The Impact of Humble Leadership on Innovation Practices: Examining the Role of Psychological Safety in Multi-National Companies (MNCs)

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Abstract

This study aims to investigate the impact of Humble Leadership (HL) on Innovation Practices (IP) within Multi-National Companies (MNCs). It examines the role of Psychological Safety (PS) as a key influencing factor in this relationship. The research highlights the potential for humble leadership behaviors to cultivate a supportive environment for innovation, providing insights for enhancing innovative capacity in complex global organizations. Utilizing survey data collected from employees/managers in MNCs, this study employs Partial Least Squares Structural Equation Modeling (PLS-SEM). A two-stage analysis approach was employed to assess the measurement model's reliability and validity, followed by structural model evaluation using bootstrapping (5,000 resamples) to test the hypothesized relationships. The measurement model demonstrated adequate convergent and discriminant validity. The structural model analysis revealed significant positive relationships between HL and PS (supporting H2), PS and IP (supporting H3), and HL and IP (supporting H1). The model explained substantial variance in IP (R^2 = 78.7%) and moderate variance in PS (R^2 = 17.3%), with large effect sizes observed for the paths influencing IP. The findings suggest that fostering HL and PS are key strategies for promoting IP within MNCs. Practical implications include recommendations for leadership development focusing on humility and creating psychologically safe environments. Limitations include reliance on pre-existing analysis results and likely cross-sectional data, preventing definitive causal claims and further validation checks (e.g., Q^2, specific CMB tests). Future research could employ longitudinal designs and explore additional mediators or moderators. This research contributes empirical evidence on the integrated HL $\rightarrow$ PS $\rightarrow$ IP pathway within the under-explored context of MNCs, offering valuable insights into the mechanisms by which humble leadership facilitates innovation.

Keywords: *Humble Leadership, Innovation Practices, Multi-National Companies (MNCs), PLS-SEM, Psychological Safety*

Introduction

In the contemporary global economy, the capacity for innovation is a critical determinant of organizational success and survival, particularly for multinational companies (MNCs) navigating complicated and dynamic market conditions (Demaría, 2023; Saxena et al., 2024). Indeed, research from leading consulting firms consistently shows that a vast majority of executives rank innovation as a top strategic priority, often over 80%. Different leadership approaches have been studied in the past to examine their impact on organizational outcomes. In recent years, researchers have begun to examine leadership styles that foster collaboration and employee development. However, creating a supportive environment where innovation can flourish remains a significant organizational challenge, necessitating leaders who encourage employees and actively support new ideas (Majumdarr et al., 2024). Therefore, understanding clearly what specific leadership behaviours are necessary to create such innovative environments within the unique context of MNCs can provide significant insights.

Among new concepts in leadership, Humble Leadership (HL) has garnered significant attention from researchers, as this leadership style is characterized by behaviors such as leaders accepting their own mistakes, valuing contributions from others, and showing openness to receiving feedback and new ideas (Kelemen et al., 2022). Luo et al. (2022) stated that leader humility can lead to positive outcomes, as it positively influences employee attitudes and behaviors within the workplace. At the same time, Innovation Practices (IP) describe strategies, organizational processes, and cultural norms that enable novel ideas to be developed and applied successfully (Saxena et al., 2024). For multinational companies (MNCs) that manage operations across diverse cultural contexts, embedding these effective innovation practices becomes crucial to maintain a competitive advantage.

The central challenge motivating this study stems from a well-documented managerial problem: the difficulty that MNCs experience in systematically fostering and supporting a climate of innovation across their geographically dispersed and culturally diverse business units. Although numerous factors can shape innovative outcomes (Saxena et al., 2024), leadership is widely recognized as playing a central role. Earlier studies have linked leadership styles, such as transformational or digital leadership, with innovation, often influenced by factors like trust and effective communication within organizations (Kılınç et al., 2022; Majumdarr et al., 2024; Cui, 2025). However, there is comparatively less empirical research in existing literature about the specific contribution made by HL towards influencing Innovation Practices, particularly considering the operational complexities typical of MNCs.

This study proposes that the relationship between HL and IP is significantly influenced by the presence of Psychological Safety (PS). While leadership shapes the broader organizational climate, PS is most acutely

experienced within an employee's immediate team or workgroup. It is defined as a shared belief that the environment is safe for interpersonal risks, such as sharing novel opinions or admitting mistakes, without fear of negative consequences (Dong et al., 2024). The way leaders behave has a strong influence on how safe employees feel. For example, when leaders act inclusively, the team environment becomes more psychologically safe (Shafaei et al., 2023). From a theoretical perspective, key features of humble leadership, such as accepting one's own weaknesses and appreciating input from others (Kelemen et al., 2022), are viewed as beneficial for creating a supportive environment where employees feel secure.

