From Managerial Style to Innovation Climate: Contrasting the Roles of Autonomy and Rewards in Honduras's Financial Sector

Ariel Edgardo Ortiz Trochez[1]
[1]*Universidad Tecnológica de Honduras, Honduras, ariel.ortiz@uth.hn*

Abstract– ***Innovation in financial services depends not only on technology but also on the organizational conditions that allow employees to propose, support, and implement new ways of working. This study examined a theory-guided structural model linking six dimensions of organizational climate, management style, recognition, autonomy, enthusiasm and support, reward, and innovation, among employees of the financial sector in Honduras. Data were collected from 158 employees through a non-probability, snowball-sampling survey administered electronically and screened for careless and insufficient-effort responding. Confirmatory factor analysis supported an acceptable measurement model, and a structural equation model estimated with robust maximum likelihood indicated that management style was associated with recognition, which in turn was associated with autonomy and reward. Autonomy showed a positive structural association with enthusiasm and support and was the only dimension significantly associated with innovation; reward did not significantly predict innovation once autonomy was accounted for. These results suggest that organizational climate dimensions do not operate interchangeably in relation to innovation, and that autonomy, more than reward, is structurally closer to innovation-related outcomes in this sample. The findings should be regarded as preliminary: the sample was a non-probability one of modest size, the innovation measure showed limited reliability and convergent validity, and the climate dimensions modeled accounted for a small proportion of the variance in innovation. Within those bounds, the study contributes contextual evidence from a Central American financial-sector sample and carries implications for how recognition and reward practices are designed within regulated financial institutions more broadly.***

Keywords– ***organizational climate, autonomy, reward, innovation, financial sector.***

I. INTRODUCTION

Financial institutions operate in an environment where the capacity to adapt products, processes, and client-facing procedures has become a determinant of competitiveness and long-term sustainability. In financial services, this capacity does not rest on technology alone; it depends on whether the organizational environment allows employees to propose, support, and implement new ways of working. An organization can acquire technological tools, but whether employees translate them into workable solutions depends on the conditions under which they are permitted, encouraged, or discouraged from doing so.

One construct used to describe these conditions is organizational climate, understood as the shared perception among employees of the practices, relationships, and conditions that orient behavior within the organization [1]. Koys and DeCotiis [1] identified autonomy, trust, cohesiveness, pressure, support, recognition, fairness, and innovation as recurrent dimensions of psychological climate, establishing innovation itself as a perceptible feature of the work environment rather than only an organizational outcome. Complementing this perspective, Amabile et al. [2] developed the KEYS instrument to assess stimulants and obstacles to creativity in organizational settings, showing that perceived features of the work environment discriminate between more and less creative units. Anderson et al. [3], in a state-of-the-science review, cautioned that creativity, innovation, organizational climate, and organizational culture are related but conceptually distinct constructs operating at different levels: climate refers to shared perceptions of the immediate work context, culture to deeper values and assumptions, creativity to the generation of ideas, and innovation to their implementation. The present study adopts organizational climate as its central construct, following the six-dimension structure validated by Freire et al. [4]: management style, recognition, autonomy, enthusiasm and support, reward, and innovation. The psychometric properties of this instrument are addressed in the Methods section; the purpose here is to situate these dimensions within the broader theoretical argument.

Within this structure, management style and recognition represent the organizational conditions employees encounter first through supervisory practice. Managers communicate support, trust, and valuation of employees' contributions largely through their day-to-day decisions and through their recognition of individual and team performance. Deci et al. [5] showed that managers' orientation toward supporting subordinates' self-determination, as opposed to controlling their behavior, was associated with how subordinates perceived and experienced their work climate. Rhoades and Eisenberger [6], in a review of perceived organizational

support, identified supervisor support and organizational rewards as recurrent antecedents of employees' belief that the organization values their contribution. Oldham and Cummings [7] found that supportive, noncontrolling supervision was associated with higher creative performance among employees working on complex jobs, while controlling supervision was not. Consistent with this pattern, Hardré and Reeve [8] found that training managers to adopt a more autonomy-supportive style was followed by greater autonomous motivation and workplace engagement among their subordinates. Together, this evidence positions management style and recognition as organizational conditions that, when experienced as supportive rather than controlling, set the stage for employees to perceive greater latitude in their work.

