

Workplace friendships and entrepreneurial intent: The mediating role of innovative behavior

Retchell Rubin L. Morales

De La Salle University

retchell.morales@dlsu.edu.ph

Abstract

Workplace friendships (WPF) are informal and voluntary relationships different from hierarchical relationships where there is a leadership and subordinate association. Literature suggests that workplace friendship-type relationships influence innovative behavior (IBE), yet there are varying results in its impact on entrepreneurial intention (EIN). Accordingly, this research builds on existing studies on these variables, exploring the mediating effect of innovative behavior on workplace friendship and entrepreneurial intention. The investigation employed a quantitative descriptive causal cross-sectional survey among 278 Philippine-based MSMEs. The study's results revealed that workplace friendships influence both innovative behavior and entrepreneurial intention, and the model showed that innovative behavior fully mediates workplace friendships and entrepreneurial intention. The study also illustrates that internal camaraderie, support, and trust promote creativity and encourage innovation.

Keywords: workplace friendship, innovative behavior, entrepreneurial intention, individual-opportunity nexus, intrapreneurship, corporate entrepreneurship

Introduction

Social beings naturally interact and build connections with other humans (or colleagues) through their jobs (Chen et al., 2012). These connections often result in relationships such as workplace friendships. In a study by Mayo Clinic (2022), although this type of relationship is not always easy to build and maintain, it impacts one's health and overall well-being. A healthy working environment and good peer relationships can also lead to innovative behaviors that benefit the firm (Ali & Kashif, 2020; Cao & Zhang, 2020; Colbert, Bono & Purvanova, 2016; Xiao et al., 2020).

The nuances of workplace friendship make it an evolving topic of study, mainly in quantitative research; thus, several studies are worth noting. For example, Morrison (2004) and Kaya and Karatepe (2020) describe that overall workplace engagement increases employees' versatility, job satisfaction, and work and organizational effectiveness and commitment. Furthermore, this type of engagement may be affected by an interpersonal relationship known as workplace friendship (Breevaart et al., 2015; Liao et al., 2013). As a result, workplace friendship improves employees' cheerful disposition toward work. It also enhances willingness and eases interaction with peers, positively cultivating job functions, such as achieving goals and developing a career (Liao et al., 2013; Yan et al., 2021). A positive working relationship fosters the development of professional ethics, where an ethical business successively ensures employees' safe and pleasant working environment (Grigoropoulos, 2019, as cited in De Zoysa, 2022). Thus, fostering meaningful and healthy working relationships encourages ethical practices among employees (De Zoysa, 2022). Ironically, there will always be the downside of workplace friendships behind this seemingly harmonious relationship. The paradox brought about by workplace friendship has been growing in literature to understand its impact. Adverse effects of

workplace friendship may include job insecurity, envy, and gossip (Jiang et al., 2019). There may also be complexities at work, and feeling left out, often resulting in subgroups and decreasing open communication between groups (Pillemer & Rothbard, 2018).

In the Philippines, the government enacted Republic Act (RA) No. 9501 or the Magna Carta for MSMEs (micro-, small-, medium-sized enterprises). This law defines two main criteria in classifying organizations as part of MSMEs: employment and asset size. GovPh (2008) characterizes businesses with employees less than ten and asset size of up to Php 3 million as micro, those with 10-99 employees and asset size of up to Php 15 million as small, and those with 100-199 employees and asset size of up to Php 100 million as medium enterprises.

According to the 2020 MSME Statistics Report of the Department of Trade and Industry (DTI) through the Philippine Statistics Authority, MSMEs in the Philippines make up the majority of businesses in the country. The report showed that 99.51% or 952,969 enterprises are micro-, small-, and medium-sized firms (Department of Trade and Industry, 2020). This data accounts for micro businesses at 88.77% or 850,127, small companies at 10.25% or 98,126, and medium-sized enterprises at 0.49% or 4,716. Moreover, the total number of MSMEs provides 62.66% of the employment rate, or 5,380,815 of the population employed at these MSMEs (DTI, 2020).

