Conference Paper

Managing Innovative Work Behavior: The Role of Member-Leader Exchange, Organizational Climate and Psychological Empowerment

Darwin Lie\(^1\), Elidawaty Purba\(^2\), Sri Harini\(^3\), Meldasari Said\(^4\), Acai Sudirman\(^1\) *

\(^1\)Management Study Program, Sekolah Tinggi Ilmu Ekonomi Sultan Agung
\(^2\)Development Economics Study Program, Universitas Simalungun
\(^3\)Management Study Program, Universitas Djuanda
\(^4\)Management Study Program, Sekolah Tinggi Ilmu Ekonomi Indonesia Banjarmasin

Abstract.
In today’s digital era, the existence of innovative work behavior is crucial for an organization. Understanding employee behavior is critical for organizational executives who want to forecast and generate productive staff performance. Leaders must comprehend and know each individual in their organization as part of this proactive practice. The main objective of this study is to determine the contribution of leader-member exchange, organizational climate and psychological empowerment in encouraging innovative work behavior. The sample in this study amounted to 120 respondents who were determined using purposive sampling approach. Data collection used a questionnaire instrument which was then distributed online. Data analysis was conducted using the SPSS application by displaying data processing results through research instrument tests with validity and reliability tests, multiple regression analysis, coefficient of determination, and hypothesis testing. Based on the results of data analysis, it was concluded that the leader-member exchange contributed positively and significantly to innovative work behavior. The results of subsequent studies confirmed that organizational climate contributed positively but not significantly to innovative work behavior. The results of the latest research explained that psychological empowerment contributes positively and significantly to innovative work behavior.

Keywords: Purchase Decision, Ulos Products, Marketing Mix

1. INTRODUCTION

Adopting technology is a determining factor for the company’s success in dealing with the dynamics of changes that occur in the company’s internal and external environment [1]. The existence of behavior that leads to innovative and creative is one of the essential factors for the company because it can guarantee business growth and become a strong pillar to drive its success [2]. Leaders must pay attention to the trends of each employee in terms of proactive action when it comes to employee work innovation [3]. This is done so that the leader may classify individuals and determine which elements of the workforce should be assigned to the appropriate job design [4]. As a result, employees’
inventive work behavior can be improved by conditioning and creating jobs based on their capabilities and wants [5]. Because innovative work behavior can only be found in people who have a strong sense of initiative and are willing to try it out in the real world [6]. To support innovative work behavior, support from various aspects is needed, such as leader-member exchange, organizational climate and psychological empowerment.

Leadership effectiveness is characterized by superior and subordinate relationships that show maturity and benefit for both parties [7]. The manifestation of the leader-member exchange is shown by mutual respect, enjoyment, and high loyalty. Superiors provide subordinates with opportunities, support, and mentoring to develop [8]. The superior's behavior will motivate subordinates to give greater reciprocity to superiors. Positive leader-member exchange can also influence employees' feelings to do positive things [9]. Positive feelings of employees are considered to increase innovative power and creativity in doing work [10].

A negative pattern of leader-member exchange, on the other hand, can have a negative impact on performance within the organization. Negative forms of leader-member exchange, including relationships with superiors who are too close can trigger employees to belittle their work [11]. Thus, it is necessary to control the quality of the leader-member exchange between superiors and subordinates. Leader-member exchange plays a role in leadership approaches such as exchanging leaders with members who can lift the hearts and involve the workers’ souls. This condition becomes flawlessly logical, so it is a way forward to trigger innovative work behavior [12]. This statement is corroborated by the results of research [13], with findings showing that leader-member exchange positively and significantly influences innovative work behavior. In line with research from [14], confirming that the leader-member exchange has a significant impact on innovative work behavior.

One of the opportunities to develop human resources that lead to innovative work behavior is to gather invisible social forces [15]. The ability to drive attitudes and behavior without being seen can be applied to a fair organizational climate configuration [15]. Organizational climate has an important role in managing an organization because it is a common and complete perception of the essential meaning of life together in the organization [16]. If organizational culture is the personality of the organization then climate is the mood of an organization. Organizational climate signifies workers’ observations of the workplace that are impartial to anyone within the internal scope of the organization or company [17].

