WELL-BEING AND INNOVATION: INVESTIGATING THE LINKAGE AMONG WELL-BEING ORIENTED MANAGEMENT, KNOWLEDGE SHARING, INNOVATION CLIMATE, AND INNOVATIVE WORK BEHAVIOUR

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Abstract

For businesses to survive, innovation is essential. As a result, business experts and academics engaged in extensive discussions about encouraging creativity in corporate settings. However, most of the present literature focuses on the performance management paradigm when discussing innovation. Innovation is a resource-intensive process that, while it improves corporate performance, drains employees' resources. Thus, evaluating innovation through more critical lenses is needed. Through the lenses of the Theory of Conservation of Resources and Job Demand Resources Model, this research views innovation as a job demand and well-being oriented management as human resource intervention to enhance employee well-being. This intervention provides additional resources for employees to conduct innovation through knowledge sharing and is moderated by innovation climate. Purposive sampling is employed for this research survey and yields 150 valid responses. The data is then analyzed using SEM-PLS. The result shows that well-being oriented management positively influences knowledge sharing, and knowledge sharing positively influences innovative work behaviour. Furthermore, knowledge sharing is also proven to mediate between well-being-oriented management and innovative work behaviour. Moreover, innovation climate does not moderate the relationship between knowledge sharing and innovative work behaviour. The result implies that managers must uphold their staff members' well-being by employing well-being-oriented management.

Keywords: Innovative Work Behaviour, Well-Being Oriented Management, Employee Well-being, Knowledge Sharing, Innovation Climate

JEL Classification: I31, M12, M14

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INTRODUCTION

Innovation is imperative for ensuring organizational survival and success in the modern business world (AlEssa & Durugbo, 2021; Castaneda & Cuellar, 2020). Due to this, business organizations place significant resources on enhancing innovation within their respective organi-
organizations (Newman et al., 2020). A few of the many approaches taken by organizations for fostering innovation are: 1) placing innovation as an essential individual performance indicator, 2) giving monetary incentives for the most innovative idea, and 3) providing a platform for employees to give and implement their idea (e.g., Amazon).

In the same light, management scholars also have put significant attention to elucidating innovation in the workplace. One of the fundamentals of innovation is individual creativity and proactive behaviour in their work. This creativity and proactiveness in everyday work are called Innovative Work Behaviour (IWB). According to a systematic literature review by AlEssa & Durugbo (2021), literature in IWB has skyrocketed in recent years, especially around 2016-2019. However, most of the literature examines innovation through job and organization performance lenses without acknowledging that innovation is a cognitively and emotionally demanding activity (Janssen, 2000).

Acknowledging the resource-intensive nature of innovation, Salas-Vallina et al., (2020) coined the concept of Well-Being Oriented Management (WOM) and how it relates to IWB. WOM is a human resource practice set that prioritizes employee well-being (Salas-Vallina et al., 2020). This practice provides employees with additional resources. This resource addition encourages within-person factors, resulting in a higher level of innovative work behaviour. That said, they only provide one mediating mechanism of how WOM influences IWB by proving that WOM ignites employees’ work passion, and this passion provides employees with more cognitive power and flexibility to do IWB.

While work passion is essential in transmitting the effect of WOM to IWB, we argue that the mechanism should be expanded by adding knowledge and innovation-related constructs, as IWB is dependent on the continuous acquisition and exchange of knowledge among workers (Castaneda & Cuellar, 2020; Rhee et al., 2010) and supporting working climate to foster the innovation.