Given the high percentage of individuals working for MSMEs, it is interesting to investigate the organizational relationship and dynamics within these firms. One way is to scrutinize how workplace friendships influence the employees' ability to be creative, innovative, and motivated.

Nonetheless, limited information is known locally and globally on workplace friendships' impact on creativity, such as innovative behavior and entrepreneurial intention, especially in

developing countries like the Philippines. Large organizations or corporations may lean towards a more instrumental workplace friendship than an interpersonal one. Therefore, examining and understanding how a platonic, informal, and voluntary relationship influences creativity among micro-, small- and medium-sized enterprises (MSMEs) is essential. These types of institutions often have a closely knit relationship because of their size and scope of responsibilities.

Furthermore, workplace friendship may encourage the exploitation of opportunities (Shane & Venkataraman, 2000) and the creation of products and services by the firm (Klein, 2016). This study also explores the positive influence of workplace friendships in developing innovative behavior and driving individuals to start their businesses or innovate on existing offerings.

Workplace friendships are inevitable in the working environment, involve complex interpersonal relationships, and influence and encourage creativity; therefore, this proposed study seeks to answer the following research questions:

- 1. What is the relationship between workplace friendship, innovative behavior, workplace friendship, and entrepreneurial intention among MSMEs?*
- 2. What mediating effect of innovative behavior on workplace friendship and entrepreneurial intention?*

Accordingly, one of the goals of this study is to examine the effect of the complex and interpersonal relationship built upon workplace friendship on both innovative behavior and entrepreneurial intention. At the same time, determine if innovative behavior mediates workplace friendship and entrepreneurial intention. This type of bond and outcomes are essential because this relationship may be valuable or damaging to the overall workplace environment, organizational dynamics, and performance. Thus, another intent of this study is to be able to recommend policies or programs that will support this relationship towards creativity. Lastly,

this study seeks to contribute to the existing literature and analysis with varying results of workplace friendship and its effect on innovative behavior.

This study will be significant to the organization as it may curate activities and programs to develop internal relationships. These activities will promote a healthier and positive workplace that will contribute to the organization's innovation and continuous development. This study may also influence leaders and managers to recognize the potential of fostering workplace friendships to develop a healthier work environment. At the same time, establish systems that allow people to contribute to the organization by making business decisions. Likewise, this study will help employees realize the value of promoting and building healthier workplace relationships for a harmonious and more suitable working environment, developing support and personal growth. Lastly, future researchers may further the literature in understanding various mechanisms affecting workplace friendships by developing procedures and practices that may create this relationship contributing to individual and organizational flourishing.

Literature Review and Hypotheses

Social Cognitive Theory

One of the theories used in literature in examining workplace friendships is Bandura's (1986) Social Cognitive Theory (SCT). This theory asserts that learning emerges in a social context with a dynamic and mutual interaction among individuals, the environment, and one's behavior. The influence of external and internal social forces is vital in the learning process, where individuals acquire, develop, and maintain a behavior simultaneously influenced by the environment where the individual conducts their behavior (Bandura, 1986). In a study by Cao and Zhang (2020) using the said theory, the findings depict that China's unique cultural environment influences relationships and contributes to the innovative behavior of organizations.

So, from this theory, high workplace friendships promote resource sharing, encourage support, and create a more harmonious relationship that develops problem-solving skills and contributes to the individual's well-being.

Workplace Friendships

Pillemer and Rothbard (2018) described and defined *workplace friendship* as “a non-romantic, voluntary, and informal relationship between current coworkers that is characterized by communal norms and socioemotional goals” (p. 637). This definition highlights the four core features of friendship as discussed in their study (Pillemer & Rothbard, 2018):

1. *Voluntary* or chosen, not imposed;
2. *Informal* with no definite guide to one's role and engagement in the said relationship;
3. Based on *communal norms* that provide support out of concern; and
4. A relationship steered by *socioemotional goals* that foster one's well-being.

Therefore, this bond allows a unique personal relationship aside from the leader-subordinate, mentor-mentee, and high-quality connections in the workplace (Pillemer & Rothbard, 2018). At the same time, according to Yan et al. (2021), creating workplace friendships provides more resources and support than other workplace relationships.

