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Psychological capital, leader-member exchange, and job involvement in shaping innovative behavior and work habits: Evidence from a non-banking financial entity in Jawa and Papua

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Abstract

Purpose: This study examines the influence of psychological capital, leader-member exchange, and job involvement on employees' innovative behavior and work habits in the context of organizational transformation.

Methodology: Using a sample of 403 employees from a state-owned Non-Banking Financial Entity (NBFE) operating across Jawa and Papua provinces, the study analyzes how individual and relational factors contribute to developing sustainable work practices, with innovative behavior as a mediating variable. Structural equation modeling with bootstrapping was applied to test the hypothesized relationships.

Results: The results show that psychological capital and job involvement significantly enhance innovative behavior, which in turn positively affects employees' work habits. Innovative behavior also mediates the relationship between psychological capital and job involvement with work habits. In contrast, leader-member exchange demonstrated a direct positive effect on work habits but no significant effect on innovative behavior or its mediating pathway. These findings highlight the pivotal role of employees' psychological resources and engagement in fostering creativity and consistent, adaptive work behavior, while underlining the need for context-sensitive leadership strategies.

Limitations: This study is limited by its focus on a single non-banking financial organization, which may affect the generalizability of the results to other sectors. Additionally, cultural differences between Java and Papua may influence perceptions of leadership and organizational behavior, requiring careful contextual interpretation.

Contribution: The study contributes to the organizational behavior literature by providing empirical evidence on the mechanisms linking individual and organizational factors to sustainable employee performance in a culturally diverse and transforming financial institution.

Keywords: *Innovative Behavior, Job Involvement, Leader-Member Exchange, Psychological Capital, Work Habits*

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1. Introduction

The aftermath of COVID-19 has prompted substantial changes in the working lives of numerous companies (Berger, Demirgüç-Kunt, Moshirian, & Saunders, 2021). Companies face a range of impacts, including unmet targets, shifts in management and strategy, and a decline in organizational performance, all of which can lead to business losses (Vo, Mazur, & Thai, 2021). Concurrently, employees encounter various changes such as workplace discomfort, diminished well-being, altered job roles, and staff reductions (Zhang, Xie, Wang, Morrison, & Coca-Stefaniak, 2020). Amidst this business uncertainty (Antai and Eze (2023), every company strives to optimize its position to gain a competitive edge and thrive in the market. Developing sustainable business practices and enhancing company performance have become essential (Anning-Dorson, 2018). Companies are actively seeking new and effective strategies to counteract the performance decline caused by the pandemic (Narayanamurthy & Tortorella, 2021). Business organizations are grappling with even greater challenges post-pandemic due to a weakened global economy compared to during the pandemic (Malahayati, Masui, & Anggraeni, 2021). The post-COVID-19 landscape continues to captivate researchers (Saeed, Chipamaunga, and Pansuwong (2024), particularly in driving organizational success and workforce performance, especially for organizations facing intense competition, global market challenges, technological advancements, and the critical importance of customer service. Furthermore, the government's role is pivotal in making key decisions to support the continuity of economic activities and ensure resilience amidst the global crisis (Onjewu, Olan, Paul, & Nguyen, 2023).

Leaders are increasingly recognizing that workforce issues are key indicators of a business's success or failure, and that managing the human side of change is crucial for maximizing transaction value and boosting company profits, with productivity improvements becoming a central focus in today's organizations. The challenges faced by companies in the post-COVID-19 era are evident not only in global economic trends but also in the internal dynamics of organizations, as demonstrated by the case of the Non-Banking Financial Entity (NBFE). While businesses worldwide have struggled with declining performance, management shifts, and operational disruptions, the situation at NBFE highlights how such broader organizational changes can directly impact employee perceptions and organizational support. These factors underscore the broader theme of how companies must navigate both external challenges and internal dynamics to optimize their performance and maintain a competitive edge in an evolving business landscape.

The Organization Current Desired Alignment Index for 2022, as presented in Table 1 of the Corporate Culture Health Index for the NBFE, reflects an analysis of employee trust in the organization's future direction, which remains low in several regional offices across Indonesia. This situation underscores how employees perceive organizational support, especially given that, at the end of 2021, the NBFE became a subsidiary of the Bankholding Group. The acquisition process encountered resistance from the NBFE workers' union, which organized protests and submitted an open letter to the president opposing the restructuring of the company into a subsidiary. This factor may contribute to the low levels of organizational support that employees perceive. Furthermore, a survey conducted by an NBFE consultant regarding employee expectations at the NBFE revealed that some employees did not fully optimize their efforts to promote products to customers. Additionally, there was a lack of work support from the company, such as delayed provision of work facilities and the absence of Internet connectivity at several outlets, which made it difficult for employees to access the necessary information.

Table 1. Corporate Culture and Workforce Resilience Index of the Non-Banking Financial Entity NBFE (2023)

No.	Division/Region	Ethical Leadership Index	Change Adaptability Index	Workforce Resilience Index	Customer Orientation Index	Organizational Commitment Index	Total Corporate Health Index
—	The non-banking financial entity	68.4% (Moderate)	72.1% (Moderate)	89.5% (High)	78.0% (Moderate)	76.2% (Moderate)	76.8% (Healthy)

1	Yogyakarta Region	63.7% (Moderate)	70.2% (Moderate)	85.1% (High)	74.6% (Moderate)	71.3% (Moderate)	73.0% (Moderately Healthy)
2	Banjarmasin Region	58.2% (Moderate)	68.9% (Moderate)	81.4% (High)	71.2% (Moderate)	68.5% (Low)	69.6% (Moderately Healthy)
3	Pontianak Region	59.5% (Moderate)	67.1% (Moderate)	83.9% (High)	69.8% (Moderate)	66.7% (Low)	69.4% (Moderately Healthy)
4	Padang Region	61.3% (Moderate)	69.5% (Moderate)	86.2% (High)	72.4% (Moderate)	70.1% (Moderate)	71.9% (Moderately Healthy)
5	Malang Region	65.9% (Moderate)	73.8% (Moderate)	88.7% (High)	76.3% (Moderate)	74.0% (Moderate)	74.7% (Moderately Healthy)
6	Solo Region	64.5% (Moderate)	72.0% (Moderate)	87.1% (High)	75.8% (Moderate)	72.9% (Moderate)	74.5% (Moderately Healthy)
7	Jambi Region	57.8% (Moderate)	66.3% (Low)	79.5% (Moderate)	68.2% (Low)	65.0% (Low)	67.4% (Moderately Healthy)
8	Samarinda Region	62.0% (Moderate)	70.9% (Moderate)	84.7% (High)	73.1% (Moderate)	69.6% (Moderate)	71.6% (Moderately Healthy)
9	Cirebon Region	60.4% (Moderate)	68.5% (Moderate)	82.3% (Moderate)	70.9% (Moderate)	68.1% (Low)	70.0% (Moderately Healthy)
10	Tasikmalaya Region	61.7% (Moderate)	69.8% (Moderate)	83.6% (High)	72.2% (Moderate)	70.7% (Moderate)	71.6% (Moderately Healthy)
11	Banyuwangi Region	63.0% (Moderate)	71.0% (Moderate)	86.0% (High)	74.1% (Moderate)	71.8% (Moderate)	73.2% (Moderately Healthy)
12	Serang Region	59.9% (Moderate)	67.6% (Moderate)	80.7% (Moderate)	70.1% (Moderate)	67.5% (Low)	69.2% (Moderately Healthy)

Source: The non-banking financial entity, 2023

Table 1 presents the results of the Corporate Culture and Workforce Resilience Index for the Non-Banking Financial Entity (NBFE) across 12 regional divisions in Indonesia. The findings reveal varying degrees of organizational health, highlighting both strengths and areas for development in the post-COVID-19 and post-acquisition contexts. At the corporate level, the entity demonstrates an overall *healthy* status, with a Total Corporate Health Index of 76.8%, underpinned by a relatively high *Workforce Resilience Index* (89.5%) and moderate scores on other dimensions.