This latitude corresponds to what self-determination theory describes as autonomy: the experience of volition and psychological discretion over one's work, rather than the simple absence of rules or supervision [9]. Gagné and Deci [9] distinguished between types of motivation according to their degree of relative autonomy, arguing that organizational conditions such as recognition and non-controlling supervision support the internalization of extrinsic goals and, in doing so, contribute to the experience of autonomy. Morgeson and Humphrey [10], in developing the Work Design Questionnaire, operationalized autonomy as discretion over work methods, scheduling, and decision-making, distinguishing it from the delegation of tasks without accompanying discretion. Research on autonomy-supportive climates further suggests that autonomy tends to emerge under specific relational conditions rather than in isolation: Sönmez and Yıldırım [11] found that a pro-innovation climate and supervisor supportiveness were associated with nurses' autonomy, which in turn related to their innovative behavior; Nili and Tasavori [12] found that an autonomy-supportive climate was associated with employee creativity through intrinsic motivation, particularly when the organization also supported creativity explicitly; and Park and Kang [13] found that the association between autonomy support and innovation was stronger under conditions of trust, fairness, and effective communication. This literature suggests that recognition-rich, non-controlling organizational conditions provide fertile ground for autonomy to be experienced, rather than autonomy arising independently of how employees are managed and acknowledged.

Autonomy, in turn, has been linked to enthusiasm, participation, and a disposition toward proposing new solutions. Hassi et al. [14] found that middle managers' job autonomy was associated with innovative work behavior specifically when the broader climate for innovation was strong, which indicates that autonomy operates jointly with supportive conditions rather than as an isolated driver. Garg and Dhar [15] showed that job autonomy strengthened the positive association between leader-member exchange and employees' service innovative behavior through work engagement in the Indian banking sector. Shanker et al. [16] found that innovative work behavior mediated the relationship between organizational climate for innovation and organizational performance among managers, indicating that climate relates to performance largely through what employees actually do. De Jong and Den Hartog [17], in developing a widely used measure of innovative work behavior, conceptualized it as encompassing the exploration, generation, championing, and implementation of ideas, activities that presuppose a degree of discretion and psychological engagement consistent with autonomy and enthusiasm. Gundry et al. [18] similarly found that collaborative communication within organizations was associated with trust and organizational commitment, which in turn related to both administrative and technical innovation outcomes, a pattern suggesting that innovation-related outcomes emerge from a constellation of climate conditions rather than from autonomy alone.

Rewards represent a conceptually distinct mechanism whose relationship with innovation is theoretically more ambiguous. Rewards can acknowledge employees' contributions, but they can also direct effort toward routine, measurable outcomes, or interact in non-linear ways with employees' motivation to innovate. Zhou et al. [19] found that tangible extrinsic rewards were related to employees' innovative behavior in an inverse U-shaped pattern, while intrinsic motivation showed a more consistently positive association, concluding that reward systems interact with, rather than simply add to, intrinsic sources of motivation. Janssen [20] showed that job demands were positively associated with innovative work behavior only when employees perceived the ratio between their effort and their reward as fair, indicating that the meaning and perceived justice of rewards, not merely their presence, shapes their relationship with innovation. Opoku et al. [21] found that rewards were associated with employee creativity indirectly, through organizational support for innovation, and that this pattern was more pronounced under high supervisory support, suggesting that rewards alone are insufficient without a supporting organizational context. Zeshan et al. [22], drawing on self-determination theory, found that rewards were positively associated with employees' autonomy only when accompanied by enabling, rather than coercive, controls. This body of work suggests that whether rewards relate positively to innovation depends on their design, perceived fairness, and their relationship to autonomy, rather than following a uniform pattern.

The financial sector adds a further layer of relevance to this discussion. Regulatory requirements, formalized procedures, and risk-control mechanisms are structural features of financial institutions that can constrain experimentation, making the presence of autonomy within clearly defined organizational limits especially consequential. Montes et al. [23], studying employees across offices of a Spanish financial company, found that a climate characterized by support,

cohesion, and intrinsic recognition was associated with employees' perceptions of support for innovation, an association that varied according to employees' contractual relationship with the organization. Nayir et al. [24], examining the financial services industry in Turkey, found that formalization directly hindered behavioral and market innovativeness, with indirect effects on product and process innovativeness. Related patterns linking the organizational environment to innovation-related outcomes have been documented in banking contexts in Vietnam [25], Turkey [26], and Pakistan [27], and in the Indian banking sector specifically with respect to job autonomy [15]. Uzkurt et al. [26] and Imran et al. [27] operationalized organizational culture rather than organizational climate; the two constructs are related but not interchangeable, so their findings are used here as evidence of general mechanisms linking the organizational environment to innovation in financial services rather than as direct precedents for climate specifically.

