

Individual innovation provides basis for high competitiveness and improves firm's performance. These are the employees whose capacity and capability for creativity and innovation provides the organization foundation for improved-performance and sustainable competitive advantage. The topic of individual innovation and creativity is of greater interest for organizations and entrepreneurs because individual innovation gives birth to firm-level innovation. Employee innovativeness not only enables an organization to choose from a broader range of products and procedures but also facilitates the organization to constantly adapt to a changing environment and to establish competitive advantages in strategic competition.

This variety provides the organization with flexibility with which it can respond to external demands and opportunities. Thus, employee innovations can be the inputs for a firm to innovate. However, research in this area is still at nascent stage in Asia Pacific, particularly in South Asia. In Pakistan, more specifically, no such efforts have been made to study individual innovation in context to its antecedent factors.

This study developed and tested a model of individual innovation and its four antecedent factors; creativity, self-leadership, knowledge management and culture. Data was collected from 227 respondents from thirty five randomly selected manufacturing organizations in Pakistan. Exploratory factor analysis (EFA) was used to extract the factors and measuring factor loadings for each construct. Construct reliability was tested using Cronbach's Alpha. Finally, Path Analysis was conducted to test the hypothesized model. The entire criteria for model-fit were achieved successfully. Results showed that creativity had a positive relationship with individual innovation.

A significant mediating role of creativity was found for self-leadership and knowledge management (KM). The data did not support the last hypothesis and showed no significant indirect positive effect of culture on individual innovation. Although a small positive indirect effect was found but that was statistically non-significant.