Exploring the Role of Employee Empowerment, Fluid Work Environments, and Diversity in Fostering Innovation: The Mediating Effect of Knowledge Sharing in the IT Industry

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Abstract

Purpose: This study investigates how organizational factors—Employee Empowerment, Fluid Work Environment (FWE), and Workforce Diversity—affect Knowledge Sharing (KS) and, in turn, influence Innovation Propensity within the IT industry. The research addresses a key gap in understanding the mechanisms through which these factors, particularly employee empowerment, contribute to innovation, with Knowledge Sharing serving as a mediating factor. The purpose of this study is to illustrate the crucial significance employee-driven initiatives and knowledge exchange in fostering innovation.

Study design/methodology/approach: To investigate the relationships between organizational characteristics and their effects on knowledge sharing and innovation propensity, a quantitative research methodology was used. IT professionals were surveyed using a standardized questionnaire to gather data. The links between employee empowerment, FWE, workforce diversity, knowledge sharing, and innovation propensity were tested using structural equation modeling (SEM).

Findings: The findings validate that there is a substantial relationship between Employee Empowerment and Knowledge Sharing ($\beta = 0.30292$, $p < .001$) as well as Innovation Propensity ($\beta = 0.17394$, $p = 0.005$). In this model, Knowledge Sharing was found to be a significant mediator that improved Innovation Propensity ($\beta = 0.14965$, $p = 0.011$). While Knowledge Sharing is positively impacted by a Fluid Work Environment and a Diverse Workforce (FWE: $\beta = 0.17836$, $p = 0.001$; Diversity: $\beta = 0.14709$, $p = 0.005$), there is no statistically significant relationship between these factors and Innovation Propensity. These results imply that utilizing organizational diversity and flexible work environments to spur innovation requires a culture of knowledge sharing.

Originality/value: By highlighting employee empowerment and knowledge sharing as two important factors that influence innovation propensity, this study adds to the expanding corpus of research on organizational innovation. The study expands on current ideas of innovation management by offering fresh empirical data on the mediating function of knowledge sharing in the IT sector. Practically, the study highlights actionable strategies for organizations aiming to foster innovation through employee empowerment and knowledge exchange initiatives.

Practical implications: Managers in the IT industry should focus on empowering employees and promoting Knowledge Sharing to enhance organizational innovation. In order to fully fulfill their potential as engines of invention, flexible and diverse work environments must be supplemented with technologies that encourage information sharing. Social implications: In order to foster creativity and increase social and financial rewards, this study highlights the importance of inclusive, knowledge-centered work cultures that empower employees and embrace diversity.

I.   INTRODUCTION

In today's fast-paced, technology-driven corporate environment, creativity is a vital skill for companies trying to stay ahead of their rivals. This is particularly true for the IT industry, where constant change is required due to the rapid

advancement of technology and evolving business needs. Given this, organizational features that have the potential to spur innovation include employee empowerment, flexible work schedules, and a diverse workforce. These components not only foster an environment that is conducive to creativity, but they also play a critical role in promoting information exchange, which is a key mechanism that drives creative output.

Employee empowerment is characterized by increased autonomy, decision-making power, and resource accessibility. It has been found that higher levels of job satisfaction, creativity, and engagement among staff members are positively correlated with employee empowerment—all of which are critical for fostering innovation (Fischer et al., 2019). In contrast, work environments that are adaptable, transparent, and cross-functionally collaborative encourage the free exchange of information that is necessary for creativity and knowledge sharing (Dorenbosch et al., 2005). Additionally, because diversity in the workforce brings a wide range of perspectives, experiences, and backgrounds to the table, it encourages the development of unique ideas and imaginative solutions (Morgan, 2019).

Although an increasing body of research is emphasizing the importance of these components, little is known about the precise mechanisms via which employee empowerment, flexible work arrangements, and diversity promote creativity, especially in the IT industry. There is a fundamental study vacuum in our understanding of how these organizational enablers interact to impact innovation propensity through information sharing. This study aims to bridge this gap by examining the mediating role of information sharing in the relationship between these factors and innovation in the IT sector.

