# The Impact of Ethical Leadership on Innovative Work Behavior: The Role of Perceived Organizational Support, Proactive Personality and Psychological Safety

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## Abstract

This study aimed to examine the effects of moderation of perceptions of organizational support and proactive personality as well as psychological safety mediation in the influence of ethical leadership on innovative work behavior. Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS software version 4 on 195 employees at Bagas Waras Klaten Hospital. The results of this study show a direct and significant influence between ethical leadership and innovative work behavior and perceptions of organizational support, and ethical leadership encourages innovative work behavior mediated by psychological safety. Perceptions of organizational support moderate the relationship between ethical leadership and innovative work behavior. However, in this study, proactive personalities were found not to moderate the influence of ethical leadership on innovative work behavior.

**Keywords: Ethical Leadership, Proactive Personality, Psychological Safety, Innovative Work Behavior, Perception of Organizational Support**

## INTRODUCTION

Innovative behavior is important for organizations, considering that an organization needs to adapt to environmental changes, as well as to build and maintain competitiveness and profits in order to achieve competitive advantage (Choi et al., 2016). Competitive advantage is the survivability of an organization obtained through the characteristics and resources of the organization to have higher performance than other organizations in the same industry or market, including healthcare institutions (Porter, 1981). Innovation in health care in the form of identifying inefficiencies in daily health care activities, including sensitive issues such as leadership and organizational managerial. Hospital management should have the ability to innovate behavior, have a visionary way of thinking when facing challenges and changes, and design ideas that are shown in innovative work behavior. According to (Scott & Bruce, 1994), innovative work behavior is individual behavior that displays, promotes, and implements new ideas and ideas. It is strongly influenced by organizational leadership in guiding, motivating, and shaping innovative employee behavior in the workplace (Kleysen & Street, 2001). Ethical leadership is the fair treatment of employees through participation, decision-making, and shared communication that aligns with an organization's innovative culture, considered essential for competitive advantage (Musenze & Mayende, 2021). Ethical leaders who demonstrate employee-centered leadership behavior enable employees to develop skills and

desire to engage in work behavior and leaders who encourage employees to make their own decisions and think independently are also referred to as ethical leaders (Azzahra et al., 2024).

There are studies that establish the positive influence of ethical leadership styles on perceptions of organizational support. Perception of organizational support is in the form of considering employees as valuable assets in the organization so that it will make employees feel valued and supported by the leader (Kurtessis et al., 2017). Organizational Support Theory (OST) assumes that the organizational support provided to employees can increase their beliefs about their values and work. Ethical leaders are also able to influence employee behavior with legitimate power and respect, and followers will also feel treated honestly, fairly, and attentively because of the leader's trust. It is also considered a pleasant work experience and will enhance the support of the organization (Rhoades & Eisenberger, 2002).

Next, (Musenze & Mayende, 2021) examine empirically examined the effects of moderating perceptions of organizational support, and (Ahmad et al., 2021) It also tested whether proactive personalities moderated the influence of ethical leaders on invasive work behavior. Ethical leadership principles of fairness, trust, and prioritizing the interests of others are used in an organizational environment that supports enterprising work and nurtures innovative work behavior. Social exchange theory also supports that perceptions of organizational support will result in quality working relationships because employees feel supported and valued by ethical leaders and are aware of their obligation to give trust, commitment, and innovative work behaviors to the organization. Some studies have also suggested that ethical leadership is irrelevant or less effective in certain situations (Ahmad et al., 2021) And it's important to consider the positive impact that proactive personality factors depend on  (Babalola et al., 2019).

A proactive personality is the tendency of employees to take the initiative and be oriented towards organizational achievement (Craut, 2000). Substitute leadership theory It is a reference to proactive personality, which states that several factors characteristic of employees in the form of individuals, tasks, and organizations can replace or eliminate certain leader behaviors so as to eliminate the need for leadership in some situations (Kerr & Jermier, 1978). Individuals with high moral awareness will exert excessive influence on leadership behavior, but it will be effective for individuals with low morale. This study will examine the effects of proactive personality moderation that weaken the relationship between ethical leadership and innovative work behavior. On the other hand, research (Iqbal et al., 2020) suggests that further exploration of potential mediators linking ethical leadership and employee work behavior is necessary, so it is believed that there is a mediating variable that will enhance employee innovative work behavior triggered by ethical leadership, namely psychological safety (Ahmad et al., 2021)

Psychological safety is the shared belief that employees feel safe in demonstrating and hiring their own self-esteem without fear of negative consequences to self-image, status, or career (Edmondson, 1999). (Ahmad et al., 2021) His research explained that employees with a high level of psychological safety tend to engage in innovative work and can act out of the ordinary so as to create ideas and implement new methods. If there is a failure also does not bring negative impacts, these ideas can arise if ethical leaders display openness and concern for employees. Social learning theory by Bandura (1997) states that ethical leaders can influence employee behavior through example and employees also imitate leader behavior in the work environment (Men et al., 2018). This means that ethical leaders will influence

employee attitudes and behavior through their qualities, creating an atmosphere of mutual respect and increasing employee psychological safety (Ahmad et al., 2021). Employees will feel safe in expressing their ideas.

