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The relationship between a strategic leader's entrepreneurial capability and innovative work behavior: the role of support for innovation and collectivism

La relación entre la capacidad emprendedora y el comportamiento innovador del líder estratégico: El papel del apoyo a la innovación y el colectivismo

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Abstract

The purpose of this study is to explain the relationship between the leader's strategic entrepreneurial capability, support for innovation, and innovative work behavior, including collectivism as a moderating variable. The unit of analysis was 100 informal restaurants, each represented by a restaurant manager. After conducting an analysis using SEM-PLS, we found positive relationships among the three constructs. Collectivism was also revealed to strengthen the relationship between the strategic leader's entrepreneurial capability and innovative work behavior.

Key words: entrepreneurial capability; support for innovation; innovative work behavior; collectivism

Resumen

El propósito de este estudio es explicar la relación entre la capacidad empresarial del líder estratégico, el apoyo a la innovación y el comportamiento innovador del trabajo, incluido el colectivismo como variable moderadora. La unidad de análisis fue de 100 restaurantes informales, cada uno representado por un gerente de restaurante. Después de realizar un análisis utilizando SEM-PLS, encontramos relaciones positivas entre las tres construcciones. También se reveló que el colectivismo fortalece la relación entre la capacidad empresarial del líder estratégico y el comportamiento innovador en el trabajo.

Palabras clave: capacidad emprendedora; apoyo a la innovación; comportamiento innovador en el trabajo; colectivismo

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1. Introduction

Innovation is regarded as one of the driving forces in ensuring good performance in organizations (Liu & Cheng, 2018; Rajapathirana & Hui, 2018). Innovative organizations are able to create and develop new practices in delivering their business processes, and come up with new products with high market values.

Although past researchers, such as Promsri (2017) and Jena & Memon (2018), stated that innovation is shaped by organizational practices, Scott & Bruce (1994) and Wu & Sivalogathan (2013) argued that innovation originates from the human resources within an organization. This is plausible, since the creators and implementers of innovation are human beings. Therefore, the workers' innovative work behavior becomes a major concern for organizations seeking to achieve good performances.

Previous literature stated that leadership plays a key role in shaping innovative work behavior (Khan, Aslam, & Riaz, 2012; Yidong & Xinxin, 2013). A leader's ability to balance between transforming workers into leaders, the use of rewards and punishments (Khan et al., 2012) with the emphasis on fairness (Sun, Chow, Chiu, & Pan, 2013) and ethical conduct (Yidong & Xinxin, 2013) towards the workers will reinforce their innovative behavior. This indicates that innovative work behavior can actually be shaped by a capable leader (Odoardi, Montani, Boudrias, & Battistelli, 2015). In other words, the need for a capable leader in an organization is stronger than the need for recruiting a lot of creative or innovative workers since this behavior can be shaped by the leader.

While a capable leader can shape the innovative work behavior of workers, organizations need to be clear on what kind of capability the leader should have. Burgelman & Grove (2007) stated that leaders need the ability to create continuous change in an organization as a way of creating strategic competitive advantage with the emphasis on innovation. Raju (2008) added that this leader should be able to anticipate the future and plan the action accordingly while maximizing the use of the organization's resources to achieve the organization's future goal. Liñán (2008) described this ability as entrepreneurial capability. Based on this explanation, it could be said that an organization needs a strategic leader with entrepreneurial capability to foster innovation within the organization to achieve its goals.

As a means of achieving goals, strategic leaders with entrepreneurial capability will try to foster employee creativity as well as operational efficiency (Cai, Lysova, Khapova, & Bossink, 2019) by creating an environment where innovation is encouraged (Odoardi et al., 2015). Innovation has positive effects on organizational performance (Keung, Lau, & Lau, 2010; Krasteva, Sharma, & Wagman, 2015; Liu & Cheng, 2018; Rajapathirana & Hui, 2018) in the sense that it will create new ways of solving problems, new products, and even efficiency in service delivery. Therefore, creating this environment is mandatory for strategic leaders to be able to achieve good performance.