II.   LITERATURE REVIEW

A corporation must carefully examine a variety of essential components, including diversity, talent acquisition, employee empowerment, and an agile work environment, in order to build a successful innovation ecosystem. Granting employees greater autonomy and decision-making power significantly increases their level of engagement and inventiveness. This promotes creative contributions and raises job satisfaction. Differentiated talent, which encompasses a wide range of backgrounds, experiences, and viewpoints, must be merged in order to boost idea generation and problem-solving skills. However, a welcoming environment that promotes the sharing and acceptance of differing opinions must be nurtured if diversity is to lead to innovation. A fluid, collaborative, and adaptable work atmosphere that promotes ongoing learning considerably facilitates employee knowledge sharing and their trial with new techniques. Not only does this environment foster the generation of ideas, but it also facilitates the successful implementation of those ideas.

Knowledge sharing serves a critical mediating function between organizational features and creativity by promoting a culture of continuous learning and enhancing idea cross-pollination. To create a thriving innovation ecosystem, organizations need to address these components holistically, cultivating a supportive culture and allocating the necessary resources to encourage innovation and preserve a competitive edge. The significance of these elements is emphasized by the research study: diverse teams are adept at generating novel ideas, inclusive workplaces encourage innovation, and employee empowerment encourages taking risks and presenting ideas. Furthermore, accommodating work schedules encourages creativity and adaptability, and selective recruiting brings in individuals from a variety of backgrounds, boosting the organization's creative potential. Agile work practices that encourage experimentation and prompt modifications are also given priority because they contribute to a self-reinforcing cycle of innovation. Organizations that properly manage talent, embrace diversity, offer flexible work arrangements, and empower their staff are more likely to see long-term success and to foster creativity. Businesses may create an environment that supports innovation and ensures long-term competitiveness in a changing business environment by tackling these intricate components.

III.   THEORETICAL BACKGROUND

The study's theoretical framework centers on the relationship between employee empowerment, diversity, knowledge sharing, fluid work environments, and innovation propensity in businesses, with a specific focus on the IT sector. The study investigates the interactions between these organizational elements and how they support an innovative culture. The theories covered below offer a framework for comprehending how businesses might use workplaces and human resources to promote innovation and knowledge sharing.

1. Employee Empowerment and Innovation

The concept of employee empowerment is based on empowerment theory, which characterizes it as the process by which individuals gain authority, influence, and confidence in making decisions inside their organizations. Empowerment, seen as a motivating idea that improves output and job happiness, increases employee involvement, autonomy, and sense of ownership over their work.

Workers who have a sense of empowerment are more inclined to take initiative, think outside the box, and find innovative solutions to issues. Empowerment and a penchant for invention have been shown to be related on numerous occasions. When workers believe they have the ability to effect change, they are more inclined to take chances and try out new tactics.This theory is further supported by the Job Characteristics Model (Hackman & Oldham, 1976), which contends that enriched jobs—which offer autonomy, task significance, and feedback—are essential for encouraging creative activity and intrinsic drive. Employee empowerment increases the likelihood of discretionary behaviours like information sharing, which fosters innovation.

2. Knowledge Sharing and Innovation

According to Grant (1996), the Knowledge-Based View (KBV) of the Firm, knowledge is an organization's most strategically important resource. This point of view holds that businesses are knowledge repositories whose main job is to apply and integrate knowledge in order to create value. Employee knowledge sharing, which is the sharing of information, abilities, or expertise, is crucial to innovation because it enables businesses to creatively integrate their current knowledge base to create new goods, services, or procedures.

The dynamic connection between explicit and tacit knowledge is highlighted by Nonaka's SECI Model (1994), which describes the production of knowledge through four processes: socialization, externalization, combination, and internalization. These knowledge conversion procedures are essential to innovation because they allow information to move freely across staff members, departments, and the entire company, which fosters the generation of fresh concepts. The Social Exchange Theory (Blau, 1964) sheds light on the motivations for knowledge exchange among employees. It implies that workers will share information when they believe the advantages (like career progression, acknowledgment, or reciprocity) exceed the disadvantages (like the possibility of losing status or intellectual property). When companies foster a culture that appreciates and rewards information sharing, it motivates staff members to engage in concepts and knowledge.

