

Kismono, Gugup; Danarilia, Vania Olivine; Ardianto, Heni

Article

Bridging the gap: Understanding the link between HR practices and innovative behavior

Global Business & Finance Review (GBFR)

Provided in Cooperation with:

People & Global Business Association (P&GBA), Seoul

Suggested Citation: Kismono, Gugup; Danarilia, Vania Olivine; Ardianto, Heni (2024) : Bridging the gap: Understanding the link between HR practices and innovative behavior, Global Business & Finance Review (GBFR), ISSN 2384-1648, People & Global Business Association (P&GBA), Seoul, Vol. 29, Iss. 7, pp. 16-29,
<https://doi.org/10.17549/gbfr.2024.29.7.16>

This Version is available at:

<https://hdl.handle.net/10419/306025>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by-nc/4.0/>



Bridging the Gap: Understanding the Link between HR Practices and Innovative Behavior

Gugup Kismono^{a†}, Vania Olivine Danarilia^b, Heni Ardianto^b

^aAssociate Professor, Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia

^bMaster of Science in Management, Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia

ABSTRACT

Purpose: This study aims to examine the partial and sequential mediating effects of work engagement (WE) and organizational citizenship behavior (OCB) on the relationship between human resources management practices (HRMP) and innovative work behavior (IWB) to find an integrative relationship mechanism.

Design/methodology/approach: This study used a cross-sectional data collection technique to obtain a usable sample of 324 employees in Indonesia who work in the banking sector. The least squares structural equation modeling was applied to the data analysis in this study.

Findings: The study's findings suggest that HRMP does not directly influence IWB. However, WE and OCB mediate partially or sequentially in the relationship between HRMP and IWB. These mediating mechanisms shed light on the psychological processes of employees, emphasizing the significance of innovative behavior in the workplace.

Research limitations/implications: This research implies the importance of paying attention to the role of WE and OCB in designing and implementing HRMP to increase IWB. These results also highlight the importance of a holistic approach to creating meaning in the workplace that can encourage innovative behavior.

Originality/value: This research offers a deeper understanding of the complex relationships between HRMP, WE, OCB, and IWB. These findings explore possible mediating mechanisms previously discovered in the literature and offer new insights for future research in this area.

Keywords: HRM practices, Innovative work behavior, Work engagement, Organizational citizenship behavior, Chain mediation

I. Introduction

Researchers argue that employees' perceptions of these practices are more important to examine thoroughly than the company's intention to adopt these practices (Alfes, Shantz, et al., 2013). A large body of research has investigated the relationship

between HR practices and performance at the organizational and individual levels. Papa et al. (2020) examined the relationship between HRM practices and performance; Alfes et al. (2013) examined its relationship with individual employee performance; and Elrehail et al. (2020) examined its relationship with employee satisfaction and competitive advantage. Studies show that employee perceptions of human resource management can encourage positive employee behavior. An organization realizes the importance of people as the most important asset in achieving

Received: May. 12, 2024; Revised: May. 27, 2024; Accepted: Jun. 3, 2024

† Corresponding author: Gugup Kismono

E-mail: gugup_kismono@ugm.ac.id

business goals (Legge, 1995). Organizations recognize that success depends not only on technology or business strategy but also on the quality and skills of employees. On the way to success, organizations must realize that managing human resources (HR) well is the main key. Therefore, HR practices aim to develop employees, motivate them, and provide a work environment that allows employees to develop (Cherif, 2020).

Today, innovation is indispensable in enabling organizations to adapt to rapid economic changes and gain competitive advantage. In an era full of volatility, uncertainty, complexity, and ambiguity (VUCA), innovation is the key to gaining a competitive advantage (Liu et al., 2016). In the VUCA era, organizations face rapid and unpredictable change (volatility), a need for clarity about the future (uncertainty), increasing complexity in operations (complexity), and incomplete or contradictory information (ambiguity). In this situation, employees with specific competencies are expected to be able to overcome VUCA challenges.

Employee innovation is considered a company's core competency, and each employee's innovative thinking and activities are the cornerstone of continuous innovation (Pieterse et al., 2010). Thus, stimulating employee innovative behavior remains a focus in theoretical and practical areas. The extent to which HRM practices provide employees that the organization cares about its essential role in redefining and improving the relationship between employees and the organization to have an impact and performance (Dhar, 2015). Although several studies have highlighted the relationship between several HR functions, such as compensation, training, and performance management, influencing employee creativity (Cao, 2023), there seems to be a gap in the literature regarding the role of HR practices, particularly in influencing work innovative behavior (IWB) (Agogué et al., 2014; Dhar, 2015; Hon & Lu, 2015).

The relationship between an organization and its employees can be understood as an economic or social interaction based on contracts that stipulate specific obligations without emphasizing performance outside

the terms of the agreement (Blau, 1964). On the other hand, social interactions involve norms and terms of reciprocity that are not always clear, allowing the benefits provided to exchange partners to be returned in the long term (Blau, 1964; Eisenberger et al., 1986). HRM practices are also considered to increase employee engagement, which is evidence that employee contributions are valued, and organizations seek to build exchange relationships with employees (Allen et al., 2003).

HRM practices that show that the organization is committed to its employees as a form of investment and cares about the welfare and development of employees, it is likely that employees feel that the organization is supportive, which is positively related to organizational citizenship behavior (Snape & Redman, 2010). Thus, IWB will emerge due to positive work engagement (WE) and organizational citizenship behavior (OCB). The assumption is that employees who feel involved, valued, and have an essential role in the organization are more likely to dare to think positively, try new things, and actively create innovation in the work context.