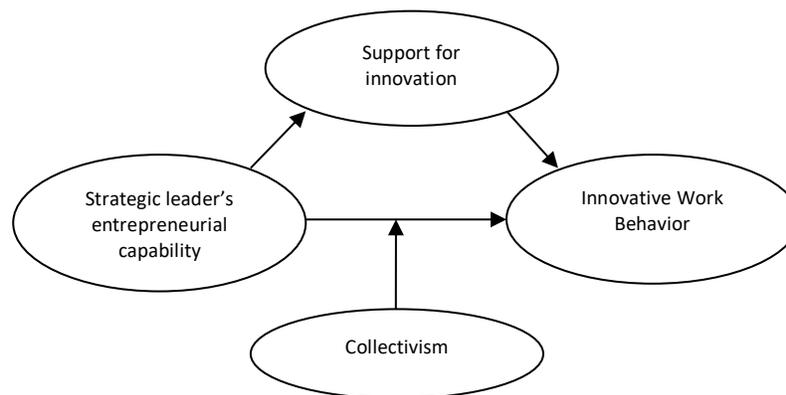
Scott & Bruce (1994) used the term support for innovation, and Isaksen & Akkermans (2011) used climate for innovation to describe this innovation-specific environment. Montes, Moreno, & Fernández (2004) gave a different perspective regarding support for innovation. Instead of a kind of system or environment, support for innovation was described as the workers' perception of whether or not innovation is encouraged within an organization. This strengthens the statement of Scott & Bruce (1994) that human resources within an organization is responsible for innovation instead of a system. Furthermore, it is stated that when the workers feel that innovation is encouraged, their innovative behavior in the workplace will also be exhibited more.

Thus far, we've explained that innovation, specifically innovative work behavior, is achieved by focusing on strengthening an organization's internal factors, such as leadership and support for innovation. However, according to Shane (1992), there are also external factors affecting innovation, such as culture. Furthermore, Elenkov, Judge, & Wright (2005) found that different cultures produce different results in innovation. Some

cultures will strengthen it, and some will weaken it. Gorodnichenko & Roland (2017) stated that whether a culture is more individualist or collectivist in nature will determine the rate of innovation within a country, although we could not find an empirical study regarding this matter, especially from the viewpoint of a collectivist country.

In this research, we examine the relationship between a strategic leader's entrepreneurial capabilities, support for innovation, and innovative behavior (see Figure 1) from the perspective of the Indonesian restaurant industry landscape. Indonesia leans towards collectivism with a culture called *gotong royong*, which means working together to achieve a certain goal. Therefore, we would like to see whether the collectivist tendency will hinder innovation, specifically the innovative work behavior exhibited by Indonesian restaurant workers.

Figure 1
Research Framework



The findings of this research will add insight towards innovation literature because we focus on looking at innovative work behavior from the perspective of collectivist countries such as Indonesia. We also aim to provide empirical proof of the impact of collectivism on the relationship between leadership and innovation, which will also be an interesting addition to organizational culture literature.

1.1. The strategic leader's entrepreneurial capability and support for innovation

The relationship between strategic leadership and support for innovation is a manifestation of organizational support theory. This is seen where a leader seeks opportunities to innovate (Hurley & Hult, 1998) as well as continuously improving daily performance, which will lead to efficiency (Liu & Cheng, 2018). Duursema (2013) added that both of these could be achieved by the climate for innovation created by the strategic leader of an organization.

Kurtessis et al. (2017) stated that leaders are seen as the representatives of an organization by the workers. This is because the decisions made by leaders will be perceived as the decisions of the whole organization as an entity. In other words, a strategic leader, who focuses on innovation, will create a perception of support for innovation for the workers within the organization. This perception will be positive, which sees the organization as the one that fosters innovation, represented by the strategic leader.