3. Diversity and Innovation

According to Page's (2007) Cognitive Diversity Theory, problem-solving and creativity are improved by diversity in viewpoints, knowledge, and cognitive styles. Because their members bring a variety of experiences, perspectives, and methods to the table, diverse teams are more likely to come up with a larger range of solutions. Cognitive diversity increases the likelihood of creative combinations of knowledge, fostering innovation in complex problem-solving environments.

While diversity can lead to innovation through the pooling of diverse knowledge and experiences, Social Identity Theory (Tajfel & Turner, 1979) cautions that diversity may also lead to social categorization, where individuals identify more closely with their own group, potentially causing tensions. However, when managed effectively, diversity can lead to positive outcomes such as increased knowledge sharing, mutual learning, and innovation. By creating inclusive organizational cultures where all employees feel valued, firms can leverage diversity as a source of competitive advantage.

4. Fluid Work Environment (FWE) and Knowledge Sharing

The Contingency Theory of Organizations (Burns & Stalker, 1961) suggests that there is no single best way to organize a company; rather, the optimal organizational structure depends on the external environment. A Fluid Work Environment (FWE) refers to flexible, adaptive structures that enable responsiveness to dynamic business environments. This flexibility fosters collaboration and reduces communication barriers, allowing employees to share knowledge more freely.

Virtual Teams and Collaboration also rely on the fluidity of work environments. When organizations embrace fluidity, cross-functional collaboration increases, leading to a more open exchange of ideas. This, in turn, fosters a culture of innovation through the seamless flow of information.

5. Innovation Propensity and Organizational Learning

Organizational Learning Theory (Argyris & Schön, 1978) emphasizes that organizations must learn and adapt to changing environments in order to survive and thrive. Organizational learning is the process by which businesses gather, disseminate, and analyze data to produce new knowledge. Understanding innovation propensity requires grasping the ideas of explorative innovation, which creates new knowledge, and exploitative innovation, which uses current information. Since it enables both the exploitation of already-existing information and the investigation of new ideas, knowledge sharing is crucial for both types of innovation.

IV. RESEARCH METHODOLOGY

Research Design
A cross-sectional research methodology was used in this study, which is a popular technique for gathering data from a population at one particular moment in time. Examining the links between the relevant factors in a particular context—that is, Indian IT organizations—was a good use for this concept.

Population and Sampling
The study's target audience consisted of Indian IT industry employees. Convenience sampling was employed to get a representative sample. This involved selecting participants who were eager to participate and easily accessible. A wide variety of IT companies and job positions were represented among the 360 individuals that participated in the poll.

Data Collection Instrument
Data collection was carried out using a formal survey questionnaire. The reliability and validity of the measures were guaranteed by the use of well-respected instruments from earlier literature in the questionnaire. These tools evaluated the following constructs:

- **Innovation Propensity:** Measured using a scale adapted from [Dobni, C. B. (2008]
- **Employee Empowerment:** Measured using a scale adapted from [Spreitzer, G. M. (1995).]
- **Fluid Work Environment:** Measured using a scale adapted from [For Kossek and Michel (2011), Zander, Mockaitis, & Butler, 2012, Pulakos, Arad, Donovan, & Plamondon, 2000, Ryan & Deci, 2000]
- **Diversity:** Measured using a scale adapted from [Thomas, D. A., & Ely, R. J. (1996)]
- **Knowledge Sharing:** Measured using a scale adapted from [XUE et al 2011 Xue, Y., Bradley, J., Liang, H. (2011)]
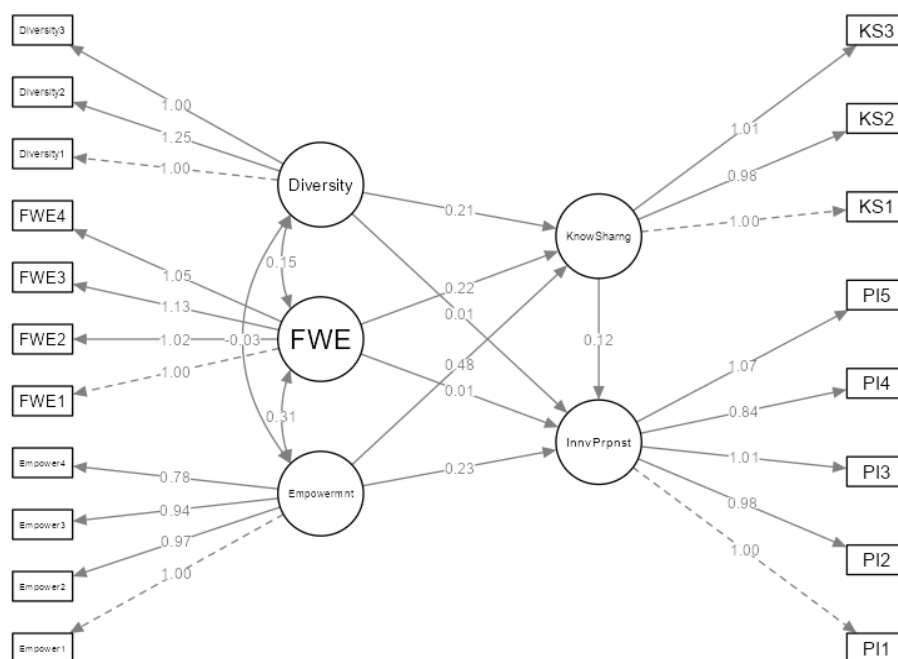

