

UDC 331

## THE MEDIATING ROLE OF WORK ENGAGEMENT ON THE INFLUENCE OF LEADER-MEMBER EXCHANGE AND JOB INSECURITY ON INNOVATIVE WORK BEHAVIOR

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### ABSTRACT

Innovative work behaviour is an important factor for the success of the company in a fairly dynamic business environment. The inability of employees to implement innovative work behaviours makes it difficult for companies to innovate. This study aims to analyse and explain the mediating role of work engagement on the effect of leader-member exchange and job insecurity on innovative work behaviour. The research was conducted at the Prama Sanur Beach Bali Hotel. The population in this study was 208 people. The sample size used was 91 employees, using the purposive sampling method. Data collection was obtained through observation, interviews, and questionnaires. The analysis techniques used were descriptive statistical analysis and inferential statistical analysis. The data was analyzed using Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach. The results showed that leader-member exchange had a positive and significant effect on innovative work behavior and work engagement, while job insecurity had a negative and significant effect on innovative work behavior and work engagement. Work engagement partially mediated the effect of leader-member exchange and job insecurity on innovative work behavior. Companies need to pay attention to the comprehensive implementation of leader-member exchange, job insecurity, and work engagement so that the innovative work behavior of employees can be better implemented.

### KEY WORDS

Leader-member exchange, job insecurity, work engagement, innovative work behavior.

Human Resources (HR) is something that is very important and must be owned to achieve organizational or company goals. Human resources are required to have an innovative nature to be able to provide new ideas or ideas that can become a competitive advantage for the company itself. Companies that compete in the era of globalization with intense competition require innovations developed by their human resources to survive and have a competitive advantage in competition with competitors. Yuan & Woodman (2010) stated that the innovative work behavior of employees is an important factor for the success of the company in a fairly dynamic business environment.

Innovative work behavior is the delivery of an idea from employees that is carried out continuously in their workplace, where these ideas will affect the survival of their organization (Bos-Nehles et al., 2017). According to West & Farr (1990), innovative work behavior is a deliberate work behavior to introduce and implement new and useful ideas, processes, products and procedures for the organization. Innovative work behavior relates to a behavior of employees that can help improve company performance with their ability to generate innovative ideas and use them as building blocks, to improve products, services, and better work processes (De Jong & Den Hartog, 2010). Innovative work behavior is a valuable resource that every organization must have for long-term survival of the organization (Shanker et al., 2017). An individual who has high creativity will tend to have an attitude of not giving up easily, and will always be positive when faced with negative opinions from others, they will still innovate and always think critically to find innovative ideas or solutions (Supriatna, 2019). Innovative work behavior of employees starts from the idea exploration stage to the idea implementation stage (De Jong & Den Hartog, 2010). Alessa & Durugbo (2021) said that the most commonly used theory in the study of innovative work behavior is social exchange theory.

Social exchange theory in social structure was developed by Blau (1964) which states that individuals will provide effort in exchange for future rewards. A company often fails due to the inability of leaders to generate innovative work behavior from employees or employees who have no desire to be involved in an innovation process, so that the potential and benefits of innovation to be realized in a better product, service, and work process cannot run well (Khessina et al., 2018). This makes leadership an important value in social exchange (Chiniara & Bentein, 2016). One of the leadership theories that is considered to give rise to innovative work behavior in employees is a leader-member exchange (Alsughayir, 2017). Sanders et al. (2010) also said that one of the factors that can be used to increase employee innovative behavior is to improve the quality of the relationship between employees and their superiors called leader-member exchange (LMX).

Leader-member exchange (LMX) which is based on social exchange theory provides a basis for looking at the nature of an employee's working relationship with his immediate supervisor (Garg & Dhar, 2017). Yukl (2013) also argues that leader-member exchange explains how interpersonal relationships between superiors and subordinates. Leader-member exchange is defined as a reciprocal relationship between superiors and subordinates that creates a social exchange of ideas, trust, obligations, and interpersonal closeness that provides benefits for both parties (Liden and Maslyn, 1998). The existence of high leader-member exchange can have a positive impact on improving job performance (Graen & Scandura, 1987). Agarwal (2014) states that employees who feel a high level of LMX will feel important to work hard and contribute to achieving organizational effectiveness.