Much of this evidence originates in Europe, Asia, and North America, and in sectors other than finance. Research conducted in Latin America remains comparatively limited but not absent. Acosta-Prado [28], studying Colombian technology-based firms, found that organizational climate was positively associated with innovation capability, operationalized through organizational ambidexterity, exploration, and exploitation. Contreras et al. [29], using a multi-country Latin American sample, found that organizational climate for innovation had a significant moderating effect on the relationships linking leadership and absorptive capacity to employees' innovative work behavior. These studies indicate that the relevance of organizational climate for innovation-related outcomes extends to Latin American contexts, but the available evidence has generally examined climate as a global construct or moderator rather than decomposing it into the specific structural paths connecting its component dimensions. This leaves comparatively little evidence on how management style, recognition, autonomy, enthusiasm and support, reward, and innovation relate to one another as a structural sequence within the financial sector of Central America specifically.

The objective of the present study was to test a theory-guided structural model linking management style, recognition, autonomy, enthusiasm and support, reward, and innovation among employees of the financial sector in Honduras. Building on the theoretical arguments developed above, primarily self-determination theory and the organizational climate and innovation literature, the model tested the following hypotheses: management style is positively associated with recognition (H1); recognition is positively associated with autonomy (H2); autonomy is positively associated with enthusiasm and support (H3); recognition is positively associated with reward (H4); autonomy is positively associated with innovation (H5); and reward is significantly associated with innovation (H6), a hypothesis stated without a specified direction given the mixed pattern of effects reported in the literature reviewed above.

II. Methods

A. Study Design and Participants

This study used a quantitative, non-experimental, cross-sectional design to examine the psychometric structure of an organizational climate instrument and the structural associations among its dimensions in a sample of financial-sector employees in Honduras. Participants were recruited through a non-probability sampling procedure using snowball sampling, in which initial contacts distributed the survey link within their professional networks.

An initial pool of 222 responses was collected. Following a multi-stage screening procedure (see Data Screening), the final analytic sample comprised 158 participants. Participants ranged in age from 20 to 60 years (M = 34.7, SD = 8.92, Mdn = 33). Organizational tenure was recorded in four ordinal categories: 0 to 6 months (n = 6, 3.8%), 7 to 12 months (n = 51, 32.3%), 13 to 24 months (n = 48, 30.4%), and 25 months or more (n = 53, 33.5%). Sex was not collected as part of the sociodemographic profile.

B. Instrument

Organizational climate was assessed with the questionnaire developed by Freire et al. [4], originally composed of 28 items distributed across six dimensions and rated on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). One item, P22, was removed from the analytic model due to an inadequate standardized factor loading, yielding a final 27-item structure organized as follows: Management style (P1 to P7, seven items), Recognition (P8 to P13, six items), Autonomy (P14 to P18, five items), Enthusiasm and support (P19 to P21, three items after the exclusion of P22), Reward (P23 to P25, three items), and Innovation (P26R to P28R, three items). Items P26, P27, and P28 were reverse-coded prior to analysis (6 minus the original response), generating P26R, P27R, and P28R. Following recoding, higher scores on all items and dimensions reflect more favorable perceptions of organizational climate.

C. Procedure and Ethical Considerations

The survey was administered electronically through Microsoft Forms between February 2024 and March 2025. Invitations were distributed through institutional email channels, social media, and professional contacts, consistent with the non-probability, snowball sampling strategy described above. Eligibility required current employment in the Honduran financial sector, including banks, cooperatives, insurance companies, and financial companies, and a minimum age of 18 years.

Informed consent was obtained electronically before participants began the survey, and participation was anonymous. Identifying fields collected by the survey platform for administrative purposes were removed prior to

the construction of the analytic dataset. The study protocol was approved by the university's institutional ethics committee.

D. Data Screening

Data quality was evaluated through a sequential, multi-criterion screening procedure applied to the 222 initial records. Response duration was calculated for each record (median = 300 s; Q1 = 221.5 s; Q3 = 464.5 s; IQR = 243 s). Following established recommendations for detecting careless and insufficient-effort responding [30], [31], [32], a lower duration threshold (median divided by 3 = 100 s) was used to flag excessively fast responses, and an upper threshold (Q3 + 1.5 × IQR = 829 s) was used to flag excessively long completion times. This step removed 3 records below the lower threshold and 22 records above the upper threshold, leaving 197 records.

Response-pattern screening then identified records with identical responses on 80% or more of the 28 Likert items (straight-lining [31]), resulting in the removal of 38 additional records and a remaining sample of 159. One additional record was removed due to an implausible reported age (8 years), yielding a final analytic sample of 158 participants. No genuine missing data were present in the final dataset.

