Exploring the Impact of Trust in Leader and Knowledge Sharing on Employee Innovation

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Abstract - This study investigates the impact of trust-in leaders within employees in the manufacturing industry in Indonesia towards employee innovation and checks on the impact of mediation from knowledge sharing to this relationship. 121 employees in the manufacturing industry participate in this research. The result of research claimed that trust-in leader has a positive and significant effect on knowledge sharing and employee innovation. Likewise, knowledge sharing has a positive and significant effect on employee innovation. Therefore, the result of the research showed that knowledge sharing has a partial mediation impact on the relationship between trust-in leader and employee innovation.

Keywords: employee innovation, knowledge sharing, trust-in leader.

I. INTRODUCTION

The importance of changes and innovation in an organization to deal with a rapidly changing work environment is emphasized (Masduki Asbari, Wijayanti, et al., 2019; Basuki, Asbari, et al., 2020; Novitasari, Yuwono, Cahyono, Asbari, & Sajudin, 2020; Prameswari et al., 2020; Putra et al., 2020). Innovation refers to the pursuit of oriented changes to achieve the organization’s purposes (Drucker, 1985). In the previous era, the attention of organization is too stable productivity, but now, every organization strives for innovative performance that could create extra value in the dynamic and complicated organization’s environment (Asbari, Wijayanti, Hyun, Purwanto, et al., 2020; Asbari, Pramono, Kotamena, Liem, et al., 2020; Basuki, Novitasari, et al., 2020; Cahyono et al., 2020; Gazali et al., 2020; Novitasari & Asbari, 2020; Purwanto, Saifuddin, et al., 2020; Santoso et al., 2020; Zaman et al., 2020). Investing in innovation is equal to holding options for the future, and an organization’s innovation is the source of continuous competitive advantage for the organization itself (Berraies et al., 2014). Other than that, innovation has a role in developing new competitive ways in doing business operations, dealing with challenges, resolving the market order and the existing organization (Asbari, Chi Hyun, Wijayanti, Imelda, et al., 2020; Asbari, Hyun, Wijayanti, Winanti, et al., 2020; Asbari & Novitasari, 2020; Goestjahjanti et al., 2020), reducing the stress in the work environment, and improving productivity and work quality (Asbari, Fayzhall, Goestjahjanti, Winanti, et al., 2020; Asbari & Novitasari, 2021; Fayzhall et al., 2020).

Organization’s innovation is started from innovative behavior from each of the organization’s members (Masduki Asbari, Purwanto, Fayzhall, Winanti, Purnamasari, et al., 2020; Masduki Asbari, Wijayanti, Hyun, Purwanto, & Santoso, 2020; Masduki Asbari, Wijayanti, Hyun, Purwanto, Santoso, et al., 2020; Masduki Asbari, Prasetya, et al., 2021; Purwanto, Bernarto, et al., 2020). Every member functions as the organization’s foundation to innovate in creating, manifesting, and maintaining new ideas (Asbari, Wijayanti, et al., 2020; Asbari et al., 2021; Novitasari et al., 2020; Suprapti et al., 2020). Innovative behavior is defined as the deliberate introduction and implementation in a particular role, group, or organization’s ideas, process, product, or new procedures to adoption unit that is relevant and designed to significantly benefit the individual, group, or even society (West & Farr, 1989). Innovative behavior of an employee in the workplace is the basis of every organization that has high performance (Turnipseed & Turnipseed, 2013) because the innovative ideas made
through the innovative behavior functions as the basis to develop competitiveness, either for products or services (Purwanto et al., 2021a).

Previous studies admitted that knowledge is the key to improve innovation (for instance, Lin, 2007; Mangiarotti & Mention, 2015; Radaelli et al., 2014). Sharing of knowledge, especially considering it as the determinant of innovative behavior. Sharing knowledge is the process that enables knowledge owned by an individual or a group to be transferred to the organizational level, where it can be implemented in the development of products, services, and new processes (Van Den Hooff & De Ridder, 2004). In other words, an individual’s knowledge materials that are needed by the organization to create knowledge and innovations (Agistiauwati et al., 2020; Hutagalung et al., 2020). However, if the knowledge is not shared with the other individuals or groups in an organization, then that knowledge will remain in the domain of individuals and will have less or no impact on the organization’s performance or innovative skills (Subramaniam & Youndt, 2005).