Another factor that can affect employee innovative behavior is job insecurity (Fauziawati & Wardoyo, 2021). Job insecurity occurs due to unemployment, environmental changes, workplace conditions, and restructuring which can affect employees' income, productivity, and mental health (Anggrianto et al., 2021). Feelings of insecurity at work can be caused by organizational changes such as closures, restructuring, mergers, and acquisitions as well as massive layoffs carried out by the company (Schreurs et al., 2014). According to Ashford et al., (1989), job insecurity is a reflection of the degree to which employees feel their jobs are threatened and feel powerless to do anything about it. Suciati et al. (2015) state that job insecurity is the powerlessness to maintain the desired continuity in threatened working conditions. Greenhalgh and Rosenblatt (1984) stated that employees who feel insecure about their jobs will be little forced and little motivated to solve problems related to their work.

Employees' feelings of job insecurity can affect innovative work behavior because the innovation process requires long-term incentives and employees tend to choose not to innovate because innovative work behavior can cause deteriorating relationships with coworkers and superiors, thus risking conflict with other employees who want to resist or cannot accept change (Fauziawati & Wardoyo, 2021). Research conducted by Spiegelaere et al. (2014), Idrus & Herachwati (2022), Ardy (2018), and Adrian et al. (2022) found that the effect of job insecurity on innovative work behavior is negative and significant. However, it is different from Bani-Melhem et al. (2018) who state that job insecurity cannot affect innovative work behavior.

Innovative work behavior can be improved by other factors, namely work engagement, research conducted by Ardy (2018) states that work engagement has a positive effect on innovative work behavior. The more employees feel attached to their jobs, the more likely employees are to stay and contribute to the company so they tend to display innovative behavior (Garg & Dhar, 2017). Work engagement is manifested in the form of motivation to increase enthusiasm, and intensity, and give their best effort at work which is characterized by vigour, dedication, and absorption (Ghadi, et al., 2013). Employees who feel attached to work accompanied by confidence in their ability to achieve goals can allow them to devote time and energy to work, be flexible, enterprising, and willing to find ways to solve problems, to realize new ideas (Zhang & Bartol, 2010). The high level of work attachment that employees have can make employees feel that work has its purpose and meaning for individuals and organizations, so that they can realize their best performance for the sustainability of the company, including encouraging personal initiative to innovation (Sarangi

& Srivastava, 2012). Kim & Park (2017) argued the important role that employee work engagement is a key component to improving human performance for organizational sustainability.

Prama Sanur Beach Bali Hotel, which is a company engaged in services, is a hotel located on Jalan Cemara, Sanur Kauh, South Denpasar, Bali. Although Prama Sanur Beach Bali Hotel is a 5-star hotel in Bali, there are still several aspects that do not feel optimal. Given the increasingly high need for tourists for lodging services, therefore the company must always try to create creative work innovations to be able to maintain the quality of the company to remain able to compete against competitors. Currently, Prama Sanur Beach Bali Hotel employees in 2022 amounted to 208 people. Based on the number of employees, of course, there are not a few problems encountered.

Based on the results of a pre-survey conducted on ten employees of Prama Sanur Beach Bali Hotel, shows that the innovative work behavior of Prama Sanur Beach Bali Hotel employees, in general, is quite high with an average of 2.85. The problem that occurs in these employees is that there are employees who make less effort to develop new things, a lack of employee exploration in managing the problems being faced and the lack of employee contributions in the implementation or creation of new ideas that are innovative and beneficial to the progress of the company. This shows that Prama Sanur Beach Bali Hotel employees have not maximized their innovative work behavior.

## **METHODS OF RESEARCH**

This research was designed using a quantitative approach and is a causal explanatory associative research that aims to determine the relationship between two or more variables. The location of this research was conducted at Prama Sanur Beach Bali Hotel which is located at Jalan Cemara, Sanur Kauh, South Denpasar. This location was chosen because based on the phenomenon that occurs about employees at Prama Sanur Beach Bali Hotel not being able to implement innovative work behavior, such as not trying to develop new things and passively contributing to the implementation of new ideas while employees are required to always innovate with the aim of company sustainability. Exogenous Variables (X) are leader-member exchange (X1) and job insecurity (X2). The endogenous variable (Y) is innovative work behavior. Mediating variable (Z) is work engagement.

The population in this study were all employees at Prama Sanur Beach Bali Hotel, totalling 208 people. This study uses a non-probability sampling technique using purposive sampling. This method is used because the sample selection in this study has certain criteria. The criteria in this study are Prama Sanur Beach Bali Hotel employees who work for at least 2 years. The number of indicators in this study was 13 indicators; the number of indicators was multiplied by 7 so that many respondents were taken as samples 91 respondents. The data collection methods used in this study are observation, interviews, and questionnaires. The data analysis technique in this study uses two analysis techniques, namely descriptive statistical analysis and inferential statistical analysis using Structural Equation Modeling (SEM).

