in an interaction, different people demonstrate different emotions, understand those emotions differently; but they can learn how to use them by positively reacting to them, and observers can judge their commitment in this regard.

Bandura (1986) said, being conscious of others and attentive what they like and dislike and how they will respond and what they can feel, will lead a trustful and confident connection and more acceptability. Individuals can make quick decisions relating to particular event and can obtain more opportunities and choices. Ambady et al. (2000) estimated that expression of both positive and negative emotions in a suitable way is a recognizable component and in any interaction this can lead to a very important role to judge, understand and conclude the situation. It also provides the basis for the high quality relationships. Stephens, (2011) argued that this issue is being discussed for many years and past research shows that it provides flexible environment.

### **2.1.2 Tensility**

Tensility is the aptitude of any association to face and to perform in different situations and the capacity to bounce back after setbacks (Dutton and Heaphy, 2003). A relationship having tensility have more acceptibility for relationship partners as it includes the ability to setback, endure stress, withhold and cooperate in pressure and difficult situations. A higher quality relationship will have larger tesility. Tesility arises in a relationship of higher quality and it demonstrates the acceptibility of relationship partners. Carmeli et al. (2009). Tensility in a relationship indicates the level of cooperation in difficult situations, show of support and help in tensions, and flexibility in a high quality relationship. Dutton and Heaphy (2003) proposed that tensile strength and tensile pressure are the aptitudes of a relationship usually used to appraise the quality of a relationship in the situations of pressure. It includes how the relationship partners deal with one another when there exists some kind of pressure, tension, conflict or stress in the working environment and how efficiently they manage such situations and find an effective solution at that time. The tensile strain limit is characterized as the most extreme tractable strain that strengthens on the ductile strain limit. It is a simple and widely used guage of the relationship level. Swaddiwudhipong et al. (2003) proposed that tesility in a relationship is its capacity to accommodate in difficulties, face the hurdles in work places withstanding the strains and stress, managing the stress, and obtaining the solution while achieving a level of empathy in a relationship to handle and deal with the obstacles.

### **2.1.3 Connectivity**

Carmeli et al. (2009) proposed that connectivity can be defined as the level of openness in relationships to listen new ideas, influences, and attentiveness to new opportunities and people. It is the level of openness and inspiration for development in a relationship. According to Dutton and Heaphy (2003) and Marcial and Heaphy (2004), connectivity assists individuals to gain possible benefits and to build a trustful environment at workplace. Relationship partners learn how to accept different people; they become observant of new opportunities and chances to avail them and to make use of it properly and efficiently. They can use those ideas for the benefit of whole system. Connectivity provides such an environment for relationship partners which supports them to seek new opportunities and take chances to discover and implement new ways to obtain their goals. It provides harmless and convenient workplace, people openly and bravely listen to each other, and it makes it possible to build a safe bonding among them, while allowing to try new techniques and styles.

Edmondson (1999) proposed that connectivity also plays a vital role in relationships and places such connections that enable the relationship partners to learn and grow. Hargadon (2006) investigated that connectivity not only individually effect the innovative behavior but also creates a strong interpersonal relationship among the employees and then brings out the innovative behavior. Amabile (1998) explained that if the relationship partners have more connectivity, they will be able to create a strong bond with each other, they will feel more secure to share their ideas, feelings and emotions to each other and will be able to work on new things boldly and confidently. Amabile (1998) stated that for people to work together, they need a level of easiness and satisfaction so that they can feel

enjoyment at their work. Furthermore, he stated that connectivity with the boss will provide a sense of safety and inspiration to work on new ideas and opportunities.

Amabile (1998) proposed that supervisor's connectivity with their juniors will create a compassion and carefulness, and assistance to the employees to perform better will increase the possibilities of maximum with minimum. A connective environment will also create a free and frank communication, and it increases the level of understanding where creativity and innovation will be promoted. Amabile et al. (2005) explained that connective environment among the coworkers is now highly admired and required by the organizations where innovation and creativity give them the competitive edge because connectivity in the relationship is highly associated with the creativity and innovation. Carmeli (2009) explained that a relationship containing the connectivity flexible enough for the novelty will encourage new ideas and opportunities.