Innovative behavior is traditionally considered to be more important in the manufacturing sector, where the development of new products are important (Masduki Asbari, Purha, et al., 2021b; Novitasari, Kumoro, Yuwono, & Asbari, 2020; Purwanto et al., 2021b; Sopa et al., 2020). Besides that, researchers have identified what kind of resources are relevant to successful innovation in the manufacturing sector (Asbari, et al., 2021; Purwanto et al., 2020; Putra et al., 2021; Sopa et al., 2020). However, studies that have been focusing on the specific action influencing innovative behavior within employees in manufacturing industries are still rare. The major reason for the research gap is perhaps located in the context of specific services: innovation in a manufacturing industry is considered to be a complex question. Galloj & Djjellal (2010) claimed that innovation in an organization happens when there is a change in one or a few characteristics or skills that define a certain service correctly. In an era that emphasize the needs of change, creativity, and innovation in responding to customer’s needs, maintains the quality of study could result in a continuous competitive advantage (Asbari et al., 2019; Asbari, Purwanto, Maesaroh, Hutagalung, et al., 2020; Basuki et al., 2020; Novitasari, Yuwono, Cahyono, Asbari, & Sajudin, 2020). Employees have an important role in ensuring innovation in manufacturing industries, and their skills to innovatively have the potential to contribute in the relationship of successful studies (Slätten & Mehmetoglu, 2015). Employees were asked to do a certain behavior determined by the work description; therefore, innovative behavior may not often be charged by them. However, professional employees perform their work independently. As a result, the innovation that has a relationship with professional employees is seen to be in the important research field.

The work of the employees in this industry revolution era 4.0 emphasized more on the wide independence and autonomy. The job nowadays demands a higher level of interpersonal interaction with the skills to handle the needs and wants of heterogenic stakeholders. Employees are allowed to use the policy of their individuals in different situations, and they rely on their skills to determine the technical development and implementation. Therefore, innovative behavior is more emphasized for employees and they are seen as the heart of the innovative services in the manufacturing industry (Chiu et al., 2011). Aside from the important role of professional employees in ensuring an organization’s innovation, there are a few types of research that are done in this kind of setting. Besides that, professional employees utilize their new and unique experience obtained through interaction with college students and their colleagues in the workplace, and their performance is based on the knowledge obtained by those experiences. When the professional employees share their knowledge and experiences, then this will improve their organizational performance in the manufacturing industry as a whole. Therefore, sharing knowledge is highly important in an organization of the manufacturing industry (Asbari & Novitasari, 2020, 2021). For the intuition of the manufacturing industry, which is highly dependent on the interactions within employees, as well as within employees and other stakeholders, it is important to create a culture of sharing appropriate knowledge. Andrews & Delahaye (2000) reported that although sharing knowledge is important, it happens only after a sense of trust is developed. Therefore, they emphasized the importance of trust in establishing knowledge sharing. Researchers defined trust as the positive behavior towards people and the willingness to be needed by each other (Mayer et al., 1995). Although no definition of trust is accepted universally, generally agreed that trust enables cooperative behavior, promotes networking relationships, reduces conflicts, and facilitates the formation of the work group (Mayer et al., 1995). Additionally, Wang et al. (2014) took note that trust is the significant element in sharing effective knowledge and innovative performance.

Some previous researchers showed that knowledge sharing brings up and positively influences innovative behavior (Subramaniam & Youndt, 2005). In addition, the function of knowledge sharing is both a consequence of trust towards the leaders and antecedents of innovative behavior. Therefore, researchers assumed that knowledge sharing mediate trust in leaders and innovative behavior. Next, the author checked on how trust-in leaders influence innovative behavior and explained the role of mediation from knowledge sharing.
in this relationship. The author’s conceptual framework refers to the existing literature regarding organizational trust, knowledge management, and innovative behavior (for instance, Clegg et al., 2002; Mooradian et al., 2006). Conceptual framework, as shown in Figure 1 stated that trust-in leader has a significant impact on knowledge sharing, which in turn would have an impact on the innovative behavior. This means that trust-in leader, directly and indirectly, influences innovative behavior to knowledge sharing. In the next part, the author will give reasons for the four hypotheses that arrange this conceptual framework.