## **RESULTS AND DISCUSSION**

Evaluation of the measurement model based on outer loading is considered valid if it has a loading factor value above 0.70 and or a t-statistic value above 1.96, which means that the model has convergent validity. The results of convergent validity testing of innovative work behavior indicators, leader-member exchange, job insecurity, and work engagement are presented in Table 1 below.

Based on Table 1, shows that all indicators of the dimensions of the innovative work behavior variable, leader-member exchange, job insecurity and work engagement have an outer loading value of more than 0.70. This means that all indicators have met the requirements of convergent validity.

Table 1 – Outer Loading of Research Indicators

Variable	Dimensions	Indicator	Outer Loading	Info.
Innovative Work Behavior (Y)	Idea Exploration (Y1)	Y <sub>1,1</sub>	0,875	Valid
		Y <sub>1,2</sub>	0,882	Valid
		Y <sub>1,3</sub>	0,710	Valid
	Idea Generation (Y2)	Y <sub>2,1</sub>	0,881	Valid
		Y <sub>2,2</sub>	0,905	Valid
	Idea Championing (Y3)	Y <sub>3,1</sub>	0,885	Valid
		Y <sub>3,2</sub>	0,936	Valid
		Y <sub>4,1</sub>	0,928	Valid
	Idea Implementation (Y4)	Y <sub>4,2</sub>	0,915	Valid
		Y <sub>4,3</sub>	0,867	Valid
		X <sub>1,1,1</sub>	0,913	Valid
	Leader-Member Exchange (X <sub>1</sub> )	Affect (X <sub>1,1</sub> )	X <sub>1,1,2</sub>	0,911
X <sub>1,2,1</sub>			0,870	Valid
Loyalty (X <sub>1,2</sub> )		X <sub>1,2,2</sub>	0,912	Valid
		X <sub>1,3,1</sub>	0,924	Valid
Contribution (X <sub>1,3</sub> )		X <sub>1,3,2</sub>	0,914	Valid
		X <sub>1,4,1</sub>	0,910	Valid
Professional Respect (X <sub>1,4</sub> )		X <sub>1,4,2</sub>	0,895	Valid
		X <sub>2,1,1</sub>	0,808	Valid
Job Insecurity (X <sub>2</sub> )	Total Job (X <sub>2,1</sub> )	X <sub>2,1,2</sub>	0,845	Valid
		X <sub>2,1,3</sub>	0,843	Valid
		X <sub>2,1,4</sub>	0,834	Valid
	Job Features (X <sub>2,2</sub> )	X <sub>2,2,1</sub>	0,892	Valid
		X <sub>2,2,2</sub>	0,906	Valid
		Z <sub>1,1</sub>	0,781	Valid
Work Engagement (Z)	Vigor (Z1)	Z <sub>1,2</sub>	0,848	Valid
		Z <sub>1,3</sub>	0,748	Valid
		Z <sub>1,4</sub>	0,736	Valid
		Z <sub>1,5</sub>	0,827	Valid
		Z <sub>1,6</sub>	0,747	Valid
		Z <sub>2,1</sub>	0,791	Valid
	Dedication (Z2)	Z <sub>2,2</sub>	0,729	Valid
		Z <sub>2,3</sub>	0,763	Valid
		Z <sub>2,4</sub>	0,742	Valid
		Z <sub>2,5</sub>	0,737	Valid
		Z <sub>3,1</sub>	0,828	Valid
	Absorption (Z3)	Z <sub>3,2</sub>	0,815	Valid
Z <sub>3,3</sub>		0,789	Valid	
Z <sub>3,4</sub>		0,785	Valid	
Z <sub>3,5</sub>		0,852	Valid	
Z <sub>3,6</sub>		0,837	Valid	

Source: Primary data processed, 2023.