Eromafuru (2013) explained that a strategic leader should possess both entrepreneurial characteristics and capabilities. He added that the entrepreneurial capability would translate as strategies supporting innovation. Cai et al. (2019) added that a strategic leader with entrepreneurial capability will create a condition that fosters

innovation, especially because innovation can never be implemented without support from each member of an organization. Therefore, based on this explanation, we propose the first hypothesis that a strategic leader's entrepreneurial capability has a positive relationship with support for innovation.

1.2. The strategic leader's entrepreneurial capability and innovative work behavior

Previous researchers, such as Agbor (2008) and Denti & Hemlin (2012), stated that a strategic leader plays an important role in shaping a climate for innovation in an organization. In doing so, the leader continuously motivates the workers to be able to produce innovations, which have positive impacts on companies (Duursema, 2013; Keung et al., 2010).

Workers who are motivated to innovate continuously will try to create more and better innovation, especially if there are rewards in doing so (Alpkan, Bulut, Gunday, Ulusoy, & Kilic, 2010). Thus, apart from the number of innovation plans produced, workers will also create better innovation because they will be accustomed to planning and implementing new ways of doing the job or creating valuable new products.

Besides actively motivating the workers, a strategic leader with entrepreneurial capability seeks to innovate by exploring or exploiting both an organization's internal and external environment (Duursema, 2013). When communicated properly, this will become a model for the workers. Based on social learning theory, the workers will then follow this leader's behavior, resulting in increased innovation, exhibiting innovative work behavior. Therefore, based on these explanations, we propose the second hypothesis that a strategic leader's entrepreneurial capability has a positive relationship with innovative work behavior.

1.3. Support for innovation and innovative work behavior

An organization with high support for innovation enables access to certain resources that will be used to create a new product or devise new ways to solve problems for workers within an organization (Dyer, Gregersen, & Christensen, 2009). This access creates opportunities for workers to explore new opportunities that would otherwise be unthinkable without it.

The access provided by the organization will then trigger the workers to perceive that the organization supports them to innovate more. This leads to the willingness and courage for workers to come up with something new, thus fostering innovative work behavior within the organization (Scott & Bruce, 1994).

Support for innovation will also create an environment that is safe for workers to discuss new ideas, which will translate into innovation. This enables knowledge transfer within the workers, and their capability to innovate will also increase. As they become accustomed to innovation, they will also innovate more and create better innovation in the organization. Therefore, we propose the third hypothesis that the support for innovation has a positive relationship with innovative work behavior.

1.4. Collectivism as a moderator in the relationship between a strategic leader's entrepreneurial capability and innovative work behavior

Previous researchers (Scott & Bruce, 1994; Yuan & Woodman, 2010) found that strategic leadership will form workers' innovative work behavior within an organization. When the leaders exhibit a tendency to innovate and show it by continually exploring and exploiting resources to create innovation, workers will learn from them and start to exhibit innovative behavior as well.

Elenkov et al. (2005) stated that while strategic leadership has a positive influence on innovation, social culture, an external factor outside the organization, has a certain interaction effect on the relationship. Some social culture will strengthen the tendency to innovate, while others will weaken it.

Gorodnichenko & Roland (2017) found an interesting subject regarding culture and innovation. They stated that countries with higher individualism traits tend to innovate more than those with higher collectivism traits. Alesina & Giuliano (2016) explained that culture with strong individualism traits would reward innovation individually, triggering the willingness to innovate to achieve the reward. On the other hand, collectivist culture will possess a more efficient work rhythm. Innovation is not regarded as much compared to individualist culture. However, it is easier for an organization to mobilize the workers to achieve certain goals since the willingness to cooperate is higher.

The findings of Elenkov et al. (2005), which stated that social culture moderates the relationship between strategic leadership and innovation, indicate that collectivism should moderate the relationship between a strategic leader's entrepreneurial capability and innovative work behavior. Since Indonesia is a country, which leans towards collectivism, the moderation effect should weaken the relationship. Therefore, based on the explanation above, we propose the fourth hypothesis that collectivism moderates the relationship between a strategic leader's entrepreneurial capability and innovative work behavior, such that the relationship will be weaker when workers possess high collectivism culture.

