THE INFLUENCE OF PSYCHOLOGICAL CONTRACTS ON PT. XYZ INNOVATIVE WORK BEHAVIOR WITH WORK ENGAGEMENT AS MODERATOR

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Abstract

This research goals to know the impact of the psychological contract on Innovative Work Behavior, and how the role of work engagement moderates this relationship. The population at PT XYZ is 110 workers. Sampling was taken using the simple random sampling method. This study uses a statistical method called Partial Last Square to analyze the influence and moderation of Innovative Work Behavior. The study findings are that the Psychological Contract in the Relational Contract and Transactional Contract Dimensions has a significant impact on Innovative Work Behavior. Work Engagement is able to significantly moderate the relationship between the Psychological Contract on the Relational and Transactional Contract Dimensions on Innovative Work Behavior. This study aims to enrich the existing literature on psychological contracts, innovative work behavior, and work engagement. The primary objective is to explore the intricate relationships between these constructs and how they collectively influence organizational outcomes. By delving into these relationships, the research seeks to provide valuable insights and practical recommendations for human resource management practices.

Keywords: Psychological Contract, Work Engagement, Innovative Work Behavior

INTRODUCTION

Organizational and business developments are in line with increasing market competition which is also supported by advances in work engagement and human resources which have a big impact on goods/services companies. The interaction patterns of sellers and buyers, progress in work engagement, human resource development also change the market environment to become more dynamic. Various efforts are made to keep consumers interested in using the goods or services offered. In the 2022 Global Innovation Index Score (GII) data, Indonesia is ranked 75th out of 132 countries included in the 2022 GII.

One of the company's efforts to survive and compete is by innovating. PT XYZ is an outsourcing services company located in Jakarta. The total workforce at PT XYZ data taken from the author shows that from 2020 to 2023 the number of innovations from workers that can be applied to date is 2 innovations out of 8 innovations that have emerged. Only 25% of the total innovation is generated. PT. XYZ does not target employees to create innovations for the company. However, it is different from employees of *Perjanjian Kerja Waktu Tertentu* (PKWT) who undergo an assessment to be appointed for *Perjanjian Kerja Waktu Tidak Tertentu* (PKWTT) at PT. XYZ will be required to innovate. Based on company data, this shows that the development of innovation is very slow, where the stimulus to bring up innovation is only from employee recruitment assessments.

This Innovative Work Behavior can be owned and emerged from human resources in the organization. Researchers suggest that individual innovation behavior can easily be generated through situational factors. One thing that can be a stimulus according to Li et al.,

(2021) is that psychological contracts can play an important role in individual innovation behavior. Employees who feel connected to the organization will create innovative behavioral intentions.

The results of this study are in line with Peng & Li (2021) research which states that relational contracts have a significant effect on innovative work behavior. In addition, Ishtiaq & Zeb (2020) research also states that there is a significant influence of relational contracts on innovative work behavior.

Apart from psychological contracts, relational contracts also influence innovative behavior. Bal & Kooij (2011), describe Relational contracts are long-term obligations that focus on socio-emotional elements so that they can increase work engagement.

The results of the study are in line with Sulistiawan & Andyani, (2020). This is different from Ukiningtyas 2016) which states that there is no significant influence between transactional contracts and innovative work behavior.

Employee involvement factors also have an influence in supporting innovative behavior. Schaufeli et al., (2002) state Work engagement is motivation related to a certain state of mind, affective-motivation, and dedication. Work engagement will stimulate workers to work effectively to achieve organizational success.

Workers with transactional contracts tend to have low work engagement so that their innovation behavior is also low. In general, individuals who are optimistic and have work engagement in their organization and have reciprocity between the company and workers and vice versa, then workers will do more and maximize innovative work behavior in the company.

Due to the problem of lack of Innovative Work Behavior at PT XYZ, The research will be carried out at PT. XYZ. The research objectives are Analyzing the relationship between relational contracts and transactional contracts with the innovative behavior of PT workers. XYZ and Analyzing the relationship between work engagement and relational contracts and transactional contracts with the innovative behavior of PT workers. XYZ.