Knowledge Sharing (KS) is a knowledge-related construct that strongly correlates with IWB. KS is a behaviour through which individuals mutually exchange their knowledge, such as information, skills, and expertise (Mirzaee & Ghaffari, 2018). This transfer requires framing experience, information, and expertise into practices. Based on the aforementioned definition, KS plays a pivotal role in two crucial processes in knowledge and innovation management, creating and applying organizational knowledge. However, KS itself is a resource-intensive activity. In sharing knowledge, employees must invest their time, resource, and energy to share the knowledge. This investment of resources depletes resources owned by the employee. Therefore, employees need more resources to engage in KS. Thus, the organization must provide ample resources for employees to share knowledge and innovate their work. The WOM provides the required additional resource for employees to share knowledge and do innovative work behaviour. In addition to knowledge exchange and sharing, it is shown by several studies that Innovation Climate (IC) plays an important moderating role in the mechanism between IWB and its antecedents (Newman et al., 2020).

Based on the rationale above, the main objective of this research is to enrich the understanding of how WOM can foster innovation within business organizations. To achieve this objective, we expand the WOM model coined by Salas-Vallina et al. (2020) by adding knowledge sharing as a mediator between WOM and IWB and IC as a moderator of the KS-IWB relationship. In addition, this research supports the mutual gain view of the Well-being-performance debate in the human resource management literature.

This paper is organized as follows; first, we present or literature review. Second, we
present our development of the hypothesis. Third, the description of the research method of this research is briefly outlined. Fourth, we present the discussion of our findings. Last, we provide a conclusion, managerial implication, and limitation of our research.

LITERATURE REVIEW

Theory of Conservation of Resources (COR) and Job Demand Resources Model (JD-R)

Since Hobfoll developed the COR in 1989, it has been widely used in HRM and organization research (Hobfoll et al., 2018). The core tenet of COR is the survival instinct of human cognition and behaviour that retains, fosters, and protects centrally valued things or resources. Resources can be grouped into four categories: object resources (e.g., cars and machines), condition resources (e.g., seniority and tenure), personal traits (e.g., conscientiousness and self-efficacy), and energy resources (e.g., money and knowledge). Individuals maximize resource gain and minimize resource loss throughout their lives. The four principles of COR explain the interplay among individuals, resource gain, and resource loss.

The first principle of COR theory is that resource loss is more salient than resource gain. Based on this principle, individuals emphasize resource loss and de-emphasize resource gain. This bias exists due to survival instincts ingrained in the human brain since the prehistoric era (Hobfoll, 1989). In that era, the loss of even the smallest quantity of resources could result in the failure to survive. Accordingly, the human brain still reacts more to resource loss than resource gain. The second principle of COR theory is the resource investment principle. According to this principle, if individuals want protection from resource loss, recovery from resource loss, and the gain of resource needs, they must first invest their available resources. The third principle is the gain paradox principle. This principle asserts that resource gains will be more appreciated under conditions in which resource loss is highly probable. The last principle is the desperation principle. This principle assumes that when resources are undergoing depletion or remaining at a minimum, individuals will become defensive, aggressive, and irrational to protect the leftover resources.

Moreover, aligned with the principle of Conservation of Resource theory about the resource investment principle, Job Demand Resource Model (JD-R) posits that job characteristics can be categorized as either job demands or job resources, initiating a direct or indirect process that affects well-being and performance-related outcomes such as engagement (Bakker & Demerouti, 2017). A job demand is any physical, social, or psychological aspect of the job that necessitates constant physical or mental effort on the part of the employee. On the other side, job resource, such as autonomy, social support, and job security, is a job's physical, interpersonal, and psychological elements that contribute to intrinsic or extrinsic motivation. Employees with high job demands might experience resource depletion or even resource deficit. This condition affects employees' mental state which can affect their job performance. When an organization provides resources that support their employees, it can reduce stressful experience even if employees have a demanding job. Moreover, when the organization properly provides job resources, it can increase mental and physical energies of the employees and enhance their job engagement and performance. In addition to that, recent research on the JD-R has emphasized the importance of personal resources, widely defined as self-evaluations connected to a person's resilience and sense of control over their environment. The more resources an individual has, the better their
intrinsic motivation, self-esteem, and goal self-concordance. (Hobfoll et al., 2003; Judge et al. 2005).