Table 2 – Cross Loading Value

	Innovative Work Behavior	Leader-Member Exchange	Job Insecurity	Work Engagement
Y1.1	0,635	0,581	0,178	0,398
Y1.2	0,659	0,631	0,168	0,420
Y1.3	0,507	0,475	0,157	0,230
Y2.1	0,588	-0,114	-0,574	0,254
Y2.2	0,542	-0,191	-0,664	0,421
Y3.1	0,508	-0,303	-0,727	0,193
Y3.2	0,506	-0,244	-0,736	0,298
Y4.1	0,550	0,499	0,528	0,179
Y4.2	0,531	0,486	0,510	0,100
Y4.3	0,577	0,318	0,404	0,053
X1.1.1	0,294	0,793	0,311	0,333
X1.1.2	0,326	0,783	0,268	0,334
X1.2.1	0,160	0,559	0,215	0,065
X1.2.2	0,238	0,671	0,259	0,156
X1.3.1	0,471	0,732	0,084	0,289
X1.3.2	0,517	0,692	0,083	0,366
X1.4.1	0,172	0,547	0,501	0,090
X1.4.2	-0,006	0,510	0,477	-0,008
X2.1.1	-0,146	0,274	0,796	-0,023
X2.1.2	-0,330	0,270	0,816	-0,251
X2.1.3	-0,210	0,340	0,792	-0,158
X2.1.4	-0,261	0,280	0,752	-0,280
X2.2.1	-0,015	0,373	0,715	0,188
X2.2.2	0,062	0,523	0,761	0,262
Z1.1	0,587	0,343	0,013	0,778

Table 2 Continues

Z1.2	0,617	0,288	-0,094	0,799
Z1.3	0,478	0,258	-0,010	0,744
Z1.4	0,462	-0,030	-0,369	0,621
Z1.5	0,520	0,027	-0,440	0,702
Z1.6	0,428	-0,061	-0,274	0,613
Z2.1	0,390	0,000	-0,320	0,647
Z2.2	0,422	0,023	-0,316	0,671
Z2.3	0,457	0,040	-0,269	0,672
Z2.4	0,485	0,372	0,087	0,758
Z2.5	0,398	0,350	0,161	0,722
Z3.1	0,062	0,345	0,306	0,612
Z3.2	0,215	0,259	0,074	0,740
Z3.3	0,258	0,278	0,068	0,707
Z3.4	0,167	0,318	0,240	0,644
Z3.5	0,189	0,373	0,257	0,675
Z3.6	0,146	0,350	0,202	0,693

Source: Primary data processed, 2023.

Based on Table 2, shows that the results of all latent variable correlation discriminant validity items in each variable are greater than 0.5 and have a higher value than other latent variables. Thus, it can be concluded that all indicators have met the discriminant validity requirements.

Table 3 – Discriminant Validity Testing Results With  $\sqrt{AVE}$

Variable	AVE	$\sqrt{AVE}$	Correlation				
			Innovative Behavior	Work	Leader-Member Exchange	Job Insecurity	Work Engagement
Innovative Behavior	0,520	0,721	1,000				
Leader-Member Exchange	0,569	0,754	0,411	1,000			
Job Insecurity	0,554	0,744	-0,190	0,448	1,000		
Work Engagement	0,597	0,773	0,527	0,304	-0,051	1,000	

Source: Primary data processed, 2023.

Based on Table 3, shows that the value of  $\sqrt{AVE}$  for each variable has a higher value than the correlation between variables. It can be concluded that all variables in this study have met discriminant validity.

Table 4 – Composite Reliability Testing Results

Variables & Dimensions	Cronbach's Alpha	Composite Reliability	Information
Y (Innovative Work Behavior)	0,799	0,897	Reliable
Y.1 (Idea Exploration)	0,764	0,865	Reliable
Y.2 (Idea Generation)	0,747	0,887	Reliable
Y.3 (Idea Championing)	0,798	0,907	Reliable
Y.4 (Idea Implementation)	0,888	0,930	Reliable
X1 (Leader-Member Exchange)	0,783	0,902	Reliable
X1.1 (Affect)	0,797	0,908	Reliable
X1.2 (Loyalty)	0,744	0,886	Reliable
X1.3 (Contribution)	0,816	0,916	Reliable
X1.4 (Professional Respect)	0,772	0,898	Reliable
X2 (Job Insecurity)	0,807	0,897	Reliable
X2.1 (Total Job)	0,852	0,900	Reliable
X2.2 (Job Features)	0,763	0,894	Reliable
Z (Work Engagement)	0,861	0,898	Reliable
Z.1 (Vigor)	0,873	0,904	Reliable
Z.2 (Dedication)	0,809	0,867	Reliable
Z.3 (Absorption)	0,901	0,924	Reliable

Source: Primary data processed, 2023.

Based on Table 4 shows that the output results of composite reliability and Cronbach alpha on all indicators and each variable leader-member exchange, job insecurity, work engagement, and innovative work behavior have results of more than 0.70. This indicates that all variables in this study have met the reliability requirements.