A study conducted by Wiyono (2017) found that there is no direct influence between ethical leadership and innovative work behavior through mediating work attachment to the sample sales marketing. Research (Kresnandito & Fajrianti, 2012) Using a sample of radio broadcasters, it was also found that ethical leadership was insignificant in innovative work behavior. Supported by observations and interviews with the director of Bagas Waras Hospital, Limawan Budiwibowo, M. Kes, several problems were found related to existing services, including patient complaints related to the length of waiting time and nurses who showed differences in general patient treatment with BPJS. Moreover, Bagas Waras Hospital is also a hospital that has only been established for 8 years.

The aim of the study is to investigate the relationship between ethical leadership and innovative work behavior among employees at Bagas Waras Hospital, with a particular focus on the mediating role of psychological safety. The study seeks to understand how ethical leadership influences employees' willingness to express ideas and engage in innovative behaviors, especially considering the context of the hospital's relatively recent establishment and the existing service-related issues.

**METHODS**

The research used in this study is quantitative research with survey methods. The sampling techniques used are proportional random sampling with the subject of his research employees of Bagas Waras Hospital. The data collection techniques used in this study used questionnaire instruments of ethical leadership, innovative work behavior, organizational support, proactive personality, and psychological safety measured using a scale Likert 1-5. Data analysis method using descriptive analysis and analysis Full Model Structural Equation Modeling (SEM) with SmartPLS 4.

**RESULTS AND DISCUSSION**

**Descriptive Analysis**

The results of research conducted on 195 respondents revealed that ethical leadership is high, innovative work behavior, organizational support, proactive personality, and psychological security at Bagas Waras Hospital are in the medium category. The findings can be observed in Table 1.

**Table 1. Variable Categories**

| Variable | Mean | Category |
|---|---|---|
| Ethical Leadership | 3,74 | High |
| Innovative Work Behavior | 3.56 | Moderate |
| Perception of Organizational Support | 3.58 | Moderate |
| Proactive Personality | 3.50 | Moderate |
| Psychological Safety | 3.33 | Moderate |

Source: Primary data processed (2024)

Table 1 shows that ethical leadership obtained an average score of 3.74 in the high-value category. This means that respondents rated the ethical leadership possessed by the superiors of Bagas Waras Hospital tended to be high. Furthermore, the results of respondents' responses to the variable of innovative work behavior obtained an average value of 3.56 with a medium value category, meaning that employees of Bagas Waras Hospital have enough innovative work behavior. Then, the average response rate of respondents assessed the perception of organizational support at Bagas Waras Hospital at 3.58 with a medium category. Furthermore, the proactive personality has an average score of 3.50 in the medium grade category. This means that Bagas Waras Hospital employees have a fairly proactive personality. Finally, the psychological security felt by Bagas Waras Hospital employees received an overall average score of 3.33 in the medium category.

**Test the hypothesis**

**Table 2. Hypothesis Test**

| | Original Sample (O) | T Statistics ($|O/STDEV|$) | P Values | Conclusion |
|---|---|---|---|---|
| KE ⟶ PKI | 0.474 | 6.451 | 0.000 | Significant |
| KE ⟶ PDO | 0,636 | 10.264 | 0.000 | Significant |
| KE*PDO ⟶ PKI | 0.121 | 2.296 | 0.022 | Significant |
| KE*KP ⟶ PKI | -0.030 | 0.522 | 0.602 | Not Significant |
| KE ⟶ KPS ⟶ PKI | 0.176 | 3.359 | 0.001 | Significant |

KE = Ethical Leadership, PKI = Innovative Work Behavior, PPP = Psychological Security, PDO = Perception of Organizational Support, KP = Proactive Personality

In Table 2 above, we get the value P-Values 0.000, which means that Ettis' leadership has a positive and significant effect on innovative work behavior. These results are in line with the main journal work (Musenze & Mayende, 2021) and supporting journals (Ahmad et al., 2021). Research has shown that the positive relationship between ethical leadership and innovative work behavior is applied in a way that upholds moral values at work, encourages open communication, and respects each employee. Ethical leadership attitudes with integrity and trustworthiness in leading the organization can improve the innovative work behavior of employees. Like the attitude of the superiors of Bagas Waras Hospital, who encourage open communication, provide work autonomy, and provide opportunities for employees to express their views and share opinions, followers or employees are more motivated to innovate and find creative solutions. This suggests hypothesis 1 is acceptable.

Furthermore, the influence of ethical leadership on the perception of organizational support obtained value results in P-Values 0.000, which means ethical leadership has a positive and significant effect on the perception of organizational support. These results are supported (Musenze & Mayende, 2021) by the fact that ethical leaders are able to influence employee behavior by using legitimate power and rewarding them to produce expected employee behavior. (Tyler, 1986) Say that employees support bosses who are fair in their assessments and able to create a fair work environment. Also, the employee will feel happy, happy, or

optimistic if his boss respects his rights and dignity, pays attention to his well-being, or listens to his concerns and ideas. For example, employees of Bagas Waras Hospital feel honesty, fairness, and care from their superiors. The more trust they develop, the more they will reciprocate. Therefore, the ethical treatment received by employees of Bagas Waras Hospital is considered an encouraging work experience that can increase the level of organizational support. This suggests hypothesis 2 is acceptable.