E. Statistical Analysis

All analyses were conducted in jamovi (version 2.7.37). A confirmatory factor analysis (CFA) specifying six correlated first-order factors, Management style, Recognition, Autonomy, Enthusiasm and support, Reward, and Innovation, was estimated first to evaluate the measurement structure of the 27-item instrument. An exploratory structural model was then estimated, specifying the following directional paths among the latent dimensions: Management style to Recognition, Recognition to Autonomy, Autonomy to Enthusiasm and support, Recognition to Reward, Autonomy to Innovation, and Reward to Innovation.

Both the CFA and the structural model were estimated using maximum likelihood estimation with robust standard errors and the Yuan-Bentler scaled test statistic. Model fit was evaluated using the robust comparative fit index (CFI), Tucker-Lewis index (TLI), root mean square error of approximation (RMSEA) with its 90% confidence interval, and the standardized root mean square residual (SRMR); classical fit indices are not reported as the primary fit criteria. Measurement quality was further evaluated through standardized factor loadings, Cronbach's alpha, McDonald's omega, average variance extracted (AVE), and the heterotrait-monotrait (HTMT) ratio of correlations to assess discriminant validity; AVE was treated as an indicator of convergent validity rather than as a reliability coefficient. As detailed in the Results, the Innovation dimension showed comparatively weaker convergent evidence and internal consistency than the remaining five dimensions, and this limitation is carried forward explicitly into the interpretation of every structural coefficient directed at that dimension.

Because the design was cross-sectional and the structural model was exploratory rather than confirmatory in its specification, structural paths are interpreted as statistical associations rather than causal effects, using language such as "was associated with," "statistically predicted," or "showed a positive structural association." No indirect or mediated effects are reported, as valid estimates of indirect paths were not available for this model.

III. Results

A. Participant Screening and Characteristics

Of the 222 initial records, 25 were removed based on response-duration criteria (3 excessively fast, 22 excessively slow), 38 were removed for straight-line response patterns, and 1 was removed for an implausible age value, yielding a final analytic sample of 158 participants (see Table I). Participants ranged from 20 to 60 years of age (M = 34.7, SD = 8.92, Mdn = 33). Organizational tenure was concentrated in the 7-to-12-month (32.3%), 13-to-24-month (30.4%), and 25-months-or-more (33.5%) categories, with a smaller proportion of participants (3.8%) reporting tenure of 6 months or less.

TABLE I
Participant Screening Flow and Sample Characteristics

Screening stage / characteristic	n	%
Initial records collected	222	—
Removed: fast responses (< 100 s)	3	—
Removed: long responses (> 829 s)	22	—
After time-based screening	197	—
Removed: straight-lining (≥ 80%)	38	—
After response-pattern screening	159	—
Removed: implausible age	1	—
Final analytic sample	158	100.0
Tenure: 0–6 months	6	3.8
Tenure: 7–12 months	51	32.3
Tenure: 13–24 months	48	30.4
Tenure: 25 months or more	53	33.5

Note. Percentages for screening stages prior to the final sample are omitted (—) because denominators differ across stages.

B. Measurement Model

The six-factor CFA showed acceptable robust fit to the data, scaled T2*(309) = 482.00, $p < .001$; robust CFI = .922, robust TLI = .912, robust RMSEA = .063, 90% CI [.052, .074], close-fit p = .028, SRMR = .055. Standardized factor loadings were generally adequate to strong across five of the six dimensions: Management style (.596 to .881), Recognition (.571 to .827), Autonomy (.668 to .821), Enthusiasm and support (.663 to .851), and Reward (.616 to .815). Loadings within Innovation ranged more widely, from .418 (P28R) to .864 (P27R), reflecting the comparatively weaker performance of one indicator within an

otherwise three-item factor. P28R was retained despite its lower loading because removing it would have reduced Innovation to two indicators, which was judged undesirable for model identification and interpretability rather than as a fit-improving adjustment (see Table II).

Internal consistency and convergent validity were adequate to strong for five of the six dimensions: Management style (α = .903, ω = .907, AVE = .587), Recognition (α = .880, ω = .886, AVE = .568), Autonomy (α = .878, ω = .872, AVE = .577), Enthusiasm and support (α = .820, ω = .822, AVE = .608), and Reward (α = .762, ω = .774, AVE = .539). Innovation showed comparatively weaker reliability and convergent validity (α = .657, ω = .674, AVE = .421), consistent with the wider range of standardized loadings observed within this dimension. Its AVE falls below the conventional .50 criterion, which indicates that less than half of the variance in its indicators is attributable to the latent construct; because Innovation is the outcome of the structural model, this result qualifies every coefficient directed at it.