2. Methodology

2.1. Sampling procedure and data collection

The unit of analysis of this research is 100 informal restaurants, which are located in Surabaya, Indonesia. An informal restaurant is casual in nature, which means that the service is not given sequentially (Maumbe, 2012). The ratio between the number of waiters/waitresses and the number of tables is relatively lower than a formal restaurant.

Each restaurant is represented by a manager, considering that a manager represents a restaurant as an organization. Informal restaurant managers usually operate directly under the restaurant owner, as the strategic leader or under an area manager, should there be more than one branch of the restaurant. Restaurant managers are often invited to strategic meetings by the strategic leader. Therefore, they are exposed to the strategic leadership exhibited by their leaders. A manager is also the one who interacts daily with the restaurant team, enabling this manager to identify certain behavior and nature exhibited by the team.

These managers were contacted prior to the data collection period with explanations regarding the research purpose as well as the procedure. In reducing common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003), we also explained that their identity would not be published. Furthermore, one of the researchers was present, while respondents filled out the surveys. Afterwards, the surveys already filled were put inside a sealed envelope and given to us.

Out of 100 questionnaires distributed, we decided to discard 15 of them. This is because 6 respondents completed 3 questions that were instructed to be left blank, indicating that they did not read the questions well. We also found that 9 of the managers were still on trial and, therefore, have not yet understood the behavior of the restaurant team completely. The resulting sample for this research is 85, yielding a response rate of 85%.

2.2. The measurement of a strategic leader's entrepreneurial capability

We measured the strategic leader's entrepreneurial capability by using an instrument developed by Liñán (2008) with the composite reliability score of 0.858. The context of the questionnaire has been adjusted to the restaurant context. The respondents were asked about their perception of their direct leader's entrepreneurial capability, where the managers' direct leader is the strategic leader of the restaurant, from 1 = strongly disagree

to 5 = strongly agree. The prefix of the statements was “In this restaurant, my direct leader...” Some of the statements are “identifies new opportunities” and “is creative”.

2.3. Measurement of support for innovation

This construct was measured using an instrument developed by Montes et al. (2004). The composite reliability of the instrument is 0.91, indicating its reliability to be used in other research. The respondents were asked their perception of statements in the questionnaire from 1 = strongly disagree to 5 = strongly agree. The prefix of the statements was “In this restaurant, my direct leader...” Some of the statements are “supports workers to come up with new ideas” and “is happy when the workers try new ways in getting their job done”.

2.4. Measurement of innovative work behavior

We measure innovative work behavior by using an instrument developed by Scott & Bruce (1994). It yields the Cronbach’s Alpha score of 0.89, ensuring its reliability. The respondents were asked about the perception of innovative work behavior exhibited by the restaurant team, ranging from 1 = strongly disagree to 5 = strongly agree. Some of the statements are “The restaurant team is actively seeking new product and service ideas,” and “Each of the team member influence co-workers to implement new ideas”.

2.5. Measurement of collectivism

Collectivism was measured by using an instrument developed by Clugston, Howell, & Dorfman (2000) with a Cronbach’s Alpha score of 0.77, indicating that the instrument is reliable. The respondents were asked about their perception regarding the restaurant team’s tendency toward collectivism, from 1 = strongly disagree to 5 = strongly agree. Some of the statements are “In this restaurant, the well-being of the team is more important than individual rewards,” and “In this restaurant, team achievements are more important than individual achievements”.

3. Results & discussions

3.1. Validity and reliability tests

Before examining the statistical results, we made sure that the instruments used in the research fit the data well by using validity and reliability tests. We measured the loading factor scores for each indicator, average variance extracted (AVE) scores and composite reliability scores for each variable (Vinzi, Trinchera, & Amato, 2010), which are often attributed as outer model tests. All of these tests were performed using SmartPLS 2.0 software. The results of the tests are shown in Table 1.

