

PSYCHOLOGICAL CONTRACTS, INNOVATIVE WORK BEHAVIOR, AND KNOWLEDGE SHARING INTENTION: THE ROLE OF WORK ENGAGEMENT AND JOB RESOURCES

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Abstract: This study examines the relationship between the psychological contract and innovative work behavior. The psychological contract consists of two types, relational and transactional. We tested whether work engagement mediates the relationship between those two types of psychological contract and innovative work behavior and knowledge sharing intention. Besides, we also tested the moderating effect of job resources whether to strengthen or weakened the relationship between psychological contract and work engagement. Using transformational directorate employees as our respondents because they are demanded to work innovatively. We employed Partial Least Square to test the hypotheses. Our findings will be discussed in the results and discussion section and followed by the implication of this study. This study contributes to understanding how and when the types of psychological contracts lead to innovative work behavior and knowledge sharing intention through work engagement.

Keywords: psychological contract, work engagement, job resources, innovative work behavior, knowledge sharing intention

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Employees as a group of individuals who work together in a company have different personalities, perspectives, and psychological contracts between one employee and another employee. Psychological contracts refer to individual beliefs concerning mutual obligations between them and organizations (Morrison and Robinson,

1997). Drawing from the theory of work engagement (Kahn, 1990) the motivational construct of work engagement proposed a mechanism relationship between types of psychological contracts and innovative behavior. When employees feel connected to their organizations, there will be an intention to do something more than just their responsibilities, such as innovative behavior. Employee's innovative behavior needs to be developed so the company continues to make improvements. The theory of organizational innovation by Woodman et al. (1993), explained that the employees' innovative

work behavior is not independent, but it is a process of continuous interaction between individuals and the situation. The situation can be in the form of support from relationships with organizations and from social relations.

Thurlings et al. (2015), argued that innovation is likely to vary depending on the behavior of the employee in organizations and is viewed as critical factors for the success and survival of organizations in this knowledge-based era, innovative work behavior is very important for organizational sustainability. To support innovative work behavior, Chang et al. (2013), argued that the importance of employee psychological perceptions will increase work engagement and in turn will increase innovation behavior. Besides, based on the prior study by Chang et al. (2013), we believe that support or in this study we use term resources will also strengthen the psychological contract relationship with innovation behavior. Employee involvement in supporting innovative behavior is an ideal condition that is expected in the organization. The existence of work engagement will encourage the effectiveness of employees which will ultimately increase the effectiveness of the organization and produce success for the organization. As stated earlier, one of the concepts for enhancing innovation is the psychological contracts of employees and work engagement (Chang et al., 2013). As well as the existence of knowledge sharing intentions that will facilitate work engagement on innovative behavior of employees in the workplace (Kim and Park, 2017). According to Schaufeli et al. (2002), work engagement is a motivation that leads to certain, satisfying, affective-motivational, and work-related states of mind that are demonstrated with enthusiasm, dedication, and absorption. The psychological perception factor of employees in the workplace is important to support work engagement. Morrison and Robinson (1997), argued that psychological contracts represent a collection of employee beliefs about the obligation to reciprocate an action on an organization based on perceptions, commitments, and trust in work relationships. Psychological contracts itself is divided into two, namely transactional contracts and relational contracts. Bal and Kooij (2011), stated

that transactional contracts are a short-term relationship and employees only carry out obligations limited to the money they receive and this causes a lack of participation from employees. So employees will tend not to perform tasks in a work role which will further reduce work engagement. In contrast to transactional contracts, Bal and Kooij (2011), described Relational contracts as long-term obligations including focusing on socio-emotional elements such as linkages, loyalty, support, trust, and job security and things other than reciprocity in the form of money. So the relational contracts will increase work engagement. Bakker et al. (2005), defined organizational resources as job control, potential qualifications, participation in decision making, and variations in tasks assigned from superiors to subordinates. Bakker et al. (2005), defined social resources as relationships and social support obtained from colleagues. Organizational-based resources will enhance the positive relationship between the relational contracts with work engagement and social resources will weaken the negative relationship between the transactional contracts with work engagement.