Discriminant validity, evaluated using the HTMT ratio of correlations, was acceptable for most dimension pairs but approached the conservative .90 threshold for two pairs: Recognition and Autonomy (HTMT = .891) and Management style and Recognition (HTMT = .862). These values indicate that Recognition and Autonomy, in particular, share a borderline degree of conceptual overlap rather than unambiguous discriminant separation. Because the same two dimensions are also connected by a directional path in the structural model, this overlap is not confined to the measurement level: it constrains how the corresponding structural coefficient and the variance explained in Autonomy can be interpreted, as developed in the Discussion.

TABLE II
Standardized Loading Ranges, Reliability, and Average Variance Extracted

Dimension	Items	Loadings	α	ω	AVE
Management style	7	.596–.881	.903	.907	.587
Recognition	6	.571–.827	.880	.886	.568
Autonomy	5	.668–.821	.878	.872	.577
Enthusiasm and support	3	.663–.851	.820	.822	.608
Reward	3	.616–.815	.762	.774	.539
Innovation	3	.418–.864	.657	.674	.421

Note. N = 158. α = Cronbach's alpha; ω = McDonald's omega; AVE = average variance extracted; Loadings = range of standardized factor loadings. Robust model fit: scaled T2*(309) = 482.00, p < .001; CFI = .922; TLI = .912; RMSEA = .063, 90% CI [.052, .074]; SRMR = .055.

C. Structural Model

The exploratory structural model showed a robust fit comparable to that of the measurement model, scaled T2*(317) = 496.00, p < .001; robust CFI = .920, robust TLI = .911, robust RMSEA = .063, 90% CI [.052, .074], close-fit p = .025, SRMR = .058.

Management style showed a strong positive structural association with Recognition (β = .855, p < .001). Recognition, in turn, statistically predicted Autonomy (β = .903, p < .001) and Reward (β = .734, p < .001). Autonomy showed a positive structural association with Enthusiasm and support (β = .764, p < .001) and with Innovation (β = .504, p = .005), although the confidence interval around the latter coefficient was wide (95% CI [.138, .758]). Reward did not significantly predict Innovation after accounting for Autonomy (β = −.318, p = .062). Full path estimates are reported in Table III.

TABLE III
Structural Path Estimates for the Exploratory Structural Model

Structural path	B	SE	β	95% CI	z	p
Management style → Recognition	1.339	.146	.855	[1.053, 1.625]	9.18	< .001
Recognition → Autonomy	.761	.086	.903	[.593, .929]	8.88	< .001
Autonomy → Enthusiasm and support	.878	.118	.764	[.646, 1.110]	7.42	< .001
Recognition → Reward	.587	.090	.734	[.410, .763]	6.51	< .001
Autonomy → Innovation	.448	.158	.504	[.138, .758]	2.84	.005
Reward → Innovation	−.298	.160	−.318	[−.610, .015]	−1.87	.062

Note. N = 158. Unstandardized (B) and standardized (β) coefficients with robust standard errors (SE) and 95% confidence intervals. Robust model fit: scaled T2*(317) = 496.00, p < .001; CFI = .920; TLI = .911; RMSEA = .063, 90% CI [.052, .074]; SRMR = .058.

The model explained substantial proportions of variance in Recognition (R^2 = .731), Autonomy (R^2 = .816), and Enthusiasm and support (R^2 = .583), and a moderate proportion of variance in Reward (R^2 = .539; see Table IV). Variance explained in Innovation was comparatively limited (R^2 = .143), consistent with the weaker measurement properties of this dimension reported in the CFA. The elevated variance explained in Autonomy should be interpreted with caution given the borderline HTMT value between Recognition and Autonomy reported above, which indicates a degree of shared variance between these constructs at the measurement level and therefore inflates the apparent explanatory power of the path linking them. Given the cross-sectional design and the exploratory specification of the structural model, these associations should not be interpreted as evidence of causal relationships among the study dimensions.

TABLE IV

Variance Explained in Endogenous Variables

Endogenous variable	R^2
Recognition	.731
Autonomy	.816
Enthusiasm and support	.583
Reward	.539
Innovation	.143

Note. N = 158. R^2 values correspond to the structural model reported in Table III.

IV. Discussion

The structural model tested here indicated that management style was associated with recognition; recognition, in turn, was associated with both autonomy and reward. Autonomy showed a positive structural association with enthusiasm and support and was the only dimension that predicted innovation statistically, while reward did not explain innovation significantly once autonomy was accounted for. The climate dimensions examined therefore did not operate interchangeably: within this structural sequence, autonomy occupied a more central position in relation to innovation than management style, recognition, or reward considered on their own. The sections that follow set out that pattern together with the measurement constraints that bound how firmly it can be asserted.