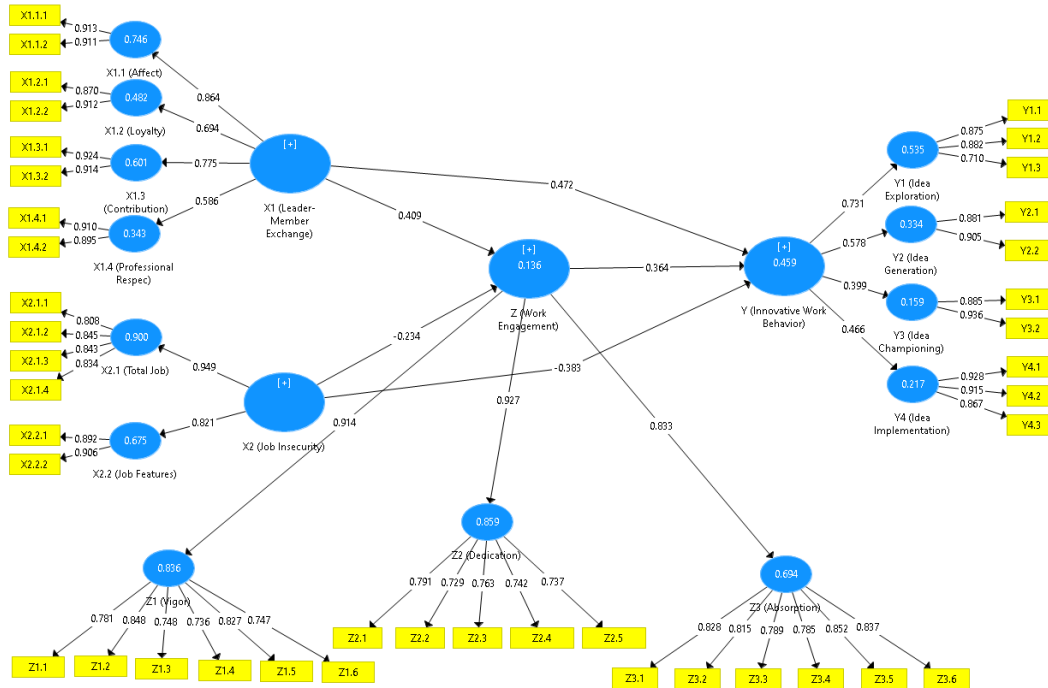


Figure 1 – Structural Model

Structural model evaluation is carried out using Q-square predictive relevance to measure how well the observed value is generated by the model and its parameter estimates. To calculate the Q-square predictive relevance value, the R-square value of the innovative work behavior and work engagement variables is required, which is presented in Table 5.

Table 5 – R-Square

Construct	R Square	R Square Adjusted
Innovative Work Behavior (Y)	0,136	0,117
Work Engagement (Z)	0,459	0,440

Source: Primary data processed, 2023.

Based on Table 5, shows that the R-square value of the innovative work behavior variable is 0.136. It can be interpreted that 13.6% of the variability of innovative work behavior constructs can be influenced by leader-member exchange, job insecurity, and work engagement variables, while the remaining 86.4% is influenced by other variables not included in this study. The next R-Square value on the work engagement variable has a value of 0.459, this indicates that 45.9% of the variability of the work engagement construct can be influenced by the leader-member exchange, job insecurity, and innovative work behavior variables, while the remaining 54.1% is influenced by other variables outside this study.

To measure how well the observation value is generated by the model and also the parameter estimation, it is necessary to calculate the Q-square (Q<sup>2</sup>) as follows:

$$Q^2 = 1 - (1 - (R_1)^2) (1 - (R_2)^2) = 0,533$$

The Q2 value has a value with a range of  $0 < Q2 < 1$ , where the closer to 1 means the better the model. The results of the Q2 calculation obtained a result of 0.533, so it can be concluded that the model has good predictive relevance. Thus, it can be explained that 53.3% of variations in innovative work behavior variables are influenced by leader-member exchange, job insecurity, and work engagement, while the remaining 46.7% are influenced by other variables outside this research model.

