

From Work-Life Conflict to Innovative Behaviour: The Mediating Roles of Psychological Capital, Leader-Member Exchange, and Resistance to Change

Dimas Dwi Utama^{1✉}, Zulfakhri², Sri Indah Nikensari³, Tuty Sariwulan⁴, Corry Yohana⁵
(1,2,3,4,5) Doctoral Program in Management Science, Faculty of Economics and Business, Universitas Negeri Jakarta, Jakarta, Indonesia

Abstract: This study examines how work life conflict affects innovative behaviour through psychological capital, leader member exchange, and resistance to change among telecommuting employees in an Indonesian general insurance company. The study responds to the growing relevance of flexible work, digital collaboration, and employee innovation in contemporary organisations. A quantitative explanatory design was employed using survey data from 211 permanent employees. The data were analysed using partial least squares structural equation modelling with SmartPLS. The results show that work life conflict negatively affects psychological capital, leader member exchange, and innovative behaviour, while positively affecting resistance to change. Psychological capital positively affects innovative behaviour and leader member exchange, while reducing resistance to change. Leader member exchange positively affects innovative behaviour and negatively affects resistance to change. Resistance to change negatively affects innovative behaviour. The mediation results confirm that psychological capital, leader member exchange, and resistance to change mediate the relationship between work life conflict and innovative behaviour. In addition, psychological capital and leader member exchange serially mediate this relationship. These findings indicate that employee innovation in telecommuting contexts is shaped by interconnected psychological, relational, and change related mechanisms. The study contributes to human resource management by highlighting the importance of reducing work life conflict, strengthening psychological capital, improving supervisor employee relationships, and managing resistance to change to sustain innovative behaviour.

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INTRODUCTION

The normalisation of flexible and digitally mediated work has reshaped how employees experience work boundaries, maintain social relationships, and contribute to innovation. In Indonesia, this shift is reflected in the growing acceptance of long term remote work, as 80% of Indonesian workers reported being ready for long term remote work (Bayu, 2021). Flexible work is also increasingly aligned with generational labour market expectations, with 30% of Generation Z employees preferring work from anywhere, compared with only 23% who prefer fully office based work (Muhamad, 2024). These figures indicate that telecommuting is no longer merely an emergency response to crisis, but has become part of a broader transformation in employee expectations, organisational work design, and human resource management.

However, the growing acceptance of telecommuting does not mean that remote work is universally perceived as the most effective work arrangement. A Databoks survey shows that 63% of

✉ Corresponding author: dimas_1717925040@mhs.unj.ac.id

Generation Z, 56% of millennials, and 43% of Generation X respondents considered working from home effective, yet office based work was still perceived as the most effective arrangement by 91% of Generation Z, 91% of millennials, and 93% of Generation X respondents (Pahlevi, 2022). This ambivalence suggests that employees may value flexibility while still recognising the importance of physical interaction, coordination, and organisational presence. From a work life perspective, telecommuting may reduce commuting burdens and offer autonomy, but it may also blur the boundaries between work and non work domains (Allen et al., 2015; Palumbo, 2020).

The psychological consequences of contemporary work arrangements are also important. Gallup reported that only 27% of employees in Indonesia were engaged at work, while 14% experienced stress, 27% experienced sadness, and 23% experienced loneliness during the previous day (Gallup, 2026). These indicators are relevant because innovative behaviour requires psychological energy, resilience, confidence, and social support. When employees experience stress, sadness, or loneliness, their ability to explore opportunities, generate ideas, promote solutions, and implement new work methods may be weakened (Farr & Ford, 1990; Shanker et al., 2017). Therefore, the study of employee innovation in telecommuting settings needs to consider not only work arrangements, but also the psychological resources that allow employees to remain adaptive under pressure.

The urgency of employee innovative behaviour is further strengthened by Indonesia's productivity and digital transformation challenges. Indonesia's labour productivity reached US\$14 per hour worked in 2023, placing the country fifth in Southeast Asia (Ahdiat, 2024). At the same time, digital transformation is changing how employees solve problems and collaborate, as 92% of office workers in Indonesia were reported to have used generative artificial intelligence, exceeding both the global average of 75% and the Asia Pacific average of 83% (Septiani, 2024). These data suggest that organisations increasingly need employees who are not only productive in routine tasks, but also capable of learning, adapting, and developing innovative responses through digital tools.

The rise of artificial intelligence also changes the social dynamics of work. Databoks reported that 66% of Indonesian workers use artificial intelligence because it can function as a discussion partner, while 48% rely more on artificial intelligence than colleagues because it is available at any time (Ridwan, 2025). Although this trend shows the practical value of digital tools, it also raises questions about the role of human relationships in sustaining innovation. In telecommuting contexts, where face to face interaction is reduced and informal workplace communication becomes more limited, high quality leader member exchange becomes increasingly important for providing trust, support, recognition, and feedback (Gutermann et al., 2017; Javed et al., 2018).