Through the lenses of above-mentioned theories, we argue that innovation is an intensive job demand that can significantly deplete employee job resources (Janssen, 2004), therefore without any intervention to equip employees with more resources or provide them with a mechanism to replenish their loss of resource, the innovation within the organization will not be sustainable in the long run. Employees will be in a state of resource deficit, triggering their desperation, which might harm the employees and the organization. That said, the existing mechanism and intervention to boost innovation are designed in the name of performance management logic. While the intervention has worked to boost innovation, the existing intervention, such as a high-performance work system, is short-lived because of twofold reasons. First, the existing intervention leads to work intensification, benefiting organizations but disadvantaging employees (Guest, 2017; Salas-Vallina et al., 2021). This win-loss situation prohibits innovation in the organization from becoming sustainable. Second, the COVID-19 pandemic has brought significant change to business organizations, one of the significant changes is that the current workforces place well-being as the number one priority in their working life.

Employee Well-Being (EWB) and Well-being Oriented Management (WOM)

The well-being of the employees has become a spotlight in the HRM and organization literature during this decade. Furthermore, the current pandemic has forced organizations to shift their focus from managing work/occupational experiences to managing overall employee life experiences. Remote working or Working from Home (WFH) policies has hastened digitalization, changed work organization, and made the distinction between personal life and working life blurry even more (ILO, 2020). Moreover, Human Resource managers need to redefine Human Resource Management systems as pre-pandemic HR systems and place the central assumption that employees are in proximity to offices. Therefore, the urgency for advocating EWB in the workplaces has become vital than ever.

In the HRM scholarship, there has been heated debate from two competing views about the effect of the HR system on EWB. The proponents of the mutual gain perspective argue that maintaining EWB within organizations will benefit employers and employees. On the other hand, proponents of the critical perspective argue that organizational performance and employee well-being are negatively related (Van De Voorde et al., 2012). Click or tap here to enter text.

In this research, we adopt the mutual gain perspective and argue that maintaining EWB is both a responsibility and a benefit for the companies. Specifically, if organizations place employee well-being in their management style (well-being-oriented management), employee and organization performance will receive positive impacts. Well-Being Oriented Management consists of practices for enriching, strengthening, empowering, and connecting practices and providing employees with the necessary support to increase the quality of their working lives (Salas-Vallina et al., 2020).

WOM, Knowledge Sharing, and IWB

The willingness of someone to share and gain knowledge has been proven to be influenced by their well-being (Wang et al., 2017). From the conservation of resource point of view, people who share knowledge need to invest their time, effort, and energy to do the sharing behaviour, thus depleting their resources for doing this voluntary act. As the employees are at risk for resource depletion, the employee ensures that they will directly or indirectly be compensated for doing the sharing
behaviour before they conduct knowledge-sharing behaviour (Kim, 2021). Therefore, when employees receive additional resources through the practice of WOM in their organization, they are willing to share tacit and explicit knowledge with other employees as they receive additional resource and less worry about the possibility of resource loss. In short, as WOM provides arrays of practices to enhance the overall well-being of employees, these employees, in turn, share their knowledge with their coworkers to help them with their job. Hence the first hypothesis is:

**H1: WOM positively influences KS.**

It is a consensus that innovation requires accumulation of knowledge, as the evidence of the stated well documented in the knowledge management literature since 1992 (Kim, 2021). By conducting knowledge-sharing behaviour, especially by "giving" the knowledge, the employee revisits and hones their understanding of the knowledge and, in the long run, will increase their level of innovativeness in their work. Moreover, knowledge sharing stimulates a cognitive elaboration and re-elaboration process that allows individuals to view their knowledge from a new perspective and facilitates its mobilization for innovative goals (Radaelli et al., 2014). Furthermore, the second dimension of knowledge sharing, knowledge collecting, also intensifies when an employee has a high level of well-being (Kim, 2021; Wang et al., 2017). A high level of well-being is the source of internal motivation to collect knowledge and crystallize the knowledge for innovation. Therefore, the second hypothesis is:

**H2: KS positively influences IWB.**

As stated before, from the point of view of conservation of resources, WOM, which is a bundle of human resources practices to enhance employee well-being, can be seen as an additional job resource (Camelo-Ordaz et al., 2011; Salas-Vallina et al., 2020). This additional job resource crystallized into a high propensity for knowledge sharing within the organization. In the long run, this knowledge sharing provides the primary material for employees to innovate in doing their job. Thus, knowledge sharing can be viewed as mediating variable in the relationship between WOM and IWB. Hence, the last hypothesis in this paper is:

**H3: KS mediates the relationship between WOM and IWB.**

**Innovation Climate as Moderating Variable**

Last, to enable employees to implement their knowledge to do innovation, the organization needs to ensure that there is an organization climate that values and fosters innovation. This kind of climate, known as Innovation Climate (IC), provides employees with psychological safety, support for risk-taking, and motivation to take the initiative (Parzefall et al., 2008). Previous research has shown the moderating role of innovation climate between the antecedent of IWB and the IWB itself (e.g., Afsar & Umran, 2020; Dhar, 2015; Ismail Albalushi & Naqshbandi, 2022). Therefore, the fourth hypothesis of this research:

**H4: KS moderates the relationship between WOM and IWB such that the relationship between WOM and IWB becomes stronger as IC increases.**

An illustration of the conceptual framework of this study can be found in Figure 1.
RESEARCH METHODS

Sampling Procedures

This research will be conducted in arrays of organizations to provide empirical generalizability for this research. We employ non-probability purposive sampling. The criteria for selecting suitable respondents for this research are: 1) permanent employees with at least one year tenure in the organization; 2) work in a position where they are permitted to innovate their work process. The minimum sample requirement for this research is ten times the number of paths in the research model. As we have four paths in our research model, three paths from the direct model of this research and one additional path, the direct path between WOM and IWB. We draw the last path to test our research model’s mediating mechanism. Based on Hair et al. (2014), the minimum sample requirement is ten times the number of the fourth path in the research model. Therefore, minimum sample for our research model is 40 respondents. The survey was conducted from July 2022-August 2022. The survey was distributed using an online link. The link was distributed through the internal communication system of the organizations (e.g. email, workgroup chat, and personal chat). The link itself would direct the respondents to the online survey platform. Before respondents fill out the form, a confidentiality statement is given, and the respondents are provided with the choice to hide their identity for privacy concerns. In the end, we were able to collect 152 respondents.

Measurement

This research uses an established instrument to measure the four variables. For WOM, we use an instrument developed by Salas-Vallina et al., (2020). We use this instrument because, to our knowledge, there is no other instrument to measure WOM. The instrument consists of 16 questions measuring four dimensions of WOM. The sample items for this instrument are "I feel recognized and appreciated when my job is well done" and "I have the chance to help other people while at work."

Besides WOM, we employ an instrument developed by Lin (2007) to measure knowledge sharing. Lin (2007) defined knowledge sharing as a bi-dimensional construct consisting of knowledge donating and knowledge sharing. Despite there are several instruments for measuring KS, we chose Lin’s (2007) instrument, as the instrument covers a richer definition of knowledge sharing (knowledge giving and collecting). In contrast, other KS instruments only cover knowledge giving. The instrument measures both dimensions with nine-item. The sample item is as follows "When I have learned something new, I see to it that
colleagues outside of my department can learn it as well," and Colleagues outside of my department tell me what they know when I ask them about it."

There are two widely used IWB instruments; they are eight-item instruments by J. P. J. de Jong & Kemp (2003) and ten items developed by J. de Jong & den Hartog (2010). We chose the former instrument as it measures IWB through the self-administered survey. The sample items for the instrument are as follows: "In my work, I often come up with ideas" and "the people in my company consider me a strong advocate of renewal and change." Besides the three instruments measured in this research, the survey questionnaire also asked several demographic questions such as tenure, position, experience, number of dependents, level of education, and salary range. Last, IC is measured using eight items instrument developed by Subramaniam & Moslehi (2013). We chose this instrument because it offers parsimonious measurements for measuring perceived organizational IC by employees.