A. Trust-in Leader and Knowledge Sharing

The trust within an organization’s members shows an individual’s confidence in other people’s truth of a statement and behavior. Trust is seen in a horizontal relationship between colleagues and a vertical relationship between leaders and the subordinate (Afsar & Masood, 2018; Maximo et al., 2019; Podsakoff et al., 1990). Employees may trust their colleagues but not their leaders, or vice versa. Therefore, the type of trust should be considered at different levels. Many previous types of research showed that a sense of mutual trust within members in an organization is one of the major factors to success in knowledge sharing in the organization. Afsar & Masood (2018) defined mutual trust as the level of hope that an organization’s members will reach the same purpose. They reported that mutual trust pushes knowledge sharing, which could result in a superior organization’s performance in the end. Likewise, Evans (2012) found a positive, strong relationship between trust and knowledge sharing, and they positively relate knowledge sharing with team effectiveness results.

When a trust in leader decreases, employees will not reach an active collaboration relationship that would enable them to share knowledge. In such situations, they will hide or distort knowledge or other important information (Nonaka & Toyama, 2015). In a study about the relationship between knowledge sharing and trust-in leaders, Renzl (2008) found that when the level of trust is high, knowledge sharing will increase in the departments. The major factor that could prevent knowledge sharing within employees in the manufacturing industry is the fear of getting manipulated and losing power as well as their values as an impact of knowledge sharing. A trust-in leader could inhibit this kind of fear and positively influence knowledge sharing (Renzl, 2008). Wang et al. (2014) emphasized the importance of trust-in leaders for knowledge sharing, by explaining that employees who trust their leaders would also trust the information that they obtain from the leaders. Therefore, the information circulation would be efficient. According to the findings from the previous studies regarding the relationship between trust-in leader and knowledge sharing, the author has made the hypothesis as stated below:

H1: Trust-in leaders significantly influence the behavior of knowledge sharing.

B. Knowledge Sharing and Employee Innovation

Researchers have concluded that knowledge assets could increase the probability of an organization creating and implement innovation (Mangiarotti & Mention, 2015). Highlighting the importance of knowledge to innovate, Thornhill (2006) reported that the asset level of an organization’s knowledge is equal to its innovation level. Due to the attachment of knowledge in individuals, then it is necessary to share knowledge within the organization’s members to build a new routine and mentality that would help them in solving problems (Nonaka & Toyama, 2015). Therefore, the organization needs practice in creating knowledge and, most importantly, knowledge sharing (Alavi & Leidner, 2001). According to Mehrabani & Shajari (2012), knowledge sharing within the organization’s members tends to make new ideas to develop new products and innovation process. Researchers who focused on the relationship between knowledge sharing and innovative behavior agreed that effective knowledge sharing could result in innovative behavior. This is because the creative ideas that form the basis of innovation, and those ideas that are resulted through effective communication between the employees, are directed to a strong tendency between them to create innovation. Darroch (2005) stated that the spread of knowledge in a particular organization influences innovative behavior. This previous study shows that knowledge sharing within employees is the basis to create knowledge in an organization and it plays an important role in pushing innovative behavior. Therefore, the author has made the hypothesis as stated below:

H2: Knowledge sharing significantly influence employee innovation.

C. Trust-in Leader and Employee Innovation
One of the general characteristics of all trusting situations is the willingness to take risks (Kmieciak, 2020). In other words, different from another psychological condition, trust in demanding a particular person to embrace other people’s weaknesses together with their risks that accompanying them. One of the few results of performance-related with employee’s trust in one another is innovative behavior. Innovative behavior tends to be informal and voluntary. Therefore, this is the type of behavior that has an extra role. An individual has full responsibility for any form of failure. Due to this kind of risk, there is a strong relationship between trust in leader and innovative behavior (Vanhala & Ritala, 2016). In the context of the organization, employees are highly dependent on their leaders to obtain information, resources, and social support to develop, protect and create their new ideas (Cahyono et al., 2020; Lestari et al., 2020; Novitasari, Asbari, Wijayanti, Hyun, et al., 2020; Wijayanti chi hyun, C., hutagalung, leo, Asbari, M., Budi Santoso, P., & Purwanto, A., 2020). By trusting the leaders, an employee will most probably develop new and useful ideas, since they will feel comfortable exploring new ways of doing something (Asbari, Prasetya, et al., 2021; Asbari, Purba, et al., 2021b; Suroso et al., 2021). When a leader and their subordinate develop partnership and create a group, the leader could give their subordinate more chances to use the policy and make their own decisions that would promote innovative behavior. Besides that, when the trust level between leaders and their subordinates increases, the innovative behavior of employees in the development of the organization will also increase (Seo et al., 2016a).