At the regional level, the data show notable heterogeneity. Regions such as Malang (74.7%), Solo (74.5%), and Banyuwangi (73.2%) displayed relatively strong performance, particularly in terms of ethical leadership, resilience, and commitment, suggesting more effective internalization of organizational values and greater employee adaptability in these locations. Conversely, regions such as Jambi (67.4%), Serang (69.2%), and Pontianak (69.4%) lag behind, with lower scores for *Change Adaptability*, *Customer Orientation*, and *Organizational Commitment*. This indicates persistent challenges in aligning workforce attitudes and behaviors with the organization's strategic goals in these regions, potentially reflecting localized resistance to change, diminished trust, or weaker managerial support. Across all regions, the *Workforce Resilience Index* consistently outperformed other indicators, suggesting that employees retain an intrinsic capacity to maintain high levels of effort and persistence under adverse conditions. However, moderate and sometimes low scores on *Organizational Commitment* and *Change Adaptability* indicate a need for targeted interventions to strengthen

employees' psychological attachment to the organization and their readiness for ongoing organizational transformation.

Productivity through job performance has been a significant focus in the organizational behavior and human resource development literature. Companies' human resource management departments engage in various initiatives to enhance organizational performance, with a particular emphasis on job performance, to adapt to an uncertain, complex, and highly competitive business environment (Jnaneswar & Ranjit, 2022). Work efficiency assesses the outcomes of individual behavior and their impact on organizational efficiency, indicating the extent of the work accomplished (Jnaneswar & Ranjit, 2022). Over the past three decades, there has been a notable increase in studies on performance (Chummar, Singh, & Ezzedeen, 2019). Job performance is a crucial factor influencing an organization's efficiency and effectiveness (Wang & Chen, 2020). This is reflected in Employee Performance, which encompasses an individual's professional achievements following the necessary efforts in their work, along with meaningful work, records of commitment, and emotional colleagues. The positive impact of Employee Performance on organizational success has motivated researchers to explore its causes, benefiting practitioners within organizations. Employee Performance is a vital component and a highly sought-after human resource intervention. An effective Employee Performance management system is essential for business organizations to optimize human resources and enhance organizational success. Performance goals must align with organizational policies, transforming the process from event-based to more strategic and human-centered (Rabbani, Kayani, Bawazir, & Hawaldar, 2022). There is substantial empirical evidence indicating that resources sourced from both employees and the organization itself have varying effects on improving Employee Performance.

During the COVID-19 era, spanning 2020 to 2022, the most significant challenge faced by companies has been Employee Performance. This issue has prompted researchers to delve into studies on this topic in recent years. From a performance standpoint, it represents an outcome, and the results generated by competent employees are vital for an organization's quest to boost productivity. Efficiency indicates how a company achieves high productivity levels within its structure. Managers view efficiency as an organizational expectation. Performance encompasses a series of behaviors demonstrated by individuals in their work and does not occur in isolation. Companies must adopt a systemic perspective, considering not only their employees but also the environment in which they anticipate active engagement. Behavior across all life domains is influenced not only by the worker but also by the environment, particularly the interaction between the worker and their surroundings.

In this context, organizational development aligns with employee behavior, and its sustainability hinges on research exploring the relationships tied to employee behavior within the organization. Previous studies have concentrated on mindfulness (Reyt et al., 2022), Perceived Organizational Support, Employee Engagement, and Employee Creativity (Zada, Saeed, Khan, & Zada, 2024). Although these predictors consistently bolster Employee Performance, there is a notable lack of recent models addressing this issue. Several attempts have been made to access the literature that elucidates the causal relationships among these five variables within academic databases. The findings suggest that Employee Creativity mediates the connection between the three primary sources: mindfulness, Perceived Organizational Support, and employee engagement as independent variables. This study elaborates on these relationships.

However, the literature review uncovered several findings from previous studies that highlighted inconsistencies. Research examining the direct relationship between the exogenous variable, Perceived Organizational Support, and the endogenous variable, Employee Performance, suggests that certain factors may mediate this relationship. This intriguing research gap warrants further investigation to identify potential mediating factors, which serve as a precursor to empirical testing in this study. As explained above, Employee Performance is influenced by Mindfulness, Perceived Organizational Support, Employee Engagement, and Employee Creativity. Nevertheless, the models presented remain partial and do not offer a comprehensive and relevant model aligned with empirical phenomena that require further exploration. Additionally, there is a lack of research analyzing the relationship between employee performance and creativity (Ismail, Iqbal, & Nasr, 2019). Although Employee Creativity has

been examined as a mediating variable, there is still no evidence that this mediation can bridge the direct relationships between the exogenous variables Mindfulness, Perceived Organizational Support, and Employee Engagement with the endogenous variable Employee Performance. To address this gap, this study aims to test a new mediation model in a different context. Given the background and phenomena discussed, the emergence of this research gap can be addressed by introducing the concept of Employee Creativity, which is expected to influence Employee Performance. The research gap is shown in Figure 1.