Our study contributes to several important things. Firstly, we examine the indirect effect of psychological contracts on innovative work behavior via work engagement. We believe that different types of contracts that are held by the employee will have a different effect on innovative work behavior. Second, drawing from the social side of innovation view (Perry-Smith and Shalley, 2003), we believe that support from social, either from organization and colleagues will have an important moderating effect which will give the conditional indirect effect of psychological contracts to innovative work behavior through work engagement.

LITERATURE REVIEW

Psychological Contracts Theory

Cuskelly et al. (2006), defined psychological contracts as a subjective and interpretative cognitive state that refers to the development and maintenance of relationships between individuals and organizations. Furthermore, Cuskelly et al. (2006),

add that Psychological contracts are based on perceptions of work agreements beyond what is formally agreed upon. It is like a belief about what employees believe they are entitled to because they assume that their supervisor has delivered the contracts. When employees make psychological contracts, they are subjective, and based on individual beliefs about organizational obligations (Cuskelly et al., 2006). Rousseau (1990), argued that there are two types of psychological contracts, namely transactional contracts, and relational contracts.

A transactional contract is a short-term relationship and employees only carry out obligations limited to the money they receive and this causes a lack of participation from employees (Bal and Kooij, 2011). The employees do not expect a long-term lasting relationship with their organization and are not based on loyalty and job security, but employees consider their work as a transaction in which there is a brief duration in expectation of reward. Relational contracts are related to long-term responsibility which consists of social-emotional factors such as loyalty, trust, support, and job insecurity (Rousseau, 1990). Relational contracts are characterized by beyond economic exchange that focuses on affirming long-term relationships between employers and employees for example training and development (Rousseau, 1990). Chatman (1989), said that these contracts provide job security in the long run and the availability of adequate training, development opportunities, and career paths will encourage appropriate values between individuals and organizations through socialization.

Work Engagement

Schaufeli et al. (2002), argued that work engagement is a form of motivation that leads to positive, satisfying, affective-motivational, and work-related states of mind that are demonstrated by enthusiasm, dedication, and absorption. There are three characteristics of work engagement according to Schaufeli et al. (2002), passion, dedication, and absorption. First, enthusiasm refers to high energy, mental endurance, a desire to invest energy in work, and persistence in facing difficulties at work. Second, dedication refers to a sense of significance,

enthusiasm, inspiration, and challenges in the workplace. Third, absorption consists of a sense of complete concentration and involvement in one's work until the emergence of unwillingness to get away from work. Thus, the employees involved have a high energy level, are enthusiastic, inspired by, and proud of their work, and feel like time has passed when they work. In the current situation, having a workforce that is tied to a company can provide a competitive advantage for the company (Breevaart, et al. 2015).

Knowledge Sharing Intention

Knowledge sharing focuses on the desire of employees to share with peers about the knowledge they have acquired or created (Gibbert and Krause 2002). Thus, knowledge sharing cannot be forced and can only be supported and facilitated (Gibbert and Krause 2002). Wang and Noe (2010), considered knowledge as information that is processed by individuals including ideas, facts, expertise, and judgments that are relevant to the performance of individuals, teams, and organizations. Jackson et al. (2006), views knowledge as being very important for companies to prevail in a challenging environment. Cabrera and Cabrera (2005), argued that sharing knowledge among employees will help organizations to exploit and utilize knowledge-based resources as much as possible. Wang and Noe (2010), define knowledge sharing as the process of exchanging information and feedback related to tasks to achieve the common goals of the organization. Knowledge sharing can be done directly or through several knowledge archives (Bock, 2005).