LITERATURE REVIEW

A Relational Contract is a long-term contract and broad in scope, because it is not limited to pure economic benefits, it includes an individual's allegiance or loyalty in return for job security and organizational growth.

A transactional contract is a short-term contract that has a purely materialistic or economic focus and requires limited involvement by the contracting party.

Innovative Work Behavior is long-term and broad in scope, because it is not limited to pure economic benefits, this includes individual loyalty or loyalty as a reward for job security and organizational growth.

Work engagement is a relationship between workers and the organization, and workers love their work so much that at work the employee devotes all the energy they have, working seriously and professionally with the aim of making the organization a success.

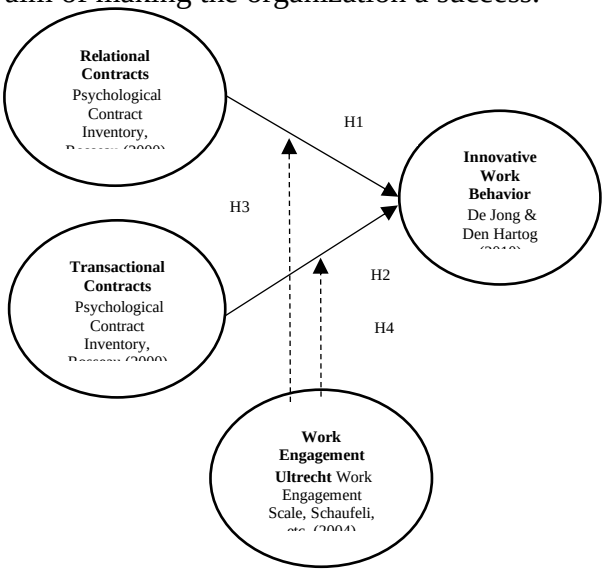

Figure 1 Research Model

H1 : Relational Contracts influence Innovative Work Behavior

H2 : Transactional Contracts influence

Innovative Work Behavior

H3 : Work engagement influences the relationship between Relational contracts and Innovative Work Behavior

H4 : Work engagement influences the relationship between Transactional contracts and Innovative Work Behavior

RESEARCH METHOD

This study employs a confirmatory research approach aimed at validating the proposed hypotheses through empirical data. The following sections detail the research method, design, instruments, data collection, data analysis, and data presentation procedures.

Research Design

The research adopts a quantitative design, focusing on the collection and analysis of numerical data to confirm theoretical constructs. The study's primary objective is to test the relationships between psychological contracts, innovative work behavior, and work engagement within an organizational setting.

Instruments

A structured questionnaire was developed as the primary data collection instrument. The questionnaire comprises multiple sections, each designed to measure different constructs:

- Psychological Contracts: Items adapted from established scales to assess employees' perceptions of their psychological contracts.
- Innovative Work Behavior: Measures adapted from existing scales to evaluate the frequency and quality of employees' innovative behaviors.
- Work Engagement: Utilized a validated scale to gauge the level of engagement among employees.

The questionnaire was pre-tested for reliability and validity before distribution.

Data Collection

Primary data was collected through an online survey. The questionnaire was distributed electronically via Google Forms to ensure wide reach and convenience for respondents. The target population comprised employees of PT who had been actively working for at least six months.

Sample Size: The study included a sample of 86 employees. Sampling Technique: Simple random sampling was employed to ensure that every employee had an equal chance of being selected, thereby reducing selection bias.

Data Analysis

Data analysis was conducted using the Structural Equation Modeling (SEM) approach, specifically Partial Least Squares (PLS) technique. SEM PLS was chosen due to its robustness in handling complex models and smaller sample sizes.

The analysis procedure involved:

1. Data Screening: Checking for missing values and outliers to ensure data quality.
2. Descriptive Statistics: Summarizing the basic features of the dataset.
3. Measurement Model Assessment: Evaluating the reliability and validity of the measurement instruments.
4. Structural Model Assessment: Testing the hypothesized relationships between constructs.