Table 1
Loading Factor Scores for Each Indicators

Strategic leader's entrepreneurial capability	Loading Factor	Support for innovation	Loading Factor	Innovative work behavior	Loading Factor	Collectivism	Loading Factor
EC1	.81	SI1	.89	IWB1	.78	C1	.82
EC2	.93	SI2	.88	IWB2	.85	C2	.86
EC3	.86	SI3	.86	IWB3	.89	C3	.87
EC4	.84	SI4	.82	IWB4	.96	C4	.92
EC5	.93			IWB5	.91	C5	.91
EC6	.87			IWB6	.91	C6	.92
EC7	.89						

Source: SmartPLS Output

The indicators of each variable have positive numbers and loading factors score > 0.5. This shows that each indicator measures its respective variable well (Vinzi et al., 2010). Next, we measured the AVE score for each variable. The result is shown in Table 2. AVE scores were computed to determine the validity of each construct. All of the scores are greater than 0.5, indicating that the variance captured by each construct is greater than the variance that was generated from measurement error. Therefore, it can be concluded that this model has a good validity score.

Table 2
AVE Scores

Constructs	Average Variance Extracted
Strategic leader's entrepreneurial capability	0.77
Support for innovation	0.75
Innovative work behavior	0.79
Collectivism	0.78

Source: SmartPLS Output

The computation results for composite reliability in Table 3 for the strategic leader's entrepreneurial capability, support for innovation, innovative work behavior, and collectivism are 0.96, 0.92, 0.95, and 0.95, respectively. This indicates that the model has good internal consistency reliability (Vinzi et al., 2010). It can be concluded that the scales used in this research can measure the constructs effectively.

Table 3
Composite Reliability Scores

Constructs	Composite Reliability
Strategic leader's entrepreneurial capability	0.96
Support for innovation	0.92
Innovative work behavior	0.95
Collectivism	0.95

Source: SmartPLS Output

3.2. Results of the hypotheses test

After conducting the outer model tests, which are validity and reliability tests, we conducted inner model tests by testing our hypotheses using SEM-PLS aided by SmartPLS 2.0 software. Since we include a moderating variable in the model, the method we used is often dubbed as M-PLS or moderated PLS. The results are shown in Table 4.

Table 4
Hypotheses Tests Results

Variable	Coefficient	Standard deviation	T-Statistic	Remarks
Strategic leader's entrepreneurial capability → support for innovation	0.87	0.87	90.73	Significant
Strategic leader's entrepreneurial capability → innovative work behavior	0.19	0.17	3.96	Significant
Support for innovation → innovative work behavior	0.10	0.11	4.26	Significant
Collectivism → innovative work behavior	0.93	0.96	11.24	Significant
Collectivism * Strategic leader's entrepreneurial capability → innovative work behavior	1.49	1.53	12.36	Significant

Source: SmartPLS Output

Our results show that the strategic leader's entrepreneurial capability has a positive and significant relationship with support for innovation. In other words, when the strategic leader has exceptional entrepreneurial capability, workers in the restaurant will perceive that they have more support to create innovation. Therefore, hypothesis 1, which stated that a strategic leader's entrepreneurial capability is related positively to support for innovation, is supported.

Based on Table 4, the strategic leader's entrepreneurial capability has a positive and significant relationship with innovative work behavior. In other words, when the strategic leader has better entrepreneurial capability, the workers will tend to exhibit more innovative work behavior. This result supports hypothesis 2, which stated that a strategic leader's entrepreneurial capability is positively related to innovative work behavior.

Hypothesis 3 is also supported, which can be seen from Table 4, in which there is evidence that support for innovation has a positive and significant relationship with innovative work behavior. It could be said that the stronger the workers' feeling of being supported to innovate, the more they tend to display innovative work behavior in their workplaces.