Then, the role of moderation of perceptions of organizational support in the influence of ethical leadership on innovative work behavior is valued; P-Values 0.022, which can be interpreted as a high perceived value of organizational support, will strengthen the influence of ethical leadership on innovative work behavior. These results are in line with research conducted (Musenze & Mayende, 2021) , which states that ethical leadership principles such as fairness, trust, and prioritizing the interests of others are used in a supportive organizational environment among employees to work harder and nurture innovative work behavior. For example, the superiors of Bagas Waras Hospital show their caring nature for followers or employees and embody a participatory decision-making approach that makes employees feel more valued, which leads to highly innovative work behavior. This is supported by the theory of social exchange as a result of organizational support that results in quality working relationships because when employees of Bagas Waras Hospital feel supported and valued by superiors, they feel obliged to pay back the organization through trust, commitment, and innovative work behavior. This suggests hypothesis 3 is acceptable.

Furthermore, the role of proactive personality moderation in the influence of ethical leadership on innovative work behavior is valued; P-Values amounted to 0.602. That is, the proactive personality does not moderate the relationship, whereas the presence of a proactive personality does not strengthen or weaken the relationship of ethical leadership with innovative work behavior. When the ethical leadership influence of Bagas Waras Hospital is high, it will directly have an impact on improving the innovative work behavior of employees without having to get proactive personality support. This is not in line with previous research, where when an employee's proactive personality is high, it weakens the relationship of ethical leadership with innovative work behavior. According to him, proactive employees do not rely on the direction of leaders related to work, and proactive employees tend to show great effort in sparking new ideas, so they do not depend on their leaders (Velez & Neves, 2018). But not with some of the employees at Bagas Waras Hospital. Ethical leadership itself is very powerful in influencing innovative work behavior.

Ethical values, trust, and support from superiors are enough to drive innovation in organizations, so the added influence of a proactive personality becomes less visible. Proactive individuals are usually focused on achieving organizational goals and looking for opportunities to innovate, but when the entire organization is well-directed by strong ethical leadership, the contribution of individual proactivity is less visible because the direction of innovation is clear and supported by leadership. This happened to Bagas Waras Hospital, whose mission is to prioritize patient safety and high-quality services, not competing for profit. In this environment, Bagas Waras Hospital employees feel more motivated by a noble common goal, which is to maintain and improve patient safety.

The ethical leadership that underpins this mission provides powerful inspiration and drive to innovate for service improvement without having to rely on the proactive nature of

individuals. Research conducted (Andryani et al., 2023) states that proactive personalities do not moderate transformational leadership relationships with Organizational Identification and work engagement. It is explained that employees with a high level of proactive personality are not influenced by leadership to be dedicated or solemn with their work because proactive employees naturally look for new opportunities and ways of doing their work for their own benefit. That is, the employee, in terms of being identified with the organization, is dedicated and solemn to his work solely due to his own desires. This suggests hypothesis 4 is rejected.

Finally, the mediating role of psychological safety in the influence of ethical leadership on innovative work behavior was valued. A P-value of 0.001 means that psychological safety mediates the influence of ethical leadership on innovative work behavior. The results of this study reinforce previous research that states that with psychological safety, employees feel safe to express themselves and provide suggestions and new ideas without fear, which can help employees demonstrate innovative behavior (Leung et al., 2015). In short, ethical leadership is effective because it values honest relationships and promotes interpersonal trust and mutual respect, which makes employees feel secure in performing innovative behaviors for the success of their organization (Walumbwa et al., 2021). This is supported by past research showing that ethical leadership and innovative work behaviors are mediated by psychological safety (Liu et al., 2023). Where ethical leaders play a key role in building relationships of mutual respect and trust among members of the organization, which in turn increases the psychological safety of employees in expressing their ideas and being willing to provide suggestions and new ideas so as to encourage innovative behavior (Ahmad & Umrani, 2019). For example, Bagas Waras Hospital employees feel that their leaders care and respect their interests. This makes Bagas Waras Hospital employees believe that they are in a safe state in the organization, which will encourage the creation of creative ideas. This suggests hypothesis 5 is acceptable.

**CONCLUSION**

Based on the results and discussions that have been reviewed regarding the role of moderation of perceptions of organizational support and proactive personality, as well as psychological security mediation in the influence of ethical leadership on innovative work behavior at Bagas Waras Hospital, it can be concluded that the ethical leadership applied by the superiors of Bagas Waras Hospital is high, while innovative work behavior, organizational support, proactive personality, and psychological security in Bagas Waras Hospital employees are moderate. The results of hypotheses that have been tested show ethical leadership is influential in improving innovative work behavior and organizational support of employees, ethical leadership encourages innovative work behavior mediated psychological safety, and perception of organizational support moderates the relationship between ethical leadership and innovative work behavior. However, proactive personalities were found not to moderate the influence of ethical leadership on innovative work behavior.

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