Data Presentation

The results of the analysis are presented in a clear and systematic manner:

1. Descriptive Statistics: Tables and charts summarizing the demographic characteristics of the sample and the main variables.
2. Measurement Model Results: Tables showing the reliability and validity metrics for the constructs.
3. Structural Model Results: Path coefficients, significance levels, and explanatory power of the model, presented through diagrams and detailed tables.

This comprehensive approach ensures that the research method is transparent and the findings are robust, providing valuable insights into the relationships between psychological contracts, innovative work behavior, and work engagement.

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RESULTS AND DISCUSSION

Outer Model

Convergent Validity

Table 1 *Convergent Validity*

Item	Original Sample	Sample Mean	StDev	T Stat	P-Val
Relational Contracts (X1)					
X1.1.1	0,871	0,866	0,030	29,260	0,000
X1.1.2	0,817	0,817	0,058	14,002	0,000
X1.1.3	0,883	0,879	0,030	29,685	0,000
X1.1.4	0,901	0,901	0,024	38,303	0,000
X1.1.5	0,712	0,714	0,077	9,208	0,000
X1.1.6	0,781	0,781	0,048	16,174	0,000
X1.2.1	0,742	0,741	0,055	13,509	0,000
X1.2.2	0,635	0,629	0,076	8,407	0,000
X1.2.3	0,580	0,578	0,085	6,808	0,000
X1.2.4	0,813	0,816	0,034	24,018	0,000
X1.2.5	0,695	0,697	0,056	12,468	0,000
Transactional Contracts (X2)					
X2.1.1	0,596	0,586	0,113	5,278	0,000
X2.1.2	0,713	0,711	0,081	8,854	0,000
X2.1.3	0,760	0,755	0,054	13,996	0,000
X2.2.1	0,784	0,781	0,064	12,226	0,000
X2.2.2	0,735	0,734	0,058	12,781	0,000
X2.2.3	0,763	0,756	0,066	11,611	0,000
Work Engagement (Z)					
Z.1.1	0,839	0,838	0,036	23,052	0,000
Z.1.2	0,826	0,824	0,042	19,521	0,000
Z.1.3	0,836	0,835	0,033	25,051	0,000
Z.1.4	0,838	0,840	0,038	22,181	0,000
Z.1.5	0,704	0,707	0,070	10,068	0,000
Z.1.6	0,736	0,735	0,072	10,170	0,000
Z.2.1	0,775	0,777	0,054	14,427	0,000
Z.2.2	0,731	0,729	0,076	9,589	0,000
Z.2.3	0,714	0,713	0,057	12,479	0,000
Z.2.4	0,842	0,842	0,036	23,388	0,000
Z.2.5	0,802	0,806	0,038	21,162	0,000
Z.3.1	0,784	0,785	0,047	16,747	0,000
Z.3.2	0,841	0,845	0,025	33,085	0,000
Z.3.3	0,764	0,767	0,059	12,983	0,000
Z.3.4	0,768	0,775	0,073	10,532	0,000
Z.3.5	0,635	0,629	0,074	8,632	0,000
Z.3.6	0,622	0,617	0,079	7,894	0,000
Z.3.7	0,803	0,806	0,041	19,374	0,000
Innovative Work Behavior (Y)					
Y.1.1	0,637	0,630	0,086	7,391	0,000
Y.1.2	0,583	0,585	0,161	3,614	0,000
Y.1.3	0,759	0,759	0,035	21,375	0,000
Y.2.1	0,744	0,735	0,060	12,391	0,000
Y.2.2	0,843	0,845	0,037	22,736	0,000
Y.2.3	0,853	0,856	0,031	27,417	0,000
Y.2.4	0,643	0,652	0,055	11,662	0,000
Y.2.5	0,760	0,765	0,045	17,032	0,000
Y.3.1	0,785	0,781	0,048	16,522	0,000
Y.3.2	0,579	0,570	0,128	4,542	0,000
Y.3.3	0,792	0,789	0,050	15,939	0,000
Y.4.1	0,730	0,724	0,065	11,230	0,000
Y.4.2	0,546	0,552	0,093	5,887	0,000
Y.4.3	0,768	0,764	0,046	16,787	0,000
Y.4.4	0,640	0,644	0,077	8,290	0,000
Y.4.5	0,739	0,745	0,068	10,852	0,000
Y.4.6	0,685	0,677	0,076	9,068	0,000
Y.4.7	0,507	0,490	0,107	4,749	0,000
Relational Contract (X1)*Employment Engagement (Z)					
X1*Z	0,961	0,954	0,087	11,108	0,000
Transactional Contract (X2)*Employment Engagement (Z)					
X2*Z	1,141	1,112	0,120	9,470	0,000