Collaborative business within colleagues is highly important to create ideas (Amabile et al., 2005). Although the generation of ideas and evaluations in an organization can sometimes be a solitary activity, in more general, members of the workgroup the colleagues influence the individual's innovation (Scott & Bruce, 1994). Likewise, Amabile et al., (2005) stated that collaboration within colleagues is important to create innovative ideas. According to the finding of a previous study regarding the relationship between trust and innovative behavior, the author has made the hypothesis as stated below:

**H3: Trust in leaders has a significant influence on employee innovation.**

**D. Mediation of Knowledge Sharing between Trust-in Leader and Employee Innovation**

As explained before, some researches have shown that knowledge sharing brings up and positively influences innovative behavior (Darroch, 2005; Subramaniam & Youndt, 2005). In addition, the function of knowledge sharing is both a consequence of trust and antecedents of innovative behavior. Therefore, researchers assumed that knowledge sharing mediate trust and innovative behavior. The next is the author checks on how this type of interpersonal trust influences innovative behavior and explains the role of mediation from knowledge sharing in this kind of relationship. The author’s conceptual framework refers to the existing literature about organizational trust, knowledge management, and innovative behavior (for instance, Mooradian et al., 2006) who stated that trust between colleagues and leaders have a significant impact on knowledge sharing, which in turn could have a positive impact towards innovative behavior. This means that the trust between colleagues and leaders influences innovative behavior, directly and indirectly through knowledge sharing. Therefore, the author has made the hypothesis as stated below:

**H4: Trust-in Leader has a significant influence on employee innovation through knowledge sharing as mediation**

According to Sekaran, & Bougie (2016) theoretical framework is the foundation that underlies the whole research project. From the theoretical framework, the hypothesis that could be tested is formulated to find out whether the formulated theory is valid or not. Then, this theory will be measured by the correct statistical analysis. Referring to the theory and previous researches, then the author has made the research model as shown below:
II. METHOD

The method used in this research is the quantitative method. Data collection is done by spreading questionnaires to every employee in the manufacturing industry in Indonesia. The population in this research is 273 employees. The questionnaire was spread by simple random sampling technique. Questionnaire results that were returned validly were 121 samples. (44.32% from the whole population)

The instrument of Trust in Leader refers to the level of confidence and trust in sincerity, justice, ability, and attributes that are similar to the leaders. Researchers measured this construct by using five items (TL1-TL5) that is developed by Cook & Wall (1980) and Podsakoff et al. (1990) and validated by Seo et al. (2016). Knowledge sharing refers to the actual sharing of the knowledge obtained by employees through an individual’s experience in the workplace. This study used four items from the measuring standards of Lee (2001) to share knowledge and two items from the study done by Faraj and Sproull (2000). So, the author used six items (KS1-KS6) to measure the level of knowledge sharing. Employee innovation means that employees offer new ideas in the effort of improving an organization’s performance; next, they work to change those ideas into reality. The researcher adopted five items (EI1-EI5) developed by Scott and Bruce (1994) to measure innovative behavior. All variables are measured in the five-points Likert scale type. Every closed questions/statement, five answer options are given, which consist of: strongly agree (SA) with 5 scores, agree (A) with 4 scores, Neutral (N) with 3 scores, disagree (DA) with 2 scores, and strongly disagree (SDA) with 1 score. The method in data processing is by using PLS and SmartPLS 3.0 software as the tool. For further item’s list used in this research, can be seen in Table 1 below.