Fig 1: Conceptual Framework for the Study

This conceptual framework explores the complex relationships between employee empowerment, fluid work environments, diversity, knowledge sharing, and innovation propensity. It proposes that employee empowerment and fluid work environments, when combined with a diverse workforce, can foster a culture of knowledge sharing, ultimately leading to increased innovation propensity.

Data Analysis

Table 1 Reliability indices

Variable	α	ω₁	ω₂	ω₃	AVE
Empowerment	0.899	0.902	0.902	0.902	0.699
FWE	0.933	0.934	0.934	0.934	0.780
Diversity	0.883	0.888	0.888	0.887	0.727
InnovPropensity	0.931	0.931	0.931	0.926	0.730
KnowSharing	0.983	0.983	0.983	0.983	0.950

All variables show high reliability across Cronbach's Alpha and McDonald's Omega measures.
- The AVE values are all above the acceptable threshold of 0.5, signifying that a considerable amount of variance is captured by each construct.
- **KnowSharing** has the highest reliability and AVE, suggesting it is the most robust construct in the model, while **Empowerment**, **Diversity**, and **InnovPropensity** also demonstrate strong reliability and validity.

Overall, the constructs appear to be well-measured and reliable based on these indices.

Table 2 Heterotrait-monotrait (HTMT) ratio of correlations

	Empowerment	FWE	Diversity	InnovPropensity	KnowSharing
Empowerment	1.0000	0.343	0.0371	0.2413	0.383
FWE	0.3433	1.000	0.1333	0.1236	0.299
Diversity	0.0371	0.133	1.0000	0.0425	0.134
InnovPropensity	0.2413	0.124	0.0425	1.0000	0.230
KnowSharing	0.3830	0.299	0.1342	0.2301	1.000

Every HTMT number is significantly lower than the standard threshold.
- Every HTMT number is significantly lower than the standard threshold of 0.85 (some researchers use 0.90 or 0.95). This suggests that the constructs in your model have good discriminant validity.
- Particularly low values (e.g., Diversity with Empowerment) confirm that the constructs are distinct from each other.
- Values such as 0.3830 for Empowerment with KnowSharing and 0.2990 for FWE with KnowSharing are relatively higher but still suggest sufficient discriminant validity.

Overall, the HTMT values demonstrate how different your constructs are from one another, confirming the validity of the measurement model in capturing different dimensions.

Table 3 Model tests

Label	X²	df	p
User Model	248	142	< .001
Baseline Model	6513	171	< .001

Compared to the baseline model, the user model (Table 3) offers a noticeably better fit to the data, indicating that the relationships hypothesized between empowerment, fluid work environment, diversity, knowledge sharing (mediator), and innovation propensity are well-represented by the model. However, given Other fit indices, such as RMSEA, CFI, and TLI, should also be looked at to ensure that the model offers a sufficient fit to the data in the event that the chi-square test is significant. In spite of the noteworthy p-value, this does not necessarily imply a poor-fitting model due to chi-square's sensitivity to sample size.