Accordingly, these studies agree with Cao and Zhang's (2020) definition of workplace friendship as an informal, intimate, interpersonal relationship that differs from instrumental relationships like mentoring and supervisor-subordinate relationships.

Several factors are said to influence and cultivate workplace friendships. For example, Dotan (2009) classified friendship formation as motivational or facilitating. The motivational factors develop through engaging in 1) *work safety/trust*, an affective feeling that motivates an individual to pursue friendship, 2) *missing role*, also an affective feeling that develops when a

colleague resembles someone significant in their lives, 3) *sanity check*, a mental formation where friendship develops from gaining confidence and reassurance from others, and 4) *instrumentality*, suggests that employees yearning for promotion develop friendships with colleagues who may help them gain these rewards (Dotan, 2009). Furthermore, in the same study, Dotan (2009) elucidates that facilitating factors are external stimuli that cause the relationship to develop. These factors are 1) *work/life interests*, a connection that develops because of similarities, and 2) *proximity*, a situational type that develops friendships due to physical closeness. Consequently, employees who develop workplace friendships undertake the relationship “by choice, treat each other as whole persons, and offer assistance reciprocally and mutually” (Yan et al., 2021, p. 206).

Workplace Friendship, Innovative Behavior, and Entrepreneurial Intention

Studies on workplace friendships are limited and still evolving (Yan et al., 2021). Nevertheless, when facilitated with mutual trust, this seemingly complex and interesting interpersonal relationship reduces anxiety toward uncertainties and challenges (Cao & Zhang, 2020; Pillemer & Rothbard, 2018). Literature also ascribes that workplace friendship promotes creativity through innovative behavior (Cao & Zhang, 2020) and entrepreneurial intention (Hu et al., 2019; Nanda & Sørensen, 2010).

In addition, research depicts conflicting relationships between workplace friendships and innovative behavior. In their study, Cao and Zhang (2020) and Helmy et al. (2020) illustrated the positive and significant relationship between workplace friendship and innovative behavior. Contrary to Stock et al.’s (2016) investigation, workplace friendship weakens innovative behavior because other factors, like customer aggression and underemployment, can be more substantial. Furthermore, Helmy et al. (2020) highlight workplace friendship’s critical role in

influencing frontline employees' innovative behavior where a friendly environment promotes opportunities to develop products and services. At the same time, Gottfridsson (2014) maintained that innovation greatly depends on employees' collaboration. Therefore, workplace friendships also strengthen communication that encourages a regular and open exchange of feedback, promoting innovation (Cao & Zhang, 2020; Eva et al., 2019).

Furthermore, based on Bandura's (1986) Social Cognitive Theory, the environment supports and encourages information exchange. Thus, the literature also reveals that workplace relationships affect how creating, developing, and implementing ideas will come about and promote creativity through innovative behavior. This study examines that:

H1: There is a positive relationship between workplace friendship and innovative behavior.

On the other hand, in Nanda and Sørensen's (2010) study, workplace friendship impacts entrepreneurial intention if peers have prior entrepreneurial experiences. While in other literature, like Obschonka et al. (2012) and Hu et al. (2019), the authors assert that other factors like one's drive, persistence, and relationship affect workplace friendship' impact on entrepreneurial intention. Thus, workplace friendship has a positive effect on entrepreneurial intention:

H2: There is a positive relationship between workplace friendship and entrepreneurial intention.

The Mediating Role of Innovative Behavior

Innovative behavior revolves around one's capacity to create new ideas and develop problem-solving skills at the individual or organizational level. Choi et al. (2021) cited Orfila-Sintes and Mattsson (2009) that innovative behavior concerns the active creation, introduction,

and application of ideas that enhance the performance of an individual or an organization. This outcome makes innovative behavior a vital trait for individuals and organizations, creating competitive advantage and allowing them to thrive in their environment (Carmeli et al., 2006).