Organizations in developing countries have realized that HRM practices are essential for business continuity (Rasool et al., 2019). Based on the Forbes 2023 Global 2000 report: The World's Largest Public Companies, eight Indonesian companies are included in the list, which is dominated by the banking sector, namely Bank Rakyat Indonesia (*rank 308*), Bank Mandiri (*rank 418*), Bank Central Asia (*rank 462*), and Bank Negara Indonesia (*rank 931*). The other four are telecommunications companies, namely Telkom Indonesia (*rank 788*), mining companies, namely Sumber Daya Bayan (*rank 984*) and Adaro Energy (*rank 1,393*), as well as airline companies, namely PT. Garuda Indonesia (*rank 1572*). In connection with this, in this research, PT Bank Rakyat Indonesia (Persero) Tbk. (the Bank) is the company that has the most significant number of employees compared to others. Having a reasonably broad number of employees and a wide spread of locations, the majority of HR management policy implementation at "the Bank" is carried out through a pattern of delegation

of authority involving HR departments outside the head office and line managers.

In addition, banking is one of the most sensitive sectors worldwide (Rasheed et al., 2016). Although banks provide different services in their standard times, they play an essential role in gathering business. They must comply with all internal standard operating procedures (SOPs) and rules and regulations imposed by the central bank (Suhartini et al., 2023). To achieve this goal, banking employees must be alert, competent, committed, and dedicated and demonstrate innovative work behavior. Due to the complexity of innovative behavior in the work environment, more research is needed to understand this topic better and utilize a more comprehensive exchange of information (Suhandiah et al., 2023). This encourages banking employees to think creatively in adapting processes and technology to keep up with changing business developments.

This research is essential because it reveals a relationship between HRM practices and IWB that needs to be fully understood. Although many studies have examined the relationship between HRM practices and organizational and individual performance (Alfes et al., 2013; Elrehail et al., 2020; Papa et al., 2020) there are similarities in the literature regarding how HRM practices specifically influence IWB (Agogué et al., 2014; Dhar, 2015). HRM practices that demonstrate organizational commitment to employees can increase work engagement and organizational citizenship behavior, which in turn encourages IWB (Snape & Redman, 2010). In the context of the banking sector in Indonesia, which is a sensitive sector and requires rapid adaptation to business developments, a deeper understanding of how HRM practices can encourage innovative behavior is critical (Rasheed et al., 2016). This research aims to bridge this shadow and provide insights to help organizations develop strategies that support employee innovation, ultimately contributing to organizational success and competitiveness amidst rapid economic change.

II. Literature Review

A. HRM Practices

HRM practices are the primary mechanism that companies use to exert influence on their human resources (Sanz-Valle & Jiménez-Jiménez, 2018). In general, HRM aims to increase long-term success and survival by improving human resources (Hassan & Mahmood, 2016). Merkle et al. (2021) explain that employee perceptions can be a preference for HRM success. This emphasizes the importance of paying attention to employee perceptions in designing and implementing HRM strategies so that they can support the achievement of organizational goals (Tajeddini et al., 2023).

According to Wright and Nishii (2007) in the model they developed, the influence of HRM practices implemented in an organization on employee attitudes and behavior can emerge through employee perceptions of these HRM practices. Furthermore, it was explained that the significant aspect is how HRM practices are perceived through employee experience rather than depending on policymakers' intentions. Therefore, companies can stimulate desired behavior by using HRM practices that encourage certain attitudes and behavior and discourage undesirable behavior (Bos-Nehles & Veenendaal, 2019).

B. Innovative Work Behavior

Rapid technological change requires organizations to innovate to remain competitive and sustainable in a dynamic business environment. In response to change, organizations tend to focus on job designs that enable employees to demonstrate innovative behavior according to changing customer demands and internal needs (Erhan et al., 2022). Innovative behavior in organizations is often represented by the term IWB, which refers to activities related to initiating, directing, and implementing new ideas or products, work processes, and organizational procedures. This concept emphasizes the importance of employees

generating new ideas and applying them in the work context to increase organizational efficiency and competitiveness (De Jong & Den Hartog, 2010).

IWB is a multi-stage process influenced by an individual's knowledge, skills, and experience. This highlights that to demonstrate innovative behavior, employees need to have relevant knowledge, technical skills, and sufficient experience (Sethibe & Steyn, 2017). It is important to note that IWB is a complex behavior that positively impacts organizational and individual performance. Through IWB, individuals can express and develop innovative ideas, which can improve operational efficiency, create added value, and create competitive advantages for the organization. However, remember that IWB also requires employees to display extra-role behavior (Erhan et al., 2022). They must dare to take risks, collaborate with colleagues, and have the ability to overcome obstacles to realize innovative ideas. Therefore, organizations need to create a work environment that supports and encourages employees to demonstrate IWB.

C. Work Engagement

Work Engagement is a term first discussed by Kahn (1990), is a state of mind that is pleasurable, accomplished, and related to work (Blaique et al., 2023). This research uses the WE concept proposed by Schaufeli et al. (2006) defined as a positive psychological condition related to work. Vigor refers to the level of energy an individual has when working and the individual's willingness to give effort to work, as well as individual persistence when facing difficulties at work; dedication refers to high individual attachment to his work, enthusiasm, and pride in his work; absorption refers to the level of individual concentration when doing work.

WE is different from work performance, although it can be related to employee performance. WE is seen as a positive state of mind related to work, not a level of performance (Kulikowski & Sedlak, 2020). Although many factors have been examined as underlying factors related to work engagement

performance have yet to receive much attention in the existing literature. In the context of human resource management, a more complete understanding of the factors that influence work engagement and employee performance will enable the development of more effective strategies for improving employee performance and well-being in organizations (Kundi et al., 2022).

D. Organizational Citizenship Behavior

Companies are currently facing increasingly fierce competition, pushing them to increase requirements regarding the skills possessed by employees. This confirms that the company understands the importance of having a skilled and competent team to succeed in the ongoing competition (Yu et al., 2021). OCB is believed to be able to increase company productivity, increase work efficiency, and improve positive interactions between fellow employees through voluntary and proactive attitudes and actions (Dekas et al., 2013; Yu et al., 2021).