The manifestation of work comfort can be seen when every worker feels comfortable with the working atmosphere in the workplace. This condition triggers to produce
innovative work behavior so that the resulting performance can be optimal [18]. This statement is supported by research findings [19], which states that organizational climate is one of the dominant factors influencing innovative work behavior. The same thing was also found in the results of the study [20], which states that innovative work behavior can be achieved if there is an even implementation of an organizational climate for every human resource in the organizational unit or company.

One aspect that needs to be considered to foster innovative work behavior is psychological empowerment. Empowerment is a psychological picture of the state of motivational cognition produced in individuals by the organizational environment that reflects the individual's personality [21]. Psychological empowerment aims to provide power and control to individuals so that they feel able to complete their work well [22]. Employees who get psychologically empowered will feel more confident in thinking creatively, acting proactively, taking initiative, and working independently [23].

In principle, employees will be motivated if their work has relevance [24]. In the end, they will feel that their work is meaningful and that their contribution can shape creativity. Employee capacity increases and increases motivation to innovate because they think they get more ideas and inspiration [25]. Furthermore, well-managed psychological empowerment will impact the means of employee motivation that are increasingly basic in doing a job [26]. This statement is supported by research results [27], confirms that psychological empowerment has a significant effect on innovative work behavior. The same is stated in the research [28], which states that the psychological empowerment of employees triggers innovative work behavior.

The use of leader-member exchange and psychological empowerment as a strategy in strengthening employees’ proactive behavior is considered appropriate in shaping innovative work behavior in carrying out and completing work optimally. Moreover, suppose there is support in terms of responsibility, coordination, group spirit, work standards and organizational clarity in forming the concept of organizational climate. In that case, this can help employees grow creative work power in carrying out their functions and duties. In other words, work designs formed with the principle of expediency, responsibility and knowledge of work results can encourage proactive employees to do innovative work. The urgency of this research is to find out the contribution of the leader-member exchange, organizational climate, psychological empowerment in influencing innovative work behavior. It is hoped that the findings of this research will contribute to organizations and companies, especially for top and middle management lines in developing innovative work behavior strategies for their employees based on
the development of leader-member exchange, organizational climate, psychological empowerment.

2. METHOD

Quantitative research design with a causality approach is used in this study. The data used in this study used primary data by collecting through online questionnaires. The research population is employees who work in the conventional banking sector in the city of Medan. Due to the unknown number of the population, the sample was taken using a convenience sampling technique. According to [29], if the number of the population is not known ideally the size of the representative respondents depends on the sum of all indicators in the variable multiplied by 5-10. This study has 16 indicators, so the minimum number of respondents for this study is 16 x 7 = 112. Therefore, the number of respondents who were taken for this study after being rounded up involved 120 respondents. This number is considered representative to be observed as a representative of the population because it has met the minimum sample threshold. Testing the questionnaire data using a validity test, where if rcount 0.3 with 95% significance it is declared valid [30] and the reliability test, where a variable is said to be reliable, if it has a Cronbach alpha value > 0.60 [31]. Furthermore, multiple regression tests were carried out, hypothesis testing with simultaneous and partial methods and correlation tests with the coefficient of determination.

3. RESULT

3.1. Validity and Reliability Test

Based on the validity test of table 1 above, it is concluded that all indicators in the study have a value above 0.30, therefore the measurement items used in this research are valid. Next, a reliability experiment is carried out which is used to measure the measurement items on the questionnaire items that describe the indicators of the variables. A questionnaire is reliable if a person's response to a question does not change or is normal from time to time.

Based on the results of the reliability experiment shown in table 2 above, it proves that all indicators have a Cronbach alpha value for each instrument > 0.60, so it can be concluded that all instruments used are reliable.
### Table 1: General Profile of Respondents.

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Men</td>
<td>45</td>
<td>37.5</td>
</tr>
<tr>
<td></td>
<td>woman</td>
<td>75</td>
<td>62.5</td>
</tr>
<tr>
<td>Age (years)</td>
<td>20-29</td>
<td>52</td>
<td>43.34</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>34</td>
<td>28.33</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>22</td>
<td>18.33</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Level of education</td>
<td>Diploma</td>
<td>15</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Bachelor</td>
<td>77</td>
<td>64.17</td>
</tr>
<tr>
<td></td>
<td>Master</td>
<td>28</td>
<td>23.33</td>
</tr>
<tr>
<td>Job position</td>
<td>Teller</td>
<td>41</td>
<td>34.17</td>
</tr>
<tr>
<td></td>
<td>Customer Service</td>
<td>34</td>
<td>28.33</td>
</tr>
<tr>
<td></td>
<td>Back Office Staff</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Account Officer</td>
<td>15</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Sales Officer</td>
<td>18</td>
<td>15</td>
</tr>
</tbody>
</table>