Table 1. Research Items List

<table>
<thead>
<tr>
<th>Notation</th>
<th>Item</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL1</td>
<td>My leader is sincere in their effort to satisfy my perspective as an</td>
<td>Cook &amp; Wall (1980); Podsakoff et al.</td>
</tr>
<tr>
<td></td>
<td>employee</td>
<td>(1990); Seo et al. (2016)</td>
</tr>
<tr>
<td>TL2</td>
<td>I feel confident enough that the manufacturing industry’s management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>will always try to treat me fairly</td>
<td></td>
</tr>
<tr>
<td>TL3</td>
<td>I have high confidence in my leader’s integrity</td>
<td></td>
</tr>
<tr>
<td>TL4</td>
<td>I will support my leader in almost every urgent situation</td>
<td></td>
</tr>
<tr>
<td>TL5</td>
<td>I have a strong loyalty towards my leader</td>
<td></td>
</tr>
<tr>
<td>KS1</td>
<td>I share my knowledge based on my working experience with other</td>
<td>Lee (2001); Faraj &amp; Sproull (2000)</td>
</tr>
<tr>
<td></td>
<td>people</td>
<td></td>
</tr>
<tr>
<td>KS2</td>
<td>I share my abilities obtained from previous education and training</td>
<td></td>
</tr>
<tr>
<td>KS3</td>
<td>Employees with more knowledge are free to give other members</td>
<td></td>
</tr>
<tr>
<td></td>
<td>knowledge that is difficult to be found and/or about special skills</td>
<td></td>
</tr>
</tbody>
</table>
KS4 Employees share knowledge and special skills
KS5 Employees share knowledge about various things
KS6 Employees share knowledge obtained from the mail, magazines, journals, and other social media

Employee Innovation (EI) Scott dan Bruce (1994)
EI1 I attempted to create creative ideas to improve performance
EI2 I attempted to find technology, process, technique, and/or new ideas
EI3 I developed adequate plans and schedules to implement new ideas
EI4 I promote and advertise ideas to other people
EI5 I am an innovative person

III. RESULT AND DISCUSSION

A. Result

There are 121 employees that participated in total, with the greatest number of men (82%). Respondents have different age groups, with <30 years old (46%), between 30-40 years old (26%), and >40 years old (28%). There are also different years of service of the employees, with the greatest number of in-between 5-10 years (52%) along with high school/college as the majority of the highest education (66%).

Table 2. Sample Description

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Quantity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>82</td>
<td>68%</td>
</tr>
<tr>
<td>Women</td>
<td>39</td>
<td>32%</td>
</tr>
<tr>
<td>Age (per March 2021)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 30 Years old</td>
<td>56</td>
<td>46%</td>
</tr>
<tr>
<td>30 - 40 years old</td>
<td>31</td>
<td>26%</td>
</tr>
<tr>
<td>&gt; 40 years old</td>
<td>34</td>
<td>28%</td>
</tr>
<tr>
<td>Years of service as an employee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 years</td>
<td>43</td>
<td>36%</td>
</tr>
<tr>
<td>5-10 years</td>
<td>63</td>
<td>52%</td>
</tr>
<tr>
<td>&gt; 10 years</td>
<td>15</td>
<td>12%</td>
</tr>
<tr>
<td>Highest degree</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor</td>
<td>41</td>
<td>34%</td>
</tr>
<tr>
<td>High School</td>
<td>80</td>
<td>66%</td>
</tr>
</tbody>
</table>

Stages of measuring on testing model involve convergent validity test and discriminant validity. While the value of Cronbach’s alpha and composite reliability is needed in testing for construction reliability. PLS analysis results could be used to test for research hypothesis if all indicators in the PLS model have met the requirements of convergent validity, discriminant validity, and reliability test.

A convergent validity test is done by seeing the value of the loading factor of each indicator towards the construct. In most references, with factor weighing from at least 0.5 is considered to have validity that is strong enough to explain the latent construct (Chin, 1998; Ghozali, 2014; Hair et al., 2010). In this research, the minimum limit of loading factor that is accepted is 0.5, with the condition of AVE score for every construct, which is > 0.5 (Ghozali, 2014). After going through data processing with SmartPLS 3.0, all indicators will have the loading factor value above 0.5 or have met the requirements of an AVE score above 0.5. The fit or valid model in this research can be seen in Figure 2. Therefore, the convergent validity of this research model has met the requirements. Loading factors, Cronbach's alpha, composite reliability, and AVE in every construct can be seen in Figure 2 and Table 3.