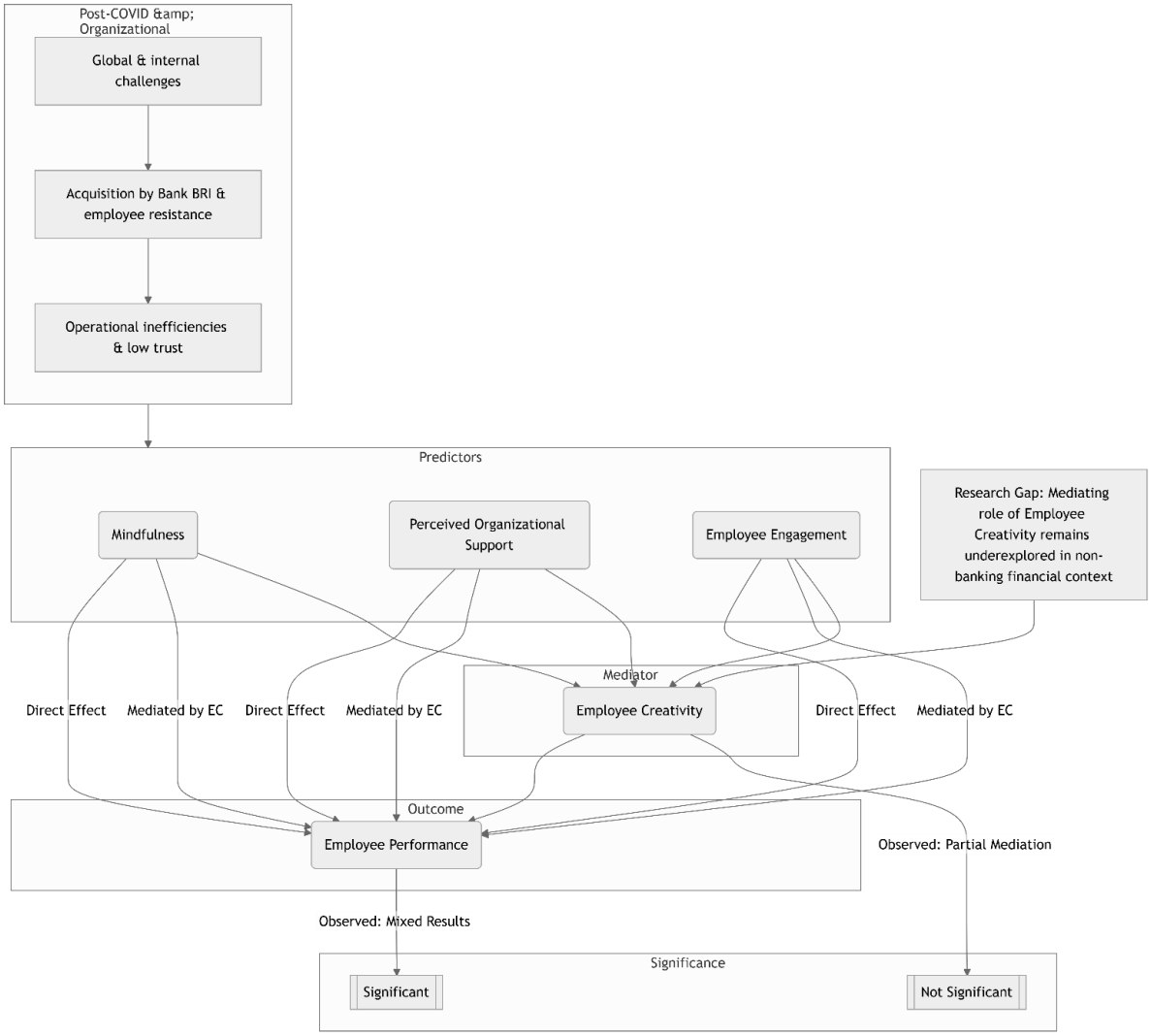

Figure 1. Research Gap in the Study

This study introduces creativity as a mediating variable that connects relationships within organizations. This concept is operationalized as Employee Creativity, examining the interactions between concepts derived from the theories addressing the research problems in this study. Employees who perceive organizational support are likely to experience greater job satisfaction, as the organization fulfills their basic socio-emotional needs, raises expectations for performance rewards, and shows the availability of support when needed (Raji & Ismail, 2023). Individuals with positive feelings toward an organization are inclined to display creative behaviors. Employee Creativity serves as the foundation for organizational creativity, competence, and ultimately, the organization's competitive advantage (Liu, 2017).

The relationships among these variables are intricately linked to the empirical phenomena observed in the case of the NBFE, where performance instability was evident during the pandemic years and acquisition period. These issues mirror the actual conditions faced by companies. This research context

is well-suited for studying the NBFE, a state-owned enterprise in Indonesia's financial sector. As one of the longest-standing non-bank financial service providers in Indonesia, NBFE is encountering increasing competition. Consequently, it must demonstrate its competitive advantage. The company is tasked with serving customers and maintaining professionalism to continually enhance its service quality and ensure customer satisfaction. One of its primary objectives is to consistently grow and deliver services that meet customer expectations, which requires employees who can perform optimally and exceed expectations. Another goal is to effectively leverage its strengths while maintaining commitment to societal welfare and the working environment. These company goals can only be realized if the employees of the NBFE exhibit strong performance behaviors, as they are a vital asset and the main component of the company.

As the company enhances its service offerings, employees' workloads inevitably increase to meet elevated targets. Employees are consistently required to perform at a high level, necessitating creativity, attention, and engagement to manage their growing responsibilities. Furthermore, they must have confidence in the organization's recognition of their contributions during periods of heightened workloads. Consequently, it is essential to comprehend the levels of Mindfulness, Perceived Organizational Support, Employee Engagement, and Employee Creativity among employees and how these four variables influence Employee Performance. This study aims to investigate the impact of Mindfulness, Perceived Organizational Support, Employee Engagement, and Employee Creativity on Employee Performance. Both direct and indirect relationships mediated by employee creativity were examined. This study seeks to contribute original insights by empirically testing the direct and indirect influence of the direct relationships between Mindfulness, Perceived Organizational Support, and Employee Engagement on Employee Performance through Employee Creativity, a topic not previously explored in the literature. Regarding the research subject, prior studies on similar topics have predominantly focused on private organizations, with limited research examining the non-banking financial sector, particularly at the regional level in India. The measurement instruments used in this study differed from those employed in other studies. These instruments were derived from the existing literature and specifically adapted to the research subject, the NBFE.

2. Literature review and hypothesis's development

2.1. Organizational Behavior Theory

Organizational Behavior Theory remains a cornerstone of the management function of leadership, particularly in understanding organizational dynamics and motivating employees to achieve desired outcomes. Historically, this discipline has evolved through the contributions of seminal thinkers. Adam Smith (1776) underscored the critical role of *task specialization and efficiency* in enhancing productivity, advocating for division of labor as a driver of organizational success. Charles Babbage (1932) expanded on Smith's principles by promoting systematic approaches to operational efficiency and measurable improvements in work processes. Robert Owen (1852), meanwhile, was among the earliest to emphasize the *well-being of employees*, calling attention to humane labor practices, health, safety, and social support in the workplace. These early ideas foreshadowed the 20th-century shift toward recognizing employees as more than just production components.

Later theorists such as Max Weber (1978), Henri Fayol (1949), and Frederick Taylor further shaped our understanding of *organizational structure and culture*. Weber highlighted how bureaucracy, hierarchical structures, procedural rules, impersonal relationships, and merit-based advancement underpin organizational functioning. Fayol's administrative principles emphasized labor division, centralized control, discipline, and coherent authority systems, conceptualizing organizations as integrated subsystems aimed at effective management of labor. Taylor (1911) advanced the Scientific Management Principles, advocating for operational efficiency through standardized practices and clearly defined procedures. Together, these perspectives established a foundation for the Human Relations Movement, which brought attention to collaboration, morale, and workers' socio-emotional needs, as noted by Siagian (1997), who argued that employee attitudes and productivity depend as much on managerial attention and care as on physical resources or working conditions.

Thus, organizational behavior integrates insights from psychology, sociology, cultural anthropology, and management to guide employee attitudes and behaviors toward organizational objectives (Getchell, Dubinsky, & Lentz, 2023). Employees' perceptions of themselves, their colleagues, and their organizational context influence their conduct, which can manifest as cooperative or competitive and supportive or counterproductive. Robbins and Judge (2015) conceptualize organizational behavior at three interrelated levels: the individual, group, and organizational system. At the individual level, *task specialization and efficiency*, perceptions of fairness, and motivation shape the outcomes. At the group level, *employee well-being* is influenced by teamwork, leadership, and conflict resolution skills. Finally, the organizational system level reflects the impact of *organizational structure and culture*, including policies, change management, and stress management, on overall performance. These concepts collectively enhance our understanding of interpersonal dynamics and enable the improvement of organizational outcomes in the workplace.