Carmeli et al. (2009) found that connectivity is allied with innovative behavior and due to the straight relationship of connectivity and innovative behavior people will become more creative, find new ways and solutions of respective problems. Amabile (1996) explained that people will feel mentally relaxed, secured and at ease to explore their ideas, implement their new plans and apply the techniques. Connectivity with the managerial staff and seniors will provide juniors or subordinates energy, self-confidence, better understanding of or communication to share their ideas and new approaches they recognize, and will be praised for their work which is related to the stress free environment brought out by connectivity. Amabile (1998) proposed that seniors' help can lessen the stress, promote cooperation, and understand the feelings of each other. A lack of connectivity do the opposite (Albrecht and Hall, 1991, Schawlow, 1997, Delbecq and Mills, 1985). Creativity requires peace of mind (Kanter, 1983) and stress free environment. Carmeli (2009) proposed that in higher quality relationship connectivity and reliance play a vital role for creativity and innovation. Emotional sharing and tensility are critically important for this. People learn by sharing their experiences, information and skills that is blessed through better connectivity and understanding among them. Carmeli et al. (2013) explained that workplace connectivity brings creativity for proper solutions of workplace problems.

## **2.2 Experiences of High Quality Relationship**

### **2.2.1 Mutuality**

It expresses how much people participate in high quality relationships for each other's development (Jordan, 1991). Researchers have proposed that mutuality is the name of mutual sharing of ideas, thoughts, notions and emotions in which people get involved in for creating a good relation. Jordan (1991) further proposed that sense of cooperation and coordination enhance the sense of mutual consent for self-disclosure in accomplishment of any task. Identical processes are also recognized in these relationships for the encouragement of mutual understanding to develop a feeling of surety (Sarnat, 2001). Walsh et al. (2002) in their study showed that a feeling of mutuality was the most important factor influencing trainees' willingness to disclose mistakes to their supervisors. Hence, when there is a high degree of mutuality, there is greater mutual empathy, which fosters a sense of psychological safety.

### **2.2.2 Positive Regard**

It represents the degree to which persons experience the feelings of being known or loved (Rogers, 1951). Researchers have investigated that the personnel who demonstrate strong relationships have a sense of belongingness and esteem for others even though this relation is for a limited time. Individuals who are respected by other employees within an organization are due to the reason that they got something of additional value to offer. When an employee respects other employee, it demonstrates a positive regard for each other. Thus they develop a sense of social respect (Dutton, 2003b). When people understand that they are valued for their work, it encourages them to share and speak about their problems without getting frightened from any negative result. Edmondson (2004) proposed that the feeling of competency makes a person confident about the monitoring and judgment and makes him more competent and more highly regarded. But when people in a strong association or connection with each other want to create their value, it develops an environment in which employees can freely express their feelings about their ideas.

## **2.3 Psychological Wellbeing**

Psychological wellbeing is a person's ability to manage complex environments to suit personal needs, values, sense of autonomy in thoughts, continued growth and development as a person, self-acceptance, and pursuits of meaningful goals. According to Ryff (1989a) and Ryff (1989b), psychological wellbeing constitutes the following components: a constructive behavior towards a person, high quality relationships among employees, a feeling of self-determination, freedom from casual standards, having a clear objective and faith, one's environmental mastery and extrovert towards personality development. There are many sub fields for psychological wellbeing variable which may include same mindedness and self-acceptance. The characters neuroticism and extraversion have been powerfully related with adverse and optimistic psychological well-being (Diener, 1999). Self-acceptance is acceptance of self in spite of deficiencies. According to Shepard (1978), self-acceptance is an individual's satisfaction or happiness with himself, and is thought to be necessary for good mental health. Self-acceptance involves self-understanding, a realistic, albeit subjective, awareness of one's strengths and weaknesses. It results in an individual's feeling about himself that he is of "unique worth".

According to Diener (1997), psychological wellbeing may be in the form of thoughts or in the form of affect. The cognitive part of psychological wellbeing is an evidence grounded consideration of life, like when a person analyzes cognitive and evaluative decisions about one's gratification about life completely, and the affective part is a hedonic assessment directed by feelings and spirits like incidence with which people experience dispositions in response to their lives. The supposition behind this idea is that many people assess their life as either good or bad, so they are generally able to offer conclusions. Consequently, people have a level of particular well-being even if they do not often deliberately consider about it, and the psychological system offers practically a relentless assessment of what is happening to the person.

## **2.4 Innovative Work Behaviour**

Innovative work behavior is a purposeful conception, introduction and implementation of new thoughts for a given task, group or organization for achieve a common goal (Janssen, 2000). Innovative behavior is an employee's intentional introduction or application of new ideas, products, processes, and procedures to his or her work role, work unit, or organization (West and Farr 1989, 1990b). Innovation has to do with the production or adoption of useful ideas and idea implementation (Kanter, 1988). Engaging in innovative acts in a workplace brings benefits and costs for employees beyond a sense of intrinsic enjoyment (Janssen, 2003).