Hypothesis 4 proposes that collectivism will moderate the relationship between the strategic leader's entrepreneurial capability and innovative work behavior in that the relationship will be weaker when the restaurant team possesses high tendency towards collectivism. Our findings contradict the hypothesis. There is a moderation effect on the relationship between a strategic leader's entrepreneurial behavior and innovative work behavior. However, the effect is positive. Therefore, it could be said that collectivism moderates the relationship between the strategic leader's entrepreneurial capability and innovative behavior in that the relationship will be stronger when the restaurant team possesses a high tendency towards collectivism. Thus, hypothesis 4 is not supported.

3.3. Discussion and implications

Innovation is regarded as key in achieving good organizational performance. It has to be noted, however, that the creators and implementers of innovations are human beings (Scott & Bruce, 1994). Therefore, understanding the predictors of innovative work behavior is vital for organizations as well as relevant in entrepreneurship research. This paper highlighted the relationships between three constructs: the strategic leaders' entrepreneurial capability, support for innovation, and innovative work behavior with regard to collectivism. Our initial thoughts were that there would be a significant and positive relationship between the three constructs, and collectivism would moderate the relationship between the strategic leader's entrepreneurial capability and innovative work behavior, where the stronger the collectivism is, the weaker the relationship becomes. However, the findings were mixed.

Our results suggest that restaurants with strategic leaders who possess good entrepreneurial capability create an environment where restaurant managers feel supported in creating innovation. This is in line with the findings of previous researchers (Cai et al., 2019; Eromafuru, 2013), which state that leaders with entrepreneurial capability will create an environment that encourages innovation in the organizations in which they work. When the managers feel supported to innovate, they will create an internal innovation environment in the restaurants they work for. This will encourage the innovative work behavior of the restaurant team (Agbor, 2008). Furthermore, our results also support the findings of Scott & Bruce (1994), Yuan & Woodman (2010), and Odoardi et al. (2015), which stated that entrepreneurial capability impacts innovative work behavior positively. Pasamar, Diaz-Fernandez, & de la Rosa-Navarro (2019) stated that a good leader tends to innovate more by developing or expanding both products and services of an organization. This behavior will then be learned by the subordinates (Cropanzano & Mitchell, 2005), and they will also tend to come up with more innovation.

In the informal restaurant industry in Surabaya, a strategic leader does not visit the restaurant daily. This leader works in a head office separated from the restaurants. In order to understand what happens daily, the leader relies on summarized reports that are created by the restaurant managers working under this leader. Therefore, it is difficult for the leader to understand the specific details of the problems, chances, and decisions made by the managers unless it is critical. Thus, leaders with good entrepreneurial capability often delegate the decision-making process and problem-solving activities to the managers who are directly involved in daily restaurant activities, including coming up with new ways of fixing problems or getting the work done more efficiently. Then, the leaders monitor the team performance using periodical reports.

Given this opportunity, the manager of a restaurant will have freedom in coming up with new ways to handle problems, creating a more efficient service flow, or even suggesting new menus based on guests' preferences. Therefore, the manager will perceive that the organization as a whole supports this manager in creating innovation. It has to be noted, however, that new ideas or innovations will have to be submitted to the leader to be approved before they can be implemented. When this cycle happens, it could be said that an innovation environment in this restaurant has been created.

The innovation environment established affect not only the restaurant manager but also the restaurant team. This happens because restaurant managers work in close proximity to the restaurant team. They are directly involved in conducting briefings, evaluations and even daily operational activities. Therefore, managers will be able to communicate their innovative ideas directly to the restaurant team using briefings and evaluations and show the team directly how it is done by performing actionable steps in front of the team. The innovation environment will also encourage the restaurant team to come up with innovative ideas and present them to the managers during briefings or evaluations. As this behavior is encouraged, the team will get better ideas in time since it is practiced often. Thus, the team will display innovative work behavior when the perception of support for innovation is established.