Problem Statement

Despite the recognized importance of leadership in fostering innovation, a gap exists in understanding the specific pathways through which newer, less hierarchical leadership styles like Humble Leadership (HL) influence Innovation Practices (IP) within the unique context of MNCs. In particular, the role of key psychological climate factors, such as Psychological Safety (PS), in linking this specific leadership style to innovation outcomes requires further empirical investigation.

Purpose of the Study

The purpose of this quantitative study is to empirically examine the relationships between Humble Leadership, Psychological Safety, and Innovation Practices within MNCs. The study aims to determine the extent to which Humble Leadership influences both Psychological Safety and Innovation Practices, and in turn, how Psychological Safety relates to Innovation Practices.

Research Questions

To achieve this purpose, the study is guided by the following questions:

1. What is the relationship between Humble Leadership and Innovation Practices in MNCs?
2. What is the relationship between Humble Leadership and Psychological Safety in MNCs?
3. What is the relationship between Psychological Safety and Innovation Practices in MNCs?

Literature Review

To determine what truly drives innovation in large-scale, complex organizational settings like MNCs, several factors must be examined. Among these factors are the behavior of leaders and the nature of the psychological environment. In this part of the study, the existing literature on HL, PS, and IP is reviewed to identify established findings and highlight the specific knowledge gap addressed by this study. The

general challenges and styles of leadership within MNCs provide a backdrop for this research (Sukri & Shasrini, 2020; Demaría, 2023).

HL is increasingly recognized for its positive influence in organizations. Defined by self-awareness, appreciation of others' strengths, and teachability (Kelemen et al., 2022), HL has been empirically linked to various beneficial outcomes. Meta-analytic evidence confirms its positive effects (Luo et al., 2022). Studies associate HL with reduced employee burnout, even under high-involvement work systems (Afshan et al., 2021), and enhanced employee well-being (Zhang & Song, 2020). Furthermore, HL is linked to increased employee work engagement (Abbas et al., 2021) and project success, partly through fostering psychological empowerment among employees (Ali et al., 2020). Research also suggests HL can promote organizational learning (Remy & Sané, 2023; Nakanishi, 2024) and knowledge sharing within teams (Qu et al., 2022; Dahiya, 2024).

PS, the shared belief that a team is safe for interpersonal risk-taking (Dong et al., 2024) is crucial for effective team functioning. Research shows PS is influenced by leadership; HL, in particular, has been found to predict PS among followers (Zhang & Song, 2020; Mrayyan & Al-Rjoub, 2024; Wang et al., 2018b; Dahiya, 2024; Qu et al., 2022). When leaders exhibit humility, employees feel safer voicing their opinions, asking questions, and admitting mistakes (Qu et al., 2022). This safe environment is considered essential for learning and contribution within teams (Dong et al., 2024; Nakanishi, 2024).

IP involves the generation and implementation of novel ideas within organizations. Leadership is a key factor influencing innovative work behaviour (IWB). HL, specifically, has been linked positively with follower creativity (Wang et al., 2018; Han, 2023; Mrayyan & Al-Rjoub, 2024) and IWB more broadly (Abbas et al., 2021; Ali et al., 2020; Wang et al., 2024). Some studies suggest HL fosters innovation through its influence on key factors such as knowledge sharing (Dahiya, 2024) or psychological empowerment (Ali et al., 2020). Team-level studies also indicate HL can promote team innovation, potentially through enhancing team reflexivity (Lei et al., 2022) or organizational learning (Remy & Sané, 2023). Furthermore, a humble organizational culture, potentially originating from HL, is also seen as a facilitator of fostering innovation (Maldonado et al., 2021). PS itself is often considered a vital prerequisite for innovation, as it allows employees the security needed to experiment and propose new ideas (Wang et al., 2018; Dahiya, 2024).

A comprehensive review of the literature confirms that Humble Leadership (HL) is positively associated with desirable employee behaviours, and that Psychological Safety (PS) is a crucial antecedent to

creativity and innovation. However, this review also reveals several distinct gaps that this study aims to address:

- **A Knowledge and Theoretical Gap:** While the direct relationships between HL and innovation, or between PS and innovation, have been explored, there is a lack of research that empirically examines the integrated HL → PS → IP pathway as a cohesive structural model. Testing this sequential pathway is necessary for a more nuanced theoretical understanding of how humble leaders cultivate innovative environments.
- **A Contextual Gap:** The majority of existing research on these variables is situated in specific, relatively homogenous settings, such as a single industry (e.g., nursing; Mrayyan & Al-Rjoub, 2024), a single function (e.g., R&D; Han, 2023), or within a single national culture. A significant gap exists in understanding how these leadership dynamics function within the highly complex, culturally diverse, and geographically dispersed context of MNCs.
- **A Practical Gap:** Leaders and HR practitioners in MNCs require clear, evidence-based frameworks to guide leadership development programs that foster innovation. By investigating the sequential influence of HL and PS on Innovation Practices, this study addresses a practical need for actionable insights into how a trainable leadership style can build the climate necessary for innovation.