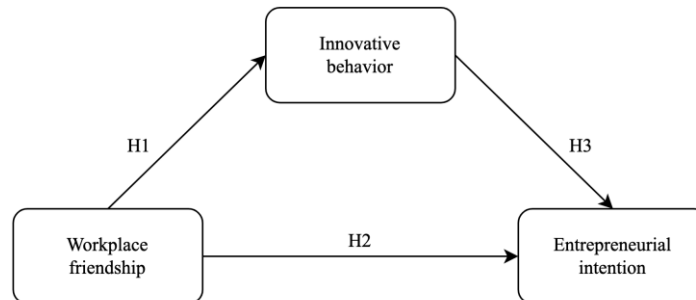
Studies often examine the influence of innovative behavior and its mechanisms because of its positive impact on performance and its importance in the organizational environment. The said behavior functions as a means of how firms can further leverage this trait of being creative (Choi et al., 2021; Rehman et al., 2019). Norena-Chavez's (2020) study illustrated that innovative behavior mediates between entrepreneurial self-efficacy and entrepreneurial intention. Consequently, the study further suggests investigating other direct and indirect antecedents of entrepreneurial intention (Norena-Chavez, 2020).

The positive contribution of workplace friendships in the organizational environment, often through frequent feedback (Eva et al., 2019), also impacts the individual's development of innovative behavior (Cao & Zhang, 2020; Liu & Shi, 2009). At the same time, a favorable working environment develops an individual's entrepreneurial intention (Hu, Wu, & Gu, 2019; Nanda & Sørensen, 2010). This intention may involve exploiting opportunities like innovating and creating goods and services, hence, the individual-opportunity nexus (Shane & Venkataram, 2000) or venturing and establishing an entirely new firm (Klein, 2016). Thus this study suggests further exploring the mediating effect of innovative behavior on organizational relationships like workplace friendships affecting entrepreneurial intention:

H3: There is a mediating effect of innovative behavior on workplace friendship and entrepreneurial intention.

Figure 1

Conceptual framework: Workplace friendship on entrepreneurial intention mediated by innovative behavior



Methodology

This study utilized a quantitative descriptive causal cross-sectional research design examining a sample population of Philippine-based micro-, small-, and medium-sized enterprises (MSMEs) nationwide from various industries. At the same time, the study followed a non-probability, purposive sampling type. The a-priori sample size using G*Power (Kang, 2021) calculated a target sample of 76 (Soper, n.d.). In total, there were 281 questionnaires received, yielding a 99% response rate or 278 usable responses. The survey was conducted from November 2021 to April 2022 through an online questionnaire using a 5-point Likert scale (1 = “strongly disagree,” 5 = “strongly agree”).

Although the instrument measures were already tested for validity and reliability by previous authors and studies, the researcher conducted a pre-testing to assure understanding of the sample population identified. The instrument’s reliability was tested from August 4-6, 2021, with 30 respondents. These respondents were excluded from the overall sample analyzed. Sekaran and Bougie (2009) articulated that the reliability of measurement scales that fall beyond 0.80 is good; thus, the instrument utilized is good and acceptable.

- Workplace Friendships (WPF) was measured using a 6-item scale from Helmy et al. (2020) with a Cronbach's alpha of 0.821.
- Innovative Behavior (IBE) was measured using a 6-item scale from Cao and Zhang (2020) with a Cronbach's alpha of 0.919.
- Entrepreneurial Intention (EIN) was measured using a 6-item scale from Hassan et al. (2020) with a Cronbach's alpha of 0.943.

The researcher used Jamovi for data processing and analysis for this study. Specifically, operating descriptive and inferential statistical techniques to understand the variables' relationship and interaction with each other and address the research questions. Investigation of the effect sizes of the variables among each other and the level of influence was possible by using correlation and linear regression. Moreover, using the basic type of mediation with one predictor, one mediator, and one outcome (Howard, 2020) allowed measurement of the mediating presence of IBE on WPF and EIN.

Results and Findings

Descriptive Analysis

There are a total of 278 respondents. The respondents' profiles depicted the following frequencies and statistics: the majority were 26-41 years old, making up 59.7% (166/278) of the sample population. The sample population was primarily female, contributing 64.7% (180/278). Also, the respondents mostly have a bachelor's degree as their highest educational attainment at 68.3% (190/278). Most belong to the rank and file position at 39.6% (110/278), with a job tenure of 1-5 years at 43.9% (122/278). At the same time, the company profile showed that most respondents belonged to a medium-sized enterprise, accounting for 54.7% (152/278). Further,

the majority of the firm where the respondents belong has more than 15 years of operations in their industry at 40.6% (113/278).