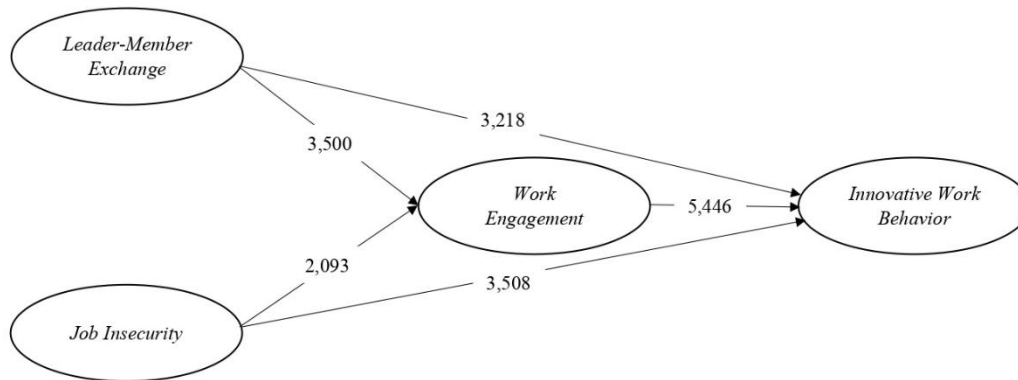


Figure 2 – PLS Analysis Results

Figure 2 explains that leader-member exchange, job insecurity and work engagement have a significant direct effect on innovative work behavior with a t-statistic value of more than 1.96. The results also show that leader-member exchange and job insecurity have a significant direct effect on work engagement with t-statistic values greater than 1.96. Hypothesis testing is evaluated by looking at the t-statistics and p-value. If the t-statistics value  $\geq$  the t-table value of 1.96 and the p-value  $< 0.05$ , the research hypothesis can be accepted. In more detail, the influence between variables is described in Table 6.

Table 6 – Path Coefficients

Variable	Path Coefficients	T-Statistics	P-Values	Information
Leader-Member Exchange ( $X_1$ ) -> Innovative Work Behavior (Y)	0,472	3,218	0,001	Significant
Job Insecurity ( $X_2$ ) -> Innovative Work Behavior (Y)	-0,383	3,508	0,000	Significant
Work Engagement (Z) -> Innovative Work Behavior (Y)	0,364	5,446	0,000	Significant
Leader-Member Exchange ( $X_1$ ) -> Work Engagement (Z)	0,409	3,500	0,001	Significant
Job Insecurity ( $X_2$ ) -> Work Engagement (Z)	-0,234	2,093	0,037	Significant

Source: Primary data processed, 2023.

Hypothesis testing conducted on the effect of leader-member exchange on innovative work behavior in this study obtained the results that leader-member exchange has a significant positive effect on innovative work behavior. The indicators of leader-member exchange can increase the innovative work behavior of Prama Sanur Beach Bali Hotel employees. The results of this study explain that the better the quality of leader-member exchange at Prama Sanur Beach Bali Hotel, the higher the innovative work behavior of Prama Sanur Beach Bali Hotel employees.

The results of this study are in line with previous research from Agarwal (2014) which states that leader-member exchange has a positive and significant effect on innovative work behavior. Employees who have a good quality relationship with their superiors, like their leaders as good personal figures, and have bosses who are fun to work with, then employees will reciprocate by increasing their emotional attachment and identification with the organization, in the form of higher innovative work behavior. The results of this study are also supported by June & Kheng (2014), Wang et al., (2015), Ratnasari & Wulansari (2019), Kurniawan & Ranihusna (2019), Alsughayir (2017), and Garg & Dhar (2017) who found a positive and significant effect of leader-member exchange on innovative work behavior.

Hypothesis testing conducted on the effect of job insecurity on innovative work behavior in this study found that job insecurity has a significant negative effect on innovative

work behavior. Job insecurity indicators can reduce the innovative work behavior of Prama Sanur Beach Bali Hotel employees. The results of this study explain that the higher the job insecurity of Prama Sanur Beach Bali Hotel employees, the lower the innovative work behavior of Prama Sanur Beach Bali Hotel employees.

The results of this study are in line with previous research from Spiegelaere (2014) which states that job insecurity has a negative and significant effect on innovative work behavior. Job insecurity itself is an employee's perception of feeling threatened by his job and feeling helpless to do anything about the situation. Employees who feel job insecurity will have an impact on their performance, such as reducing innovative work behavior. The results of this study are also supported by Idrus & Herachwati (2022), Ardy (2018), Ardy & Fajrianti (2019), and Fauziawati & Wardoyo (2021) who found a negative and significant effect of job insecurity on innovative work behavior.

Hypothesis testing conducted on the effect of work engagement on innovative work behavior in this study obtained the result that work engagement has a significant positive effect on innovative work behavior. The indicators of work engagement can increase the innovative work behavior of Prama Sanur Beach Bali Hotel employees. The results of this study explain that the higher the work engagement of Prama Sanur Beach Bali Hotel employees, the higher the innovative work behavior of employees at Prama Sanur Beach Bali Hotel.