In addition, OCB refers to external actions carried out voluntarily and characterized by discretion in the choice of employee attitudes and behavior (Organ, 1998). Taking into account the characteristics of OCB, OCB enables the company's extraordinary core business performance and catalyzes increased performance (Podsakoff et al., 2011). Regarding OCB, at the organization's core is everything that happens during unpredictable work. Therefore, OCB is essential in increasing productivity, efficiency, and company performance, creating an environment that can lead to OCB of employees (Tajeddini et al., 2023).

E. Hypotheses Development

Innovation involves updates or discoveries that can bring about positive changes in the context of a particular product, process, or activity (Curado, 2018). Organizations that embrace innovation can achieve significant market growth and high levels

of success by enhancing the competencies of their employees (Seeck & Diehl, 2017). Indirectly, organizations have the potential to expand innovation horizons by increasing the skills and motivation of employees (Shipton et al., 2017). Innovation depends on the unique human ability to think and act, known as IWB (Singh et al., 2021).

Although HRM can be considered a strategic policy, the SET approach emphasizes that HRM implementation must constantly develop best practices to adapt to the dynamics of change in the organization (Choi & Jeong, 2022). One aspect focused on is recognizing the human potential in creating innovations; however, understanding HRM practices that can facilitate innovative work behavior is still limited (MacKenzie et al., 2022). Taking this into account, this research formulates the following hypothesis.

H1: Human resource management practices influence innovative work behavior

Positive psychology emphasizes utilizing human strengths, optimal functioning, and well-being for business success and competitive advantage (Luthans, 2002). One of the concepts of positive organizational behavior that has emerged in the last decade is WE. WE have attracted the attention of business practitioners, academic researchers, and governments because they are considered an emerging form of individual-organization relationship, which not only increases individual loyalty and satisfaction but also contributes to performance (Agarwal et al., 2012). In the context of SET, employees who have WE tend to show more courageous behavior and can take risks (Agarwal et al., 2012; Macey et al., 2011). This is because WE involves the use of individual energy to achieve certain goals. Employees who lack trust in their organization tend to lose motivation in carrying out their duties.

SET also explains the relationship between HRMP, WE, and IWB. When an organization invests in human resources, employees must contribute in return for what they receive (Hapsari et al., 2019). Prieto and Pérez-Santana (2014) show that engaged employees

carry out their standard roles and additional roles. When employees have positive feelings towards their work, they are willing to experiment, which leads to IWB. SET describes this relationship as a positive cycle in that HRM practices supporting employees will strengthen WE and encourage better IWB. Thus, it is hypothesized as follows.

H2: Work engagement mediates the relationship between human resource management practices and innovative work behavior.

The organization provides employees with various HRM practices, such as training, career development, recognition, and fair compensation. Within the SET framework, these HRM practices can be considered a source of exchange between organizations and employees (Macey et al., 2011). Employees can develop their skills, gain recognition, and feel valued for their contributions. Several studies have shown that HRM practices can facilitate the development of employees' beneficial attitudes toward work by generating positive psychological perceptions. Thus, HRM practices can indirectly affect organizational effectiveness by shaping the desired employee OCB attitude (Wei et al., 2010). SET provides an explanatory framework regarding employee perceptions of the behaviors they admire. Individuals seek equal agreements with organizations based on the exchange principle. If employees perceive high risk, there will be gaps in the exchange relationship, and these employees will be frustrated and distrustful. As a result, their commitment to the organization and desire to stay will decrease but will instead encourage IWB (Liu et al., 2016). Thus, it can be hypothesized as follows.

H3: Organizational citizenship behavior mediates the relationship between human resource management practices and innovative work behavior.

An effective HRMP is crucial in developing human resources to achieve individual and organizational

goals. The literature has recognized the impact of HRMPs at the individual, group, and organizational levels. Previous research emphasizes the importance of considering employee perceptions of HRM practices about employee behavior rather than simply relying on the intentions behind HRM practices strategically (Wright & Nishii, 2007). Nevertheless, research focusing on individual experiences of HRM interventions still needs to be completed. Therefore, it is relevant to contribute to understanding how employees' perceptions of HRM practices can influence employee outcomes (Alfes, Shantz, et al., 2013). However, research on the consequences of WE, such as for OCB, needs to be the focus of research that focuses specifically on its role in the relationship between HRMP and IWB (Saks et al., 2022). Thus, understanding the relationship between HRMP, WE, OCB, and IWB can provide deeper insight into how human resource management can influence employee behavior and performance in organizations.

Guided by SET, positive HRM practices build a strong sense of WE in employees, so they feel valued by the organization and tend to feel more emotionally attached and committed. WE is a positive response to HRM practices that encourage employee volunteerism beyond their primary duties, such as helping colleagues, providing constructive advice, or participating in additional projects. As such, it becomes a form of positive contribution to the organization that emerges in response to WE. In addition, employees involved in OCB will be more creative and innovative at work because they feel that they positively influence the organization and are free to create new solutions or propose innovative improvements. Thus, it is hypothesized as follows.

H4: Human resource management practices influence innovative work behavior through sequential mediation of work engagement and organizational citizenship behavior.

All hypotheses are summarized in Figure 1.