The overall mean of WPF, $M=3.84$, displays a general agreement from the respondents that they have established friendships in the workplace, and friends influence why they want to come to work. At the same time, they have built trust, confidence, and good companionships at work. Additionally, the mean of EIN, $M=3.90$, illustrates an agreement where the respondents approve of a possible intent of becoming an entrepreneur and establishing one's business venture. While IBE, $M=4.27$, shows the highest mean, depicting a strong agreement on one's interest and ability to engage in innovative behavior.

The standard deviation, on the other hand, displayed a lesser variation of responses for both WPF ($SD=0.722$) and IBE ($SD=0.595$), contrary to EIN ($SD=0.966$), depicting a greater degree of dispersion or a more considerable variation among the respondents' intention to become entrepreneurs and create new ventures.

Inferential Statistical Analysis

First, the researcher performed a correlation to understand the interrelationship between the variables in this study. Adapting the interpretation by Cohen (2013), the author defined the coefficient interval and its effect and size as follows: 0.10-0.29 as weak or small, 0.30-0.49 as moderate or medium, and 0.50-1.0 as strong or large. The variables show a significant and positive relationship; however, these relationships' size exhibits a small and medium correlation. Therefore, the relationship tells us that IBE goes up as WPF increases, but the association of these two variables has a medium-size effect ($p < .001$, $r = .334$). At the same time, as WPF increases, EIN also increases, but with a small correlation ($p = .027$, $r = .133$). Accordingly, as IBE increases, EIN also increases, depicting a medium association ($p < .001$, $r = .44$).

Second, to assess the relationship among variables, a simple linear regression was operated between WPF and IBE and between WPF and EIN.

The relationship between WPF and IBE depicted that WPF predicted IBE, $R^2 = .07$, $F(1, 276) = 23.3$, $p < .001$, 95% CI [0.136, 0.324]. WPF can explain only 7% of the changes in IBE. On average, the CI shows that as WPF increases by 1 unit, IBE increases between 0.136 to 0.324. The results give us a short CI that is precise in its effect size (Cumming, 2013) and tells us that WPF indeed affects IBE.

On the other hand, WPF predicted EIN, $R^2 = .01$, $F(1, 276) = 23.3$, $p = .044$, 95% CI [0.00458, 0.319], where only 1% of the changes in EIN can be explained by WPF. The CI shows that WPF's effect on EIN is between 0.004 and 0.319. Since the lower limit is near zero (0.004), the effect can be characterized as statistically inconsistent. However, it should also be noted that the upper limit is as high as 0.319, which indicates that although inconsistent, WPF may still be related to EIN.

Lastly, the researcher also utilized Jamovi's medmod function to run the basic mediation method and examine the mediating effect of IBE on WPF and EIN (please see Table 1 below). Following Baron and Kenny's (1986) mediation analysis, the results were as follows: There is a significant *indirect effect* between WPF and IBE ($B = .1861$, $p < .001$), where path a, WPF on IBE reveals that ($B = 0.2299$, $p < .001$), and path b, IBE on EIN indicates that ($B = .8093$, $p < .001$) exhibiting that paths a and b were significant. Continuing with Baron and Kenny's (1986) mediation analysis, this time looking at the *direct effect* or path c, WPF on EIN, depicts that ($B = -.0241$, $p = .074$) and is not significant. Finally, the *total effect* $z = 2.033$, $p = .042$ is significant. Therefore, the model supports a full mediation by IBE on WPF and EIN.