2.2. Componential Theory of Creativity

Creativity has become a critical differentiator in organizational competitiveness, particularly in addressing complex business and societal challenges in the 21st century (Thornhill-Miller et al., 2023). As operational efficiency and automation become standardized, creativity emerges as a driver of innovation and sustained value creation. The *componential theory of creativity* provides a framework for explaining how individual and organizational factors combine to foster creative performance. Creativity, from this perspective, involves the reconfiguration of existing knowledge into novel and meaningful outputs, encompassing both the *creative process* and its resulting *creative output*.

While creativity is valued across industries, its centrality is particularly evident in fields such as advertising, where the ability to generate distinctive and contextually appropriate solutions defines organizational effectiveness (Mainemelis, Kark, & Epitropaki, 2015). Creative strategies enhance integrated marketing communications (Tereshchenko et al., 2024) and are often used to evaluate agency performance. Clients often regard creativity as a prerequisite for organizational success, whether it manifests through campaigns, product innovations, or service improvements (Christofi, Leonidou, Vrontis, Kitchen, & Papasolomou, 2015).

Empirical research has explored the individual and contextual determinants of creativity. Afsar and Umrani (2020) highlighted factors such as task complexity, leadership, and supportive work environments as catalysts for the *creative process*. Other studies have focused on defining the qualities of *creative output*, which must demonstrate both originality and contextual utility (Corazza, 2016). Creativity has also been conceptualized as the formation of novel connections from seemingly unrelated elements (Dietrich, 2019). Anderson, Potočnik, and Zhou (2014) suggest that while originality is crucial, creative outputs must also solve problems effectively and align with organizational goals.

The *componential theory* integrates these insights by positing that creativity emerges when individuals engage in processes supported by organizational systems that enable autonomy, task motivation, and access to relevant resources. In the present study, this theory informs the role of the *creative process* as a mediating mechanism through which organizational factors, namely task specialization and efficiency, employee well-being, and organizational structure and culture, translate into creative output.

2.3. Research Model

Drawing from the problem background, literature examination, and multiple references from earlier studies, this study examines the connections between variables from diverse perspectives. The overall research framework of this study is illustrated in Figure 2.

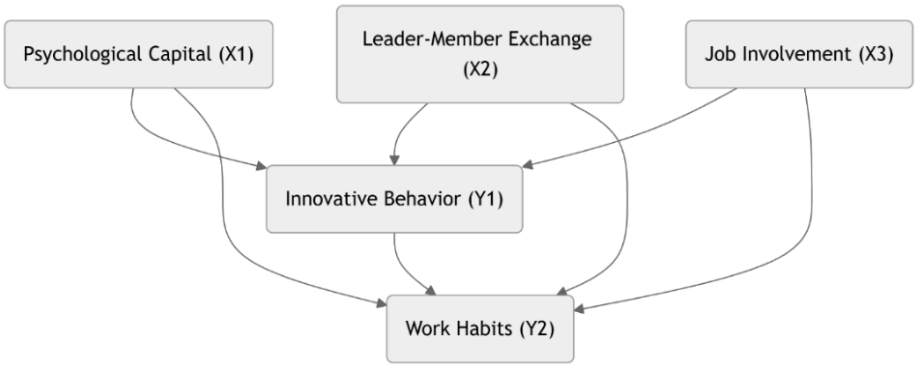

Figure 2. Research Model

2.4. Hypothesis Development

2.4.1. The Influence of Psychological Capital, Leader-Member Exchange, and Job Involvement on Innovative Behavior

Developing innovative behavior in the workplace has become an important focus for modern organizations seeking to remain competitive and adaptive (Chughtai, Syed, Naseer, & Chinchilla, 2024). Psychological capital, characterized by self-efficacy, optimism, hope, and resilience, is a crucial personal resource that enables employees to approach tasks creatively, persist in the face of challenges, and generate novel ideas (Yiinga, Haslan, & Badria, 2024). Employees with high psychological capital are more likely to engage in innovative behavior, as their positive mindset supports exploration and risk-taking. Similarly, leader-member exchange reflects the quality of the relationship between a leader and their subordinates, encompassing trust, respect, and mutual obligation (Lee, Thomas, Martin, Guillaume, & Marstand, 2019). High-quality exchanges foster psychological safety and encouragement, enabling employees to propose and implement creative solutions (Binyamin, Friedman, & Carmeli, 2018). Finally, job involvement, defined as the degree of psychological identification with one's work (Razak, Zakaria, and Mat (2017), enhances motivation and focus, both of which are necessary for employees to fully engage in innovative behavior (Bin Saeed, Afsar, Shahjeha, & Imad Shah, 2019). Together, these three factors are proposed to significantly influence employees' IB.

H1a: Psychological capital has a positive effect on innovative behavior.
H1b: Leader-member exchange has a positive effect on innovative behavior.
H1c: Job involvement has a positive effect on innovative behavior

2.4.2. The Influence of Psychological Capital, Leader-Member Exchange, and Job Involvement on Work Habits

Work habits, defined as consistent, goal-directed patterns of behavior that contribute to organizational productivity, are shaped by individual and relational factors (Renn, Preston, Fabian, & Steinbauer, 2024). Employees with higher psychological capital demonstrate persistence, proactive behavior, and adaptive work routines that solidify positive work habits (Witasari & Gustomo, 2020). Leader-member exchange also influences work habits by establishing a supportive environment where employees feel recognized and valued, thereby fostering disciplined and responsible behavior (Gu, Tang, & Jiang, 2015). Similarly, job involvement leads employees to internalize organizational goals, translating into committed and consistent work habits (Gu et al., 2015).

H2a: Psychological capital positively affects work habits.
H2b: Leader-member exchange has a positive effect on work habits.
H2c: Job involvement positively affects work habits.

2.4.3. The Influence of Innovative Behavior on Work Habits

Innovative behavior, which involves the generation and application of new ideas to improve work processes and outcomes, is hypothesized to enhance employees' work habits and performance. Employees who continuously seek innovative solutions tend to develop effective and adaptive routines that align with organizational objectives (Park & Park, 2021). Innovative behavior fosters continuous improvement, which becomes ingrained in employees' daily work habits over time.

H3: Innovative behavior has a positively affects work habits.