Janssen (2000) proposed that if a constant stream of originations is to be recognized then every employee must be ready and capable to transform that he or she must retain inventive work compartment. Employee innovative behavior is a significant asset that allows an organization to be successful in a dynamic business environment (Kanter, 1983; West & Farr, 1990a). Engaging in innovative acts in a workplace brings benefits and costs for employees beyond a sense of intrinsic enjoyment (Janssen, 2003). De Jong and Den Hartog (2008) found that the significance of constant innovations has also been frazzled in workplace on numerous general controlling ideologies like total quality management. For teams, the interactive, relational processes among members can ease the sharing of information, learning processes, and the development of adaptive solutions to problems which leads to innovation (Paulus & Nijstad, 2003).

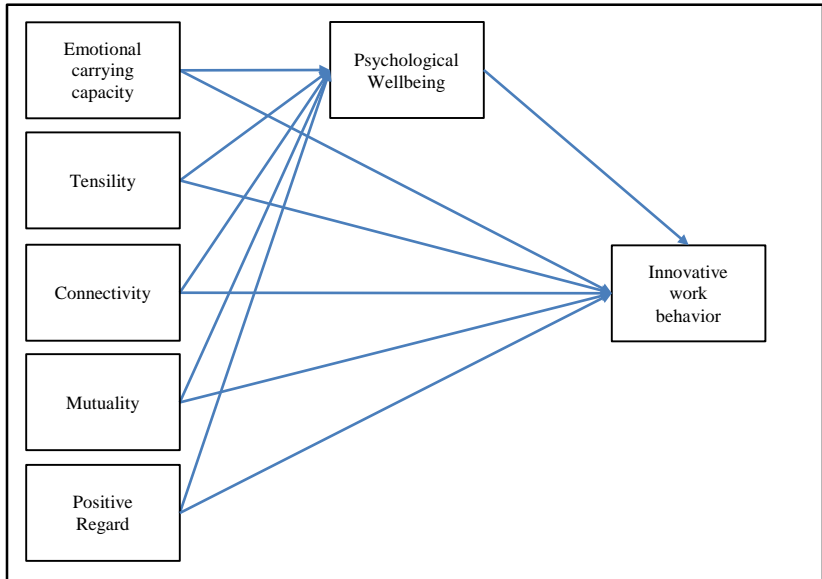
Employees working in an organization should know that possible failures will be tolerated during the investigation for creativity and it will not be punishable and it is necessary for the casual innovation in that workplace (Deacon, 2008). Curiosity in discrete innovation has also cause investigations being conceded out in the backgrounds of temperament physiognomies, productivities, and conduct. In the present age it is mandatory for managers to try new stuff, be innovative and creative and advance the procedure. West and Farr (1989) proposed that innovative behavior in the place of work is believed as composite behavior consisting of a set of three different behavioral tasks: idea generation, idea promotion, and idea realization.

According to Carmeli and Spreitzer (2009) employees' innovative work behavior is the groundwork of any high-performance association and is superficial particularly in a knowledge-based economy where imperceptible assets come to the vanguard. Although innovations are intentionally performed to provide benefits (West, 1989; West & Farr, 1989), it may be necessary for an individual employee to invest substantial and demanding efforts in generating, promoting, and realizing innovative change.

Knowledge sources are the basic building blocks in facilitating creativity and innovation in organizations to enable them to create value (Grant, 1996)). Employees who worked as an organization's front liner dealing with their clients are more capable to see probabilities for alteration and improvement in effort developments and procedures which may be undetectable to managers or others responsible for change management in the association (Carmeli and Spreitzer, 2009). Innovative behavior is demarcated here as the deliberate establishment, overview, and application of new ideas within a work role, group, or organization for the benefit of all in the organization.



## 2.5 Hypotheses Development



**Figure 1. Proposed Hypothesized Model**

### 2.5.1 Hypotheses Development

#### Direct Hypotheses:

- H1:** There exists a positive relationship between emotional carrying capacity, tensility, connectivity and innovative work behavior.
- H2:** There exists a positive relationship between mutuality, positive regard and innovative work behavior
- H3:** There exists a positive relationship between psychological wellbeing and innovative work behavior.
- H4:** There exists a positive relationship between emotional carrying capacity, tensility, connectivity and psychological wellbeing.
- H5:** There exists a positive relationship between mutuality, positive regard and psychological wellbeing.

#### Mediation Hypotheses

- H6a:** Psychological wellbeing mediates the relationship between emotional carrying capacity and innovative work behavior.
- H6b:** Psychological wellbeing mediates the relationship between tensility and innovative work behavior.
- H6c:** Psychological wellbeing mediates the relationship between connectivity and innovative work behavior.