Discriminant validity is done to ensure that every concept of each latent variable is in contrast with the other latent variables. A model has a good discriminant validity if the quadratic value of AVE in each exogenous construct (value on the diagonal) exceeds the correlation between the construct with the other construct (value below diagonal) (Ghozali, 2014). The result of discriminant validity research is done by the quadratic value of AVE, which means by seeing the Fornell-Larcker Criterion Value that is mentioned in Table 4. The discriminant validity test result shown in Table 3 above indicates the whole construct having a square
root value of AVE above correlation value with the other latent construct (through Fornell–Larcker Criterion). Likewise, the cross-loading value of all items from another indicator is mentioned in Table 4, so it can be concluded that a model has met a discriminant validity (Fornell & Larcker, 1981). Next, collinearity evaluation is done to discover whether there is collinearity in the model. To find out about the collinearity problem, VIF estimation from every construct is required. If the VIF score is higher than 5, then the model will show a collinearity problem (Hair et al., 2014). It is shown the same way as in Table 5, all VIF score that is less than 5 means that the model has no collinearity.

Construct reliability can be assessed from the value of Cronbach’s alpha and composite reliability from each construct. The value of composite reliability and Cronbach’s alpha is suggested to be more than 0.7 (Ghozali, 2014). Reliability test results in Table 2 above show that all construct has composite reliability value and Cronbach’s alpha value higher than 0.7 (> 0.7). In conclusion, all construct has met the reliability that is required.

The hypothesis test in PLS is also denoted as an inner model test. This test covers a significance test that has a direct and indirect impact as well as how large is the measurement of the exogenous variable impact towards the endogenous variable. To discover the influence of trust-in leaders towards employee innovation through knowledge sharing as a mediation variable needs a direct and indirect impact test. The direct impact test is done by using T-Statistic test in an analysis model called Partial Least Squared (PLS) with the help of SmartPLS 3.0 software. With the bootstrapping technique, the R square value and significance test value can be obtained as shown in Table 6 and Table 7.

![Figure 2. Valid Research Model](Source: SmartPLS 3.0 Processing Result (2021))

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Loadings</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust in Leader (TL)</td>
<td>TL1</td>
<td>0.826</td>
<td>0.805</td>
<td>0.847</td>
<td>0.530</td>
</tr>
<tr>
<td></td>
<td>TL2</td>
<td>0.758</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TL3</td>
<td>0.705</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TL4</td>
<td>0.646</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TL5</td>
<td>0.691</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Sharing (KS)</td>
<td>KS1</td>
<td>0.776</td>
<td>0.865</td>
<td>0.897</td>
<td>0.595</td>
</tr>
<tr>
<td></td>
<td>KS2</td>
<td>0.783</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KS3</td>
<td>0.746</td>
<td></td>
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</table>
Table 4. Discriminant Validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>EI</th>
<th>KS</th>
<th>TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Innovation (EI)</td>
<td>0.794</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Sharing (KS)</td>
<td>0.715</td>
<td>0.772</td>
<td></td>
</tr>
<tr>
<td>Trust in Leader (TL)</td>
<td>0.369</td>
<td>0.416</td>
<td>0.728</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3.0 Processing Result (2021)

Table 5. Collinearity Statistics (VIF)

<table>
<thead>
<tr>
<th>Variables</th>
<th>EI</th>
<th>KS</th>
<th>TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Innovation (EI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Sharing (KS)</td>
<td>1.209</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust in Leader (TL)</td>
<td>1.209</td>
<td>1.000</td>
<td></td>
</tr>
</tbody>
</table>

Source: SmartPLS 3.0 Processing Result (2021)

Table 6. Nilai R Square

<table>
<thead>
<tr>
<th>Variables</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Innovation (EI)</td>
<td>0.603</td>
<td>0.602</td>
</tr>
<tr>
<td>Knowledge Sharing (KS)</td>
<td>0.173</td>
<td>0.172</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3.0 Processing Result (2021)

Table 7. Hypotheses Testing

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>Beta</th>
<th>SE</th>
<th>T Statistics</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>TL -&gt; KS</td>
<td>0.416</td>
<td>0.031</td>
<td>13.597</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>KS -&gt; EI</td>
<td>0.751</td>
<td>0.019</td>
<td>39.076</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>TL -&gt; EI</td>
<td>0.056</td>
<td>0.024</td>
<td>2.322</td>
<td>0.021</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>TL -&gt; KS -&gt; EI</td>
<td>0.312</td>
<td>0.026</td>
<td>12.082</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3.0 Processing Result (2021)