2.4.4. Mediating Role of Innovative Behavior on Work Habits

Innovative behavior is increasingly recognized as a desirable organizational outcome and a key mechanism through which psychological and relational factors translate into sustainable work habits. Employees with high psychological capital, characterized by self-efficacy, optimism, resilience, and hope, tend to approach their tasks with creativity and initiative, fostering innovative behavior that ultimately shapes their consistent and adaptive work routines (Bass, Huang, Milosevic, & Paterson, 2024). Similarly, job involvement, which reflects employees' psychological identification and engagement with their work, motivates individuals to generate and implement novel ideas, reinforcing proactive and reliable work habits over time (Bai, Wang, Alam, Gul, & Wang, 2022). While prior research suggests that leader-member exchange quality can support creativity by providing trust and encouragement (Qu, Janssen, & Shi, 2017), its effectiveness as a predictor of innovative behavior and subsequent work habits remains empirically contested, warranting further investigation. Therefore, this study posits that innovative behavior acts as a mediating variable that explains how psychological capital, leader-member exchange, and job involvement affect employees' ability to develop effective and sustainable work habits. Specifically, employees who engage in innovative behavior are more likely to establish productive, consistent, and adaptive routines that align with organizational goals.

Accordingly, the following mediation hypotheses are proposed:

H4a: Innovative behavior mediates the relationship between psychological capital and work habits.
H4b: Innovative behavior mediates the relationship between leader-member exchange and work habits.
H4c: Innovative behavior mediates the relationship between job involvement and work habits.

3. Methodology

This study aims to elucidate the impact of Perceived Organizational Support, mindfulness, and employee engagement on employee creativity (as a mediating variable) and Employee Performance (as a dependent variable) within an NBFE in Indonesia. Two research methods were employed: descriptive and verification methods. Descriptive research seeks to offer a comprehensive depiction of the characteristics of variables, whereas verificative research is utilized to test hypotheses and explore the relationships between variables. This study adopted a verificative descriptive research method, integrating descriptive analysis (Sekaran and Bougie Sekaran and Bougie (2016) with verification analysis to investigate causal relationships between variables through hypothesis testing. The research was empirical, utilizing a survey method with a questionnaire as the primary data collection instrument (Aithal & Aithal, 2020).

Data analysis was conducted using Structural Equation Modeling (SEM) to elucidate the cause-and-effect relationships between latent variables that cannot be directly measured. SEM was selected for its ability to simultaneously analyze multiple dependent variables (Ramli, Latan, & Nartea, 2018). The sample was obtained through proportional random sampling, and data were collected using questionnaires distributed to employees across several regions. This study relied on primary data gathered through questionnaires completed by employees of the NBFE in various regions. Secondary data were sourced from existing materials such as statistical bulletins, consultancy reports, published and unpublished documents, case studies, and online resources (Sekaran & Bougie, 2016). Secondary data included employee statistics and HR reports from the NBFE. Primary data were collected using a questionnaire structured in two parts. The first part collected demographic data (e.g., position, age, gender, and work experience), and the second part gathered data on the dimensions and indicators of the study variables. The data were further validated through pilot testing, where the reliability and validity of the questionnaire were assessed using a sample of 37 respondents (Ferdinand, 2014). Secondary data were obtained through observations and literature reviews, focusing on previous research related to this study.

3.1. Population and Sample

The sample size for this study was calculated using Issac and Michael's model, as presented by (Ahmadi et al., 2017). The formula used to determine the minimum sample size is as follows:

$$S = \frac{\lambda^2 NP(1-P)}{d^2(N-1) + \lambda^2 P(1-P)}$$

Substituting the values into the formula: $S = \frac{(1.96)^2 \cdot 2817 \cdot 0.5(1-0.5)}{(0.05)^2(2817-1)+(1.96)^2 \cdot 0.5(1-0.5)}$

The equation is simplified as follows $S = \frac{3.8416 \cdot 2817 \cdot 0.25}{0.0025 \cdot 2816 + 3.8416 \cdot 0.25}$

$$S = \frac{2707.44}{7.04 + 0.9604} S = \frac{2707.44}{8.0004} \approx 338.4$$

Because the sample size must be an integer, it was rounded up to 338 employees. Thus, the minimum sample size required for this study was 338 participants. This is consistent with the guidelines provided by Hair et al. (2014), who stated that the minimum sample size for Structural Equation Modeling (SEM) should be at least 100. Once the minimum sample size was determined, a proportional random sampling method was applied to ensure that every employee had an equal chance of being selected for the study. The proportion of employees in each area was calculated based on the total number of employees. The formula for proportional sampling is

$$\text{Sample per Area} = \left(\frac{\text{Population of Area}}{\text{Total Population}}\right) \times \text{Total Sample Size}$$

Using this formula, the sample distributions across the five areas were as follows (see Table 2):

Table 2. Population and Sample

No.	Region	Number of Employees (Population)	Sample Size
1	Jakarta Area	1,201	93
2	Bandung Area	851	69
3	Surabaya Area	767	65
4	Yogyakarta Area	345	33
5	Semarang Area	431	37
	Total (Jawa)	3,595	297
6	Jayapura Area	721	47
7	Manokwari Area	541	33
8	Merauke Area	311	17
9	Timika Area	211	9
	Total (Papua)	1,784	106
	Grand Total	5,379	403

3.2. Measurements

Table 3 presents the operational definitions of the variables used in this study. Each variable was broken down into specific dimensions and corresponding indicators to provide a detailed framework for measuring the constructs. An ordinal scale was used for all variables, allowing the collection of ranked data in a structured format. This operationalization was based on a thorough review of the literature.

Table 3. Measurements Constructs

	Dimension	Indicator
Psychological Capital (X1)	Self-efficacy (X1.1)	1. Confident in task completion2. Able to overcome difficulties3. Perseveres under pressure
	Hope (X1.2)	4. Finds ways to achieve goals5. Stays motivated despite setbacks6. Works towards long-term objectives
	Resilience (X1.3)	7. Recovers quickly from failures8. Remains calm in crises9. Adapts to new situations

	Optimism (X1.4)	10. Expects positive outcomes11. Believes in success12. Maintains positive outlook
Leader-Member Exchange (X2)	Trust & Respect (X2.1)	1. Trusts supervisor2. Supervisor trusts employee3. Respected by leader4. Respects leader
	Obligation & Loyalty (X2.2)	5. Feels loyal to leader6. Willing to support leader7. Feels obligated to reciprocate8. Committed to maintaining relationship
Job Involvement (X3)	Psychological Identification (X3.1)	1. Job is central to life2. Personal importance of job3. Proud of job4. Sees self in job role
	Engagement in Job Tasks (X3.2)	5. Enthusiastic about work6. Gives full effort7. Focuses on job responsibilities
Innovative Behavior (Y1)	Idea Generation (Y1.1)	1. Proposes new ideas2. Experiments with methods3. Suggests improvements4. Finds creative solutions
	Idea Promotion & Implementation (Y1.2)	5. Persuades others to support ideas 6. Implements new ideas 7. Develops action plans 8. Takes risks for innovation
Work Habits (Y2)	Consistency & Timeliness (Y2.1)	1. Arrives on time 2. Meets deadlines 3. Maintains regularity 4. Adheres to procedures
	Initiative & Adaptability (Y2.2)	5. Takes initiative 6. Adapts to changes 7. Handles flexible tasks8. Improves own routines

The measurement of variables in this study was developed to align with the conceptual framework and was grounded in validated constructs from prior research. Psychological Capital (X1) was operationalized into four dimensions: self-efficacy, hope, resilience, and optimism (Gallagher, Long, & Phillips, 2020). These dimensions reflect employees' confidence in completing tasks, perseverance toward goals, adaptability in the face of challenges, and positive expectations regarding outcomes. Each dimension was measured using specific indicators capturing behavioral manifestations, such as recovering quickly from failures or maintaining a positive outlook during adversity. Leader-Member Exchange (X2) was measured using two dimensions: trust and respect, and obligation and loyalty (Sasmita & Supriyadinata, 2019). This construct assesses the quality of interpersonal relationships between supervisors and subordinates, including mutual trust, professional respect, and a sense of reciprocal commitment to maintaining such relationships. Job Involvement (X3) was assessed through two dimensions: psychological identification with one's job and engagement in job tasks (Karanika-Murray, Duncan, Pontes, & Griffiths, 2015). These dimensions capture the centrality of work to an individual's self-concept and their willingness to exert effort and remain focused on job responsibilities.