**H7a:** Psychological wellbeing mediates the relationship between mutuality and innovative work behavior.

**H7b:** Psychological wellbeing mediates the relationship between positive regard and innovative work behavior.

### **3. Methodology**

The description of our study includes design of research, size of sample and data collection procedures. This section also explains the data collection instrument being applied, target population, sample size and the procedures of survey being applied in detail. This study investigated the influence of capacities and experiences of high quality relationships on employee innovative work behavior. Three dimensions are used in order to measure capacity of high quality relationship: emotional carrying capacity, tensility and connectivity while two dimensions of experiences of high quality relationship being used which are mutuality and positive regard. This study explains whether the relationship between capacities, experiences of high quality relationship and innovative work behavior due to psychological wellbeing are positive or negative. The direct relationship between variables of high quality relationships and innovative work behavior is also being explained in this study through discussion of results obtained from different analyses. This study used self-administered questionnaires for the data collection from the respondents. The current study tried to focus on the pharmaceutical companies in Lahore, Pakistan. The different industries were selected randomly to collect the data, so the sample selected for this study represents the entire population of pharmaceutical sector hospitals of Lahore. For this study 402 questionnaires were distributed among the employees of different private sector pharmaceutical companies of Lahore, Pakistan. Convenience sampling technique is used in order to distribute the questionnaires among hospitals. So 350 questionnaires were distributed among firms and 310 of which were correctly and completely filled questionnaires. Total 310 questionnaires were correctly filled and the overall response rate was 88%. The current study is based on the primary data. Personally administered questionnaires were used for data collection. The measures of different variables used in this questionnaire were adopted from the previous research. The two pages questionnaire consists of the questions of variables and the demographics. First five questions were asked regarding the variable emotional carrying capacity. Next four questions were related to tensility, three questions related to positive regard, four questions regarding mutuality, five questions related to psychological wellbeing and last six questions were related to innovative work behavior.

## **4. Data Collection and Data Analysis**

### **4.1 Mean and Standard Deviation of the Variables**

The values of the mean of all the respective variables are given in Table 1. The values of the mean and standard deviation of Emotional Carrying Capacity, Tensility and Connectivity, Mutuality, Positive Regard, Innovative Work Behavior and Psychological Wellbeing are  $M= 3.3884, 3.6462, 3.9121, 3.7339, 3.7183, 3.8586, 3.5632$  with Standard Deviation  $0.62, 0.70, 0.64, 0.57, 0.68, 0.59$  and  $0.75$

respectively. The mean value of Mutuality is highest with 3.9121, indicating that employees are inclined toward mutual cooperation within the organization.

**Table 1. Mean and Standard Deviation of the variables**

Variables	Chronbach's Alpha	Mean	Std. Deviation
Emotional carrying capacity	0.563	3.3884	0.62099
Tensility	0.662	3.6462	0.70541
Connectivity	0.670	3.9121	0.64779
Mutuality	0.594	3.7339	0.57922
Positive regard	0.655	3.7183	0.68910
Psychological wellbeing	0.742	3.5632	0.75372
Innovative work Behavior	0.724	3.8586	0.59573

The reliability of the variable emotional carrying capacity is  $r = 0.563$ , same as the reliability of the measure tensility and connectivity where  $r = 0.662$  and  $0.670$  respectively. The reliability of the measure mutuality and positive regard are  $r = 0.594$  and  $r = 0.655$  respectively. Similarly the reliability values of the psychological wellbeing and innovative work behavior are  $r = 0.742$  and  $r = 0.724$  respectively.

#### 4.2 Correlation among Variables

**Table 2. Correlation among Variables**

Variables	Emotional carrying capacity	Tensility	Connectivity	Mutuality	Positive regard	Psychological wellbeing	Innovative work Behavior
Emotional carrying capacity	1						
Tensility	.205**	1					
Connectivity	.285**	.360**	1				
Mutuality	.297**	.287**	.476**	1			
Positive regard	.379**	.210**	.374**	.329**	1		
Psychological wellbeing	.447**	.272**	.212**	.448**	.343**	1	
Innovative work Behavior	.364**	.323**	.401**	.408**	.289**	.412**	1

The Pearson's product moment co-efficients of correlation was found between emotional carrying capacity, tensility, connectivity, mutuality, positive regard, psychological wellbeing and innovative work behavior. The correlation between

emotional carrying capacity and tensility is  $r = .205$ ,  $p < 0.01$ , indicating that there is a positive relationship between both the variables. The correlation between emotional carrying capacity and connectivity is  $r = .285$ , indicating positive relationship with  $p < 0.01$ . There exist a positive relationship between emotional carrying capacity and mutuality  $r = .297$  which is positive with the value of  $p < 0.01$ . The Pearson's correlation found between emotional carrying capacity and positive regard is  $.379$ ,  $p < 0.01$ , which indicates that there exists a positive relationship between both the variables. Similarly, there exists a positive relationship between emotional carrying capacity and psychological wellbeing with the value of  $r = .447$ ,  $p < 0.01$  indicating high positive relationship among the variables. Finally, Pearson's product moment co-efficient of correlation was found between emotional carrying capacity and innovative work behavior with the value of  $r = .364$ ,  $p < 0.01$ . The above table showed that the dimensions of variables of high quality relationship are positively correlated with the innovative work behavior and psychological wellbeing with the  $p$  value less than  $0.01$ .