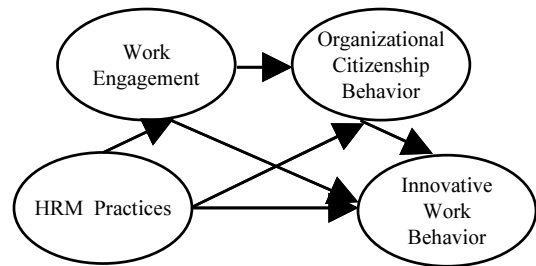


Figure 1. Research framework

III. Research Methods

The population in this study were all permanent employees of "the Bank". Employees with contract and outsourcing status are not categorized as the research population because the proportion of permanent employees is the largest among the three. Additionally, tenured employees are selected because they work closely with their leaders, who communicate and provide authority for decision-making within a defined scope. The sample selection method used in this research is non-probability sampling, where not all individuals have the same opportunity to be sampled. More specifically, the sampling technique used in this research was snowball sampling. Thus, the number of samples used in this research was 324 respondents. Hair et al. (2010) stated that a sample size of more than 200 is sufficient in structural equation model analysis. Therefore, a sample size of 324 is considered sufficient for structural equation model analysis.

Measurement scales, HRMP was measured using eleven items taken from the research of Tajeddini et al. (2023) and Zaim et al. (2007). WE was operationalized using a nine-item measurement scale adopted from Schaufeli et al. (2006). OCB was operationalized using a five-item measurement scale adopted from Jung and Yoon (2012) initially proposed by Podsakoff et al. (2000). Finally, employee IWB was measured using eight perception measures adapted from Tajeddini et al. (2023). In addition, all items were measured using a seven-point Likert-type scale (1: *strongly disagree* to 7: *strongly agree*).

Based on Table 1 above, it is known that there are more males than females, with the respective numbers being 205 (63.27%) and 119 (36.73%). In the age context, the age range from 31 to 35 years is the largest, with a percentage of 33.33% with a Bachelor/ Undergraduate education level (95.37%) and tenure of more than ten years (48.15%).

Descriptive statistics were formed to profile respondents' responses regarding demographics and employment. In the current study, the considered data were examined using IBM SPSS and Amos version 24 to prepare preliminary data files. The results also claim the adequate fitness of the hypothesized model. The Descriptive statistics are given in Table 2.

The information obtained by the researchers is based on the data presented in Table 2, namely the

Table 1. Respondent profile

	Profile	Quantity	%
Gender	Male	205	63.27
	Female	119	36.73
Age (year)	25-30	63	19.44
	31-35	108	33.33
	36-40	74	22.84
	40-45	36	11.11
	>45	43	13.27
Education	Senior High School	7	2.16
	Bachelor/Undergraduate	309	95.37
	Post Graduate	8	2.47
Tenure (year)	2 - 5	28	8.64
	5 - 10	140	43.21
	> 10	156	48.15

Note(s): n=324, >=more than

Table 2. Descriptive statistics

Variable	Mean	SD	1	2	3	4
HRMP	5.90	0.82	1.000			
WE	5.96	0.94	0.40**	1.000		
OCB	6.29	0.58	0.48**	0.37**	1.000	
IWB	5.10	1.03	0.35**	0.46**	0.52**	1.000

** Significant correlation at the level of 0.01 (2-tailed)

Note(s): HRMP (human resource management practices); WE (work engagement); OCB (organizational citizenship behavior); IWB (innovative work behavior).

correlation between statistically significant variables, where the highest value is the relationship between the variables of OCB and IWB, equal to 0.52. That is to say, there is no tendency for multicollinearity in this study.

IV. Data Screening and Analysis

Structural Equation Modeling (SEM) tests the hypotheses proposed in this measurement model because it is considered flexible and comprehensive for evaluating model suitability. According to Byrne (2013), SEM can test model suitability well, such as with the help of SPSS 26 and AMOS 24 software.

Table 3 shows that CFA shows a value of RMSEA=0.055, CFI=0.948, GFI=0.855, NFI=0.902, PNFI=0.835, AGFI=0.825. These results maintain the standard limits given by Hair et al. (2010), namely $\chi^2/df \leq 3$, NFI ≥ 0.90 , RMSEA ≤ 0.08 , CFI ≥ 0.90 . GFI and AGFI values close to 0.90 are considered appropriate suitability (Seyal et al., 2002; Srivastava & Dhar, 2016). In addition, CFA was also performed to assess the convergent and discriminant validity of the overall measurement model. We evaluated convergent validity as recommended by Hair et al. (2010).

Based on Table 4, it is known that CFA, AVE, and CR are very satisfactory. In addition, the discriminant test is based on the average variant extracted (AVE) value. All variables presented in Table 4 indicate that, convergently, they have a value

Table 3. Summary of CFA goodness of fit indices

Fit indices	Values
χ^2	
χ^2/df	1.979
Absolute fit measures	
Goodness of fit index (GFI)	0.855
Root mean square of error of approximation (RMSEA)	0.055
Incremental fit indices	
Normed fit index (NFI)	0.902
Comparative fit index (CFI)	0.948
Parsimony fit index	
Adjusted goodness of fit index (AGFI)	0.825
Parsimony normed fit index (PNFI)	0.835

Table 4. Realibility and validity

Variable	Indicator	Loading Factor	AVE	CR
Human resource management practices	HRMP1	0.745	0.569	0.935
	HRMP2	0.797		
	HRMP3	0.821		
	HRMP4	0.869		
	HRMP5	0.845		
	HRMP6	0.765		
	HRMP7	0.733		
	HRMP8	0.724		
	HRMP9	0.634		
	HRMP10	0.721		
	HRMP11	0.595		
Work engagement	WE1	0.769	0.577	0.923
	WE2	0.842		
	WE3	0.848		
	WE4	0.920		
	WE5	0.781		
	WE6	0.775		
	WE7	0.698		
	WE8	0.517		
	WE9	0.600		
Organizational citizenship behavior	OCB1	0.615	0.534	0.850
	OCB2	0.752		
	OCB3	0.829		
	OCB4	0.663		
	OCB5	0.774		