Based on Table 6 above, the R Square value of knowledge sharing (KS) is 0.173, which means that the knowledge sharing (KS) variable could be explained by the trust-in leader (TL) variable with the percentage of 17.3%, while the remaining 82.7% is explained by other variables not discussed in this research. On the other hand, the R Square value of employee innovation (EI) is 0.603, which means that the employee innovation (EI) variable could be explained by trust-in leader (TL) and knowledge sharing (KS) variables with the percentage of 60.3%, while the remaining 39.7% is explained by other variables not discussed in this research. Meanwhile,
table 7 shows the t-statistics and p-values that explain the influence within variables in this research mentioned before.

B. Discussion

This study investigates how trust-in leaders influence innovative behavior within employees; next, the role of mediation from every knowledge in this explored influence. In the competitive organization environment, sharing knowledge with other people shows that a particular person is willing to take the risk involved in every knowledge. When the employees are unable to trust each other, they tend to be sensitive in this risk, and they could hide or change the important information. However, if there is a high level of trust, they will form a work environment, where they can take the risk and help each other and they will most probably share knowledge in that kind of environment. According to Mayer et al. (1995), it is important to understand the role of risk in the process of trust because someone has to take the risk to be involved in the act of trust. They suggest that the result of trust is from the risk-taking in a particular relationship.

As the person in charge of student class learning, employees as the provider of service utilize many subjective pieces of knowledge, which are the knowledge collected from time to time through work experience. This subjective knowledge could be transferred vertically between leaders and their subordinates as well as horizontally within colleagues. In other words, when certain information is transferred from the leader to the subordinate, the subordinate should be confident enough with the accuracy of the information to be shared. Then the subordinates trust their leaders, they would also trust the information obtained from the leaders, which makes an active information circulation (Kim, 2014). Some research concluded that trust-in leader results in a higher level of teamwork; therefore, employees are more willing to share knowledge, which leads to the improvement of performance (Renzl, 2008).

When there is a high level of trust within colleagues, an individual will expect any form of support for their new ideas from the colleagues and will try to do many changes in their work (Kim et al., 2007). In other words, trust within colleagues will positively influence the innovative behavior of a particular employee (Berraies et al., 2014).

However, this result of the research shows that trust within colleagues will not directly influence innovative behavior. This research shows that although employees could develop a good relationship with one another, they are unable to create a satisfying innovative behavior, except if there is direct communication within them. This means that it does not make any sense to expect that trust within colleagues will enable the employees to catch up on innovative behavior and implement changes by themselves. The author assumes that this matter is mainly due to the service provider carrying out individual’s work according to their schedule; other than that, many service providers are temporary workers. Therefore, the trust between them will indirectly influence their innovative behavior. Otherwise, this result of the research shows that trust-in leader significantly influences innovative behavior. When an employee trusts their leaders, as a return, the leaders give them many freedoms to use their policy in decision-making (Tan & Tan, 2000). This will give easiness to the employees to try new ideas/methods in the workplace, which in the end will result in innovative behavior. Golipour et al. (2011) expressed that employee’s trust in their leaders will make them feel more motivated and willing to be initiative and develop new ideas. Furthermore, Scott & Bruce (1994) reported that a more harmonious interaction between leaders and the subordinate means that the subordinates are given a larger autonomy in carrying out their work and making decisions in the workplace; therefore, a more innovative behavior will be expected from them. As a result, an employee should be confident for their independence in carrying out their work-related with the work in processing the risk that is also related with the innovative behavior, and trust-in leader enables the expectation that leaders will support the independent performance and also enable flexible innovative behavior. This research result supports the findings in the previous research that there is a positive relationship between trust-in leaders and innovative behavior (for instance, Berraies et al., 2014).