Data Analysis
The data gathered through this survey is analyzed using Structured Equation Modeling-Partial Least Square (SEM-PLS) using SMART PLS 3 (Ringle, Christian M, Becker, 2015). SEM-PLS is chosen due to the nature of this research finding the consequences of WOM. Therefore, SEM-PLS is more suited than SEM-Covariance Based (SEM-CB) (Hair et al., 2017). The SEM-PLS will assess the outer (measurement) and inner (structural) models. Hair et al. (2017) outlines the procedures for assessing the models. For assessing the outer model, several evaluations are needed. Concurrent validity is evaluated using Average Variance Extracted (AVE) and indicator loading. In contrast, discriminant validity is evaluated using the Fornell lacker criterion and cross-loading. Second, reliability evaluation is done through the evaluation of composite reliability.

It should be noted that WOM is a second-order construct (higher-order construct) consisting of four first-order constructs (low-order construct): strengthening, empowering, enriching, and connecting. Therefore, we employ a different approach in evaluating this construct's validity and reliability. We use two stages approach recommended by Hair et al. (2017). In the first stage, the first-order constructs are loaded with their respective indicators. After that, each first-order construct is connected to the second-order construct. As for the second-order construct, all indicators are loaded to the second-order construct. Therefore, each indicator is loaded twice in the first and second-order constructs. This approach is named the repeated indicator approach. After that, the latent variable score is extracted from the model, and the latent variable score is loaded to the first order in the second stage. Last, the model should achieve all the validity and reliability criteria in the second stage.

After evaluating the measurement model, the structural model should also pass through several evaluations to determine whether all paths (relationship between one construct to another) have acceptable goodness of fit. The evaluations for the structural model are R², Q², size and significance of path coefficient, f², Standardized Root Mean Squared Residual (SRMR), d_ULS, and d_G.

As our research has a mediating hypothesis, we follow three steps procedure outlined by Hair Jr. et al., (2017) to assess mediating effect. First, the indirect effect beta (influence of exogenous construct through mediating construct) is required to be significant. If the condition in the first step is fulfilled, the direct effect between exogenous and endogenous constructs is examined. If the direct effect is significant in the second step, then the mediation is a partial mediation. Meanwhile, if the direct effect is not significant, then it can be
concluded that the mediation is a full mediation. Should in the second step, it is found that the direct effect is significant, we have to proceed to the last step. In this last step, it is required to check the sign of the total effect beta. Should the sign is positive, then the mediation is complementary partial mediation. However, if the sign is negative, the mediation is competitive partial mediation (Hair Jr. et al., 2017).

RESULT AND DISCUSSION

Result
Throughout the survey, in total, 152 responses were recorded. However, two responses are incomplete; therefore, we exclude the stated responses. One hundred fifty responses come from employees from various demographic backgrounds and organizations. Table 1 is the detailed demographic profile of the 150 respondents. Based on biological gender majority of the respondents are female. In terms of education level, most of the respondents have a bachelor's degree. As for tenure, most of the respondents have worked in their current organization for one to five years. Last, regarding the type of organization in which they currently work, most survey respondents work in an organization within the consumer cyclical industry.

Outer or Measurement Model Evaluation
Following the outer model evaluation stated above, first, we assessed WOM as the construct is a second-order construct. The repeated indicator approach was employed in the first stage to extract the latent variable score for each first-order construct. After the latent variable score is loaded in the second stage model, we assessed the outer loading for all indicators in the model. The loading value for each indicator should be equal to or more than 0.7 to be considered a good indicator (Hair Jr. et al., 2017). A value between 0.4 and 0.7 can still be retained if all the metrics of internal consistency reliability are above their respective threshold (Hair Jr. et al., 2017). After assessing all indicator loading, we deleted two items, IWB4 and KS4, due to their poor loading. The final outer model is shown in Figure 2. After deleting two stated indicators, we examine values of AVE, composite reliability, and the Fornel-Lacker Criterion of the outer model.