Table 4. Continued

Variable	Indicator	Loading Factor	AVE	CR
Innovative work behavior	IWB1	0.734	0.723	0.954
	IWB2	0.794		
	IWB3	0.837		
	IWB4	0.847		
	IWB5	0.904		
	IWB6	0.895		
	IWB7	0.866		
	IWB8	0.910		

Table 5. Hypothesis test results

Relationship	Effect	β	t	p	95% CI		Result
					LL	UL	
Direct							
HRMP \rightarrow IWB	0.510	0.067	0.762	0.447	-	-	Not Supported
Indirect							
HRMP \rightarrow WE \rightarrow IWB	0.149	0.039	7.025	0.000	0.083	0.233	Supported
HRMP \rightarrow OCB \rightarrow IWB	0.194	0.052	7.685	0.000	0.102	0.307	Supported
HRMP \rightarrow WE \rightarrow OCB \rightarrow IWB	0.041	0.015	9.849	0.000	0.014	0.074	Supported

Note(s): HRMP (*human resource management practices*); WE (*work engagement*); OCB (*organizational citizenship behavior*); IWB (*innovative work behavior*).

(AVE) ≥ 0.5 , so it can be declared valid with a composite reliability value of ≥ 0.7 . Therefore, all the variables above have a high level of reliability. Based on the evaluation of the GOF criteria, then a simultaneous model test was carried out.

The next stage is testing the research hypothesis, which is carried out by calculating the path coefficient (β) and p-value. Results of PROCESS Macro analysis to test the hypothesized model in Table 5 show that HRMP does not directly impact IWB ($\beta=0.067$, $t=0.762$, $p\geq 0.05$). Therefore, it can be concluded that H1 is not supported statistically in this study. In contrast to the direct relationship, which was not supported, the indirect relationship, namely H2, H3, and H4, received statistical support, each of which can be explained that WE mediate the indirect relationship between HRMP and IWB ($\beta=0.039$, $t=7.025$, $p\leq 0.01$), and OCB mediated the indirect relationship between HRMP and IWB ($\beta=0.052$, $t=7.685$, $p\leq 0.01$).

In addition, sequential mediation, namely mediation of WE and OCB on the indirect relationship between HRMP and IWB, was also supported statistically ($\beta=0.015$, $t=9.849$, $p\leq 0.01$). The influence of sequential mediation impacts can be a successful alternative for HRMP to encourage IWB, as indicated by the statistical value of H4, which is higher than H2 and H3 ($9.849\geq 7.025$; ≥ 7.685).

V. Discussion and Conclusion

Our findings are in line with Bos-Nehles and Veenendaal (2019), who confirmed that HRMP policies do not meet employees' positive perceptions. In the banking sector, this can be influenced by compensation, which can have a negative impact (Fernandez et al., 2012). This finding is enough to

raise the question of how HRMP does not influence IWB directly. Based on SET, this should have a significant correlation (Choudhary et al., 2020). However, this has received attention from Verhoest et al. (2007), that political pressure threatens the perception of organizational legitimacy.

In this context, this understanding refers to the psychological mechanisms of employees that apply to individuals when they understand the importance of innovative behavior in the workplace. This finding further strengthens that employees find it difficult to be more proactive in completing their work in the banking sector, and HRMP can be the cause. The high demands of work are far beyond the scope of handling them, so employees perceive them as obstacles (Kwon & Kim, 2020). This means that job demands that should be able to create new ideas become pressures that can increase boredom in the work environment and encourage counter-productive behavior. To overcome this, organizations must consider the psychological aspects of individuals, as proven in this study.

Employees strengthen their sense of self-worth and personal identity by interacting cognitively with the broader social environment, such as envisioning expectations in specific roles and responding with generalizations of individual perceptions (Meynhardt et al., 2020). By integrating WE and OCB, HRMP can work well to encourage IWB (Singh et al., 2021). Therefore, the relationship between HRMP and behavioral outcomes is better explained by mediating more holistic variables about the individual's self, including the activated component (Alfes, Shantz, et al., 2013).

One construct that includes emotional, cognitive, and physical activation simultaneously, and therefore represents an inclusive view of the individual self, namely WE (Rich et al., 2010) and OCB (Wei et al., 2010). These two constructs provide a more comprehensive view of employee involvement and contribution in the organizational context. Therefore, WE and OCB must mediate either partially or sequentially in the relationship between HRMP and IWB. Individuals who positively perceive HRMP in

large organizations will increase WE with their work and, thus, tend to apply OCB to form IWB in the work environment. This finding also indicates that employees' perceptions of HRMP are essential in increasing IWB, WE, and OCB levels. However, the extent to which employees' IWB towards the organization positively perceives HRMP varies depending on the WE and OCB functions.

This research provides theoretical implications for advancing knowledge in HRM and IWB through the lens of sequential mediation. Based on the SET, HRMP has not been shown to affect IWB directly. In this case, even though employees can carry out breakthrough innovations, in understanding HRM practices, employees must recognize how implementing these practices can impact their behavior (MacKenzie et al., 2022). Ultimately, SET illustrates that this relationship between HRMP and IWB can occur if employees have WE and OCB. These findings imply the importance of WE and OCB as internal individual factors that determine the success of an organization's investment in influencing positive feedback from its employees. These findings support and expand SET beliefs by involving individual psychological aspects regarding the importance of HRM practices as an essential component of environmental conditions that play an important role in realizing WE and OCB, which ultimately encourage IWB in the work environment.

In addition, this research provides valuable insight into how HRMP can influence IWB through the mediating role of WE and OCB. The practical implications of this research can assist organizations in designing more effective HRM strategies to encourage innovative behavior. Organizations must ensure employees have a positive perception of HRMP policies through clear communication, transparency, and fairness in human resource management. These findings also explain that high job demands can lead to burnout and counter-productive behavior, so organizations need to understand employee limitations and work to reduce excessive pressure, including more efficient workload management, training employees to manage stress, and creating an environment that supports work-life balance.