Table 4 Fit indices

		95% Confidence Intervals		
SRMR	RMSEA	Lower	Upper	RMSEA p
0.035	0.046	0.036	0.035	0.774

- Both the **SRMR** and **RMSEA** indicate a **good fit** of the model to the data.
- The RMSEA is slightly below 0.06, which is often considered a threshold for good fit, and the SRMR is well below 0.05, further confirming the model's suitability.
- The **p-value for RMSEA (0.036)** indicates that the model's fit is statistically significant, and the error in model approximation is low.

These fit indices support the conclusion that the proposed model for understanding innovation propensity, including the independent variables (Empowerment, Fluid Work Environment, and Diversity), mediating variable (Knowledge Sharing), and the dependent variable (Innovation Propensity), fits the data well.

Table 5 Measurement model

Latent	Observed	Estimate	SE	95% Confidence Intervals		β	z	p
				Lower	Upper			
Empowerment	Empower1	1.000	0.0000	1.000	1.000	0.915		
	Empower2	0.973	0.0414	0.891	1.054	0.867	23.5	< .001
	Empower3	0.943	0.0409	0.862	1.023	0.859	23.1	< .001
	Empower4	0.776	0.0493	0.679	0.873	0.691	15.7	< .001
FWE	FWE1	1.000	0.0000	1.000	1.000	0.847		
	FWE2	1.016	0.0484	0.922	1.111	0.858	21.0	< .001
	FWE3	1.134	0.0461	1.044	1.225	0.941	24.6	< .001
	FWE4	1.052	0.0478	0.958	1.146	0.882	22.0	< .001
Diversity	Diversity1	1.000	0.0000	1.000	1.000	0.775		
	Diversity2	1.254	0.0713	1.114	1.393	0.923	17.6	< .001
	Diversity3	0.997	0.0588	0.882	1.112	0.845	17.0	< .001
InnovPropensity	PI1	1.000	0.0000	1.000	1.000	0.789		
	PI2	0.984	0.0490	0.888	1.080	0.902	20.1	< .001
	PI3	1.007	0.0486	0.912	1.102	0.923	20.7	< .001
	PI4	0.837	0.0548	0.730	0.944	0.735	15.3	< .001
	PI5	1.069	0.0511	0.969	1.170	0.929	20.9	< .001
KnowSharing	KS1	1.000	0.0000	1.000	1.000	0.969		
	KS2	0.976	0.0179	0.941	1.011	0.976	54.6	< .001
	KS3	1.009	0.0178	0.974	1.044	0.980	56.6	< .001

- The model's latent variables are well-represented by their indicators (Table 5), with most items showing strong factor loadings and significant p-values.
- Items with lower loadings or estimates are still significant but may warrant attention for potential improvement.
- Overall, the model seems robust with good indicator reliability across the latent variables.

For further refinement, ensure that all indicators are valid and reliable, and consider examining potential multicollinearity or model fit indices if available.

Table 6 Comparing the user model with the baseline model

	Model
Index of Comparative Fit (CFI)	0.983
Index Tucker-Lewis (TLI)	0.980
Bentler-Bonett Index of Non-Normal Fit (NNFI)	0.980
Index of Relative Noncentrality (RNI)	0.983
The NFI, or Bentler-Bonett Normed Fit Index	0.962
The Relative Fit Index (RFI) of Bollen	0.954
The Incremental Fit Index (IFI) of Bollen	0.983
Index of Parsimony Normed Fit (PNFI)	0.799

Based on the table 4, the The values of CFI, TLI, NNFI, RNI, NFI, and IFI are all well above 0.95, indicating a **very good fit** for the user model compared to the baseline model. This suggests that the relationships between the independent variables (Empowerment, Fluid Work Environment, Diversity), the mediating variable (Knowledge Sharing), and the dependent variable (Innovation Propensity) are well-captured by the model.

- The **PNFI** (0.790) is lower than other indices but is acceptable, indicating that the model strikes a reasonable balance between complexity and fit.