### 4.3 Measurement Model

#### 4.3.1 Standardized Regression Estimates

**Table 3. Standardized Regression Weights:  
(Group number 1 - Default model)**

	Estimate
EC5 <--- ECC	.667
EC4 <--- ECC	.524
EC3 <--- ECC	.349
EC1 <--- ECC	.490
T4 <--- Tensility	.495
T3 <--- Tensility	.690
T2 <--- Tensility	.815
T1 <--- Tensility	.489
C4 <--- Connectivity	.536
C3 <--- Connectivity	.620
C2 <--- Connectivity	.698
C1 <--- Connectivity	.581
PR3 <--- Postive	.564
PR2 <--- Postive	.655
PR1 <--- Postive	.670
M1 <--- Mutuality	.574
M3 <--- Mutuality	.608
M4 <--- Mutuality	.593
PW1 <--- Wellbeing	.651
PW2 <--- Wellbeing	.604
PW3 <--- Wellbeing	.612
PW4 <--- Wellbeing	.718
IB6 <--- Workbehavior	.434
IB3 <--- Workbehavior	.620
IB2 <--- Workbehavior	.782
IB1 <--- Workbehavior	.639

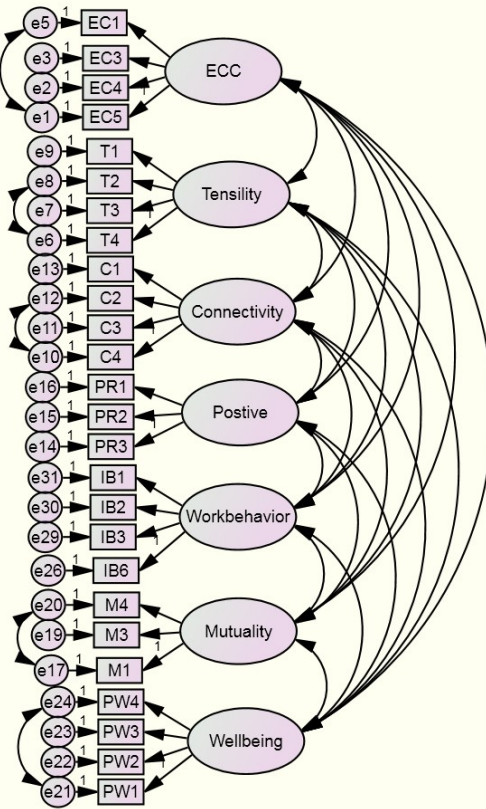


Figure 2. Measurement Model

Table 4. Model Fit Summary

Model fit indices	Measurement	Threshold
<b>X<sup>2</sup></b>	310	
<b>CMIN/DF</b>	2.468	< 3 good ; < 5 Permissible
<b>CFI</b>	0.798	Closer to 1 ; Good
<b>GFI</b>	0.860	>0.90
<b>AGFI</b>	0.820	< 0.80
<b>RMR</b>	0.059	< 0.06
<b>RMSEA</b>	0.069	< 0.06
<b>PCLOSE</b>	0.000	> 0.05

AMOS gives a set of indices which are affective to evaluate whether or not the data confirmed to the hypothesized model. These indices reveal the degree to which the variables associate with one another as the model would estimate. In this study Chi square, CMIN/DF, Comparative fit indices (CFI), Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI) and Route Mean Square Error of Approximation (RMSEA) were used to evaluate the model fitness. Chi square is a common goodness-of-fit evaluator to find out overall model fitness. Chi square value of 310 with 142 DFs, is significant at  $p < 0.001$ . Dividing chi square value by degree of freedom we get 2.63 which indicates a good fit within the recommended range of less than 5 (Carmines & McIver, 1981), CMIN/DF (the likelihood ratio of chi square) value is  $2.468 < 5$  indicates a good fit. Another commonly reported statistic is the Goodness of Fit Index (GFI) as its name suggest. If its value is closer to 0.90 or higher, it indicates a good fit while the Adjusted Goodness of Fit Index value (AGFI) is 0.820 reflecting a good fit. In this study, the measurement model is perfect fit model where GFI value is 0.860 and AGFI value is 0.820. Comparative fit index (CFI) examines the fit of a user-specified solution relative to a limited baseline model in which the co-variances among all variables are hypothesized as fixed to zero or no association among input indicators. The CFI values vary from 0 to 1 .The value of CFI nearer to 1 interprets the model as very good fit. Overall results indicated that the measurement model is accepted as a good fit with the help of Chi-Square, CMIN/DF, CFI, GFI, AGFI, RMR, RMSEA and PCLOSE indices.