Job Resources

Bakker et al. (2005), argued that job resources refer to psychological, physical, social, or organizational elements of work that are highly functional in accomplishing missions, decreasing work demands and physiological and psychological costs of employees, and exhilarating personal growth and development of employees. Richter & Hacker (1998), divided job resources into two types, namely external resources (organizational and social) and internal resources (cognitive features and action pat-

terns). But this study will focus on external resources from job resources, namely social resources, and organizational resources due to the significant social side elements. These two resources are related to the communication and interaction of ideas and information among individuals, coworkers, and superiors (Richter & Hacker, 1998).

Bakker et al. (2005), defines organizational resources as feedback from supervision conducted from performance and coaching. Supervisory coaching and supervisory performance feedback are important behaviors from a leader that will help organizations to enhance competitive advantage (Albrecht et al., 2015). According to Hamlin et al. (2006), supervisory coaching is at the central tenets of managerial effectiveness as well as leadership and especially via routine daily interactions between leaders and their followers (Ellinger and Kim, 2014). Social resources as a relationship and social support obtained from coworkers (Bakker et al., 2005). The support of colleagues will enable employees in solving problems promptly through the exchange of information with other employees, emotional support, and create positive synergies to improve employee innovative behavior. Social resources that can be accessed by social agents are determined by the network in which they are located. Nahapiet and Ghoshal (1997), in the theory of social capital, provides the idea that social networks produce value by providing keys to social resources like relationships and contacts which enable employees to accomplish certain goals.

Innovative Work Behavior

Janssen (2000), argued that innovative work behavior is the deliberate creation, introduction, and application of new ideas in work roles, groups or organizations, to benefit from the performance of roles, groups, or organizations. Innovative behavior is often a trigger for long-term organizational success in the face of increasingly fierce competition. Drawing from organizational innovation theory states that an individual's innovative behavior is dependent, it departs from a mechanism of current interaction between individuals and the situation (Woodman et al., 1993). According to Amabile

(1983), innovation is a long-term process and innovative behavior occurs when individuals focus their efforts over long periods in organizations. Judging from the theory of organizational innovation, Woodman et al. (1993), argued that the innovative behavior of individuals cannot be independently formed, but is a process of an ongoing interaction between individuals and interrelated situations. The situation can originate from the influence of organizations and the social environment. Scott and Bruce (1994) describe innovative work behavior as consisting of three different main tasks: idea generation, idea promotion, and idea realization. Because innovation tends to be very dependent on employee behavior in the organization and is considered important for the success and survival of the organization. Innovative employees collect and consider various knowledge to unearth ideas and to refine and upgrade the existing processes (Tesluk et al., 1997). Innovative employees tend to be curious about something new, unearth, and develop new ideas to solve existing problems, by improving their performance (Amabile, 1996). Argote (1999), also added that there is a desire to learn to motivate employees to solicit new skills necessary to conduct the tasks.

HYPOTHESES DEVELOPMENT

In the study conducted by Chang et al. (2013), the results showed that innovative behavior that is influenced by two different types of psychological contracts shows a positive relationship for relational contracts and conversely a negative relationship for transactional contracts. Chang et al. (2013), argued that the results obtained in testing psychological contracts for innovative work behavior are transactional contracts that negatively affect innovative work behavior mediated by work engagement because transactional contracts will reduce bonds with organizations because the lack of attachment may decrease innovative behavior in the workplace. Consistent with Kahn's (1990) theory of work engagement, which suggests that motivation from work engagement will mediate the association between psychological contracts and innovative behavior. Transactional contracts that are only short-term oriented and motivated only because extrinsic rewards

will be received within a specified time will reduce the sense of attachment at work (Chang, 2013). Short-term relationships that are rewarded oriented, fail to provide social-emotional support to individuals and reduce employee engagement work (Chang, 2013). When employee engagement decreases, this will hamper the desire of employees to perform extra-roles such as initiatives to innovate in the organization. Transactional contracts can reduce three aspects of psychological conditions that unclog work engagement that will reduce work engagement on the job. When employees feel less secure and lack meaningfulness in their work will lead to less individual involvement in their work (Kahn, 1990) and lead to a decrease in employee's innovative work behavior. Thus, Hypothesis 1a: work engagement will mediate the association between transactional contracts and innovative behavior