In conclusion, the Fit indices indicate that the user model outperforms the baseline model by a substantial margin and that the model structure accurately represents the observed data

As found in table 4, he **GFI** measures how well the observed data is replicated by the model. With a value of **0.986**, the model shows an **excellent fit**. A GFI value close to 1.0 indicates that the model explains almost all of the variance in the data, making it a strong indicator of the model's appropriateness. The GFI is modified by the AGFI to take model complexity and degrees of freedom. With a value of **0.979**, it reflects an **excellent fit** as well. Typically, an AGFI value above **0.90** is considered strong, so this high value suggests that the model not only fits well but also appropriately balances complexity and explanatory power.

Table 7 Additional appropriate indices

	Model
α=0.05, Hoelter Critical N (CN)	248.694
α=0.01, Hoelter Critical N (CN)	267.993
Index of Goodness of Fit (GFI)	0.986
Index of Adjusted Goodness of Fit (AGFI)	0.979
Reasonability Index of Goodness of Fit (PGFI)	0.670
MFI, or McDonald Fit Index	0.863
Cross-Validation Index Expected (ECVI)	1.062
User loglikelihood model (H0) Unrestricted loglikelihood model (H1)	-7854.914
Aikaike (AIC)	-7730.787
Bayesian (BIC)	15843.828
Bayesian with sample-size adjustment (SABIC)	16104.197
α=0.05, Hoelter Critical N (CN)	15891.639

The additional fit indices reinforce the earlier results showing that the user model performs well overall, with several indices suggesting **excellent model fit** (GFI, AGFI, CN), though There's space for development with regard to model parsimony (PGFI). The model is expected to generalize reasonably well to new data, and it strikes a good balance between fit and complexity as indicated by the **AIC**, **BIC**, and **SABIC** values.

Table 8 Parameters estimates

Dep	Pred	Estimate	SE	95% Confidence Intervals		β	z	p
				Lower	Upper			
InnovPropensity	Empowerment	0.23067	0.0822	0.0695	0.392	0.17394	2.8049	0.005
InnovPropensity	FWE	0.01272	0.0608	-0.1065	0.132	0.01242	0.2090	0.834
InnovPropensity	Diversity	0.00654	0.0687	-0.1281	0.141	0.00539	0.0952	0.924
InnovPropensity	KnowSharing	0.12486	0.0494	0.0280	0.222	0.14965	2.5275	0.011
KnowSharing	Empowerment	0.48149	0.0869	0.3112	0.652	0.30292	5.5427	< .001
KnowSharing	FWE	0.21885	0.0669	0.0876	0.350	0.17836	3.2691	0.001
KnowSharing	Diversity	0.21388	0.0758	0.0653	0.362	0.14709	2.8209	0.005

Employee empowerment significantly improves both innovation propensity and knowledge sharing behavior, according to Table 8 research. Empowerment's estimated impact on Innovation Propensity is 0.23067, with a significant p-value of 0.005, a standardized coefficient (β) of 0.17394. Additionally, with an estimate of 0.48149, a β value of 0.30292, and a highly significant p-value of <.001, Empowerment has a large influence on Knowledge Sharing Behavior. This proves that encouraging employee empowerment is essential to promoting creativity in businesses.

At a p-value of 0.011, an estimate of 0.12486, a β value of 0.14965, and a considerable enhancement of innovation propensity, knowledge sharing also plays a crucial mediating function. The results indicate that whereas Knowledge Sharing is positively influenced by the Fluid Work Environment (FWE) (estimate = 0.21885, β = 0.17836, p = 0.001), Innovation Propensity is not significantly impacted by FWE (estimate = 0.01272, β = 0.01242, p = 0.834). Parallel to this, diversity has a beneficial effect on knowledge sharing (estimate = 0.21388, β = 0.14709, p = 0.005), but it has little direct influence on the propensity for innovation (estimate = 0.00654, β = 0.00539, p = 0.924).

In summary, Empowerment and Knowledge Sharing are the most influential variables driving innovation, emphasizing the importance of empowering employees and facilitating knowledge exchange to enhance innovation within organizations.

V. DISCUSSION

The study's findings provide significant new information about how various organizational factors—Employee Empowerment, Fluid Work Environment (FWE), and Workforce Diversity—interact to influence Knowledge Sharing (KS) and ultimately drive Innovation Propensity in the IT industry. The analysis emphasizes the importance of knowledge sharing as a crucial mediating factor between employee empowerment and direct and indirect creativity inside firms.