As shown in Table 2, composite reliability, AVE and Fornel-Lacker Criterion have satisfied each threshold. Therefore, the outer/measurement model is valid and reliable.

Inner or Structural Model Assessment
After the outer model of this research has been assessed, Table 3 summarizes the criteria used to assess the inner model of this research. Based on the path beta and p-value, it can be concluded that H1 and H2 are accepted, while H4 cannot be accepted due to its p-value being more than 0.05. Following Ringle et al. (2020) categorization of f-square, the f-square WOM->KS has a large effect. Meanwhile, the f-square of the KS->IWB path exhibits a small effect. Besides f-square, we also add three measures of structural model fit for SEM PLS. It is shown that the SRMR value is below 0.08. SRMR value below 0.08 reflects a good structural fit of the research model (Henseler et al., 2014).

As shown in Table 4, All path in the inner model has a weak level of r-square. Next, for the Q-Square, according to Hair Jr. et al. (2017) and Ringle et al. (2020), a Q-square of more than 0 exhibits ample predictive relevance. Thus, two Q-square of the structural show that all exogenous constructs exhibit ample predictive relevance.

For testing hypothesis 3, we follow three-step procedures outlined by Hair Jr. et al. (2017). We summarize the steps in Table 5, as shown, the indirect effect is significant at a 1% level. After that, in the second step, the direct effect between WOM and IWB is significant at a 1% level. Thus, the mediation of KS in the
WOM-IWB linkage is a partial mediation. Thus, the product between direct and indirect effect produces positive value. Finally, the product between direct and indirect effect produces positive value. Thus KS is complementary partially mediation of the WOM-IWB linkage.

Table 1. Demographic Profile of Respondents

<table>
<thead>
<tr>
<th>Demographic Profile</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>45</td>
<td>30.00%</td>
</tr>
<tr>
<td>Female</td>
<td>105</td>
<td>70.00%</td>
</tr>
<tr>
<td>Education level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High-school Diploma</td>
<td>14</td>
<td>9.33%</td>
</tr>
<tr>
<td>Vocational School Degree</td>
<td>1</td>
<td>0.67%</td>
</tr>
<tr>
<td>Bachelor</td>
<td>121</td>
<td>80.67%</td>
</tr>
<tr>
<td>Master</td>
<td>13</td>
<td>8.67%</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>0.67%</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than one year</td>
<td>11</td>
<td>7.33%</td>
</tr>
<tr>
<td>1-5 years</td>
<td>80</td>
<td>53.33%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>23</td>
<td>15.33%</td>
</tr>
<tr>
<td>More than ten years</td>
<td>36</td>
<td>24.00%</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single/never married</td>
<td>77</td>
<td>51.33%</td>
</tr>
<tr>
<td>Married</td>
<td>72</td>
<td>48.00%</td>
</tr>
<tr>
<td>Divorced</td>
<td>1</td>
<td>0.67%</td>
</tr>
</tbody>
</table>

Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Material</td>
<td>3</td>
<td>2.00%</td>
</tr>
<tr>
<td>Consumer non-cyclical</td>
<td>7</td>
<td>4.67%</td>
</tr>
<tr>
<td>Consumer cyclical</td>
<td>102</td>
<td>68.00%</td>
</tr>
<tr>
<td>Health care</td>
<td>7</td>
<td>4.67%</td>
</tr>
<tr>
<td>Banking and Finance</td>
<td>7</td>
<td>4.67%</td>
</tr>
<tr>
<td>Property and Real estate</td>
<td>4</td>
<td>2.67%</td>
</tr>
<tr>
<td>Tech</td>
<td>4</td>
<td>2.67%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>2</td>
<td>1.33%</td>
</tr>
<tr>
<td>Transportation and Logistics</td>
<td>2</td>
<td>1.33%</td>
</tr>
<tr>
<td>Government</td>
<td>5</td>
<td>3.33%</td>
</tr>
<tr>
<td>Prefer not to say</td>
<td>7</td>
<td>4.67%</td>
</tr>
</tbody>
</table>