Amabile (1983), argued that relational contracts are very important to enhance employee innovativeness because innovation is long-period improvement progress so that innovation behavior requires a long time. According to Bal & Kooij (2011), relational contracts provide socioemotional support that will increase employee engagement. With work engagement, employees will have enthusiasm, dedication to the organization, and high absorption of the knowledge and information obtained to help stimulate high curiosity so that individuals tend to be more innovative. Besides, according to Kahn (1990), individuals who have work engagement in the workplace will show energy, enthusiasm, focus, inspiration, intensity, mental endurance, and high tenacity in dealing with risk. These characteristics enable them to be more innovative in their work. Employees will view work barriers as an interesting challenge so that innovative behavior is easier to develop. In line with work engagement theory by Kahn (1990), who suggested a form of motivation from work engagement would mediate the association between psychological contracts and employee innovativeness such as the study conducted by Chang et al. (2013). Unlike transactional contracts, the existence of relational contracts may improve psychological conditions that promote work engagement. As a result work engagement will in-

crease and so will the innovative work behavior of employees. Thus, Hypothesis 1b: work engagement will mediate the association between relational contracts and innovative work behavior

Prior research by Song et al. (2014), implied that employee engagement has an important effect on employees' intention to share their knowledge. Chen et al. (2011), argued that sharing knowledge is proactive behavior and tends to be self-motivated, employees will be more likely to share their work-related ideas and expertise with their coworkers only when they dedicate themselves to their work and are keen about it. Agarwal (2014), also shows that employee engagement affects innovative work behavior positively and significantly. Cropanzano et al. (2017), argued that social exchange defined as transactions or relationships among several parties such as relations between organization and employees that include responsibility and through a mechanism of exchange of resources whose returns are made in the future so employees are expected to provide reciprocity for the positive contribution made. When employees are involved cognitively, emotionally, and physically at work, they will form positive work attitudes and voluntary cooperation with organizations such as increasing work engagement that will enhance knowledge sharing among employees within teams or across the team, as well as facilitate employee innovativeness. Thus, Hypothesis 2: Work engagement positively related to the intention of knowledge sharing

A study from Kim and Park (2017), stated that there is an increase in the amenable of employees to participate in knowledge exchange related to their work with colleagues, actively proposed new insights for the company, and implement those will increase employees innovativeness. Radaelli et al. (2014), argued that employee knowledge sharing has a critical effect on employee's innovativeness. Strong support also provided by the study from Kim and Park (2017), that knowledge sharing promotes and increases employee engagement to their innovativeness, which includes finding opportunities for change and utilizing new ideas to current organizational fashions. Thus, Hypothesis 3: The inten-

tion of knowledge sharing positively related to innovative work behavior

When the organization has adequate organizational resources for its employees, it will be easier for employees to use it for the benefit of the organization and this encourages employees to perform extra behaviors such as innovating behavior. Organizational resources will weaken the negative association between transactional contracts and employee's innovativeness through work engagement. A prior study by Chang (2013), shows that high organizational resource weakens the negative relationship between transactional contracts and work engagement. This will impact the increase in innovation behavior compared to those who perceived low organizational resources. Kahn (1990) and Rich et al. (2010), argued that the existence of organization-based resources will increase psychological meaningfulness, safety, and availability, which are dimensions of employee psychological conditions in their work roles, which in turn increase employees' desire to invest physically, energy, the meaningfulness of work. According to Scott and Bruce (1994), the supervisor's role as the most prominent agent in employee-organization exchanges means that supervisors have a more direct effect than coworkers in satisfying employee needs through two kinds of actions. First, supervisors distribute resources and awards. Second, supervisory actions directly improve the feature of relationships between employees and their employers because of the role of their agents (Dulac et al., 2008). Thus, Hypothesis 4a: Organizational resources will weaken the negative indirect association of transactional contracts and innovative work behavior via work engagement