Impact of Employee Empowerment

The results show that Knowledge Sharing and Innovation Propensity are significantly positively impacted by employee empowerment. Employee motivation to participate in collaborative knowledge exchange is reinforced by the high influence of empowerment on knowledge sharing behavior (β = 0.30292, p <.001). Moreover, the correlation between empowerment and innovation propensity (β = 0.17394, p = 0.005) indicates that workers who feel empowered are more likely to assume leadership roles, try out novel concepts, and participate in innovative workflows. This is consistent with earlier studies that found empowerment encourages a sense of accountability and ownership, both of which are essential for promoting creativity in businesses.

Mediating Role of Knowledge Sharing

In this model, Knowledge Sharing shows up as a crucial mediator that greatly increases Innovation Propensity (β = 0.14965, p = 0.011). This suggests that encouraging a culture of open communication and information sharing is an essential process by which organizational characteristics like empowerment transfer into concrete results related to

creativity. The mediating effect of Knowledge Sharing aligns with the literature that positions knowledge as a key resource in the innovation process. By facilitating the free flow of ideas, organizations can create environments where innovation thrives, further emphasizing the need for strategies that promote knowledge exchange among employees.

Fluid Work Environment and Workforce Diversity

The analysis indicates that while Fluid Work Environments and Workforce Diversity both positively impact Knowledge Sharing (FWE: $\beta = 0.17836$, $p = 0.001$; Diversity: $\beta = 0.14709$, $p = 0.005$), their direct effects on Innovation Propensity are not significant (FWE: $\beta = 0.01242$, $p = 0.834$; Diversity: $\beta = 0.00539$, $p = 0.924$). This suggests that while flexible and diverse work settings promote the exchange of knowledge, they do not independently drive innovation without the mediating role of Knowledge Sharing. These findings support the idea that simply having a flexible work environment or a diverse workforce is not sufficient to spur innovation. Instead, these factors need to be combined with mechanisms that encourage employees to share knowledge in order to unlock their potential to drive innovation.

VI.   IMPLICATIONS

Theoretical Implications

This study adds to the expanding corpus of research on organizational innovation by emphasizing the vital roles that knowledge sharing and employee empowerment play as major factors that influence innovation propensity. The results lend credence to the resource-based view (RBV) of businesses, which views knowledge as an important asset that can provide an advantage over competitors. Furthermore, the study extends current ideas on innovation management and organizational behavior by providing empirical evidence on the mediating role of knowledge sharing in the relationship between organizational characteristics (such as empowerment, diversity, and FWE) and innovation outcomes.

Practical Implications

From a managerial standpoint, this research offers a number of useful insights:

1. **Encouraging Employee Empowerment:** Empowering people has been demonstrated to have the greatest effect on knowledge sharing and creativity, thus organizations in the IT sector should give it top priority. Empowering employees through decentralized decision-making, employee autonomy, and encouraging ownership of one's work are all successful strategies.
2. **Promoting Knowledge Sharing:** Since knowledge sharing is a crucial mediating factor in the growth of innovation, organizations should invest in information-sharing programs. Creating collaborative platforms, using knowledge management systems, and fostering an atmosphere where employees are recognized and encouraged for sharing their insights are some ways to do this.
3. **Enhancing Flexible Work Environments and Diversity in the Workforce:** While diverse teams and flexible work arrangements are essential for fostering inclusivity and collaboration, they are not enough to drive innovation by themselves. Managers need to make sure that these components are integrated with knowledge-sharing protocols so that they can reach their maximum potential. Cooperation and communication in diverse groups are stressed in training programs, which could enhance knowledge flow and encourage creativity.
4. **Combining Innovation with a Knowledge-Centric Approach:** A knowledge-centric corporate culture must be established if businesses want to increase their potential for innovation. This means promoting knowledge sharing among employees and using knowledge as a tactical tool to guide creative projects.

VII.   CONCLUSION

In order to promote innovation in the IT industry, this study highlights how important objective is to foster a robust culture of information exchange and employee empowerment. To fully realize the potential of diverse workplaces and flexible work arrangements in fostering innovation, these elements must be paired with systems that facilitate information sharing. The findings suggest that as important levers for fostering organizational innovation, managers and policymakers should deliberately focus on knowledge-sharing and empowering strategies.

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