All measurements on each variable are declared valid because they have a convergent validity value of > 0.5.

Discriminant Validity

The discriminant validity output is shown in Table 2 below:

Table 2 *Cross Loading*

	X1	X2	Z	Y	X1*Z	X2*Z
X1.1.1	0,871	0,689	0,614	0,665	-0,077	-0,122
X1.1.2	0,817	0,651	0,608	0,658	-0,021	-0,091
X1.1.3	0,883	0,631	0,655	0,703	-0,089	-0,118
X1.1.4	0,901	0,697	0,688	0,734	-0,121	-0,165
X1.1.5	0,712	0,504	0,531	0,523	-0,150	-0,158
X1.1.6	0,781	0,649	0,567	0,612	-0,085	-0,138
X1.2.1	0,742	0,397	0,420	0,492	0,064	-0,023
X1.2.2	0,635	0,406	0,332	0,417	0,092	-0,009
X1.2.3	0,580	0,342	0,294	0,305	-0,002	-0,033
X1.2.4	0,813	0,537	0,723	0,692	-0,011	-0,005
X1.2.5	0,695	0,495	0,602	0,686	0,151	0,020
X2.1.1	0,489	0,596	0,651	0,498	-0,125	-0,020
X2.1.2	0,397	0,713	0,490	0,627	-0,169	-0,339
X2.1.3	0,545	0,760	0,449	0,601	0,011	-0,162
X2.2.1	0,563	0,784	0,448	0,679	-0,015	-0,223
X2.2.2	0,605	0,735	0,422	0,547	-0,177	-0,248
X2.2.3	0,566	0,763	0,635	0,687	-0,085	-0,229
Z.1.1	0,645	0,582	0,839	0,671	-0,091	-0,051
Z.1.2	0,573	0,615	0,826	0,637	-0,119	-0,071
Z.1.3	0,624	0,600	0,836	0,714	-0,051	-0,048
Z.1.4	0,726	0,683	0,838	0,736	-0,015	-0,033