Therefore, this study aims to address this gap by proposing and testing a model that links HL, PS, and IP within MNCs. The following section will develop the theoretical framework underpinning this model and formally state the research hypotheses.

Theory and Hypothesis Development

Building upon the literature review that identified a gap in understanding the integrated pathway connecting HL, PS, and IP within MNCs, this section outlines the theoretical framework guiding this study. We draw upon Social Information Processing (SIP) theory and Social Exchange Theory (SET) to explain how HL is likely to influence PS and subsequently IP. Based on this framework, specific hypotheses are developed.

Theoretical Framework

Social Information Processing (SIP) Theory: SIP theory suggests that individuals interpret signs from their social environment to form attitudes, perceptions, and subsequent behaviours, particularly in ambiguous situations (Salancik & Pfeffer, 1978; Walther, 2015). Leaders' actions and communication are

highly salient social signs within organizations (Salancik & Pfeffer, 1978). Employees observe leader behaviours to understand expectations, norms, and the psychological environment of the workplace. This theory predicates that employees interpret cues from their social environment to form attitudes and perceptions that guide their behaviour (Salancik & Pfeffer, 1978). Leader behaviours are among the most salient social cues in the workplace. Therefore, when leaders exhibit humility by admitting their limitations and valuing follower contributions, they provide employees with crucial social information, suggesting that the team environment is non-threatening and collaborative. These signs directly shape followers' perceptions, including their sense of psychological safety (Elhadidy & Gao, 2024; Wang et al., 2018).

Social Exchange Theory (SET): SET posits that social relationships are founded on mutual exchanges, where individuals act based on the expectation that beneficial actions will be reciprocated (Homans, 1958; Cropanzano & Mitchell, 2005). High-quality social exchanges involve trust, respect, and mutual obligations that extend beyond purely economic transactions (Cropanzano & Mitchell, 2005). Applying SET to this study's framework, a humble leader's actions that cultivate a psychologically safe climate represent a significant social and psychological investment in employees. This provision of a safe space is a valuable, non-economic resource. In return, according to the norm of reciprocity central to SET, employees feel an obligation to repay this investment with positive, discretionary behaviours that benefit the organization. Engaging in innovative practices—which involves personal risk and effort beyond formal job duties—is a prime example of such reciprocal behaviour (Cropanzano & Mitchell, 2005; Carnevale et al., 2019).

Hypothesis Development

Drawing from these theories and the empirical findings reviewed earlier, we propose the following hypotheses:

H1: Humble Leadership and Innovation Practices. HL involves appreciating followers' strengths and contributions, as well as being open to new ideas (Kelemen et al., 2022). From an SIP perspective, these behaviours signal to employees that innovative ideas are welcomed and valued. From a SET perspective, followers who perceive their leader as humble may feel valued and respected, fostering a positive exchange relationship (Carnevale et al., 2019). In return for this favorable treatment and leader investment, employees may reciprocate by engaging more actively in IP, which benefits the organization. Empirical studies have indeed linked HL to IWB and creativity (e.g., Abbas et al., 2021; Ali et al., 2020; Wang et al., 2024; Han, 2023). Therefore, we hypothesize:

H1: Humble Leadership positively influences Innovation Practices.

H2: Humble Leadership and Psychological Safety. According to SIP theory, employees scan their environment for cues about interpersonal risk (Salancik & Pfeffer, 1978). HL behaviours, such as acknowledging fallibility, seeking feedback, and highlighting follower strengths, provide strong signals that the leader is approachable, non-threatening, and values learning from mistakes (Elhadidy & Gao, 2024; Wang et al., 2018b). These cues directly inform employees' perceptions that the environment is safe for taking interpersonal risks, thus fostering PS. This aligns with empirical findings linking HL and PS (e.g., Zhang & Song, 2020; Mrayyan & Al-Rjoub, 2024; Qu et al., 2022; Dahiya, 2024). Therefore, we hypothesize:

H2: Humble Leadership positively influences Psychological Safety.