Work life conflict provides a useful lens for understanding the tension embedded in telecommuting. Work life conflict refers to a form of inter role incompatibility in which work demands intrude upon broader personal life domains, including family, social relationships, leisure, self care, and recovery activities (Fisher et al., 2009; Keeney et al., 2013). Telecommuting may intensify such conflict because employees often perform organisational tasks, domestic responsibilities, and digital communication within the same physical and psychological space, making role boundaries increasingly permeable (Danker et al., 2021; Palumbo, 2020). In this condition, employees find it more difficult to detach from work and recover the psychological resources needed for innovative behaviour, while sustained work life conflict also produces broader consequences such as stress, reduced job satisfaction, diminished organisational commitment, and weakened trust

toward management (Gisler et al., 2018; Kossek & Lee, 2017). Recent evidence reinforces these dynamics. Ibrahim et al. (2024) found that work life conflict significantly moderates the relationship between job stress and job performance, while Huang et al. (2024) confirmed that work family conflict negatively affects corporate innovation at the organisational level, pointing to the aggregated cost of individual level conflict on collective outcomes. Min et al. (2023) further demonstrated that work life conflict is positively associated with unsafe behaviour among employees under prolonged stress, illustrating how unresolved inter role tension cascades into downstream behavioural consequences.

Innovative behaviour is strategically important because it reflects employees' efforts to identify opportunities, generate ideas, promote new solutions, and implement useful changes in work processes, products, or services (Farr & Ford, 1990; Kim et al., 2018). Employee innovation can strengthen organisational performance because human capital is valuable, socially embedded, and difficult for competitors to imitate (Delery & Roumpi, 2017; Shanker et al., 2017). However, innovation requires confidence, openness to experimentation, supervisor support, and readiness to move beyond established routines (Abstein & Spieth, 2014; Abstein et al., 2014). Therefore, work life conflict may reduce innovative behaviour when it drains employees' psychological resources and weakens their capacity to engage in idea related activities.

The relationship between work life conflict and innovative behaviour is unlikely to be purely direct. Previous studies show that work life conflict may influence innovative work behaviour through organisational and psychological conditions, including human resource system perceptions, supervisory support, and psychological resources (Abstein & Spieth, 2014; Abstein et al., 2014; Mishra et al., 2019). This suggests that employees do not automatically become less innovative when they experience work life conflict. Rather, their innovative behaviour may depend on whether they possess the psychological strength, relational support, and change readiness needed to transform pressure into adaptive action (Avey et al., 2008; Saeed et al., 2019). The following discussion develops the theoretical foundation and hypotheses for each of these pathways, namely psychological capital, leader member exchange, and resistance to change.

Psychological capital is one of the most relevant mechanisms for explaining this process. Psychological capital refers to a positive psychological state characterised by self efficacy, hope, resilience, and optimism (Luthans et al., 2007; Luthans & Youssef Morgan, 2017). Because work life conflict systematically consumes the psychological energy that psychological capital depends on for sustained functioning (Pu et al., 2017), the negative spillover from inter role conflict to psychological capital is theoretically consistent with the conservation of resources framework. Beyond this, psychological capital has been consistently identified as a driver of innovative behaviour. Bak et al. (2022) demonstrated that psychological capital mediates the relationship between transformational leadership and innovative work behaviour in the public sector. Karimi et al. (2023) replicated this finding in agricultural extension settings, showing that psychological capital converts favourable leadership conditions into innovative action through sustained motivation and positive orientation. Alshebami (2021) further showed that psychological capital influences innovative behaviour both directly and through innovative intention and job satisfaction as sequential mediators, while Wahid and Ayub (2024) and Subramani et al. (2024) confirmed the direct relationship between psychological capital and innovation across higher education and information technology contexts respectively. Additionally, Brunetto et al. (2024) found that psychological capital promotes

acceptance of change in non profit organisations, while Dorling (2017) provided a theoretical model in which psychological capital, particularly through its resilience dimension, enables employees to interpret change as manageable rather than threatening, thereby reducing resistance. Psychological capital also shapes relational quality at work. Feng and Adams (2023) proposed that followers' psychological capital elevates the quality of leader member exchange by enabling more authentic engagement and initiative, while Zhu et al. (2023) found that leader follower psychological capital congruence produces positive change related outcomes through supervisor subordinate fit dynamics. Based on this body of evidence, the study proposes that:

H1a. Work life conflict is negatively associated with psychological capital.

H2a. Psychological capital is positively associated with innovative behaviour.

H2b. Psychological capital is negatively associated with resistance to change.