	X1	X2	Z	Y	X1*Z	X2*Z
Z.1.5	0,556	0,491	0,704	0,631	0,072	-0,012
Z.1.6	0,514	0,421	0,736	0,601	0,093	0,088
Z.2.1	0,452	0,398	0,775	0,557	-0,028	0,032
Z.2.2	0,459	0,536	0,731	0,623	0,107	0,027
Z.2.3	0,545	0,642	0,714	0,722	-0,013	-0,176
Z.2.4	0,558	0,446	0,842	0,621	0,045	0,071
Z.2.5	0,599	0,532	0,802	0,677	-0,084	-0,045
Z.3.1	0,677	0,526	0,784	0,661	-0,025	-0,023
Z.3.2	0,658	0,552	0,841	0,742	0,014	0,000
Z.3.3	0,535	0,386	0,764	0,594	0,044	0,070
Z.3.4	0,590	0,567	0,768	0,674	-0,002	-0,020
Z.3.5	0,460	0,614	0,635	0,637	-0,028	-0,163
Z.3.6	0,399	0,521	0,622	0,549	-0,004	-0,117
Z.3.7	0,558	0,592	0,803	0,712	-0,038	-0,075
Y.1.1	0,460	0,614	0,635	0,637	-0,028	-0,163
Y.1.2	0,431	0,569	0,388	0,583	-0,244	-0,253
Y.1.3	0,603	0,630	0,831	0,759	-0,032	-0,078
Y.2.1	0,493	0,737	0,520	0,744	-0,057	-0,298
Y.2.2	0,667	0,687	0,776	0,843	-0,030	-0,154
Y.2.3	0,758	0,641	0,758	0,853	0,004	-0,093
Y.2.4	0,531	0,530	0,611	0,643	0,048	-0,048
Y.2.5	0,664	0,572	0,833	0,760	-0,066	-0,017
Y.3.1	0,644	0,623	0,525	0,785	0,078	-0,164
Y.3.2	0,302	0,497	0,363	0,579	0,058	-0,112
Y.3.3	0,670	0,646	0,654	0,792	0,083	-0,158
Y.4.1	0,550	0,765	0,504	0,730	0,020	-0,219
Y.4.2	0,465	0,446	0,659	0,546	0,089	0,024
Y.4.3	0,591	0,650	0,540	0,768	0,012	-0,185
Y.4.4	0,582	0,435	0,602	0,640	0,120	0,033
Y.4.5	0,623	0,551	0,572	0,739	0,185	0,005
Y.4.6	0,446	0,566	0,432	0,685	0,016	-0,242
Y.4.7	0,332	0,466	0,334	0,507	-0,254	-0,386
X1*Z	-0,036	-0,123	-0,011	0,006	1,000	0,820
X2*Z	-0,103	-0,287	-0,042	-0,186	0,820	1,000

The indicator correlation is greater than the correlation value of other constructs so it is declared valid

Average Variance Extracted

Table 3 *Average Variance Extracted* (AVE)

Average Variance Extracted (AVE)	
Relational Contract (X1)	0,597
Transactional Contract (X2)	0,530
Work Engagement (Z)	0,597
Innovative Work Behavior (Y)	0,599
X1*Z	1,000
X2*Z	1,000

The AVE value for all variables has an AVE > 0.5, so all the indicators have converged.

Composite Reliability

Table 4 *Composite Reliability*

Composite Reliability	
Relational Contract (X1)	0,941
Transactional Contract (X2)	0,870
Work Engagement (Z)	0,964
Innovative Work Behavior (Y)	0,946
X1*Z	1,000
X2*Z	1,000

The entire construct declared valid

Cronbach Alpha

Table 5 *Cronbach Alpha*

Cronbach Alpha	
Relational Contract (X1)	0,931
Transactional Contract (X2)	0,821
Work Engagement (Z)	0,960
Innovative Work Behavior (Y)	0,939
X1*Z	1,000
X2*Z	1,000

The entire construct declared valid

***Inner* Model**

The following is a picture of the Partial Least Square Structural model

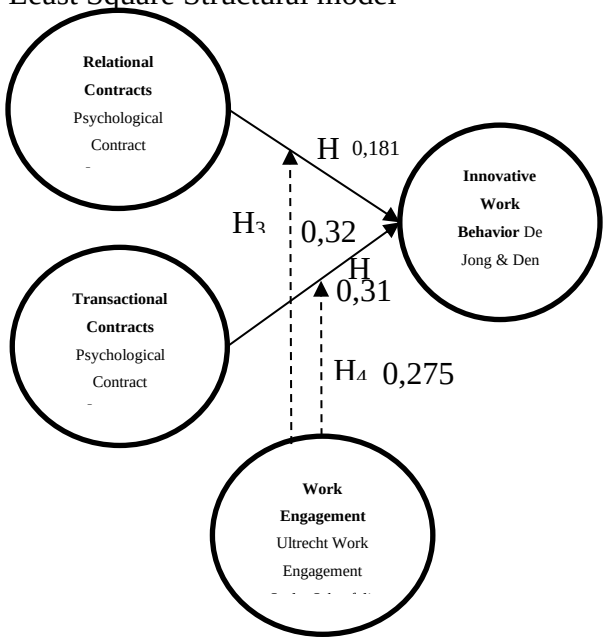

Figure 2 Partial Least Square Structural Model

Innovative Work Behavior Variable (Y) is influenced by the Relational Contract Variable (X1), Transactional Contract (X2), the Relational Contract Variable moderated by Work Engagement (X1*Z) and the Transactional Contract Variable moderated by Work Engagement (X2*Z). The following structural equation is obtained, namely:

$$Y = 0{,}181\ X_1 + 0{,}315\ X_2 + 0{,}326\ X_1{*}Z - 0{,}275\ X_2{*}Z$$

Inner model evaluation can be done in three ways, namely:

R Square (R^2)

Changes in the R^2 value show the influence of the independent variable on the dependent. For R^2 0.75 "good" model, 0.50 "medium", 0.25 "weak" (Ghozali, 2014).

Table 6 *R-Square*

	R Square
Innovative Work Behavior (Y)	0,882

Based on Table 6, the Innovative Work Behavior Variable (Y) is influenced by the Relational Contract Variable (X1), Transactional Contract (X2), the Relational Contract Variable moderated by Work Engagement (X1*Z) and the Transactional Contract Variable moderated by Work Engagement (X2*Z) which influences Innovative Work Behavior (Z) has an R2 value of 0.882 which indicates that the Innovative Work Behavior Variable (Y) is influenced by Relational Contract Variables (X1), Transactional Contracts (X2), Relational Contract Variables moderated by Work Engagement (X1*Z) and Contract Variables Transactional moderated by Work Engagement (X2*Z) in influencing Innovative Work Behavior (Y) has a value of 88.2% which is included in the "Good" category.

***Goodness of Fit* (GoF)**

In calculating the GoF Index value, the following formula is used:

GoF = $\sqrt{AVE\ x\ R^2}$

To get the average AVE value, you can see it in Table 3, while the average R2 value can be obtained from Table 6. The following is the calculation of the GoF value obtained, namely:

Table 7 *Goodness of Fit*

Variabel	Communality AVE	R Square
Relational Contract (X1)	0,597	
Transactional Contract (X2)	0,530	
Work Engagement (Z)	0,597	
Innovative Work Behavior (Y)	0,599	0,882
X1*Z	1,000	
X2*Z	1,000	
Mean	**0,720**	**0,882**

So the calculation of the research GoF value is:

GoF = $\sqrt{AVE\ x\ R^2}$

GoF = $\sqrt{(0{,}720)x\ (0{,}882)}$

GoF = $\sqrt{0{,}635}$

GoF = 0,796

The GoF value is 0.796 > 0.36 so declared valid

Path Coefficient (ρ)

Table 8 *Path Coefficients*

Exogenous Variables	Moderating Variables	Endogenous Variables	Original Sample	Direction of Relationship
Relational Contract (X1)	-	Innovative Work	0,181	Positive

Exogenous Variables	Moderating Variables	Endogenous Variables	Original Sample	Direction of Relationship
Transactional Contract (X2)	-	Behavior (Y)	0,315	Positive
Relational Contract (X1)	Work Engagement (Z)		0,326	Positive
Transactional Contract (X2))			-0,275	Negative

1. The relationship Relational Contracts and Innovative Work Behavior has an Original Sample value + 0.181 so that the relationship is positive
2. The relationship Transactional Contracts and Innovative Work Behavior has an Original Sample value + 0.315 so that the relationship is positive.
3. The relationship Relational Contracts and Innovative Work Behavior is moderated. Work Engagement has an Original Sample value + 0.326 so that the relationship is positive
4. The relationship between Transactional Contracts and Innovative Work Behavior is moderated. Work Engagement has an Original Sample value - 0.275 so that the relationship is negative

F Square (*f2*)

F-square (f2) is a measure to see the magnitude of the influence between variables. Ghozali & Latan (2015) state: a) The f2 value of 0.35 indicates The independent variable has a big influence, b) an f2 value of 0.15 has a medium influence and c) an f2 value of 0.02 has a small influence.