H3: Psychological Safety and Innovation Practices. Innovation inherently involves risk-taking, such as proposing untested ideas or challenging the status quo. PS reduces the perceived interpersonal risks associated with such behaviours (Dong et al., 2024). When employees feel psychologically safe, they are more likely to speak up, experiment, and share knowledge (Qu et al., 2022; Dahiya, 2024) – actions crucial for IP. From a SET viewpoint, PS can be considered a valuable resource provided by the organization (facilitated by the leader). Employees experiencing this safety may feel obligated to reciprocate through positive contributions, such as engaging in innovation (Cropanzano & Mitchell, 2005). Empirical links between PS and innovation-related outcomes support this proposition (e.g., Wang et al., 2018b). Therefore, we hypothesize:

H3: Psychological Safety positively influences Innovation Practices.

Conceptual Framework

These hypotheses collectively form the proposed research model for this study. The model posits a direct relationship between Humble Leadership and Innovation Practices (H1) and a sequential pathway where Humble Leadership influences Psychological Safety (H2), which in turn influences Innovation Practices (H3). Figure 1 visually represents this proposed research model, which was evaluated using PLS-SEM.
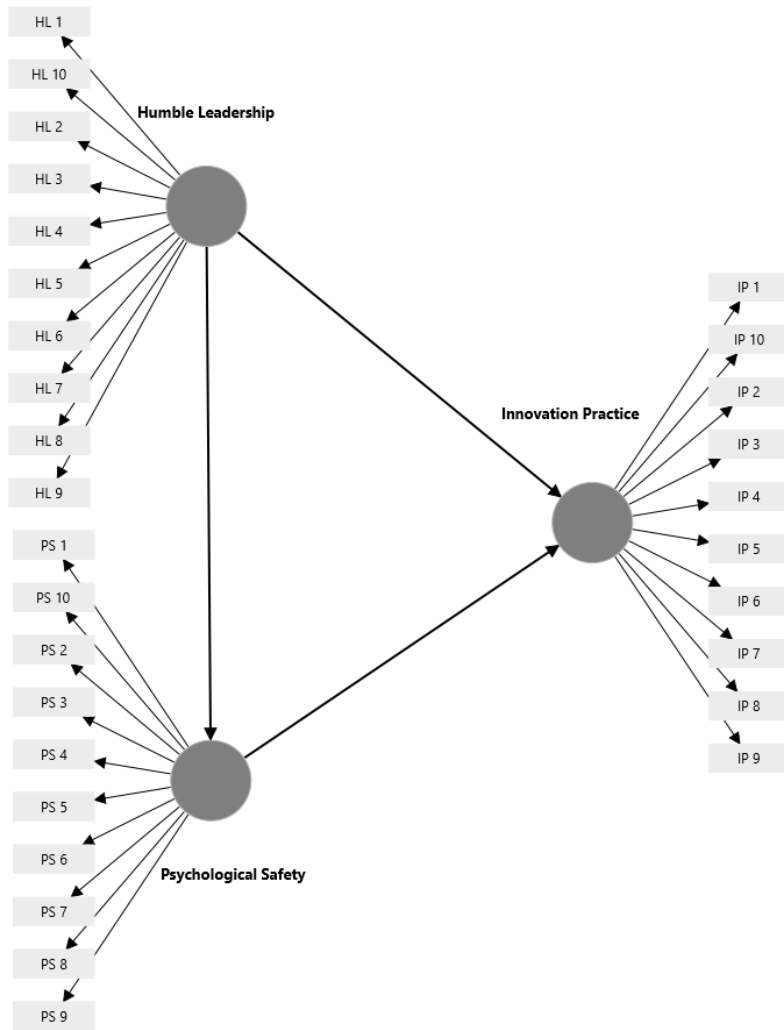
Methodology

Data Collection and Measures

This research is anchored in a positive research paradigm, employing a deductive approach to test hypotheses derived from existing literature. A quantitative cross-sectional survey strategy was utilized to gather data at a single point in time. The study population comprised employees and managers working in Multinational Companies (MNCs) in Bangladesh. A purposive sampling technique was used to select participants with relevant experience in the MNC environment. The data collection instrument was a structured questionnaire. A total of 250 questionnaires were distributed, yielding 219 valid responses for an 87.6% response rate. The instrument included items for demographic variables and established multi-

item scales using a Likert-type format to measure Humble Leadership (HL), Psychological Safety (PS), and Innovation Practices (IP).

Table 01

Respondents' Demographic Profile

Variable	Category	Frequency (n)	Percentage (%)
	Male	138	63
Gender	Female	81	37
Age Group	21–30 years	64	29.2
	31–40 years	91	41.6
	41–50 years	45	20.5
	51 years and above	19	8.7
Affiliation	Local MNC (Operating in BD)	107	48.9
	Foreign MNC (Branch in BD)	112	51.1
Years of Experience	Less than 5 years	47	21.5
	5–10 years	89	40.6
	11–15 years	56	25.6
	More than 15 years	27	12.3

Source: Authors' own work

Data Analysis Strategy

Partial Least Squares Structural Equation Modeling (PLS-SEM) was selected as the primary data analysis technique, facilitated by SmartPLS software. PLS-SEM is well-suited for this study due to its effectiveness in handling complex models, its focus on prediction, and its robustness with non-normally distributed data (Hair et al., 2017). Following the recommended two-stage approach (Hair et al., 2017), this study first assessed the reliability and validity of the measurement model before evaluating the structural model and testing the hypotheses.