The association between management style and recognition ($\beta = .855$, $p < .001$) suggests that, in this sample, recognition is not experienced as an isolated human resource practice but as part of how employees perceive management overall. Where management style is experienced as supportive rather than controlling, recognition tends to be perceived more favorably as well. This pattern is consistent with earlier findings that supervisor support is a recurrent antecedent of perceived organizational support [6], that noncontrolling supervision is associated with more favorable employee outcomes than controlling supervision [7], and that managers' orientation toward supporting rather than controlling subordinates relates to how subordinates perceive their climate [5]. The magnitude of this association indicates that, from employees' perspective, management style and recognition may be experienced as closely related facets of the same supervisory relationship rather than as fully independent conditions.

Recognition showed a strong positive structural association with autonomy ($\beta = .903$, $p < .001$). From a self-determination theory perspective, recognition can function as a signal of trust and legitimation of employees' initiative, consistent with the broader argument that autonomy tends to be experienced under specific relational conditions rather than in isolation [9]. The magnitude of this coefficient, however, requires explicit qualification rather than acknowledgment alone. Taken together with the HTMT value of .891 between the two dimensions, a standardized path of .903 approaches the range in which a directional relation between two latent variables becomes difficult to distinguish empirically from a single underlying factor measured by two sets of indicators.

Three implications follow for the structural model reported here. First, the coefficient should not be read as an estimate of how much autonomy would shift if recognition were strengthened; at this level of empirical proximity, the path expresses covariation between two closely related employee perceptions rather than a distinguishable structural mechanism. Second, the high proportion of variance explained in autonomy ($R^2 = .816$) is inflated by that proximity and should not be read as evidence that the antecedents of autonomy are well identified in this model. Third, and most consequentially, because autonomy is the only dimension significantly associated with innovation, part of what the autonomy construct captures in this sample may itself be recognition; the contrast between autonomy and reward discussed below is therefore more safely described as a contrast between a recognition-autonomy complex and reward than between two fully separable climate dimensions. Alternative specifications, such as modeling recognition and autonomy as indicators of a single higher-order supervisory-climate factor, or refining the item pools so that the two dimensions are measured with sharper discriminant separation, would allow this ambiguity to be adjudicated and are a priority for subsequent work with this instrument.

Autonomy was positively associated with enthusiasm and support ($\beta = .764$, $p < .001$). Employees' perceived capacity to decide and act within their role appears to relate to their disposition toward participation, collaborative relationships, and psychological engagement with their work. This finding is broadly consistent with research on non-controlling supervision and autonomy support, which has linked employees' perceived discretion to more favorable motivational and relational outcomes [5], [8], [9], although those studies were not conducted in financial-sector samples and did not operationalize their outcomes identically to enthusiasm and support as measured here.

The central finding of this study concerns the association between autonomy and innovation ($\beta = .504$, $p = .005$), the only significant structural predictor of innovation in the model. This result is consistent with a body of evidence linking perceived autonomy to innovation-related outcomes across a range of occupational settings: autonomy has been associated with nurses' innovative behavior when accompanied by a pro-innovation climate and supervisor support [11], with employee creativity through intrinsic motivation when the organization also supports creativity [12], and with innovation more strongly under conditions of trust, fairness, and communication [13]. Hassi et al. [14] similarly found that middle managers' autonomy was associated with innovative work behavior specifically when climate for innovation was strong, and Garg and Dhar [15] found that job autonomy strengthened the link between relational quality and service innovative behavior in Indian

banks. In financial organizations specifically, where procedures are frequently standardized and subject to regulatory constraint, the perception of autonomy may matter precisely because it allows employees to adapt procedures, propose adjustments, and respond to client needs within the boundaries that regulation and internal control still require. Similar reasoning has been advanced in studies of innovative behavior among bank employees in other national contexts [25] and among Latin American employees more broadly, where organizational climate for innovation has been found to moderate the translation of leadership and absorptive capacity into innovative work behavior [29].

Three features of the measurement model qualify this central finding and should be weighed alongside it. First, the Innovation dimension showed the weakest psychometric properties in the model ($\alpha = .657$, $\omega = .674$, AVE = .421); an AVE below .50 means that less than half of the variance in its indicators is attributable to the latent construct, so the outcome variable is measured with substantial error and the coefficient directed at it is correspondingly attenuated. Second, one of its three indicators (P28R) loaded at .418, so the factor rests substantively on two of its three items and is narrow in content coverage relative to established conceptualizations of innovative work behavior, which encompass exploration, generation, championing, and implementation [17]. Third, the confidence interval around the autonomy-innovation coefficient is wide (95% CI [.138, .758]) and the model accounts for 14.3% of the variance in innovation, so the estimate is imprecise as well as attenuated. Because innovation is the outcome the study is organized around, these are not peripheral technicalities: the autonomy-innovation association reported here is best treated as preliminary evidence to be re-examined with a broader validated measure of innovative work behavior, such as the instrument developed by De Jong and Den Hartog [17], rather than as a settled parameter.