The results of this study are in line with previous research from Agarwal (2014) which states that work engagement has a positive and significant effect on innovative work behavior. Work engagement can encourage innovation because of its beneficial impact on personal initiative, so there is a positive and significant relationship between work engagement and innovative work behavior (Ardy, 2018). When employees are tied to a company, employees have an awareness of the business, it will make employees give their best to the company. The results of this study are also supported by Asfar et al. (2020), Aziz & Raharso (2019), Sari & Palupiningdyah (2020), Kim & Park (2017), Fiernaningsih et al. (2022), Mulligan et al. (2021), Ratnasari & Wulansari (2019), and Jaya et al. (2022) who found a positive and significant effect of work engagement on innovative work behavior.

Hypothesis testing conducted on the effect of leader-member exchange on work engagement in this study found that leader-member exchange has a significant positive effect on work engagement. The indicators of leader-member exchange can increase the work engagement of Tri Homestay employees. The results of this study explain that the stronger the leader-member exchange at Prama Sanur Beach Bali Hotel, the higher the work engagement of Prama Sanur Beach Bali Hotel employees.

The results of this study are in line with previous research researched by Prilestari & Purba (2019) on XYZ agency employees who stated that leader-member exchange has a positive and significant effect on work engagement. Employees who have a good quality relationship with their superiors, like their leaders as good personal figures, have bosses who are fun to work with, then employees will reciprocate by increasing their emotional attachment and identification with the organization, in the form of higher work engagement. The results of this study are also supported by Ratnasari & Wulansari (2019), Agarwal et al., (2012), Kurniawan & Ranihusna (2019), Matta et al., (2015), Mulligan et al., (2021), and Justina et al., (2019) who found a positive and significant effect of leader-member exchange on work engagement.

Hypothesis testing conducted on the effect of job insecurity on work engagement in this study found that job insecurity has a significant negative effect on work engagement. Job insecurity indicators can reduce the work engagement of Prama Sanur Beach Bali Hotel employees. The results of this study explain that the higher the job insecurity of Prama Sanur Beach Bali Hotel employees, the more work engagement of Prama Sanur Beach Bali Hotel employees decreases.

The results of this study are in line with previous research researched by Subiantoro & Lataruva (2022) on permanent employees of PT Taman Wisata Candi Borobudur, Prambanan, and Ratu Boko (Persero) Yogyakarta who found that job insecurity has a negative and significant effect on work engagement. Employees who feel threatened by their



jobs but are powerless in the situation, will be able to reduce employee attachment to their jobs. This means that the higher the job insecurity, the lower the work engagement. The results of this study are also supported by Kurniawan & Ranihusna (2019), Vander Elst et al., (2013), Lo Presti & Nonnis (2012), Asfaw & Chang (2019), and Riania & Nisa (2022) who found a negative and significant effect of job insecurity on work engagement.

Table 7 – Test Results of Indirect Influence of Leader-Member Exchange Variables on Innovative Work Behavior

Variable	Path Coefficients	Standard Deviation (STDEV)	T-Statistics	P-Values	Information
Leader-Member Exchange (X <sub>1</sub> ) -> Work Engagement (Z) -> Innovative Work Behavior (Y)	0,149	0,053	2,824	0,005	Accepted

Source: Primary data processed, 2023.

The results of the analysis of the effect of leader-member exchange on innovative work behavior through work engagement show a path coefficient value of 0.149 and a p-value of 0.005 less than 0.05 ( $p\text{-value} < \alpha$ ), then H6 is accepted. This shows that work engagement can mediate the effect of leader-member exchange on innovative work behavior positively and significantly.

Based on the results of the analysis, the direct effect between variables can be seen as follows. Leader-member exchange on work engagement has a positive and significant effect (path coefficient of 0.409 and p-value of 0.001). Work engagement in innovative work behavior has a positive and significant effect (path coefficient of 0.364 and p-value of 0.000). Leader-member exchange on innovative work behavior has a positive and significant effect (path coefficient of 0.472 and p-value of 0.001). The mediating role of work engagement on the effect of leader-member exchange on innovative work behavior, based on the results of the investigation of the three effects (a, b, and c) shows that the effect of P1, P2 and P3 is positive and significant, so the type of mediating variable in the model is complementary partial mediation. This shows that work engagement is partially complementary mediates the effect of leader-member exchange on innovative work behavior. The stronger the leader-member exchange, the higher the work engagement felt by employees which results in increased innovative work behavior of employees.

Table 8 – Test Results of the Indirect Effect of Job Insecurity Variables on Innovative Work Behavior

Variable	Path Coefficients	Standard Deviation (STDEV)	T-Statistics	P-Values	Information
Job Insecurity (X <sub>2</sub> ) -> Work Engagement (Z) -> Innovative Work Behavior (Y)	-0,085	0,041	2,089	0,037	Accepted

Source: Primary data processed, 2023.