Model Evaluation

Measurement Model: The assessment of the measurement model followed the systematic four-step process recommended by Hair et al. (2017): 1) Indicator Reliability was assessed via indicator loadings; 2) Internal Consistency Reliability was evaluated using Composite Reliability (CR); 3) Convergent Validity was assessed using the Average Variance Extracted (AVE); and 4) Discriminant Validity was established using the Heterotrait-Monotrait ratio of correlations (HTMT) criterion.

Structural Model: Following the validation of the measurement model, the structural model was evaluated using a systematic process: 1) Collinearity was assessed using the Variance Inflation Factor (VIF); 2) Significance of Relationships was tested using a bootstrapping procedure (5,000 resamples) to generate path coefficients (β), t-values, and p-values; 3) The model's Explanatory Power was determined using the coefficient of determination (R^2); 4) The Effect Size (f^2) was calculated to assess the substantive impact of each relationship; and 5) Model Fit was evaluated using the Standardized Root Mean Square Residual (SRMR). The conceptual structural relationships tested were:

- PS = f(HL)
- IP = f(HL, PS)

These equations represent the hypothesized predictive relationships between Humble Leadership (HL), Psychological Safety (PS), and Innovation Practices (IP) examined in this study.

Analysis

This section presents the results of the data analysis conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis proceeded in two stages: first, the assessment of the measurement model's reliability and validity, followed by the evaluation of the structural model to test the proposed hypotheses.

Measurement Model Analysis

To examine the measurement model, two types of validity were assessed: convergent validity and discriminant validity.

Convergent Validity

The convergent validity of the measurement is typically ensured by assessing the loadings, average variance extracted (AVE), and composite reliability (Gholami et al., 2013; Rahman et al., 2015). The loadings were all greater than 0.50, except for a few items (e.g., IP 10, IP 4), which were subsequently

removed from the final model. The composite reliabilities were all greater than 0.85, and the AVE of all constructs was also higher than 0.5, as recommended by the literature (see Table 2 and Figure 2).

Table 02

Convergent Validity

Constructs	Items	Loadings	Cronbach	rhoA	CR	AVE
Humble Leadership	**HL 1**	0.767	0.935	0.937	0.945	0.633
	HL 10	0.78				
	HL 2	0.857				
	HL 3	0.834				
	HL 4	0.769				
	HL 5	0.779				
	HL 6	0.762				
	HL 7	0.825				
	HL 8	0.759				
	HL 9	0.818				
Innovation Practice	**IP 1**	0.617	0.834	0.866	0.869	0.663
	IP 10	0.488				
	IP 2	0.507				
	IP 3	0.79				
	IP 4	0.43				
	IP 5	0.819				
	IP 6	0.793				
	IP 7	0.501				
	IP 8	0.798				
	IP 9	0.492				
Psychological Safety	**IV 1**	0.853	0.923	0.955	0.943	0.655
	IV 10	-0.075				
	IV 2	0.858				
	IV 3	0.812				
	IV 4	0.818				
	IV 5	0.823				
	IV 6	0.895				

IV 7	0.871
IV 8	0.805
IV 9	0.93
PS 1	0.767
PS 2	0.78
PS 3	0.857
PS 4	0.834
PS 5	0.769
PS 6	0.779
PS 7	0.762
PS 8	0.825
PS 9	0.759

The results presented in Table 2 generally support the convergent validity of the constructs. The CR values for all constructs were above the recommended 0.70 threshold, and the Average Variance Extracted AVE values exceeded the minimum requirement of 0.50. Although a few items showed loadings below the ideal 0.70 level, most were acceptable, confirming satisfactory convergent validity overall. Figure 2 visually presents these measurement model loadings.