A prior study by Hui et al. (2004), the availability of organizational resources will increase the quality of relationships in the relational contracts. Kahn (1990), argued that when there is security at work, it will increase individual psychological safety and availability of roles at work. Furthermore, Kahn (1990) and Millward and Hopkins (1998), explained that it will encourage the desire to put considerable effort into the workplace and to remain in certain job roles. Simultaneously, the existence of organi-

zational resources, will increase individual motivation for their work and make it more effective (Ryan and Deci, 2000). It is fitted with the social side of innovation's perspectives (Perry-Smith and Shalley, 2003) and the work engagement theory by Kahn (1990), in a study conducted by Chang et al. (2013). The security situation and stable contractual relationship will inspire employees to involve in their job and task, and take a higher level of obligations (Chen and Aryee, 2007), thus willing to commit energy into work roles (Kahn, 1990). High organizational-based resources will enhance the positive association between relational contracts and employees' engagement in their work. According to Amabile (1983), from the social side of innovation perspective, a process of communication and interaction such as constructive evaluation and training from superiors will improve skills and innovations that are relevant to the domain of individual knowledge. This enhances the skills of the individuals involved to explore and find better ways of doing and find options to solve the organization's challenge (Janssen and van Yperen, 2004; Ryan and Deci, 2000; Shin and Zhou, 2003). This behavior indicates a high level of organizational resources strengthens the positive indirect effect between work engagement and innovative behavior. Thus, Hypothesis 4b: Organizational resources will enhance the positive association between relational contracts and innovative work behavior through employee's work engagement

Chang et al. (2013), argued that organizational and social resources have an important moderating effect in predicting innovative work behavior. Social resources refer to individual interactions between employees and colleagues. These interactions are expected to facilitate communication, sharing ideas, and other significant innovation-relevant skills. When employees perceive high social resources, they believe that their colleague is supportive and friendly which in turn enhance employees' meaningfulness, safety, and also availability due to interpersonal connections. Employees who hold transactional contracts see this high social support as important resources, they will be more likely to involve in their work, more engaged, and will be

more active in innovative work behavior (Chang et al., 2013). Thus,

Hypothesis 5a: Social resources will decrease the negative association between transactional contracts and innovative work behavior through work engagement.

Chen and Aryee (2007), argued that when employees inhibit relational contracts and have great social-based resources, they tend to be more willing to receive greater obligation for achieving certain work goals, and remain loyal to the organization due to increased work motivation, and better physical or psychological health (Hobfoll, 2002). Besides, great social resources will enhance the psychological meaningfulness, security, and availability of individuals which underlie the relationship between relational contracts and work engagement (Kahn, 1990). Therefore, high social resources will enhance the positive association between relational contracts and employees' work engagement. Then with the increasing frequency of interaction will facilitate knowledge sharing between employees such as discussions about opportunities in changes that are happening in organizations that stimulate employee's innovativeness. Perry-Smith and Shalley (2003), suggested that when individuals feel at-

tached to the organization and have good social resources, then co-workers will facilitate problem-solving activities and grow skills relevant to their innovation. Ryan and Deci (2000), added that ownership of relevant skills will motivate individuals to actively explore various innovative responses and find a variety of creative problem-solving methods. Perry-Smith and Shalley (2003), add fast interpersonal communication that allows individuals to easily promote new ideas. Thompson and Heron (2006), also stated that frequent interactions also facilitate the sharing of knowledge between coworkers and this can enhance innovative behavior. In conclusion, the relationship between relational contracts with innovative work behavior when moderated with high social resources will strengthen the positive relationship between work engagement and innovative work behavior. This is following the work engagement theory proposed by Kahn (1990) and the social side of innovation perspective by Perry-Smith & Shalley (2003), that when employees feel attached to the organization will increase innovative behavior in the workplace.