Effective knowledge sharing by the organization’s members is beneficial for the involved organization and people. Knowledge will gradually decrease without any effective division (Kearns & Lederer, 2003). A finding from this study that shows knowledge sharing influences innovative behavior emphasizes the importance of sharing knowledge as the antecedent of innovative behavior reported in the previous studies (for instance, Darroch, 2005; Thornhill, 2006). Darroch (2005) identified two types of knowledge that are resulted from an organization; tangible knowledge (for instance, human capital profile, data, and explicit information) and intangible knowledge (for instance, informational knowledge, ability, and employee’s experience). The spread of this kind of knowledge influences the employee’s innovative behavior. Thornhill (2006) proved that knowledge plays a key role in the innovation process and organizational knowledge asset influences the level of innovation.
Effective communication in an organization will develop the tendencies of employees to innovate (for instance, Park et al., 2014). Park et al. (2014) took note that employees could and should contribute to making organizations more innovative through their informational behavior related to their work and routine. Therefore, an effective organization should have a system for the employees to participate in the managerial process, where they could help identify creative ways of innovating. This research result shows that knowledge sharing within employees will positively influence innovative behavior and it can be understood in the same pattern. Active communication within employees is the basis to make new ideas and give chances to support and help their colleagues. When more employees share knowledge, then they will be able to do many changes in their job.

Finally, the additional analysis in this research shows a full mediation role from knowledge sharing in the relationship between trust and innovative behavior of the employees. To the employees, although trusting colleagues will not have a direct influence on the innovative behavior of individuals, this study implies that the activity of knowledge sharing resulted from trusting colleagues will become the basis of innovative behavior. As a comparison, knowledge sharing has a partial mediation role in the relationship between trust-in-leaders and innovative behavior. This means that, although trust-in-leaders will directly influence innovative behavior, but will not have indirect influence towards the activity of knowledge sharing.

IV. CONCLUSION

This study investigates the variable that caused the innovative behavior of employees to improve the organization’s competitiveness in the manufacturing industry. Particularly, the author analyzed the relationship between employee’s innovative behavior and their trust towards colleagues and leaders. Other than that, the author checks for the impact of mediation from knowledge sharing in this relationship. Regarding the theoretical contribution, this research emphasized that knowledge sharing and trust towards colleagues and leaders are important for employee’s innovative behavior. This means that this study verified that it is highly important for the employees to create trust in one another through the harmonious relationship to push innovative behavior. This result of research highlights the importance of a group’s dynamics, where employees can improve the sense of trust. Other than this direct influence, this research result also shows that trust has an indirect impact on innovative behavior through knowledge sharing.

This research result also has practical meaning. There is an inevitable obstacle in the activity of knowledge sharing in the manufacturing industry’s organization. For example, a particular employee thinks that the knowledge is obtained through work experience as a part of their abilities. Therefore, they will feel reluctant to share their knowledge with other people, or they will just share a part of the knowledge (Aman & Asbari, 2020; Asbari, Nurhayati, et al., 2019; Asbari & Novitasari, 2020; Purwanto, Asbari, et al., 2020; Santoso, Tukiran, et al., 2020). This individualistic behavior prevents knowledge to be transferred in the organization and breaks the communication within employees. Therefore, it is necessary to be processed at the organizational level; improving the sense of trust within employees is one of the ways to solve this kind of problem. The organization’s manager of service should support the activity of the formal or informal community of employees and create a friendly work environment. Berraies et al. (2014) suggest the empowerment of employees as one of the managerial practices to improve the sense of trust of the organization. The activity of knowledge sharing should be pushed together with the effort of creating trust. Creating a culture of healthy knowledge sharing with a knowledge-sharing system will push the employee’s innovation.

This study is important because it empirically investigates variables that influence innovative behavior, by using employees as a specific analytical target. However, one of the limitations of this research is we interpret and analyze the variable as a multidimensional concept. Regarding interpersonal trust, it is possible, other than the multilayer approach from the vertical and horizontal trust. Secondly, the concept of innovative behavior covers innovation at the level of organization and collective, and this innovation type has a different meaning compared with innovation at the individual level. Future studies will result in a more significant result if the innovative behavior is checked more concretely and with a wider space. Thirdly, since this research is based on self-reported data, the common method variance may be a problem. Further research needs to be counted from the perspective of other employees in the organization to minimize the data limits that are self-reported. Finally, this research is exclusively focused on the private fitness trainer in a fitness club. Therefore, it is inappropriate to generalize the findings in this research sample to all manufacturing industry organizations. To solve this kind of limitation, this research can be replicated in different working environments. In other words, future research can widen the research design to other professions and put in the cross-organizational comparison.
REFERENCES:


factors in an organizational setting.