Discriminant Validity

The Fornell-Larcker (1981) criterion has recently been criticized for its inability to accurately identify the absence of discriminant validity in typical research scenarios (Henseler et al., 2015). They have proposed an alternative method for evaluating discriminant validity in the form of the heterotrait-monotrait ratio of correlations, which is based on the multitrait-multimethod matrix. Additionally, Henseler et al. (2015) employed a Monte Carlo simulation analysis to demonstrate the effectiveness of this strategy. As a result, we also used this recently proposed method to verify the discriminant validity, and the results are displayed in Table 3. There is an issue with discriminant validity if the HTMT value is higher than the $HTMT_{0.85}$ value of 0.85 (Kline, 2011) or the $HTMT_{0.90}$ value of 0.90 (Gold et al., 2001). Given that every value in Table 3 passed the $HTMT_{0.90}$ (Gold et al., 2001) and the $HTMT_{0.85}$ (Kline, 2011), discriminant validity has been established.
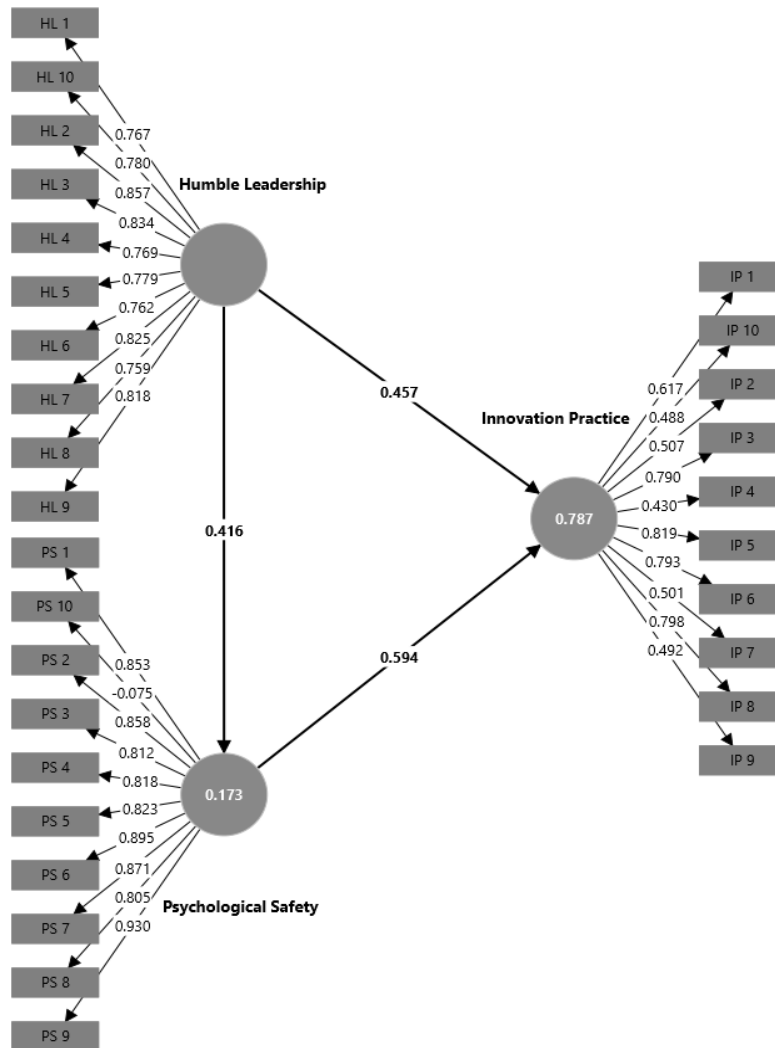
Figure 2: Measurement model results

Table 03

Discriminant validity (HTMT Ratio)

	1	2	3
1. Humble Leadership			
2. Innovation Practice	0.835		
3. Psychological Safety	0.448	0.807	

As indicated in Table 3, all HTMT values were below the commonly accepted thresholds (e.g., 0.85 or 0.90), thereby establishing discriminant validity among Humble Leadership, Innovation Practice, and Psychological Safety in this study.

Structural Model Analysis

Following the confirmation of the measurement model's reliability and validity, the structural model was analyzed to evaluate the hypothesized relationships between the constructs.

Testing Model Fit

The Standardized Root Mean Square Residual (SRMR), the Normed Fit Index (NFI), and the exact model fit (bootstrapped-based statistical inference) were the three model fitting parameters used to test the model fit before testing the actual model. The SRMR is the difference between the model-implied correlation matrix and the actual correlation; a good match is defined as having a value of less than 0.08 (Hu & Bentler, 1998). In order to prevent model misspecification, Henseler et al. (2015) presented the SRMR as a goodness-of-fit metric for PLS-SEM. An adequate fit is often indicated by NFI values greater than 0.9. The statistical (bootstrap-based) inference of the difference between the empirical covariance matrix and the covariance matrix suggested by the composite factor model is tested using the third fit value, which represents the exact model fit. The two methods proposed by Dijkstra and Henseler (2015a; 2015b) to calculate this disparity are d_LS (the squared Euclidean distance) and d_G (the geodesic distance). When the distinction between the correlation matrix indicated by the model being tested and the empirical correlation matrix is so minimal that it can be solely attributed to sampling error, the model is said to fit well. Therefore, the variation between the correlation matrix indicated by your model and the empirical correlation matrix should not be significant ($p > 0.05$). According to Henseler et al. (2016), d_{ULS} and d_G are less than the 95% bootstrapped quantile (HI 95% of d_{ULS} and HI 95% of d_G).