Hypothesis 5b: Social resources will enhance the positive association between relational contracts and innovative work behavior through work engagement.

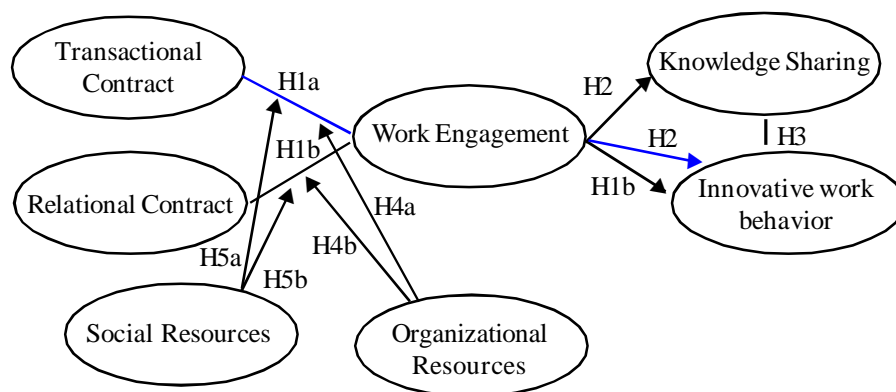


Figure 1 Conceptual Framework

METHOD

Sample and Procedures

We surveyed by using paper and pencil questionnaires to employees in the PT Pegadaian Indonesia head office in Jakarta, especially employees within the Transformation Office department since they are demanded to enhance corporate innovation. We surveyed from mid-October 2019 until mid-November 2019. We received 152 responses but 132 usable responses for further analysis. The average age of our respondents was 29 years old with 5.7 years average of tenure. Our sample consists of 20.45% female and 79.55% male.

Measures

All measurements in this study were used a response scale from 1 was “strongly disagree” to 5 was “strongly agree. Psychological Contracts that consist of transactional and interactional contracts were measured by Raja et al. (2004), four-items for transactional contracts, and five-items for relational contracts ($\alpha=0.746$; $\alpha=0.794$). Work engagement was measured by using the Utrecht Work Engagement Scale (UWES) (Schaufeli, et al., 2006) nine-items which consists of three dimensions, vigor (3 items), dedication (3 items), and absorption (3 items) ($\alpha=0.905$). We measured organizational resources which consist of three-item supervisory performance feedback by Hackman & Oldham

(1975) and three-items supervisory coaching by Lindstrom, et al (2000) ($\alpha=0.746$). Social resources were measured by using three-items from Lindstrom, et al. (2000) ($\alpha=0.600$). Knowledge sharing intention was measured by using five-items from Bock, et al (2005) ($\alpha=0.853$), and innovative work behavior was measured by using nine-items from Janssen (2002) ($\alpha=0.935$).

RESULTS

We first tested our hypothesis 1 to 3 by using Partial Least Square. Then we tested our hypotheses 4a, 4b, 5a, and 5b by using a moderated mediation mechanism developed by Hayes (2015). Before we test our hypothesis we analyzed our measurement model. Table 1 shows the results of the analysis. The composite reliability range from 0.827 to 0.945 and the average variance extracted (AVE) value ranges between 0.629 to 0.707. Based on Hair, et al. (2017) the score for both composite reliability and AVE are exceeding the recommended threshold. Besides conducted convergent reliability, we conducted discriminant validity by using Fornell and Larcker's (1981) to tests our shared variance between pairs of constructs. The results show that the correlation between each pair of our constructs does not exceed the AVE's square root and this implies that our model confirms the discriminant validity.