Table 9 F Square

	F Square
Relational Contract (X1)	0,105
Transactional Contract (X2)	0,287
X1*Z	0,255
X2*Z	0,227

The F Square value of the Relational Contract variable (X1) is 0.105, meaning that the relationship Relational Contracts and Innovative Work Behavior is weak. The F Square value of the Transactional Contract variable (X2) is 0.287, meaning the relationship between Relational Contracts and Innovative Work Behavior is Medium. Then the F Square value of the Relational Contract variable (X1) moderated by Work Engagement (Z) is 0.255, meaning that the relationship Work Engagement Moderation and the relationship between Relational Contracts and Innovative Work Behavior is Medium. Meanwhile, the F Square value of the Transactional Contract variable (X2) moderated by Work Engagement (Z) is 0.227, meaning that the relationship between Work Engagement Moderation and the Transactional Contract relationship with Innovative Work Behavior is Medium.

***Q Square* (Q^2)**

If the $Q^2 > 0$ can be said have a good observation value (Hair, 2011):

Q^2 = 1 – [(1 – R1)*(1 – R2) .....(1 – Rn)]
= 1 – [(1 – 0,882)]
= 1 – [(0,118)]
= 0,882

Q^2 value of 0.882 shows a good relationship

Hypothesis Test

Table 4.10 Relationships between constructs

Variable Relationships	Original Sample	T Statistics	P Values	Note
Relational Contract (X1) -> Innovative Work Behavior (Y)	0,181	2,012	**0,045**	Significant

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Variable Relationships	Original Sample	T Statistics	P Values	Note
Transactional Contract (X2) -> Innovative Work Behavior (Y)	0,315	3,134	**0,002**	Significant
X1*Z -> Innovative Work Behavior (Y)	0,326	3,676	**0,000**	Significant
X2*Z -> Innovative Work Behavior (Y)	-0,275	3,127	**0,002**	Significant

Based on Table 4.14 above regarding hypothesis testing it can be explained:

1. The Influence of Relational Contracts (X1) on Innovative Work Behavior (Y)

Relational Contracts have a significant influence on Innovative Work Behavior, because the T-Stat is 2.012, >1.96.

2. Effect of Transactional Contracts (X2) on Innovative Work Behavior (Y)

Transactional Contracts have a significant influence on Innovative Work Behavior, because the T-Stat 3.134, > 1.96.

3. The influence of Relational Contracts (X1) on Innovative Work Behavior (Y) is moderated by Work Engagement (Z)

Relational Contracts have a significant influence on Innovative Work Behavior moderated by Work Engagement of PT workers. XYZ, because the T-stat value 3.676 > 1.96.

4. The effect of transactional contracts (X2) on innovative work behavior (Y) moderated by work engagement (Z)

Transactional Contracts have a significant influence on Innovative Work Behavior moderated by Work Engagement of PT workers. XYZ, because the T-stat value is 3.127 > 1.96.

Discussion

The Influence of Psychological Contracts on Innovative Work Behavior

Psychological Contracts can be divided into two types of dimensions, namely Relational Contracts and Transactional Contracts. The results of research on the relationship Relational Contracts and Innovative Work Behavior show that the T-Stat value is 2.012 > 1.96, so Relational Contracts have a significant effect on Innovative Work Behavior of PT Workers. XYZ directly.

A Relational Contract is a long-term contract and broad in scope, because it is not limited to pure economic benefits, it includes an individual's allegiance or loyalty in return for job security and organizational growth. According to Bal and Kooij (2011), describing a Relational contract as a long-term obligation includes a focus on socio-emotional elements such as relatedness, loyalty, support, trust, and job security as well as things other than reciprocity in the form of money. With long-term Relational Contracts, innovative work behavior can be increased because employees have a long time to innovate as a form of loyalty to the company. The results are in line with research by Peng (2021) which states that relational contracts have a significant effect on innovative work behavior. Apart from that, research by Ishtiaq (2020) also states that there is a significant influence of relational contracts on innovative work behavior.

The relationship Transactional Contracts and Innovative Work Behavior of PT Workers. XYZ is 3.134, > 1.96, so that the Transactional Contract has a significant effect on the Innovative Work Behavior of PT Workers. XYZ directly.