The fit values for the estimated model (structural model) and the saturated model (measurement model) were identical, as our model is saturated and lacks free parameters. The data fit the model well, as indicated by the SRMR value of 0.077 (< 0.08), and the d_{ULS} < bootstrapped HI 95% of d_{ULS} and d_G < bootstrapped HI 95% of d_C.

Overall, the model fit assessment, particularly the SRMR value of 0.077, indicated an acceptable fit of the model to the empirical data.

Hypothesis Testing Results

The significance of the hypothesized paths in the structural model was tested using a bootstrapping procedure. Figure 3 visually represents the outcomes of this analysis, while Table 3 provides the detailed statistical results. Hair et al. (2017) recommended using a bootstrapping approach with a resample of 5,000 to examine the R^2, beta (β), and corresponding t-values in order to evaluate the structural model. They also recommended that researchers provide the effect sizes (f^2) and predictive relevance (Q^2) in addition to these fundamental metrics. According to Sullivan and Feinn (2012), a p-value can tell the reader if an effect is present or not, but it cannot tell them how significant the effect is. Both the statistical significance (p-value) and the substantive significance (effect size) are crucial findings to highlight when presenting and interpreting research (p.279). The use of replication studies, estimations of effect sizes and confidence intervals, Bayesian methods, Bayes factors or likelihood ratios, and decision-theoretic modeling are among the suggested rigor in reporting results in empirical research, as outlined by Hahn and Ang (2017).

Effect sizes and confidence intervals have been incorporated into our reporting as recommended (refer to Table 4). 78.7% of the variance in Innovation Practice (IP) was explained by Humble Leadership (HL) (Std. Dev.= 0.062, p< 0.000, f^2 = 0.811) and Psychological Safety (Std. Dev.= 0.057, p< 0.000, f^2 = 1.371), which both had a positive impact on Innovation Practice (IP) that support H1 and H3. Moreover, the predicted impact of HL on Psychological Safety (PS) was examined, revealing that HL (Std. Dev.= 0.069, p< 0.000, f2 = 0.209) was a significant predictor of PS.
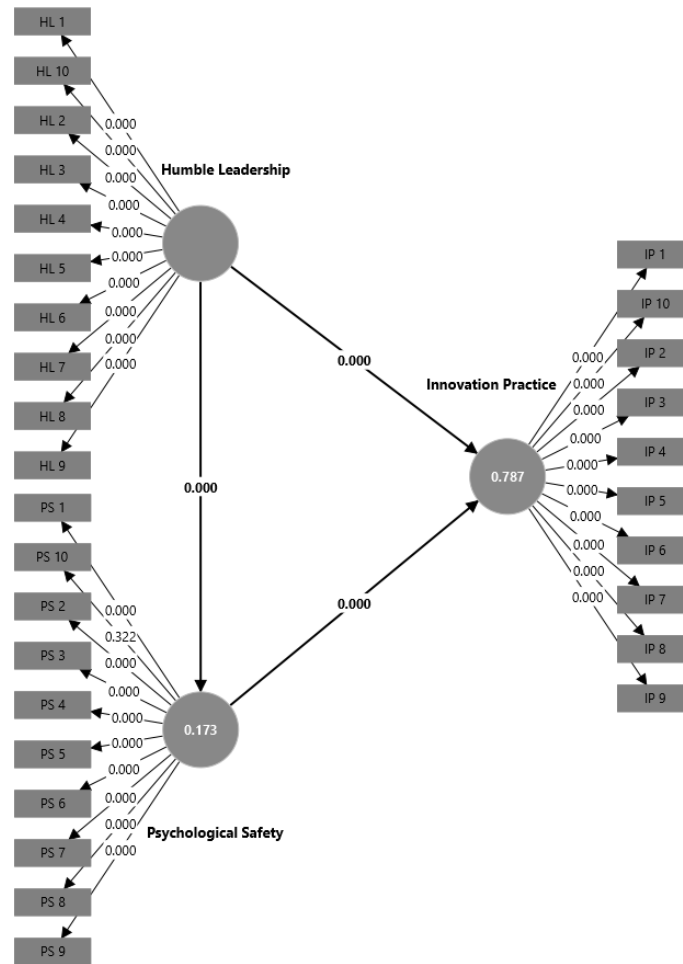
Figure 03 Bootstrapping Results

Table 04

Results of hypothesis testing

Hypothesis	Relationship	Std. Dev.	P-value	Decision	2.50%	97.50%	VIF	R²	f²
H1	HL → IP	0.062	0.000	Supported	0.454	0.556	1.21	0.787	0.811
H2	HL → PS	0.069	0.000	Supported	0.420	0.551	1	0.173	0.209
H3	PS → IP	0.057	0.00	Supporte	0.597	0.491	1.21		1.37

			0	d					1

Table 4 summarizes the results for the path coefficients (β), standard deviations, p-values, confidence intervals, variance explained (R²), effect sizes (f²), and VIF values related to the hypothesis tests.