The results of the analysis of the effect of job insecurity on innovative work behavior through work engagement show a path coefficient value of -0.085 and a p-value of 0.037 less than 0.05 ( $p\text{-value} < \alpha$ ), so H7 is accepted. This shows that work engagement can mediate the effect of job insecurity on innovative work behavior positively and significantly.

The results showed that work engagement can partially mediate (complementary partial mediation) the effect of leader-member exchange on innovative work behavior. This can explain that when the stronger the leader-member exchange at Prama Sanur Beach Bali Hotel, the higher the work engagement felt by employees, which results in increased innovative work behavior of employees at Prama Sanur Beach Bali Hotel.

The existence of significance in the mediating role of work engagement on the influence of leader-member exchange on innovative work behavior is influenced by the work of the employees themselves. When the leader has provided a good quality relationship with his employees in the form of leader-member exchange, employees will like their leader as a good person and will feel happy to work with the leader, then this can make employees enjoy their work and can increase the sense of work engagement in Prama Sanur Beach Bali Hotel employees. Employees who are comfortable and feel attached to their work will trigger the

willingness of employees to produce creative ideas, so that the work attachment felt by employees in their work, contributes highly to innovative work behavior with the emotional attachment of employees to Prama Sanur Beach Bali Hotel.

The results of this study are in line with previous research from Kurniawan & Ranihusna (2019) which shows that work engagement can mediate the effect of leader-member exchange on innovative work behavior. Employees who feel a good relationship with their superiors in the form of leader-member exchange will play an important role in increasing work engagement, then it can be said that employees who have high work engagement will trigger employees to be higher innovative work behavior. The results of this study are also supported by Ratnasari & Wulansari (2019), Agarwal (2014), Agarwal et al., (2012) Garg and Dhar (2017), and Mulligan et al., (2021) who found that work engagement mediates the effect of leader-member exchange on innovative work behavior.

The results showed that work engagement can partially mediate (complementary partial mediation) the effect of job insecurity on innovative work behavior. This can explain that when the higher the job insecurity of Prama Sanur Beach Bali Hotel employees, the lower the work engagement felt by employees, which results in a decrease in innovative work behavior of employees at Prama Sanur Beach Bali Hotel.

The existence of significance in the mediating role of work engagement on the effect of job insecurity on innovative work behavior is influenced by the work of the employees themselves. When employees feel threatened by their work, it will reduce their emotional attachment of employees to their company, so that employees feel they have no attachment to their work. This can affect employees' innovative work behavior, where employees will tend not to bring up creative ideas and not innovate in their work. Job insecurity felt by employees in their work contributes highly to the decline in innovative work behavior with the emotional attachment of employees to Prama Sanur Beach Bali Hotel.

The results of this study are in line with previous research from Spiegelaere et al., (2014) which shows that work engagement mediates the relationship between job insecurity and innovative work behavior. The effect of job insecurity on work engagement will affect innovative work behavior, this means that work engagement has a contribution and can mediate between job insecurity and innovative work behavior. The results of this study are also supported by Idrus & Herachwati (2022), Ardy (2018), and Kurniawan & Ranihusna (2019), who found that work engagement mediates the effect of job insecurity on innovative work behavior.

## **CONCLUSION**

Based on the analysis and discussion that has been stated, the conclusions and research results that can be obtained from Leader-member exchange has a positive and significant effect on innovative work behavior. Job insecurity has a negative and significant effect on innovative work behavior. Work engagement has a positive and significant effect on innovative work behavior. Leader-member exchange has a positive and significant effect on work engagement. Job insecurity has a negative and significant effect on work engagement. Work engagement partially mediates (complementary partial mediation) the effect of leader-member exchange on innovative work behavior. The results of this study explain that the better the quality of leader-member exchange, the higher the innovative work behavior of Prama Sanur Beach Bali Hotel employees and the effect will be greater through work engagement. Work engagement partially mediates (complementary partial mediation) the effect of job insecurity on innovative work behavior. The results of this study explain that the lower the job insecurity, the higher the innovative work behavior of Prama Sanur Beach Bali Hotel employees and the greater the effect will be through work engagement.

Based on these conclusions, several suggestions can be put forward which are expected to be useful for Prama Sanur Beach Bali Hotel and other parties in need. The suggestions given include the company training its employees to have a more innovative attitude at work and the company can involve employees in field activities so that employees are accustomed to seeing a problem and working together to find a solution, so that

employees can help provide advice if a problem occurs in the company. The company should pay more attention to employees by giving small compliments or rewards to employees who have good performance so that employees can feel proud of their contribution to the company.

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