The association between reward and innovation was not statistically significant once autonomy was accounted for ($\beta = -.318$, $p = .062$). This result should not be read as evidence that reward systems undermine innovation; the coefficient's confidence interval and p-value indicate that, in this model, reward did not explain variance in innovation beyond what autonomy already explained, not that higher reward was associated with lower innovation. The measurement caveat set out above applies symmetrically here: a non-significant coefficient estimated against an outcome of limited reliability is weaker evidence of no association than the same coefficient would be under a better-specified innovation measure, and the result is therefore best described as inconclusive rather than null. A likely substantive explanation lies in what the reward dimension of this instrument actually measures: promotion opportunities, pay equity, and recognition of general performance, rather than incentives specifically designed to encourage experimentation or new ideas. A reward system can be perceived as fair and adequate without necessarily prompting the kind of discretionary, exploratory behavior that innovation requires. This interpretation is consistent with evidence that the relationship between rewards and innovative behavior is neither simple nor uniformly positive: Zhou et al. [19] found that tangible extrinsic rewards related to innovative behavior in a non-linear, inverse U-shaped pattern; Janssen [20] showed that the perceived fairness of the effort-reward ratio, rather than reward level per se, shaped its association with innovative work behavior; Opoku et al. [21] found that rewards related to employee creativity only indirectly, through organizational support for innovation, and that this pattern depended on supervisory support; and Zeshan et al. [22] found that rewards were positively associated with autonomy only when paired with enabling, rather than coercive, controls. Read together, this literature suggests that reward systems are more likely to relate to innovation when they are designed to support autonomy and organizational learning rather than to recognize general performance alone.

The financial-sector context of this study adds a further consideration. Nayir et al. [24] found that formalization, a structural feature closely associated with financial services, directly hindered behavioral and market innovativeness in a Turkish financial-services sample. The present findings, in which autonomy rather than reward related to innovation, are consistent with the interpretation that within highly formalized, regulated environments, the perception of discretion may carry particular weight for innovation-related outcomes. This interpretation should be read alongside evidence from financial and banking contexts in Spain [23], Vietnam [25], Turkey [26], and Pakistan [27], while recognizing that some of these studies examined organizational culture rather than organizational climate and that their outcome variables were not identical to the innovation dimension measured here.

The model explained a modest proportion of variance in innovation ($R^2 = .143$). This should not be interpreted as a failure of the structural model; rather, it indicates that innovation, as measured here, depends on factors beyond the climate dimensions examined, and it also reflects the attenuation introduced by the limited reliability of the innovation measure itself. Technological resources, digital transformation, organizational learning, trust, psychological safety, absorptive capacity, regulatory conditions, and organizational strategy are plausible additional contributors to innovation that were not measured in this study and that likely account for a substantial share of the unexplained variance.

Theoretically, these results indicate that the dimensions of organizational climate examined here do not operate interchangeably in relation to innovation. A climate favorable to autonomy appears more closely associated with innovation than a climate centered primarily on general rewards, even though both dimensions are part of the same broader climate structure and both were, in turn, related to recognition. This distinction matters for how organizational climate is theorized in future research: treating climate as a single undifferentiated

construct may obscure which of its components actually relate to innovation-related outcomes. The qualification developed above applies equally to this theoretical claim, since the differentiation the data support most clearly is between reward and a closely bound recognition-autonomy complex rather than among six independent dimensions.

Contextually, this study contributes evidence from a Honduran, and more broadly Central American, sample, a region that remains comparatively underrepresented in the literature on organizational climate and innovation in financial services. This contribution should not be read as evidence about the Honduran financial system as a whole; the non-probability sampling procedure, the modest sample size, and the specific institutions reached by this study limit the extent to which these findings can be generalized beyond the participants surveyed.

A. Practical Implications

The implications that follow are offered as tentative and bounded. They rest on a non-probability sample of 158 employees recruited by snowball sampling, on an outcome measure with limited reliability and convergent validity, and on a model that accounts for 14.3% of the variance in innovation. They are therefore better understood as hypotheses for managerial practice that merit testing within individual institutions than as prescriptions derived from established effects, and they should not be transferred to the Honduran financial sector as a whole.