4.3.2 Structural Equation Modeling

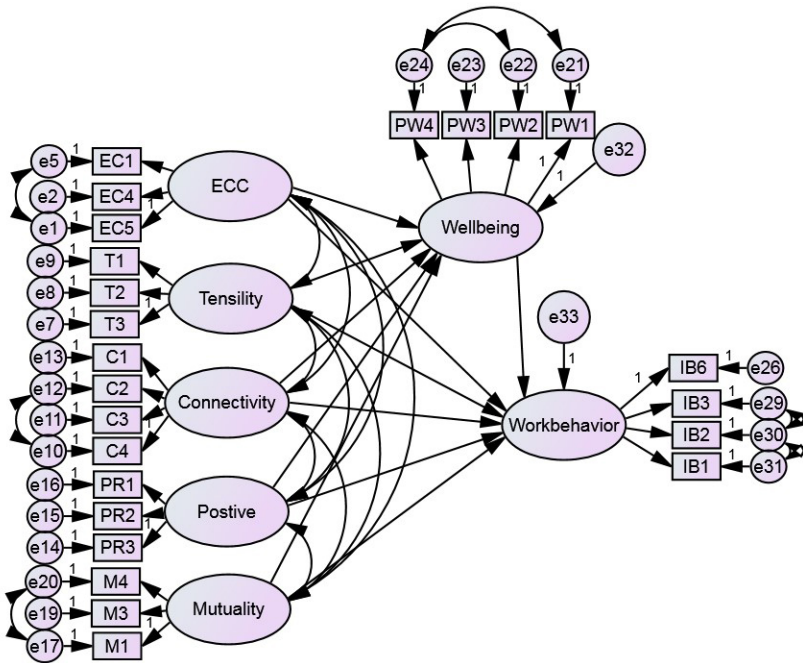


Figure 3. Structural Equation Modeling

**Table 5. Model Fitness**

CMIN/DF	RMR	GFI	AGFI	CFI	RMSEA	PCLOSE
2.500	0.056	0.873	0.829	0.818	0.070	0.000

**Table 6. Standardized Regression Weights:  
(Group number 1 - Default model)**

		Estimate
Wellbeing	<--- ECC	.449
Wellbeing	<--- Tensility	.076
Wellbeing	<--- Connectivity	-.274
Wellbeing	<--- Postive	.080
Wellbeing	<--- Mutuality	.554
Workbehavior	<--- Wellbeing	.231

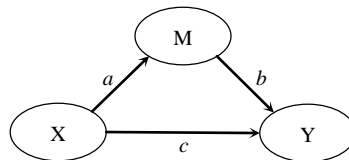
These variables showed significant and positive association with Affective commitment because regression weight of relationships exceeds 0.

#### 4.4 Mediation Analysis using Structural models

Mediation can be defined as the existence of a predictor which have an impact on the other variable by the interposition of another variable (Preacher and Hayes, 2008; Little et al., 2007). Investigating mediation in highly complicated as models explain the procedure through which one construct has an impact on the other variables (Little, et al., 2007). According to MacKinnon, et al. (2002), there are many procedures to test the mediation effects, but the mostly used method is ‘causal steps strategy’ of Baron and Kenny (1986). Preacher and Hayes (2008) proposed that causal step strategy can only be effective when the sample size is big.

Baron and Kenny (1986) causal strategy model proposed that three conditions must be fulfilled for mediation analysis (See Figure 4 for details):

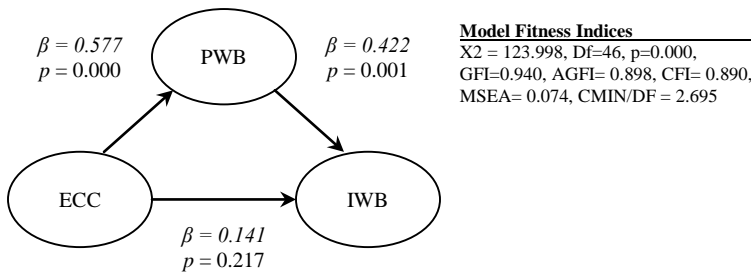
- X and Y are expressively correlated (path a)
- M is expressively associated with Y (path b)
- With the arrival of M, the relationship of X and Y reduces.