Transactional contracts are short-term relationships where employees only carry out obligations. Transactional contracts are short-term relationships and workers only carry out obligations to the extent of the money they receive and this causes a lack of participation from workers. Workers will tend not to carry out tasks in their work roles which will further reduce work engagement. The research in line with Sulistiawan, (2020) where transactional contracts impact employees' innovative work behavior.

The Moderating Effect of Work Attachment on the Relationship of Psychological Contracts to Innovative Work Behavior

T-Stat value of the relationship the Relational Contract variable and Innovative Work Behavior is moderated by the Work Engagement of PT Workers. XYZ is 3.676, > 1.96, so that Relational Contracts have a significant impact on Innovative Work Behavior moderated by Work Engagement of PT Workers. XYZ directly. Employees with relational contracts tend to have high work engagement so that employees become more innovative.

In addition, the T-Stat value of the relationship the Transactional Contract variable and Innovative Work Behavior is moderated by the Work Engagement of PT Workers. XYZ is 3.127, > 1.96, so that Transactional Contracts have a significant impact on Innovative Work Behavior moderated by Work Engagement of PT Employees. XYZ directly. Employees with transactional contracts tend to have low work engagement so their innovation behavior is also low.

Workers with relational contracts tend to have high work engagement so that workers become more innovative. In general, individuals who are optimistic and have work engagement in their organization and have reciprocity between the company and workers and vice versa, then workers will do more and maximize innovative work behavior in the company. So with the support of work engagement in employee relational contracts, they can increase innovative work behavior.

CONCLUSION & SUGGESTION

Conclusion

The conclusion of the study is:

1. The relational contract variable in this research clearly has a significant positive impact on the innovative work behavior of PT workers. XYZ, but in this research the influence of relational contracts is still relatively weak. This is something that HR management must pay attention to because relational contracts are able to increase innovative work behavior significantly.
2. The transactional contract variables in this research clearly have a significant positive impact on the innovative work behavior of PT workers. XYZ, with influence in the medium category. Employees with transactional contracts at PT This research shows that transactional contracts have an influence on innovative work behavior, so HR management pays attention to substituting rewards or benefits for employees to maintain employees' sense of security at work and increase innovative work behavior.
3. The work engagement variable positively moderates the relationship relational contracts and innovative work behavior. The moderation of work engagement in this study is in the medium category. This research explains that HR management can create a work environment that can motivate employees or increase employee enthusiasm to do more so that employees can voluntarily show innovative work behavior.
4. The work engagement variable negatively moderates the relationship transactional contracts and Innovative Work Behavior. It can be concluded that work engagement is low and the more transactional the employee is, the higher the innovative work behavior will be. Employees with transactional contracts in this study tend to have high work engagement because these employees will focus more on the security of the employee's future, and prioritize more selling value for the company. So in this research, HR management can pay attention to security and comfort which can support innovative behavior and be balanced with work engagement so that the company is more efficient in achieving company performance.

Suggestion

The following are suggestions in this research:

1. Suggestions for further research
   a. Based on the results of this research, relational and transactional contracts both have a positive influence on innovative work behavior. This is because the background of this research setting is that innovative work behavior is quite low. So there is less depth regarding the factors that form or inhibit innovative work behavior. For further research, you can pay attention to the background of the innovation figures in the research settings taken.
   b. Further research can use other variables in examining the determinants of innovative behavior, especially those related to job demands in accordance with JD-R theory. Future research could use job demands that are challenging or hindering and see their effect on innovative behavior.
2. Suggestions for organizations

a. Management creates competitive programs and rewards innovation in individual and group categories to increase employee innovative behavior.
b. Management creates a clear career path, including by paying attention to; identification of skills and competencies, employee development, career planning, promotion policies, work life balance, rewarding, continuous feedback and evaluation, employee involvement in decision making, and leadership.
c. It is recommended to PT. XYZ can create stimuli and programs that can increase the psychological contract and work engagement so that it can trigger innovative work behavior.

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