Innovative Behavior (Y1), serving as a mediating variable, was measured using two dimensions: idea generation and idea promotion and implementation. These dimensions reflect an employee's propensity to propose novel ideas, experiment with new methods, persuade others to adopt creative solutions, and implement innovations in practice. Finally, Work Habits (Y2) were measured through two dimensions: consistency and timeliness, and initiative and adaptability. These dimensions capture patterns of punctuality, adherence to organizational procedures, proactive behavior, and the ability to adjust effectively to changes. All indicators for each dimension were measured on a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). This operationalization ensures that each construct is captured comprehensively, reflecting both individual-level psychological and behavioral outcomes as well as relational and organizational dynamics, thereby providing a robust measurement model consistent with the theoretical underpinnings of the study

3.3. Data Analysis Techniques

Data analysis was conducted using Structural Equation Modeling (SEM) to explain the causal relationships among latent variables. SEM combines path analysis and factor analysis and consists of two parts: the Measurement Model and the Structural Model. The Measurement Model connects

observed variables with latent variables, whereas the Structural Model shows the causal relationships between latent variables. SEM was chosen because it allows multiple endogenous variables to act as exogenous variables for other dependent variables. Before the SEM analysis, the data were transformed from ordinal to interval using the Method of Successive Intervals (MSI), as the Likert scale used in the questionnaire provides ordinal data that must be converted for further analysis. The assumptions for SEM, including sample size, normality, and outlier detection, were tested to ensure that the data were suitable for SEM analysis (Ghozali, 2021). The goodness of fit of the model was assessed using the following criteria:

Table 4. The model's goodness-of-fit

Goodness of Fit Index	Cut-off Value
Chi-square (χ^2)	Expected to be small
Significance Probability (p)	≥ 0.05
RMSEA	≤ 0.08
GFI	≥ 0.90
AGFI	≥ 0.90
CMIN/DF	≤ 2.00
TLI	≥ 0.95
CFI	≥ 0.95

(Sources: Ferdinand, 2014)

3.4. Pilot Study

Before distributing the questionnaire to respondents, a pilot test was conducted to ensure its validity and reliability. SPSS was used to test the validity of the SPSS software was used. The pilot test involved distributing 40 questionnaires to 40 respondents who were not part of the main study sample. The pilot test included 37 employees. The degrees of freedom (df) for the sample size (n) were calculated as follows: At the 5% significance level, the critical value of the r-table used in this study was 0.361. Table 5 presents the validity and reliability of pilot testing.

Table 5. Validity and Reliability Test Results of the Pilot Test Questionnaire

No	Research Variable	Pearson Correlation Interval	r-table	Cronbach's Alpha	Remarks
1	Psychological Capital	0.412 – 0.821	0.361	0.869	Valid & Reliable
2	Leader-Member Exchange	0.379 – 0.794	0.361	0.845	Valid & Reliable
3	Job Involvement	0.401 – 0.782	0.361	0.858	Valid & Reliable
4	Innovative Behavior	0.366 – 0.762	0.361	0.884	Valid & Reliable
5	Work Habits	0.477 – 0.801	0.361	0.876	Valid & Reliable

Table 5 shows that all variables passed the validity and reliability tests, with Pearson correlation values above the critical r-table value (0.361) and Cronbach's alpha values above 0.7, indicating that the questionnaire was valid and reliable for further use in the study.

3.5. Ethical Considerations

Undertakings will be made to ensure that all research activities are conducted in accordance with the principles of ethical conduct. Informed consent will be obtained from all participants, and they will be provided with information pertaining to the goals of the investigation. The confidentiality and anonymity of the respondents will be upheld at all stages of the research process.

4. Results and discussion

4.1. Respondents Profile

Table 6 consolidates all the categories (gender, age, education level, and length of service) into a single comprehensive view of the respondent's profile. The data show the dominance of female employees, a younger workforce, a highly educated population (majority holding bachelor's degrees), and a significant proportion of employees with less than three years of service in the organization. This summary provides an overall demographic snapshot of respondents.

Table 6. Characteristics Respondent

No.	Characteristic	Category	Frequency	Percentage (%)
1	Gender	Male	210	52.1
		Female	193	47.9
2	Age	≤ 25 years	56	13.9
		26–35 years	189	46.9
		36–45 years	112	27.8
		≥ 46 years	46	11.4
3	Education Level	High School	29	7.2
		Diploma	58	14.4
		Bachelor's Degree	256	63.5
		Master's Degree or higher	60	14.9
4	Employment Status	Permanent	298	74.0
		Contractual	105	26.0
5	Length of Service	≤ 1 year	31	7.7
		2–5 years	144	35.7
		6–10 years	152	37.7
		> 10 years	76	18.9
6	Department	Operations	138	34.2
		Marketing	102	25.3
		Finance/Accounting	84	20.8
		HR/Admin	79	19.7

Table 6 presents the demographic and professional characteristics of the 403 respondents who participated in this study. The gender distribution was relatively balanced, with male respondents comprising 52.1% of the sample and female respondents accounting for 47.9%. This reflects a fairly equitable representation of both genders in the organizational context being studied. In terms of age, the majority of respondents were in the prime working age category. Approximately 46.9% were between 26 and 35 years old, followed by 27.8% aged 36–45 years. Younger employees (≤ 25 years) constitute 13.9% of the sample, while those aged ≥ 46 years make up 11.4%. This indicates that the workforce is predominantly composed of mid-career professionals, which aligns with organizational needs for experienced and productive employees.

Regarding educational attainment, the largest group holds a Bachelor's degree (63.5%), highlighting the organization's emphasis on a well-educated workforce. Additionally, 14.9% of the respondents had completed a master's degree or higher, while smaller proportions of the workforce had either a high school diploma (7.2%) or diploma-level education (14.4%). Employment status data show that 74.0% of respondents are employed on a permanent basis, indicating a stable employment structure, whereas the remaining 26.0% are on contractual terms. This suggests that the organization maintains a core permanent workforce while supplementing it with contractual staff where necessary.

In terms of tenure, the workforce demonstrates a balanced mix of experiences. Approximately 37.7% of respondents had 6–10 years of service, and 35.7% had 2–5 years of experience, reflecting a substantial proportion of mid-tenure employees. Long-serving employees (> 10 years) represented 18.9% of the sample, and newcomers (≤ 1 year) accounted for 7.7%.The distribution across departments shows that the largest group of respondents worked in Operations (34.2%), followed by Marketing

(25.3%), Finance/Accounting (20.8%), and HR/Admin (19.7%). This reflects the core operational focus of the organization, which is supported by key functional areas. The respondent profile suggests a diverse, experienced, and well-educated workforce with representation across key demographic and organizational dimensions. Such diversity provides a solid basis for examining the relationships between psychological capital, leader-member exchange, job involvement, innovative behavior, and work habits in this study.