### Table 2: Validity Test Results.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Corrected Item-Total correlation</th>
<th>N of Items</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader-Member Exchange</td>
<td>0.465</td>
<td>4</td>
<td>Valid</td>
</tr>
<tr>
<td>Organizational Climate</td>
<td>0.541</td>
<td>5</td>
<td>Valid</td>
</tr>
<tr>
<td>Psychological Empowerment</td>
<td>0.495</td>
<td>4</td>
<td>Valid</td>
</tr>
<tr>
<td>Innovative Work Behavior</td>
<td>0.518</td>
<td>3</td>
<td>Valid</td>
</tr>
</tbody>
</table>

### Table 3: Reliability Test Results.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader-Member Exchange</td>
<td>0.861</td>
<td>4</td>
<td>Reliable</td>
</tr>
<tr>
<td>Organizational Climate</td>
<td>0.737</td>
<td>5</td>
<td>Reliable</td>
</tr>
<tr>
<td>Psychological Empowerment</td>
<td>0.832</td>
<td>4</td>
<td>Reliable</td>
</tr>
<tr>
<td>Innovative Work Behavior</td>
<td>0.806</td>
<td>3</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

#### 3.2. Multiple Regression Test

The results of the multiple linear regression above, obtained the equation model: 
$$\hat{y} = 3.993 + 0.230X_1 + 0.046X_2 + 0.223X_3,$$
which means that innovative work behavior is positively influenced by leader-member exchange, organizational climate and psychological empowerment. Furthermore, according to the equation, it can be explained as follows:
TABLE 4: Multiple Regression Test Results.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>tcount</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3,993</td>
<td>1.375</td>
<td>2,904</td>
<td>.004</td>
</tr>
<tr>
<td>Leader Member Exchange</td>
<td>.230</td>
<td>.062</td>
<td>.318</td>
<td>.000</td>
</tr>
<tr>
<td>Organizational Climate</td>
<td>.046</td>
<td>.066</td>
<td>.066</td>
<td>.486</td>
</tr>
<tr>
<td>Psychological Empowerment</td>
<td>.223</td>
<td>.064</td>
<td>.064</td>
<td>.001</td>
</tr>
</tbody>
</table>

a. Dependent Variables: Innovative Work Behavior

1. The constant value of 3.993 can be interpreted if the leader-member exchange, organizational climate, psychological empowerment are considered zero, then the value of innovative work behavior will be in the range of values of 3.993.

2. The value of the beta coefficient on the leader-member exchange variable is 0.230, which means that every change in the leader-member exchange variable by one unit will change in innovative work behavior of 0.230 units assuming the other variables are at a constant value.

3. The value of the beta coefficient on the organizational climate variable is 0.046, which means that every change in the organizational climate variable by one unit will result in a change in innovative work behavior of 0.046 units assuming that other variables are at a constant value.

4. The value of the beta coefficient on the psychological empowerment variable is 0.223, which means that every change in the psychological empowerment variable by one unit will result in a change in innovative work behavior of 0.223 units assuming that the other variables are at a constant value.

3.3. Simultaneous and Partial Hypothesis Testing

To examine the variable binding simultaneously, experiment F was used. Simultaneous hypothesis testing was attempted to identify whether the leader-member exchange, organizational climate and psychological empowerment variables affected innovative work behavior simultaneously.

Based on the results of the simultaneous test analysis in table 5, the Fcount value is 15,807 > Ftable with (0.05; 3 vs 116) of 2.68 or with a significant 0.000 < 0.05, it can be interpreted as leader-member exchange, organizational climate, psychological
empowerment affects innovative work behavior in the same way. Subsequently, a partial test was carried out to determine the relationship between the leader-member exchange, organizational climate, and psychological empowerment variables that were tested to influence innovative work behavior partially. Based on the results of data analysis in Table 4, the results of the t-test in this study are as follows:

1. Leader-member exchange obtained a significant level of 0.000 > 0.05, meaning that the leader-member exchange significantly affects innovative work behavior.