Table 1

Basic Mediation Results on IBE mediating between WPF and EIN

Mediation Estimates

Effect	Label	Estimate	SE	95% Confidence Interval		Z	p
				Lower	Upper		
Indirect	$a \times b$	0.1861	0.0434	0.10097	0.271	4.285	< .001
Direct	c	-0.0241	0.0727	-0.16658	0.118	-0.332	0.74
Total	$c + a \times b$	0.162	0.0797	0.00583	0.318	2.033	0.042

Path Estimates

			Label	Estimate	SE	95% Confidence Interval		Z	p
						Lower	Upper		
WPF	→	IBE	a	0.2299	0.0474	0.137	0.323	4.846	< .001
IBE	→	EIN	b	0.8093	0.0882	0.636	0.982	9.173	< .001
WPF	→	EIN	c	-0.0241	0.0727	-0.167	0.118	-0.332	0.74

Accordingly, the results convey a significant indirect effect, and the model tells us that exposure of WPF to EIN happens through the presence of the mediator, IBE. Moreover, since the model indicates complete mediation, EIN's total effect on WPF passes through IBE. Thus, WPF has no direct impact on EIN; its entire effect is indirect through IBE. Ultimately, the mediation result explains that workplace friendship (WPF) can influence entrepreneurial intention (EIN) if and only if individuals have significant levels of innovative behavior (IBE).

Discussion

The study depicted a positive relationship between workplace friendships and innovative behavior. This relationship may come from forming solid friendships through socializing with colleagues outside the workplace. Other sources include confiding in people at work, building trust with coworkers, and becoming the source of encouragement for why one intends to go to work. These relationship-building factors increase communication and the generation of creative ideas in the workplace. This result agrees with the literature from Cao and Zhang (2020) that exhibited workplace friendships' positive impact on the employees' innovative behavior. At the same time, Helmy et al. (2020) study concluded that workplace friendships create a favorable environment impacting innovative behavior. Thus, this study and other studies illustrate that workplace friendships positively affect innovative behavior.

The results of the study, although showing a positive relationship between workplace friendships and entrepreneurial intention, depict a varying level of effect. This result suggests a further analysis of this relationship. Accordingly, the result is similar to how studies revealed that other influencing elements affect the relationship between workplace friendships and entrepreneurial intention (Hu et al., 2019; Nanda & Sørensen, 2010; Obschonka et al., 2012). Some of these influencing factors are one's prior entrepreneurial experiences, persistence in achieving goals, and the presence of belongingness in group memberships.

On the other hand, innovative behavior has a full mediating effect on workplace friendships and entrepreneurial intention. Similarly, other studies depict the complete mediation of innovative behavior on varying antecedents to entrepreneurial intention. For example, in the study by Law and Breznik (2017), the authors manifest that innovative behavior mediates one's learning motivation and entrepreneurial intention. Moreover, Wathanakom et al. (2020) depict

that innovative behavior mediates the relationship between entrepreneurial education and intention.

Theoretical Implications

This study presents two theoretical implications and contributions. First, the working environment affects the behavior to generate new ideas that will help improve performance. This relationship reinforces the Social Cognitive Theory by Bandura (1986), where external forces are vital in developing individuals' behavior. Furthermore, this may also improve management theories built upon understanding external forces influencing behavior and performance. Second, the study's framework addresses the call of Norena-Chavez (2020) to investigate further the mediating effect of innovative behavior on entrepreneurial intention. In this study's findings, innovative behavior fully mediates between workplace friendships and entrepreneurial intention. Thus, the influence of workplace friendships is possible and strengthened through innovative behavior—an addition to the possible antecedents of entrepreneurial intention.

Management/Practical Implications

Employees build, develop, and maintain relationships like friendships in the workplace. The organization, managers, and supervisors can enhance this relationship and contribute to the firm's growth. As this study exhibits, managers can maximize the influential role of workplace friendships by bringing out and developing the best in their employees and enabling creativity and innovation, possibly through intrapreneurship or corporate entrepreneurship. Frederick et al. (2019) defined *intrapreneurs* as “builders with a commitment and a strong drive to see their ideas become a reality” (p. 59). Solid internal support from peers and managers will motivate employees to pursue their vision and bring their ideas to fruition.