4.2. Descriptive Statistics

A descriptive analysis of the 403 respondents revealed a relatively balanced gender distribution, with 52.1% male and 47.9% female employees, indicating equitable representation of both genders. The age composition was dominated by employees in the 26–35 years category (46.9%), followed by those aged 36–45 years (27.8%), while 13.9% were 25 years or younger, and 11.4% were 46 years or older, illustrating a workforce largely comprised of mid-career professionals. Regarding educational background, the majority held a Bachelor's degree (63.5%), followed by Master's degree or higher (14.9%), Diploma (14.4%), and High School (7.2%), suggesting a highly educated employee workforce. Employment status data showed that 74.0% of respondents were permanent employees, while 26.0% were contractual, reflecting a stable organizational workforce. In terms of tenure, employees with 6–10 years of experience constituted the largest group (37.7%), closely followed by those with 2–5 years of experience (35.7%). Meanwhile, employees with over 10 years of service accounted for 18.9% of the total, and those with ≤ 1 year of service represented 7.7%, indicating a balanced mix of experience levels. The departmental distribution showed that most respondents worked in Operations (34.2%), followed by Marketing (25.3%), Finance/Accounting (20.8%), and HR/Admin (19.7%), reflecting the central operational focus of the organization supported by core functional areas. Collectively, these descriptive statistics depict a diverse, experienced, and well-qualified workforce suitable for analyzing the targeted behavioral and organizational constructs in this study.

4.3. Outer Model

Table 7 presents the results of the outer model evaluation, which assesses the validity and reliability of the measurement model for all constructs and dimensions in the study. The analysis was conducted following standard SEM-PLS criteria, including indicator loading, Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach's alpha.

Table 7. Outer Model

Construct	Dimension	Indicator Loading Range	AVE	Composite Reliability (CR)	Cronbach's Alpha	Remarks
Psychological Capital (X1)	Self-efficacy (X1.1)	0.712 – 0.834	0.613	0.876	0.824	Valid & Reliable
	Hope (X1.2)	0.701 – 0.829	0.597	0.862	0.811	Valid & Reliable
	Resilience (X1.3)	0.698 – 0.817	0.584	0.854	0.798	Valid & Reliable
	Optimism (X1.4)	0.719 – 0.822	0.601	0.868	0.820	Valid & Reliable
Leader-Member Exchange (X2)	Trust & Respect (X2.1)	0.705 – 0.833	0.621	0.882	0.835	Valid & Reliable
	Obligation & Loyalty (X2.2)	0.687 – 0.814	0.578	0.849	0.792	Valid & Reliable
Job Involvement (X3)	Psychological Identification (X3.1)	0.714 – 0.826	0.609	0.871	0.825	Valid & Reliable
	Engagement in Job Tasks (X3.2)	0.723 – 0.831	0.618	0.874	0.827	Valid & Reliable
Innovative Behavior (Y1)	Idea Generation (Y1.1)	0.736 – 0.845	0.634	0.889	0.841	Valid & Reliable

	Idea Promotion & Implementation (Y1.2)	0.721 – 0.838	0.615	0.872	0.826	Valid & Reliable
Work Habits (Y2)	Consistency & Timeliness (Y2.1)	0.733 – 0.842	0.627	0.878	0.832	Valid & Reliable
	Initiative & Adaptability (Y2.2)	0.719 – 0.836	0.619	0.874	0.829	Valid & Reliable

For all constructs and dimensions, the indicator loading values ranged between 0.687 and 0.845, exceeding the recommended threshold of 0.7 (Hair et al., 2014), which indicates strong individual indicator reliability. The AVE values for all constructs and dimensions were above the minimum acceptable level of 0.5, demonstrating sufficient convergent validity. Specifically, the AVE values ranged from 0.578 (lowest, Obligation & Loyalty) to 0.634 (highest, Idea Generation), confirming that each construct captured more than 50% of the variance of its indicators. In terms of internal consistency, all constructs and dimensions reported Composite Reliability (CR) values well above the recommended cutoff of 0.7, ranging from 0.849 to 0.889. This finding confirms that the indicators within each construct consistently measured the intended latent variable. Furthermore, Cronbach's alpha values for all constructs and dimensions exceeded the 0.7 threshold, supporting the internal reliability of the scales. The results of the outer model analysis confirmed that all constructs, namely, Psychological Capital, Leader-Member Exchange, Job Involvement, Innovative Behavior, and Work Habits, were valid and reliable. These findings indicate that the measurement model meets the required psychometric properties, providing a robust foundation for testing the hypotheses of the structural model.

4.4. Model Fit

The model fit was assessed to determine the adequacy of the proposed structural models. Several model fit indices were examined (see Table 8), including the Standardized Root Mean Square Residual (SRMR), Normed Fit Index (NFI), and chi-square/df ratio (χ^2/df), as recommended by Henseler et al. (2016) for PLS-SEM. The SRMR value was 0.058, which is below the recommended threshold of 0.08, indicating a good fit of the model to the observed data. According to Hu and Bentler (1999), an SRMR below 0.08 reflects an acceptable approximate fit in SEM models. The Normed Fit Index (NFI) was 0.912, which exceeds the minimum acceptable level of 0.90, suggesting that the hypothesized model improved substantially over the null model and fit the data well. The Chi-square/df ratio (χ^2/df) was calculated as 2.36, which is within the recommended range of less than 3.0, further supporting an acceptable fit between the model and observed data (Kline, 2011). In addition to the absolute fit indices, the coefficient of determination (R^2) was examined to assess the explanatory power of the model. The R^2 for Innovative Behavior (Y1) was 0.482, indicating that 48.2% of the variance in innovative behavior is explained by PsyCap, Leader-Member Exchange, and job involvement. The R^2 for Work Habits (Y2) was 0.539, showing that 53.9% of the variance in work habits was explained by both the direct predictors and the mediating effect of innovative behavior. Both R^2 values indicate moderate-to-substantial explanatory power. Collectively, these results demonstrate that the structural model exhibits satisfactory fit to the data, supporting the plausibility of the hypothesized relationships among the constructs

Table 8. Model Fit

Fit Index	Value	Recommended Threshold	Remarks
SRMR	0.058	≤ 0.08	Good fit
NFI	0.912	≥ 0.90	Good fit
χ^2/df	2.36	≤ 3.00	Acceptable fit
R^2 (Innovative Behavior)	0.482	≥ 0.26 (moderate)	Moderate explanatory power
R^2 (Work Habits)	0.539	≥ 0.26 (moderate)	Substantial explanatory power

4.5. Path Analysis

The structural model in this study was used to determine the relationships between mindfulness, perceived organizational support (POS), employee engagement, employee creativity, and employee performance. The results of the hypothesis testing provide insights into the direct and indirect effects

of these variables. The table below summarizes the findings, including beta coefficients, t-statistics, p-values, and whether the hypotheses were accepted or rejected based on a significance level of 0.05