Table 1 Descriptive Statistics and Correlation Matrix

Variables	Mean	SD	CR	AVE	1	2	3	4	5	6	7
Innovative Work Behavior	3.834	0.605	0.945	0.658	0.811						
Knowledge Sharing Intention	3.989	0.588	0.894	0.629	0.740	0.793					
Organizational Resources	3.924	0.652	0.904	0.702	0.720	0.702	0.838				
Relational Contracts	3.702	0.804	0.879	0.707	0.456	0.484	0.750	0.841			
Social Resources	4.038	0.600	0.827	0.705	0.506	0.654	0.574	0.516	0.840		
Transactional Contracts	2.548	0.839	0.853	0.661	-0.075	-0.120	-0.178	-0.086	-0.061	0.813	
Work Engagement	3.955	0.643	0.907	0.677	0.765	0.712	0.751	0.686	0.557	-0.201	0.823

Notes: SD: Standard Deviation; CR: Composite Reliability, AVE: Average Variance Extracted; Diagonal Items: $\sqrt{\text{AVE}}$

Table 2 Significance Testing Results of the Structural Model Path Coefficients

Path	Path Coefficients	Standard Errors	p-Values	f 2	CI
H1a: TC → WE	-0.142	0.082	0.042	0.065	[-0.262 . 0.046]
H1b: RC → WE	0.675	0.671	0.000	0.890	[0.583 . 0.753]
H2 : WE → KSI	0.712	0.066	0.000	1.027	[0.624 . 0.789]
H3 : KSI → IWB	0.396	0.103	0.000	0.231	[0.266 . 0.526]

Table 3 Conditional Indirect Effect for Organizational Resources

Path	Index	BootLLCI	BootULCI
H4a: TC → WE → IWB	-0.0285	-0.0834	-0.0556
H4b: RC → WE → IWB	0.0124	0.00330	0.0528

Table 4 Conditional Indirect Effect for Social Resources

Path	Index	BootLLCI	BootULCI
H5a: TC → WE → IWB	0.0124	0.00330	0.0528
H5b: RC → WE → IWB	0.8435	0.0299	0.00899

TC = Transactional Contract,
 WE = Work Engagement,
 RC = Relational Contract,
 KSI = Knowledge Sharing Intention,
 IWB = Innovative Work Behavior

After conducted validity and reliability tests, we tested our structural model to test hypotheses 1 to 3. Table 2 shows the results of our analysis. Both relational contracts and transactional contracts have a significant indirect effect on innovative work behavior via work engagement ($\beta=0.675$, $p<0.01$; $\beta=-0.142$, $p<0.05$), thus supporting hypothesis 1a and hypothesis 1b. Work engagement has a significant effect in predicting knowledge sharing intention ($\beta=0.712$, $p<0.01$), thus supporting hypotheses 2. Knowledge sharing intention has a significant effect on innovative work behavior ($\beta=0.396$, $p<0.01$), thus hypothesis 3 was supported.

To test the indirect conditional effect or moderated mediation we employed PROGRAMS, an add-on in SPSS which developed by Hayes (2015). The Hayes mechanism also suggested by Hair et

al. (2017) since SmartPLS 3 does not support conditional indirect effect. Table 3 and Table 4 show the results of our moderated mediation or indirect conditional effects. Organizational resources were significantly weakened the negative indirect relationship between work engagement and transactional contracts and innovative work behavior ($\beta=-0.0285$, BootLLCI -0.0834, BootULCI -0.0556, $p<0.1$), thus supported hypothesis 4a. Surprisingly, our result shows that social resources have no moderating effect in predicting the indirect effect of work engagement on transactional and innovative work behavior, thus hypothesis 4b was not supported. Both organizational and relational resources were significantly moderated the indirect effect of relational contracts on innovative work behavior, it implies that organizational and relational resources strengthen the indirect effect of work engagement on innovative work behavior ($\beta=0.0124$, BootLLCI 0.00330, BootULCI 0.0528, $p<0.1$; ($\beta=0.8435$, BootLLCI 0.0299, BootULCI 0.00899, $p<0.1$), thus hypothesis 5a and 5b were supported.