2. Organizational climate obtained a significant level of 0.669 > 0.05, meaning that organizational climate has no significant effect on innovative work behavior.

3. Psychological empowerment has a significant level of 0.001 < 0.05, meaning that psychological empowerment significantly affects innovative work behavior.

3.4. Coefficient of Determination Test

The coefficient of determination is used to assess a model's capacity to explain variance in the dependent variable. In this study, the findings of the determination test may be found in Table 6 below:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>R</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.539a</td>
<td>.290</td>
<td>.272</td>
<td>.985</td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of the data analysis in Table 6 above, the coefficient of determination is 0.290, which means that the level of innovative work behavior is high and low. 29% can be explained by leader-member exchange, organizational climate and psychological empowerment while the remaining 71% can be explained by other factors not discussed in this study.
4. DISCUSSION

Based on the results of partial hypothesis testing (H1), leader-member exchange significantly affects innovative work behavior. Implementation of leader-member exchange can increase employee performance through innovative work behavior. Encourage employees to innovate, create new ideas, promote and test their innovation feasibility. These activities can affect the work of employees, both individually and to the company. The better the communication between leaders and employees, it will have implications for the creativity and innovativeness of employees [32]. Furthermore, managers and supervisors provide opportunities and challenges to foster trust in each employee in carrying out their duties and responsibilities [14]. Every employee who has a good relationship with the leader will create a strong emotional bond and a high commitment. This is what triggers innovative work behavior among employees when carrying out their work activities.

Based on partial hypothesis testing (H2) results, organizational climate has no significant effect on innovative work behavior. Harmony and good teamwork will certainly create a good organizational climate as well. With the creation of a good organizational climate, it will also result in good communication between fellow workers and with superiors, which will then create innovative work behaviors that generate new ideas or processes within the organization that will be implemented so that it is easier to achieve company goals [19]. To obtain a good organizational climate, employees must produce quality work according to standards, good teamwork, complete work demands, and help each other in each department. Implementation of an uneven organizational climate will indirectly result in a decrease in work motivation. The absence of coordination and team spirit between lines has implications for the weak sense of togetherness when doing work, which will weaken behavior to do work innovatively [33].

Based on the results of partial hypothesis testing (H3), psychological empowerment significantly affects innovative work behavior. These results confirm that the psychological presence of employees plays an important role in reasoning the creative power of employees. This is the basis for some employees to carry out all activities with high motivation. Psychologically motivated employees can make progress or complete work without significant problems and undue burden. This condition will encourage them to have confidence that they are competent in carrying out their work and enthusiasm to foster creativity in carrying out the work given [28]. In addition, a role model of psychological empowerment from managers and supervisors is needed for employees.
If a manager or supervisor seems unenthusiastic about work and doesn’t feel confident about what you’re doing, it will be difficult for them to motivate others. Thus, every manager and supervisor must realize that they are role models of psychological empowerment for subordinates [4].

5. CONCLUSION

This study suggests that of the three hypotheses developed, only two hypotheses can be accepted. Positive and significant results were obtained for the influence of leader-member exchange and psychological empowerment on innovative work behavior. This confirms that the aspect of leader-member exchange in terms of emotional control, the contribution of superiors to subordinates and vice versa, loyalty to the organization and respect for professionalism plays an important role in the development of work behavior that leads to an innovative character. Furthermore, Suppose the psychological empowerment of employees is managed optimally through the development of competence and self-control. In that case, it will be beneficial for motivation and morale. The implications will be felt when every employee works to think of constructive ideas and impact the organization’s progress. The results of this study also confirm that the organizational climate cannot make a significant contribution to innovative work behavior. This is a consideration for every top management to align company policies with the vision, mission and strategic goals going forward by involving employee representatives in its formulation. The results of this study also confirm that the organizational climate cannot make a significant contribution to innovative work behavior. This is a consideration for every top management to align company policies with the vision, mission and strategic goals in the future by involving employee representatives in its formulation.

6. AUTHORS’ CONTRIBUTIONS

Acai Sudirman as the first writer to carry out the research, Efendi and Sherly as the second and third authors who have compiled the article from the beginning and to the end, Acai Sudirman as the corresponding writer who has edited the manuscript and carried out the review process.
References