Figure 2. Estimate Result
### Table 2. Validity and Reliability Criteria for Each Construct

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Composite reliability*</th>
<th>AVE**</th>
<th>Fornell-Lacker Criterion***</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC</td>
<td>0.934</td>
<td>0.639</td>
<td><strong>0.799</strong></td>
</tr>
<tr>
<td>IWB</td>
<td>0.926</td>
<td>0.612</td>
<td>0.597</td>
</tr>
<tr>
<td>KS</td>
<td>0.917</td>
<td>0.579</td>
<td>0.480</td>
</tr>
<tr>
<td>WOM</td>
<td>0.904</td>
<td>0.701</td>
<td>0.753</td>
</tr>
</tbody>
</table>

*Composite reliability should be more than 0.7  
**AVE should be more than 0.5  
***Fornell-Lacker Criterion should be more than the correlation value of that construct to another construct

### Table 3. Direct Path Beta, p-value, $f^2$, and Model Fit

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>Beta</th>
<th>p-value</th>
<th>$f^2$</th>
<th>Decision</th>
<th>Model Fit</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>WOM -- KS</td>
<td>0.610</td>
<td>0.000a</td>
<td>0.591c</td>
<td>Accepted</td>
<td>SRMR</td>
<td>0.076</td>
</tr>
<tr>
<td>H2</td>
<td>KS -- IWB</td>
<td>0.259</td>
<td>0.000a</td>
<td>0.078b</td>
<td>Accepted</td>
<td>d_ULS</td>
<td>2.336</td>
</tr>
<tr>
<td>H4</td>
<td>Modifying effect of IC</td>
<td>0.030</td>
<td>0.623</td>
<td>0.003</td>
<td>Not accepted</td>
<td>d_G</td>
<td>1.531</td>
</tr>
</tbody>
</table>

*a p-value < 0.01  
b Path with an $0.02 \leq f$-square $< 0.15$ is considered a path with a small effect  
c Path with an $0.15 \leq f$-square $< 0.35$ is considered a path with a medium effect  
d Path with an $f$-square $> 0.35$ is considered a large effect

### Table 4. $R^2$ and $Q^2$

<table>
<thead>
<tr>
<th>Endogenous Construct</th>
<th>$R^2$</th>
<th>$Q^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>IWB</td>
<td>0.449*</td>
<td>0.264**</td>
</tr>
<tr>
<td>KS</td>
<td>0.371*</td>
<td>0.204**</td>
</tr>
</tbody>
</table>

*p path with r-square less than 0.5 considered as weak predictive accuracy  
**path with a Q-square of more than 0 has ample predictive relevance

### Table 5. Direct, Indirect, and Product of Direct and Indirect Effect

<table>
<thead>
<tr>
<th>Effect</th>
<th>Estimate Value</th>
<th>t-value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect effect (WOM -- KS -- IWB) [1]</td>
<td>0.158</td>
<td>2.631</td>
<td>0.009*</td>
</tr>
<tr>
<td>Direct effect (WOM -- IWB) [2]</td>
<td>0.235</td>
<td>2.173</td>
<td>0.030*</td>
</tr>
<tr>
<td>Product of direct and indirect effect</td>
<td>0.0371</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

### Discussion

Our finding contributes to deepening comprehension about the linkage between WOM and IWB in three ways. First, we expand the causal model between WOM and IWB by adding knowledge sharing and innovation climate to capture the causal mechanism between IWB and WOM. Second, this research provides supporting evidence for the mutual gain perspective of employee well-being and the organizational performance debate, a debate started by Van De Voorde et al., (2012). The supported hypothesis (H1, H2, and H3) supports the proposition coined by Salas-Vallina et al. (2020). It is found that by employing well-being-oriented management practices, employees receive additional resources that motivate them to gain more knowledge and implement the accumulated knowledge to do innovation in their work. Moreover, this finding adds a unique proposition on how well-being affects someone's willingness to share...
knowledge and how the construct partially mediates the effect of WOM toward IWB.