**Figure 4. Mediation Model of Baron and Kenny**

**4.4.1 Psychological wellbeing as mediator between emotional carrying capacity and innovative work behavior**

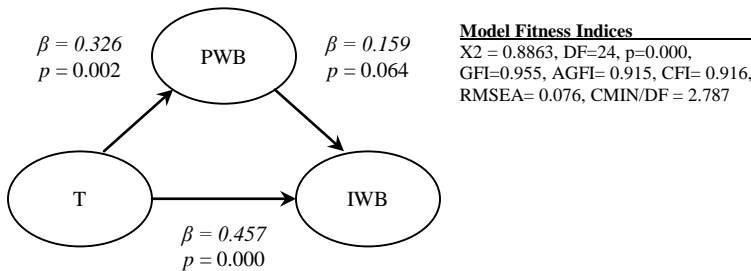
Mediation analysis for path of Emotional Carrying Capacity (ECC)-Psychological Wellbeing (PWB)-Innovative Work Behavior (IWB) is presented in Figure 5 constituting three paths: ECC-PSW, PWB-IWB, and ECC-IWB. When these paths were observed through SEM, it was noticed that model has a fit with acceptable fitness indices ( $X^2 = 123.998$ ,  $Df=46$ ,  $p=0.000$ ,  $GFI=0.940$ ,  $AGFI=0.898$ ,  $CFI= 0.890$ ,  $RMSEA= 0.074$ ,  $CMIN/DF = 2.695$ )



**Figure 5. Mediation Analysis (ECC-PWB-IWB)**

**4.4.2 Psychological wellbeing as mediator between emotional Tensility and innovative work behavior**

Mediation analysis for path of Emotional Carrying Capacity (T)- Psychological Wellbeing (PWB)-Innovative Work Behavior (IWB) is presented in Figure 6 constituting three paths: T-PSW, PWB-IWB, and T-IWB. After observing these paths through structural modeling equation (SEM), it was observed that model has perfect fit with acceptable fitness indices ( $X^2 = .8863$ ,  $DF=24$ ,  $p=0.000$ ,  $GFI=0.955$ ,  $AGFI= 0.915$ ,  $CFI= 0.916$ ,  $RMSEA= 0.076$ ,  $CMIN/DF = 2.787$ )

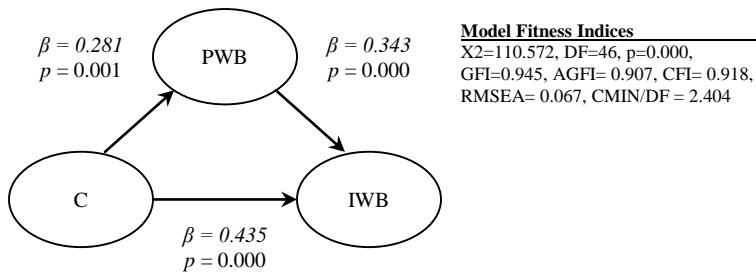


**Figure 6. Mediation Analysis (T-PWB-IWB)**



**4.4.3 Psychological wellbeing as mediator between Connectivity and innovative work behavior**

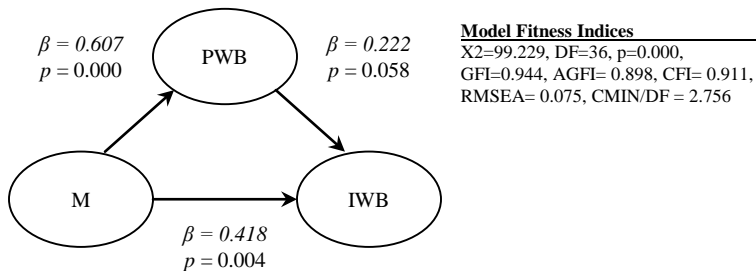
Mediation analysis for path of Emotional Connectivity (C)- Psychological Wellbeing (PWB)-Innovative Work Behavior (IWB) is presented in Figure 7 constituting three paths: C-PSW, PWB-IWB, and C-IWB. The observed paths proved that the model is fir with the model fit indices of ( $X^2 = 110.572$ ,  $DF=46$ ,  $p=0.000$ ,  $GFI=0.945$ ,  $AGFI= 0.907$ ,  $CFI= 0.918$ ,  $RMSEA= 0.067$ ,  $CMIN/DF = 2.404$ ).