With that qualification, these findings suggest that managerial recognition should translate into real opportunities for decision-making, participation, and the proposal of new ideas, rather than remaining a purely evaluative or symbolic practice. Given the close structural association between recognition and autonomy observed here, financial institutions seeking to strengthen employees' innovation-related behavior may find it useful to examine whether recognition practices are accompanied by genuine discretion in employees' daily work. Because the two dimensions were not sharply separated empirically in this sample, they are also better treated as a single practical lever than as two independent ones: what these data support is that recognition accompanied by real decision latitude, rather than recognition alone, relates to innovation-related perceptions. Reward systems, for their part, should not be eliminated or minimized; rather, the results suggest that rewards are more likely to relate to innovation when designed in ways compatible with autonomy, learning, and collaboration, rather than solely with general performance, and without compromising the regulatory controls that financial institutions are required to maintain.

B. Limitations and Future Research

Several limitations should be considered when interpreting these results, and three of them bear directly on the study's central claim. First, the innovation dimension showed weaker internal consistency and convergent validity than the other five dimensions ($\alpha = .657$, $\omega = .674$, AVE = .421), and one of its indicators, P28R, showed a comparatively low standardized loading (.418). Since innovation is the outcome of interest, every structural coefficient directed at it is attenuated and imprecisely estimated, and conclusions involving this dimension, including the central autonomy-innovation result, should be weighted accordingly. Second, the elevated HTMT value between recognition and autonomy (.891), combined with the structural coefficient linking them ($\beta = .903$), indicates that these two dimensions are not empirically well separated in this sample, which limits the extent to which the model can be read as a sequence of distinct climate conditions and inflates the variance explained in autonomy. Third, the proportion of variance explained in innovation was modest ($R^2 = .143$), so the dimensions modeled here account for a small part of what the innovation measure captures.

Beyond these, the cross-sectional design does not allow temporal precedence or causal direction to be established among the study variables. The non-probability, snowball sampling procedure and the relatively modest sample size (n = 158) limit the extent to which findings can be generalized to the broader Honduran financial sector and preclude any claim about how organizational climate is distributed across Honduran financial institutions. Data were self-reported by a single source at a single point in time, which raises the possibility of common method variance, a concern documented extensively in behavioral research [33]; no statistical test of common method bias was conducted in this study, and this limitation should be interpreted as a design consideration rather than as an empirically confirmed source of bias. Sociodemographic information was limited to age and organizational tenure, restricting the extent to which the sample's characteristics can be described or compared to other populations. Finally, this study did not include technological, institutional, or regulatory variables that plausibly relate to innovation in financial organizations.

Future research on this question would be substantially strengthened along four lines. Larger samples drawn through probability-based procedures would allow the structural estimates to be generalized beyond the participants surveyed and would support more stable estimation of a model of this complexity. Longitudinal and multilevel designs would permit temporal precedence to be established and would account for the nesting of employees within teams and institutions, while multi-source data would reduce reliance on single-respondent self-reports. Measurement work is equally important: a broader validated instrument for innovative work behavior [17] and item pools that separate recognition from autonomy more sharply would address the two psychometric constraints identified above and would allow the alternative specifications discussed earlier to be tested directly. Finally, incorporating additional organizational and technological variables, including digital transformation, technological

infrastructure, organizational learning, psychological safety, trust, absorptive capacity, and the regulatory climate, would help explain more of the variance in innovation left unaccounted for by climate dimensions alone, and comparative research across banks, cooperatives, insurance companies, and microfinance institutions could clarify whether the structural associations observed here generalize across different types of financial organizations.

V. Conclusions

This study offers structural evidence that, within the financial-sector sample examined here, organizational climate does not function as a single, undifferentiated driver of innovation. Among the six dimensions modeled, autonomy occupied the most direct structural position in relation to innovation, while reward, despite its strong ties to recognition, did not. This distinction carries a practical implication that goes beyond the specific coefficients reported in the Discussion: efforts to strengthen innovation-related behavior in financial institutions may be better directed at expanding employees' decision latitude within existing regulatory boundaries than at expanding general reward provisions alone, since the two levers appear to relate to innovation through different structural routes. This reading is advanced with the explicit caution that the innovation construct was measured with limited reliability in this sample, that recognition and autonomy were not sharply separated empirically, and that the sample was a non-probability one of modest size; the pattern reported here is accordingly a direction for further testing rather than a basis for firm prescription.

The study also contributes a comparatively rare empirical test of a multidimensional climate model within a Central American financial-sector sample, a context in which dimension-specific structural evidence has been scarce relative to Europe, Asia, and North America. Positioning autonomy and reward as structurally distinct routes to innovation reinforces the broader argument that organizational climate should be treated as a differentiated construct, both in theory and in practice, rather than as a single composite score. Whether this pattern holds in other Central American financial institutions, and under what conditions reward systems might be redesigned to relate more closely to innovation, remains an open question that only further research across institutions and over time can resolve.

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