Discussion

This study investigated the relationships between Humble Leadership (HL), Psychological Safety (PS), and Innovation Practices (IP) within the complex environment of Multi-National Companies (MNCs). The findings provide empirical support for all three proposed hypotheses, and this section discusses these results in the context of existing literature.

The Influence of Humble Leadership on Innovation Practices (H1)

The analysis confirmed a significant positive relationship between HL and IP (H1 supported). This finding aligns with and extends a growing body of research that links leader humility to innovative outcomes. For example, our result is consistent with studies by Wang et al. (2024) and Abbas et al. (2021), who found that HL directly fosters innovative work behaviour. By demonstrating this relationship within a diverse MNC sample, our study supports the idea that the core tenets of humble leadership—openness to ideas, appreciation of others' strengths, and modeling teachability—are powerful signals that encourage employees to engage in the discretionary and risk-inherent activities required for innovation, regardless of the specific cultural or operational context.

The Influence of Humble Leadership on Psychological Safety (H2)

The study found strong support for H2, indicating that HL is a significant positive predictor of PS. This finding robustly corroborates the work of numerous prior researchers. For instance, it echoes the conclusions of Zhang & Song (2020), Dahiya (2024), and Qu et al. (2022), who all identified a direct link between a leader's humility and the level of psychological safety perceived by their followers. From a Social Information Processing (SIP) perspective, our findings confirm that humble behaviors act as critical environmental cues. When leaders admit mistakes and seek feedback, they signal that vulnerability is acceptable, thereby reducing the interpersonal fear associated with speaking up and fostering a climate of safety.

The Influence of Psychological Safety on Innovation Practices (H3)

Finally, the analysis supported H3, demonstrating a strong, positive relationship between PS and IP. This result is highly consistent with foundational innovation literature, which posits that a safe environment is a necessary precondition for the risk-taking, experimentation, and knowledge sharing that underpin innovation. Our finding aligns directly with empirical studies such as those by Wang et al. (2018b) and Dahiya (2024), which also found PS to be a critical driver of creativity and innovative behaviours. This reinforces the practical wisdom that for employees to feel comfortable challenging the status quo or proposing novel ideas, they must first believe that they will not be punished or humiliated for doing so.

Conclusion

The purpose of this study was to empirically examine the relationships between Humble Leadership, Psychological Safety, and Innovation Practices in the MNC context. The research successfully demonstrated that Humble Leadership has a significant positive influence on both Psychological Safety and Innovation Practices. Furthermore, Psychological Safety was found to be a strong predictor of Innovation Practices. These findings collectively highlight a crucial pathway for fostering innovation in complex global organizations: by developing humble leaders, MNCs can cultivate a climate of psychological safety that, in turn, unlocks the innovative potential of their workforce.

Implications of the Study

Theoretical Implications

This research makes significant contributions to literature in several important ways. First, it responds to calls for testing leadership models in more complex organizational settings by providing empirical evidence from MNCs, thus enhancing the generalizability of the constructs beyond single-culture or single-industry studies. Second, by testing the HL → PS → IP pathway as an integrated model, the study provides a more nuanced understanding of the sequential mechanisms linking leadership to innovation than studies that examine these relationships in isolation. This empirical evidence supports the application of both Social Information Processing (SIP) and Social Exchange Theory (SET) as valid frameworks for explaining how leader behaviors are translated into psychological states, which in turn lead to valuable organizational outcomes, such as innovation.

Practical Implications and Recommendations

The findings offer clear, actionable recommendations for managers, leaders, and HR practitioners in MNCs:

Develop and Promote Humble Leaders: Organizations should incorporate humility into their leadership competency models. Leadership development and training programs should focus on cultivating specific humble behaviours, such as active listening, soliciting feedback, acknowledging personal limitations, and publicly crediting team members for their contributions.

Actively Cultivate Psychological Safety: Leaders must be trained to understand their role in creating a safe environment. This includes practical steps like framing failure as a learning opportunity, explicitly inviting dissenting opinions in meetings, responding to mistakes with support rather than blame, and ensuring that all team members feel their voice is valued.

Use as a Diagnostic Tool: HR and management can use validated scales for HL and PS as diagnostic tools to assess team climates. Low scores can signal a need for targeted interventions, such as leadership coaching or team-building workshops focused on improving interpersonal trust and safety.

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