A strategic leader does not meet with the restaurant team, including the manager, daily. However, when the leader visits the restaurant, this leader has an opportunity to talk directly to the team since the leader usually replaces the manager to lead the briefings and evaluations during the visit. The leader will then be able to directly communicate innovation and the innovation implementation plan, which this leader created, to the restaurant team. Often, the leader will also join the daily operational activities during the visit. Therefore, the leader will also be able to show the team how the implementation process is done. In other words, a strategic leader's entrepreneurial capability helps shape the innovative work behavior of the restaurant team.

In contrast to the statement of Gorodnichenko & Roland (2017), our findings indicate that collectivism strengthens the relationship between a strategic leader's entrepreneurial capability and innovative work behavior. It has to be noted, however, that what previous researchers, such as Gorodnichenko & Roland (2017) and Elenkov et al. (2005) explained regarding collectivism, was collectivism as a culture at the country level. What we used was a collectivism scale, which measures it at the organization level. This might lead to the difference in results.

Another possible explanation for our results regarding the moderation effect of collectivism is the nature of the restaurant industry, which is quite different from other industries. Alpkhan et al. (2010) explained that employees would create more innovation when there are rewards for the deed. In this scenario, an individual who successfully created an innovation will be rewarded for the achievement. However, in a restaurant, specifically in Surabaya, rewards are given to all of the restaurant team members equally in the form of a service charge. This is usually done to encourage teamwork. Furthermore, the innovation created is usually in the form of a new menu or ways to shorten the workflow, which results in increased sales. When the sales are high, the service charge is also high. Therefore, the whole team will get a higher service charge as well, which is distributed equally.

This specific nature of the restaurant industry in Surabaya will encourage collectivism in the workplace. When an individual has an innovative idea, the whole team will support the idea to get the reward. These innovative ideas will be more present when a strategic leader has good entrepreneurial capability, as explained before, and collectivism will strengthen the relationship between the two constructs since the whole team will back these innovative ideas to get a higher service charge.

4. Conclusions

Our study aimed to examine the relationship between the strategic leader's entrepreneurial capability, support for innovation, and innovative work behavior, as well as the moderation effect of collectivism on the relationship between the strategic leader's entrepreneurial capability and innovative work behavior. Apart from the moderation effect, our results support the findings of previous researchers.

For an informal restaurant in Surabaya, actions to strengthen collectivism have to be taken. This is because collectivism will strengthen the relationship between the strategic leader's entrepreneurial capability and innovative work behavior. In other words, when the restaurant team has a higher tendency towards collectivism, the number of innovative ideas or even innovation, such as more efficient service workflow or a new menu, will also increase, given the strategic leader has strong entrepreneurial capabilities. This can be in the form of periodical outings, outbound training, or introducing specific rewards for team achievement apart from the service charge.

This research provides interesting additions to innovation literature and organizational culture literature, in the sense that we provide empirical evidence on the moderation effect of collectivism towards the relationship between leadership and innovation constructs. It also strengthens previous research findings regarding entrepreneurship and innovation constructs, as well as the relationship between those constructs.

4.1. Limitation and further research directions

Our study has its own limitations. First, we collected the sample using the cross-sectional method. This creates a barrier in determining the causal effects of the constructs used in this research. Next, while we followed a procedure suggested by Podsakoff et al. (2003) by devising a data collection method, which ensures that the respondents stay anonymous, we are still exposed to the common method bias problem. This is because we collected the data in a single time period. Future researchers should consider collecting the data in a longitudinal design to address these two issues.

The sample collected in this research is limited to informal restaurants in Surabaya. Therefore, the result cannot be generalized to the whole restaurant industry. Thus, future researchers should look at adding formal restaurants, such as fine dining and casual fine dining restaurants, or even quick service restaurants to the sample. It is also advised that future researchers add rewards, such as benefits or service charges, as a moderating variable besides collectivism to find empirical evidence on why collectivism strengthens the relationship between the strategic leader's entrepreneurial capability and innovative work behavior.

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