**Figure 7. Mediation Analysis (C-PWB-IWB)**

**4.4.4 Psychological wellbeing as mediator between Mutuality and innovative work behavior**

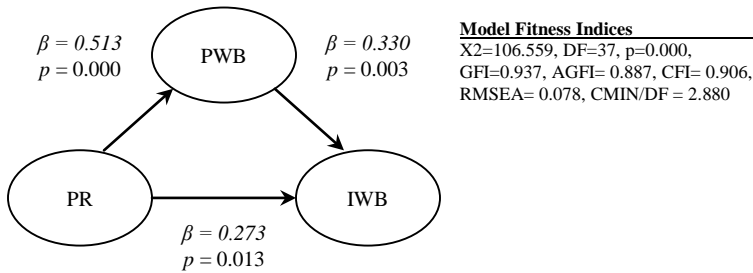
Mediation analysis for path of Mutuality (M)- Psychological Wellbeing (PWB)-Innovative Work Behavior (IWB) is presented in Figure 8, constituting three paths: M-PSW, PWB-IWB, and M-IWB. The observed paths proved that the model fit is fine, with the model fit indices of ( $X^2 = 99.229$ ,  $DF=36$ ,  $p=0.000$ ,  $GFI=0.944$ ,  $AGFI= 0.898$ ,  $CFI= 0.911$ ,  $RMSEA= 0.075$ ,  $CMIN/DF = 2.756$ ).



**Figure 8. Mediation Analysis (M-PWB-IWB)**

**4.4.5 Psychological wellbeing as mediator between positive regard and innovative work behavior**

Mediation analysis for path of Mutuality (PR)- Psychological Wellbeing (PWB)-Innovative Work Behavior (IWB) is presented in Figure 9, constituting three paths: PR-PWB, PWB-IWB, and PR-IWB. The observed paths proved that the fit of the model is good, with the model fit indices of ( $X^2 = 106.559$ ,  $DF=37$ ,  $p=0.000$ ,  $GFI=0.937$ ,  $AGFI= 0.887$ ,  $CFI= 0.906$ ,  $RMSEA= 0.078$ ,  $CMIN/DF = 2.880$ ).



**Figure 9. Mediation Analysis (PR-PWB-IWB)**

**5. Findings and Conclusions**

The results of regression analysis show that all direct hypotheses are accepted. The results reflect that there exist a positive relationship between independent variables (capacities and experiences of high quality relationship), dependent variable (Innovative work behavior) and mediating variable (Psychological wellbeing). The results also show the significant direct and positive relationship between the mediating variable, psychological wellbeing and dependent variable, innovative work behavior.

The results of SOBEL test for Mediation show that all mediation hypotheses are accepted. The results reflect that the variable psychological wellbeing mediates the relationship capacities, experiences of high quality relationship and innovative work behavior. Mediation testing revealed that in the presence of mediating variable psychological wellbeing, there is a significant direct effect between experiences of high quality relationship, capacities of high quality relationship (emotional carrying capacity, tensility and connectivity), psychological wellbeing and innovative work behavior. The results show that there exists full mediation among the variables in our study.

The purpose of this study was to examine the impact of capacities and experiences of high quality relationship on innovative work behavior of employees with the mediating role of psychological wellbeing. This study contributed to existing body of knowledge. Results indicated that the hypothesized model of innovative work behavior, psychological wellbeing, capacities of high quality relationship and experiences of high quality relationship fit the data well. Our

observation found that there is a significant direct and positive relationship between dependent variable, mediating variable and independent variables. The results also show the significant direct and positive relationship between the mediating variable, psychological wellbeing and innovative work behavior. Further, the mediating variable psychological wellbeing mediates the relationship between dependent and independent variable. The results reflect that there exists a full mediation among these variables in our study.

There are several limitations of this study. This study is limited to only the pharmaceutical sector employees; it could not be carried out on the employees belonging to other sectors. It has examined the mediating effect of psychological wellbeing on the innovative work behavior of employees. It could be carried out to examine the mediating effect of psychological wellbeing on other variables as well. This study covers the pharmaceutical sector of only one city, Lahore Pakistan. It could be carried out on total pharmaceutical sector of Pakistan with more resources and time.

Managers can improve the innovative work behavior of employees in pharmaceutical sector by proper enhancement of capacities of high quality relationship. Policy makers can improve the innovative work behavior of employees in pharmaceutical sector by the proper coordinating the experiences of high quality relationship of employees with each other. Organizations should take measures to improve the psychological wellbeing of employees through proper implementation of the capacities of high quality relationship. Higher management should improve the psychological wellbeing of employees by reducing the gap among employees in enhancing high quality relationship.

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