Last, we could not accept the fourth hypothesis. It is found that the innovation climate does not moderate the relationship between KS and IWB. This result may arise due to essential resources provided by the innovation climate for fostering IWB, such as psychological safety, support for risk-taking, and motivation for taking the initiative (Parzefall et al., 2008) has been provided by WOM dimension. For instance, connecting and empowering dimensions of WOM provide employees with a supportive working climate and autonomy in doing their work (Salas-Vallina et al., 2020), thus making the resources provided by the innovation climate redundant.

CONCLUSION AND RECOMMENDATION

The finding of this research provides not only theoretical contributions but also threefold managerial implications. First, the acceptance of the first hypothesis in this research reveals that well-being oriented practice provides an incentive for employees to engage in knowledge-sharing behaviour. Therefore, if the manager wants to promote knowledge sharing in the organization, the manager should care about more than just performance and employee contribution to the organization. Instead, the manager should focus more on how to elevate the well-being of employees in the organization. By doing this, employees feel safer and has additional resources to share their knowledge with the organization. So, the managers need to create a set of WOM interventions and policies, such as supervisors' support, autonomy, tolerance to errors, recognition, and safe working conditions. Managers must ensure that the workplace has a supportive environment can increase employees' feelings of safety and security at work, improving tolerance of error. Thus, the manager shows their concern for the employee's well-being, and it can encourage them to engage in knowledge-sharing.

Second, the proven path between KS and IWB (hypothesis 2) provides more support for the vital role of KS in driving innovation within organizations. Knowledge sharing forces the sharer to re-evaluate their knowledge, therefore, embed the knowledge stronger within the mind of the sharer. Moreover, by sharing the knowledge, the sharer will be able to receive feedback from the receiver. From the receiver's perspective, this shared knowledge provides additional knowledge to their accumulated knowledge. Therefore, knowledge sharing benefits both the sharer and the receiver, and this increase of accumulated knowledge benefits them with more know-how to do innovation in their job. Accordingly, managers can create a learning environment in their organization to encourage employees to learn something new toward innovation and knowledge sharing. By sharing knowledge with coworkers, there is a greater probability that innovative ideas will emerge due to the broadening of other employees' knowledge bases. Thus, management must ensure open communication within their organization to stimulate learning.

Last, hypothesis 3 shows that knowledge sharing partially mediates (transmits) the effect of WOM toward IWB. WOM directly provides physical, non-physical, and psychological resources for the employee for conducting IWB without fear of resource loss. At the same time, WOM increases the propensity of the employee to do knowledge sharing, and the increase of the knowledge sharing crystallizes to a higher level of IWB. Thus, if managers conduct well-being-oriented management practices, they should provide significant support for their employees to do IWB directly and indirectly.

Finally, this study has several limitations. First, the data gathered from all constructs in this research is collected from self-reported data. Self-reported data are
prone to inflation of responses from the respondents. Furthermore, as both exogenous and endogenous constructs are measured through self-reported surveys, there is a potential for common method bias. Future research should measure data using another measurement approach to overcome the stated biases. Second, we do not find supporting evidence for the moderating effect of innovation climate on the relationship between knowledge sharing and innovative work behaviour. However, previous research has shown the moderating role of innovation climate in the link between several antecedents of innovative work behaviour and the behaviour itself. Third, our research, although gathered data from employees from various organizations and industries, only covers employees that worked in Indonesia's business organization, thus limiting the generalizability of our findings. Last, the data is cross-sectional, which cannot fully capture causal relationships. Therefore, future research should address this topic using a longitudinal approach and data.

REFERENCES