This research only involved a sample of employees who worked at "the Bank". As a result, the generalizability of the results of this study to different types of organizations and contexts may be limited (Podsakoff et al., 2000). Thus, the study acknowledges the existence of research limitations that can become recommendations for further research. First, this research uses data from one particular organization or sector, so the results may only apply to some industries or other organizational contexts. Therefore, future research could adopt a longitudinal approach to track changes in the relationships between HRMP, WE, OCB, and IWB over time to provide better insight into long-term dynamics.

Second, related to the constructs applied to the variables in this study, it is essential to expand the literature on using HRMP measurement scales. This is because organizational policies constantly change, so adjustments and updates are needed to the latest conditions, for example, by adopting the literature Singh et al. (2021) with more varied measurement items. Thus, the gap in this study can be overcome, mainly to prove again the direct relationship between HRMP and IWB. In addition, a more comprehensive approach can also provide a deeper understanding of how HRMP can influence innovation in the workplace through WE and OCB mechanisms in optimizing HRM practices and creating an environment that supports innovation and sustainability.

However, this study reveals that HRMP has no direct relationship to IWB. Nonetheless, this research implies that effective and positive HRMP policies can be a powerful driver of innovation in the workplace. What is more, the importance of creating meaningfulness in work can be carried out with various holistic approaches to inspire future researchers and provide new insights on this topic, especially the mechanism of the indirect relationship between HRMP and IWB.

In summary, this research highlights the importance of understanding the relationship between human resource management practices (HRMP) and innovative behavior in the workplace, particularly in the banking sector. The findings show that HRMP does not have

a direct relationship with innovative behavior, but effective and positive HRMP policies can drive innovation in the workplace. The mediating role of positive work engagement and organizational citizenship behavior in this relationship is critical in creating behavior that supports innovation. The practical implications of this research include the design of more effective human resource management strategies to encourage innovative behavior, such as clear communication, transparency, and fairness in human resource management. Additionally, this research highlights the importance of understanding the psychological aspects of individuals in the work environment and how this can impact overall performance. By considering these findings, organizations can achieve sustainable growth and development in a competitive business environment.

Authors' Declarations

The authors of this study sincerely declare our commitment to presenting accurate and meaningful findings. We strive to highlight the diversity of perspectives and respect the contributions of all parties involved in the research process. With full responsibility, we are committed to publishing the results of this research transparently and sharing the knowledge we gain through the scientific community and related practitioners. We strive to maintain high ethical standards in all aspects of our work for technological advancement and practical application.

References

- Agarwal, U. A., Datta, S., Blake-Beard, S., & Bhargava, S. (2012). Linking LMX, innovative work behaviour and turnover intentions: The mediating role of work engagement. *Career Development International*, 17(3), 208-230. doi:10.1108/13620431211241063

- Agogu , M., Poirel, N., Pineau, A., Houd , O., & Cassotti, M. (2014). The impact of age and training on creativity: A design-theory approach to study fixation effects. *Thinking Skills and Creativity*, 11, 33-41. doi:10.1016/j.tsc.2013.10.002
- Alfes, K., Truss, C., Soane, E. C., Rees, C., & Gatenby, M. (2013). The relationship between line manager behavior, perceived HRM practices, and individual performance: Examining the mediating role of engagement. *Human Resource Management*, 52(6), 839-859. doi:10.1002/hrm.21512
- Allen, D. G., Shore, L. M., & Griffeth, R. W. (2003). The role of perceived organizational support and supportive human resource practices in the turnover process. *Journal of Management*, 29(1), 99-118. doi:10.1016/S0149-2063(02)00222-2
- Blaique, L., Ismail, H. N., & Aldabbas, H. (2023). Organizational learning, resilience and psychological empowerment as antecedents of work engagement during COVID-19. *International Journal of Productivity and Performance Management*, 72(6), 1584-1607. doi:10.1108/IJPPM-04-2021-0197
- Blau, P. (1964). *Power and exchange in social life*. Routledge.
- Bos-Nehles, A. C., & Veenendaal, A. A. R. (2019). Perceptions of HR practices and innovative work behavior: the moderating effect of an innovative climate. *International Journal of Human Resource Management*, 30(18), 2661-2683. doi:10.1080/09585192.2017.1380680
- Byrne, B. (2013). *Structural Equation Modelling With AMOS: Basic Concepts, Applications, and Programming*. New York, NY: Routledge.
- Cherif, F. (2020). The role of human resource management practices and employee job satisfaction in predicting organizational commitment in Saudi Arabian banking sector. *International Journal of Sociology and Social Policy*, 40(7-8), 529-541. doi:10.1108/IJSSP-10-2019-0216
- Choudhary, S., Memon, N. Z., & Mishra, K. (2020). Examining the Influence of Human Capital on Employees' Innovative Work Behaviour: A Moderated Serial Mediation Model. *South Asian Journal of Human Resources Management*, 7(2), 189-213. doi:10.1177/2322093720942660
- Curado, C. (2018). Human resource management contribution to innovation in small and medium-sized enterprises: A mixed methods approach. *Creativity and Innovation Management*, 27(1), 79-90. doi:10.1111/caim.12251
- De Jong, J., & Den Hartog, D. (2010). Measuring innovative work behaviour. *Creativity and Innovation Management*, 19(1), 23-36. doi:10.1111/j.1467-8691.2010.00547.x
- Dekas, K. H., Bauer, T. N., Welle, B., Kurkoski, J., & Sullivan, S. (2013). Organizational citizenship behavior, version 2.0: A review and qualitative investigation of ocbs for knowledge workers at google and beyond. *Academy of Management Perspectives*, 27(3), 219-237. doi:10.5465/amp.2011.0097
- Dhar, R. L. (2015). The effects of high performance human resource practices on service innovative behaviour. *International Journal of Hospitality Management*, 51, 67-75. doi:10.1016/j.ijhm.2015.09.002
- Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology*, 71(3), 500-507. doi:10.4337/9781784711740.00037
- Elrehail, H., Harazneh, I., Abuhjeeleh, M., Alzghoul, A., Alnajdawi, S., & Ibrahim, H. M. H. (2020). Employee satisfaction, human resource management practices and competitive advantage: The case of Northern Cyprus. *European Journal of Management and Business Economics*, 29(2), 125-149. doi:10.1108/EJMBE-01-2019-0001
- Erhan, T., Uzunbacak, H. H., & Aydin, E. (2022). From conventional to digital leadership: exploring digitalization of leadership and innovative work behavior. *Management Research Review*, 45(11), 1524-1543. doi:10.1108/MRR-05-2021-0338
- Fernandez, S., Moldogaziev, T., & Fernandez, S. (2012). Employee Empowerment, Employee Attitudes, and Performance: Testing a Causal Model. *Public Administration Review*, 73(3), 490-506.
- Hair, J., Anderson, R., Tatham, R., & Black, W. (2010). *Multivariate data analysis* (7th ed). Prentice Hall.
- Hapsari, C., Stoffers, J., & Gunawan, A. (2019). The Influence of Generational Diversity Management and Leader-Member Exchange on Innovative Work Behaviors Mediated by Employee Engagement. *Journal of Asia-Pacific Business*, 20(2), 125-139. doi:10.1080/10599231.2019.1610684
- Hassan, S., & Mahmood, B. (2016). Relationship between HRM Practices and Organizational Commitment of Employees: An Empirical Study of Textile Sector in Pakistan. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 6(1). doi:10.6007/ijarafms/v6-i1/1952
- Hon, A. H. Y., & Lu, L. (2015). Are we paid to be creative? The effect of compensation gap on creativity in an expatriate context. *Journal of World Business*, 50(1), 159-167. doi:10.1016/j.jwb.2014.03.002
- Jung, H. S., & Yoon, H. H. (2012). The effects of emotional intelligence on counterproductive work behaviors and organizational citizen behaviors among food and beverage employees in a deluxe hotel. *International Journal of Hospitality Management*, 31(2), 369-378. doi:10.1016/j.ijhm.2011.06.008
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724. doi:10.5465/256287
- Kulikowski, K., & Sedlak, P. (2020). Can you buy work engagement? The relationship between pay, fringe benefits, financial bonuses and work engagement. *Current Psychology*, 39(1), 343-353. doi:10.1007/s12144-017-9768-4
- Kundi, Y. M., Sardar, S., & Badar, K. (2022). Linking performance pressure to employee work engagement: the moderating role of emotional stability. *Personnel Review*, 51(3), 841-860. doi:10.1108/PR-05-2020-0313
- Kwon, K., & Kim, T. (2020). An integrative literature review of employee engagement and innovative behavior:

- Revisiting the JD-R model. *Human Resource Management Review*, 30(2), 100704. doi:10.1016/j.hrmr.2019.100704
- Legge, K. (1995). What is human resource management? In K. Legge (Ed.), *Human Resource Management* (pp. 62-95). London: Macmillan Education UK. doi:10.1007/978-1-349-24156-9_3
- Liu, Y., Rujie, Q., Shi, K., & Cun, D. M. (2016). Leader Creativity Expectations and Employee Radical Creativity: A Creative Process Engagement Perspective (In Chinese). *Nankai Management Reviews*, 19(6), 17-26.
- Luthans, F. (2002). The need for and meaning of positive organizational behavior. *Journal of Organizational Behavior*, 23(6), 695-706. doi:10.1002/job.165
- Macey, W. ., Schneider, B., Barbera, K., & Young, S. (2011). *Employee Engagement: Tools for Analysis, Practice, and Competitive Advantage*. Wiley-Blackwell, Malden.
- MacKenzie, C., McCarthy, A., Morley, M., & Garavan, T. (2022). Human Resource Management, Innovative Work Behaviour, Incremental and Radical Innovation: Inspirational Vision or Aspirational Rhetoric. In *The Emerald Handbook of Work, Workplaces and Disruptive Issues in HRM*. doi:10.1108/978-1-80071-779-420221012
- Merkle, T., Tajeddini, K., & Wittmer, A. (2021). Can the Netflix Business Model Actually Work for Commercial Aviation in Central Europe? It Is Complicated! *Journal of Hospitality & Tourism Cases*, 9(2), 1-9. doi:10.4135/9781529798616
- Meynhardt, T., Brieger, S. A., & Hermann, C. (2020). Organizational public value and employee life satisfaction: The mediating roles of work engagement and organizational citizenship behavior. *International Journal of Human Resource Management*, 31(12), 1560-1593. doi:10.1080/09585192.2017.1416653
- Organ, D. W. (1998). *Organizational citizenship behavior: The good soldier syndrome*. Lexington Books.
- Papa, A., Dezi, L., Gregori, G. L., Mueller, J., & Miglietta, N. (2020). Improving innovation performance through knowledge acquisition: the moderating role of employee retention and human resource management practices. *Journal of Knowledge Management*, 24(3), 589-605. doi:10.1108/JKM-09-2017-0391
- Pieterse, A. N., van Knippenberg, D., Schippers, M., & Stam, D. (2010). Transformational and transactional leadership and innovative behavior: The moderating role of psychological empowerment. *Journal of Organizational Behavior*, 31(4), 609-623. doi:10.1002/job.650
- Podsakoff, N. P., Whiting, S. W., Podsakoff, P. M., & Mishra, P. (2011). Effects of Organizational Citizenship Behaviors on Selection Decisions in Employment Interviews. *Journal of Applied Psychology*, 96(2), 310-326. doi:10.1037/a0020948
- Podsakoff, P. M., MacKenzie, S. B., Paine, J. B., & Bachrach, D. G. (2000). Organizational citizenship behaviors: A critical review of the theoretical and empirical literature and suggestions for future research. *Journal of Management*, 26(3), 513-563. doi:10.1177/014920630002600307
- Prieto, I. M., & Pérez-Santana, M. P. (2014). Managing innovative work behavior: The role of human resource practices. *Personnel Review*, 43(2), 184-208. doi:10.1108/PR-11-2012-0199
- Rasheed, A., Lodhi, R. N., & Habiba, U. (2016). An empirical study of the impact of servant leadership on employee innovative work behavior with the mediating effect of work engagement: Evidence from banking sector of Pakistan. *Global Management Journal for Academic & Corporate Studies*, 6(2), 177-290.
- Rasool, S. F., Samma, M., Wang, M., Zhao, Y., & Zhang, Y. (2019). How human resource management practices translate into sustainable organizational performance: the mediating role of product, process and knowledge innovation. *Psychology Research and Behavior Management*, 12, 1009-1025. doi:10.2147/PRBM.S204662
- Rich, B. L., Lepine, J. A., & Crawford, E. R. (2010). Job engagement: Antecedents and effects on job performance. *Academy of Management Journal*, 53(3), 617-635. doi:10.5465/amj.2010.51468988
- Saks, A. M., Gruman, J. A., & Zhang, Q. (2022). Organization engagement: a review and comparison to job engagement. *Journal of Organizational Effectiveness*, 9(1), 20-49. doi:10.1108/JOEPP-12-2020-0253
- Sanz-Valle, R., & Jiménez-Jiménez, D. (2018). HRM and product innovation: Does innovative work behaviour mediate that relationship? *Management Decision*, 56(6), 1417-1429. doi:10.1108/MD-04-2017-0404
- Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire: A cross-national study. *Educational and Psychological Measurement*, 66(4), 701-716. doi:10.1177/0013164405282471
- Seeck, H., & Diehl, M. R. (2017). A literature review on HRM and innovation-taking stock and future directions. *International Journal of Human Resource Management*, 28(6), 913-944. doi:10.1080/09585192.2016.1143862
- Sethibe, T., & Steyn, R. (2017). The impact of leadership styles and the components of leadership styles on innovative behaviour. *International Journal of Innovation Management*, 21(2), 1750015. doi:10.1142/S1363919617500153
- Seyal, A. H., Abd. Rahman, M. N., & Mahburur Rahim, M. (2002). Determinants of academic use of the internet: A structural equation model. *Behaviour and Information Technology*, 21(1), 71-86. doi:10.1080/01449290210123354
- Shipton, H., Sparrow, P., Budhwar, P., & Brown, A. (2017). HRM and innovation: Looking across levels. *Human Resource Management Journal*, 27(2), 246-263. doi:10.1111/1748-583.12102
- Singh, N., Bamel, U., & Vohra, V. (2021). The mediating effect of meaningful work between human resource practices and innovative work behavior: A study of emerging market. *Employee Relations*, 43(2), 459-478. doi:10.1108/ER-04-2020-0150
- Snape, E., & Redman, T. (2010). HRM practices, organizational citizenship behaviour, and performance:

- A multi-level analysis. *Journal of Management Studies*, 47(7), 1219-1247. doi:10.1111/j.1467-6486.2009.00911.x
- Srivastava, A. P., & Dhar, R. L. (2016). Impact of leader member exchange, human resource management practices and psychological empowerment on extra role performances: The mediating role of organisational commitment. *International Journal of Productivity and Performance Management*, 65(3), 351-377. doi:10.1108/IJPPM-01-2014-0009
- Suhandiah, S., Suhariadi, F., Yulianti, P., & Abbas, A. (2023). Autonomy and feedback on innovative work behavior: The role of resilience as a mediating factor in Indonesian Islamic banks. *Cogent Business and Management*, 10(1), 2178364. doi:10.1080/23311975.2023.2178364
- Suhartini, E., Nurnadjamuddin, M., Mapparenta, & Suriyanti. (2023). Investigations of Work-Life Balance and Stress for Working Women in the Indonesian Banking Sector. *Global Business and Finance Review*, 28(6), 159-169. doi:10.17549/gbfr.2023.28.6.159
- Tajeddini, K., Budur, T., Gamage, T. C., Demir, A., Zaim, H., & Topal, R. (2023). Impact of diversity management on innovative work behavior: mediating role of human resource management and affective commitment. *Journal of Management Development*, 42(1), 29-53. doi:10.1108/JMD-06-2022-0154
- Verhoest, K., Verschuere, B., & Bouckaert, G. (2007). Pressure, legitimacy, and innovative behavior by public organizations. *Governance*, 20(3), 469-497. doi:10.1111/j.1468-0491.2007.00367.x
- Wei, Y. C., Han, T. S., & Hsu, I. C. (2010). High-performance HR practices and OCB: A cross-level investigation of a causal path. *International Journal of Human Resource Management*, 21(10), 1631-1648. doi:10.1080/09585192.2010.500487
- Wright, P. M., & Nishii, L. H. (2007). *Strategic HRM and Organizational Behavior: Integrating Multiple Levels of Analysis*. Cornell University.
- Yu, J., Park, J., & Hyun, S. S. (2021). Impacts of the COVID-19 pandemic on employees' work stress, well-being, mental health, organizational citizenship behavior, and employee-customer identification. *Journal of Hospitality Marketing and Management*, 30(5), 529-548. doi:10.1080/19368623.2021.1867283
- Zaim, H., Tatoglu, E., & Zaim, S. (2007). Performance of knowledge management practices: A causal analysis. *Journal of Knowledge Management*, 11(6), 54-67. doi:10.1108/13673270710832163