Table 9. Path Coefficients

Path	Original Sample (β)	t-Statistic	p-Value	Decision
Psychological Capital → Innovative Behavior	0.312	4.876	0.000	**Supported**
Leader-Member Exchange → Innovative Behavior	0.089	1.221	0.112	**Not Supported**
Job Involvement → Innovative Behavior	0.294	4.323	0.000	**Supported**
Psychological Capital → Work Habits	0.051	0.894	0.186	**Not Supported**
Leader-Member Exchange → Work Habits	0.176	2.594	0.005	**Supported**
Job Involvement → Work Habits	0.183	2.731	0.003	**Supported**
Innovative Behavior → Work Habits	0.419	6.284	0.000	**Supported**
Psychological Capital → Innovative Behavior → Work Habits	0.131	3.422	0.001	**Supported**
Leader-Member Exchange → Innovative Behavior → Work Habits	0.037	0.974	0.165	**Not Supported**
Job Involvement → Innovative Behavior → Work Habits	0.123	3.217	0.001	**Supported**

The hypothesis testing results, summarized in Table 9, reveal several significant and insignificant relationships among the studied variables. Psychological Capital shows a significant positive effect on Innovative Behavior ($\beta = 0.312$, $t = 4.876$, $p < 0.001$), supporting the hypothesis that employees with greater psychological resources are more likely to engage in innovative behaviors. Conversely, the path from Leader-Member Exchange to Innovative Behavior was not significant ($\beta = 0.089$, $t = 1.221$, $p > 0.05$), suggesting that the quality of the leader-subordinate relationship does not directly foster innovative behavior in this context. Job Involvement, on the other hand, exhibits a strong and significant influence on Innovative Behavior ($\beta = 0.294$, $t = 4.323$, $p < 0.001$), indicating that employees who identify with and are engaged in their jobs tend to be more innovative. Regarding the direct effects on Work Habits, Psychological Capital did not show a significant direct effect ($\beta = 0.051$, $t = 0.894$, $p > 0.05$), suggesting that its influence on work habits may operate indirectly. However, LMX and job involvement had significant positive effects on Work Habits ($\beta = 0.176$, $t = 2.594$, $p < 0.01$), as does Job Involvement ($\beta = 0.183$, $t = 2.731$, $p < 0.01$, respectively). The strongest direct predictor of work habits was Innovative Behavior ($\beta = 0.419$, $t = 6.284$, $p < 0.001$), confirming that employees who engage in innovative behaviors are more likely to develop consistent, effective, and adaptive work routines.

The mediation analysis further revealed that Innovative Behavior mediated the relationship between Psychological Capital and Work Habits ($\beta = 0.131$, $t = 3.422$, $p < 0.01$) and between Job Involvement and Work Habits ($\beta = 0.123$, $t = 3.217$, $p < 0.01$), supporting the proposed indirect pathways. However, the indirect effect of Leader-Member Exchange on work habits through Innovative Behavior was not significant ($\beta = 0.037$, $t = 0.974$, $p > 0.05$), indicating that this pathway was not supported in this model. Overall, these findings highlight the critical role of Innovative Behavior as both an outcome of individual and job-related factors and as a key mechanism through which these factors enhance employees' work habits. Psychological Capital and Job Involvement influence Work Habits primarily through their impact on Innovative Behavior, while Leader-Member Exchange affects Work Habits directly but not through the mediating mechanism of innovation.

4.6. Discussion

The findings of this study provide compelling evidence of the pathways through which individual and NBFE factors shape employees' innovative behavior and work habits. Specifically, Psychological Capital and Job Involvement significantly predicted Innovative Behavior, which in turn strongly

influenced Work Habits, aligning with the broader literature emphasizing the importance of positive psychological resources and job engagement for creativity and productivity. The significant indirect effects of Psychological Capital and Job Involvement on Work Habits through Innovative Behavior further confirm the mediating role of innovation in translating individual dispositions into habitual, goal-directed work routines in the NBFE.

In contrast, Leader-Member Exchange (LMX) did not show a significant relationship with Innovative Behavior, and its indirect effect on Work Habits through Innovative Behavior was also insignificant, although its direct effect on Work Habits remained significant. This finding partially diverges from previous studies that have highlighted high-quality LMX as a driver of creativity through trust and psychological factors. One plausible explanation lies in the provincial context of the sample: respondents from Papua and Jawa provinces may have experienced varying cultural and managerial dynamics in the NBFE. Employees of the NBFE in Jawa, representing a more urban and formal organizational environment, might have stronger psychological resources and a greater sense of job involvement fostering innovation, while employees in Papua, with more hierarchical and collectivist organizational norms, may perceive leader support as more relevant to maintaining procedural compliance and less critical for fostering creativity. This interpretation resonates with cross-cultural organizational behavior research showing that the impact of LMX on creativity can be moderated by cultural and contextual factors.

Furthermore, the strong effect of Innovative Behavior on work habits underscores the transformative role of creativity in shaping consistent and adaptive work practices. This aligns with Amabile's (1996) componential theory of creativity, which suggests that creative engagement leads to meaningful changes in how work is approached and executed, embedding new and improved practices into one's daily routines. The significant mediation of Innovative Behavior also supports the view that fostering innovation is a key pathway for converting psychological capital and engagement into sustained organizational performance. In terms of practical implications, organizations operating in both Jawa and Papua should prioritize the development of employees' psychological capital through targeted training and support programs to enhance resilience, optimism, and hope, which have been shown to boost innovation and effective work habits. Additionally, fostering job involvement through meaningful work design and recognition practices can further stimulate employees' creative contributions and strengthen their commitment to organizational goal. Finally, while LMX appears to directly improve work habits by reinforcing loyalty and procedural adherence, managers in culturally diverse settings, such as Papua, may need to adapt their leadership styles to foster greater psychological safety and autonomy, thereby unlocking the creative potential that could further enhance work habits in NBFE.

5. Conclusions

This study examined the relationships between psychological capital, leader-member exchange, and job involvement on work habits, with innovative behavior as a mediating variable, using data from NBFE employees in the provinces of Jawa and Papua. The findings confirm that psychological capital and job involvement significantly enhance innovative behavior, which in turn strengthens employees' work habits. Innovative behavior also mediates the effects of these individual factors on work habits, highlighting its critical role as a behavioral mechanism linking personal resources and engagement to sustainable workplace practices in the NBFE. Conversely, leader-member exchange demonstrated a direct positive influence on work habits but did not significantly predict innovative behavior or its indirect effect on work habits, suggesting contextual and cultural nuances in the operation of leadership relationships in diverse provincial settings. These results underscore the importance of fostering psychological capital and job involvement as levers to promote innovation and consistent, adaptive work behavior, particularly in culturally heterogeneous environments such as the NBFE in Jawa and Papua. This study contributes to the literature on organizational behavior by elucidating the pathways through which individual and relational factors drive innovation and work habits, while offering contextually relevant insights for managerial practice in Indonesia's diverse workforce. Organizations should invest in developing employees' psychological resources and engagement while tailoring leadership practices to regional cultural dynamics in the NBFE to achieve both innovative and sustainable employee performance.

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