DISCUSSION

This study examined the direct effect of psychological contracts which consists of two types, relational and transactional contracts. Based on our results, both types of psychological contracts are important predictors for work engagement. Transactional contracts have a negative effect on work engagement while relational contracts appear to positively affect work engagement. Consistent with our hypothesis, employees who hold transactional contracts which are characterized as short-term contracts and more motivated by economic exchange tend to decrease their work engagement. Chang et al. (2013), argued that when employees-employers hold transactional contracts, maintain the short-term relationship, employers fail to give socio-emotional support to their employees which in turn will enact lower employees' work engagement. A low level of work engagement will decrease employees' energy, enthusiasm, focus, intensity, and resilience in taking risks. Thus, the employee will reluctant to engage in innovative behavior. On the contrary, relational contracts may enhance the employees' psychological condition that increases work engagement (Chang et al., 2013). Employees with a high level of engagement tend to have energy, the enthusiasm that makes them more willing to engage in innovative behavior. Consistent with the theory of work engagement by Kahn (1990), which suggests that high work engagement acts as motivation for employees to be more innovative.

Our study also gives strong support to prior studies. We found that the intention of knowledge sharing has a positive significant effect in predicting innovative work behavior. Kim and Park (2017), argued that when employees have a strong intention to share their knowledge with their colleagues related to give new ideas for the shake of organization and share how to implement those ideas will increase their innovative work behavior.

On the other hand, while several of our results give strong support to the prior study, our hypothesis which stated that job resources will moderate the mediation effect of psychological contracts to innovative work behavior via work engagement are partially supported. The strength of mediation ef-

fects will be varied depends on the level of job resources. Different level of job resources which consists of organizational and social resources diminish the negative indirect relationship of work engagement. Organizational resources weakened the negative indirect association between transactional contracts and innovative work behavior. On the other hand, both resources, organizational and social, strengthen the mechanism from relational contracts to innovative work behavior via work engagement. Interestingly, social resources have an insignificant effect on moderating the indirect effect of transactional contracts to innovative work behavior via work engagement. An employee who holds transactional contracts and under a high level of organizational resources which is characterized as extensive performance feedback from the supervisor sees the supervisor as the agent of organization in the employee-employer exchange rather than colleagues (Dulac et al., 2008). It implies several things. First, superiors are more directly than colleagues or peers to satisfy the employees' needs since superiors have the power to distribute rewards and other resources. Second, it also supports several studies (Scott and Bruce, 1994) that innovation is a risky activity, it requires strong support from those who have the legitimate power to save the employees if the innovation progress is not well implemented or even fail. Superiors or supervisors are a person who has legitimate power compare to colleagues or peers. Support from colleagues could help an employee to do innovation but this support is unable to create psychological safety for those who hold the transactional contract, thus strong support from superiors or supervisors are more necessary for an employee with a transactional contract to engage in innovation activities.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Relational contracts and transactional contracts have a significant indirect effect on innovative work behavior via work engagement. Work engagement has a significant effect in predicting knowledge sharing intention. Knowledge sharing intention has a sig-

nificant effect on innovative work behavior. Organizational resources were significantly weakened by the negative indirect relationship between work engagement and transactional contracts and innovative work behavior. Social resources have no moderating effect in predicting the indirect effect of work engagement on transactional and innovative work behavior. Both organizational and relational resources were significantly moderated the indirect effect of relational contracts on innovative work behavior, it implies that organizational and relational resources strengthen the indirect effect of work engagement on innovative work behavior.

Recommendations

There are several limitations and suggestions for future research. First, our study did not test whether the types of industry may affect employees' innovative work behavior. Second, to further analyze the psychological contracts, we suggest to differ the respondents based on their employment status since full-time or part-time employees may have different psychological contracts that they believe with the employer.

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