Managers may cultivate workplace friendships to improve innovative behavior. They can foster relationship-building activities such as internal (group or department-wide) and external (company-wide) programs like practicing active listening, appreciation posts, and creating hobby/sports groups. Moreover, they can design skill-building programs, training, and activities to motivate innovative behavior. These activities will enable the creation of new techniques and methods, product and service innovation, and employee process improvement. Such actions and opportunities will allow the employees to discover strategies and plans to create exceptional ideas. Therefore, boosting innovative behavior stimulates the pursuit of growth and development in the workplace (Cao & Zhang, 2020; Colbert et al., 2016). Thus, managers and supervisors should consider ways to encourage a harmonious and supportive environment by strengthening and building workplace friendships to impact innovative behavior (Abdulmuhsin & Tarhini, 2020; Cao & Zhang, 2020).

As literature maintains, there are varying schools of thought on entrepreneurship (Shane, 2003). Organizational leaders must consider driving an entrepreneurial spirit along with the individual-opportunity nexus (Shane & Venkataraman, 2000). This theory may be possible when individuals exploit opportunities in their working environment. Moreover, managers and supervisors may position their efforts into innovative behavior that will mediate toward the entrepreneurial intention of uncovering and maximizing opportunities within the firm. For example, creating new products and services, improving business practices and decision making, developing markets, and enhancing organizing efforts and processes (Shane & Venkataraman, 2000). Managers should encourage employees to innovate by investing in their skills and capabilities to take advantage of new opportunities for the firm instead of managers and leaders focusing on the risk of individuals leaving the company and starting their business ventures.

Conclusion and Limitations and Future Research Development

The statistical results (shown in Table 2 below) suggest that workplace friendship (WPF) is moderately positively correlated to innovative behavior (IBE) with an effect size of .334 and is significant. Moreover, the CI levels exemplify a precise effect size of WPF on IBE. Thus, support and personal growth emanate from good working relationships, such as workplace friendships (Ali & Kashif, 2020; Cao & Zhang, 2020; Colbert et al., 2016; Xiao et al., 2020).

Table 2

Summary of Hypotheses, Results, and Findings

Hypotheses	Results
H1: There is a positive relationship between workplace friendship (WPF) and innovative behavior (IBE).	There is a moderately positive relationship between WPF and IBE, and is significant, where the correlation size is ($p < .001$, $r = .334$) and $R^2 = .07$, $F(1, 276) = 23.3$, $p < .001$, 95% CI [0.136, 0.324]
H2: There is a positive relationship between workplace friendship (WPF) and entrepreneurial intention (EIN).	There is a weakly positive relationship between WPF and EIN, and is significant, where the correlation size is ($p = .027$, $r = .133$) and $R^2 = .01$, $F(1, 276) = 23.3$, $p = .044$, 95% CI [0.00458, 0.319]
H3: There is a mediating effect of innovative behavior (IBE) on workplace friendship (WPF) and entrepreneurial intention (EIN).	The model supports a full mediation where IBE completely mediates between WPF and EIN satisfying conditions 1, 2, 3, and 4 of Baron and Kenny (1986).

Additionally, WPF is weakly positively correlated to entrepreneurial intention (EIN) with an effect size of .334. This relationship is significant, where the CI levels show an inconsistent yet possibly influencing the effect of WPF on EIN as demonstrated by the lower limit close to zero and a high upper limit of 3.

Furthermore, the model depicts a complete mediation of IBE on WPF and EIN. Thus, WPF will impact EIN through the presence of IBE. This model also agrees with the correlation and linear regression results that WPF affects IBE.

Limitations and Future Research Development

This study has its limitations. First, a quantitative-correlational study is insufficient to understand the workplace friendships phenomenon fully. So, a qualitative study employing a phenomenological or case study approach will further this study and explore the nuances of this type of workplace relationship. Second, since the researcher used convenience sampling, the outcomes are not generalizable to all MSMEs or the workplace environment per se. Thus, to address this weakness, stratified random sampling will help improve understanding of the forces affecting workplace friendships on innovative behavior and entrepreneurial intention. At the same time, it allows the further investigation of workplace friendships' contribution to overall well-being and value creation in the organization. Lastly, the outcomes and influences of workplace friendships may be beneficial and detrimental. As this study only considered the positive effects of workplace friendships, future studies may consider the adverse consequences of the said relationship. In this manner, leaders can identify and address these issues before affecting the organizational working dynamics.

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