H2c. Psychological capital is positively associated with leader member exchange.

Leader member exchange is another important mechanism because innovation is not only a psychological process, but also a relational one. Leader member exchange describes the quality of the dyadic relationship between a leader and subordinate, characterised by trust, mutual respect, informational access, and reciprocal obligation (Kim et al., 2010). Sampath et al. (2020) demonstrated through emotional contagion theory that the negative outputs of work life conflict can transfer to surrounding others including supervisors, degrading relational quality in the leader member dyad. When employees invest disproportionate energy in resolving inter domain conflict, their capacity for high quality relational exchange diminishes (Shockley & Singla, 2011), and Presbitero and Aruta (2024) confirmed that high quality leader member exchange functions as a buffer against burnout in remote work contexts, implying that its deterioration under work life conflict removes a key protective resource. High quality leader member exchange in turn drives innovative behaviour. Mustafa et al. (2023) found that leader member exchange positively influences innovative work behaviour through employee engagement and self efficacy, Sharif et al. (2024) demonstrated the same effect through knowledge sharing and voice behaviour as mediators, and Smothers (2024) established that leader member exchange moderates how employees convert learning investment into innovative output. Beyond innovation, leader member exchange also reduces resistance to change. Van Dam et al. (2008) found that leader member exchange quality indirectly lowers resistance when employees perceive their supervisors as trustworthy and capable of managing change, while Dar et al. (2024) confirmed that deteriorating supervisor relationships exacerbate dispositional resistance. Based on these findings, the study proposes that:

H1b. Work life conflict is negatively associated with innovative behaviour.

H1c. Work life conflict is negatively associated with leader member exchange.

H3a. Leader member exchange is positively associated with innovative behaviour.

H3b. Leader member exchange is negatively associated with resistance to change.

Resistance to change also deserves attention because telecommuting is not merely a change in work location, but a change in routines, expectations, communication norms, and coordination practices. Resistance to change refers to a dispositional tendency to avoid or oppose change, expressed through routine seeking, emotional reaction, short term focus, and cognitive rigidity (Oreg, 2003, 2018). Because sustained work life conflict erodes trust in management, reduces organisational commitment, and generates psychological strain, it creates conditions under which employees become more defensive and more likely to resist change (Gisler et al., 2018; Ibrahim et al.,

2024). This resistance then constrains innovative behaviour. Dar et al. (2024) confirmed that dispositional resistance to change significantly moderates the link between leadership conditions and innovative work behaviour, and Li et al. (2023) demonstrated that resistance negatively affects readiness for artificial intelligence, which reflects adaptive and innovative capacity in digital work environments. While Battistelli et al. (2013) found that specific resistance dimensions such as short term focus and emotional reaction can carry a positive relationship with innovation under particular conditions, the aggregate dispositional tendency toward rigidity and routine seeking is expected to suppress innovative behaviour at the overall level. Resistance should not only be seen as irrational opposition, however, because it may also reflect employees' attempt to protect stability, identity, and valued work relationships during organisational change (Thomas & Hardy, 2011; Van Dam et al., 2008). Based on this reasoning, the study proposes that:

H1d. Work life conflict is positively associated with resistance to change.

H4. Resistance to change is negatively associated with innovative behaviour.

The mediation hypotheses integrate these pairwise relationships into a multi pathway model. For psychological capital as a mediator between work life conflict and innovative behaviour (H5), the chain is supported by the established depletion effect of work life conflict on psychological capital (Pu et al., 2017) and the consistent positive effect of psychological capital on innovation (Alshebami, 2021; Bak et al., 2022; Karimi et al., 2023). Nurcholidah et al. (2023) provided direct precedent for serial mediation chains originating from work family conflict through psychological resources to innovative work behaviour in an Indonesian context. For resistance to change as a mediator (H6), the chain proceeds from work life conflict eroding employee management relationships and psychological wellbeing (Ibrahim et al., 2024), which Amarantou et al. (2018) identified as primary antecedents of resistance, to resistance then constraining innovation (Dar et al., 2024; Li et al., 2023). For leader member exchange as a mediator (H7), Aleksić et al. (2017) provided direct evidence that the combination of work life balance conditions and leader member exchange quality jointly shapes employee creativity, while Presbitero and Aruta (2024) confirmed that leader member exchange buffers against remote work strain, establishing it as a relational mechanism through which work life conflict indirectly reaches innovative behaviour. For leader member exchange as a mediator of the psychological capital innovation relationship (H8), Feng and Adams (2023), Smothers (2024), and Zhu and Tsai (2024) collectively establish that psychological capital elevates leader member exchange quality, which then expands the relational latitude for innovation. Finally, the serial mediation of psychological capital followed by leader member exchange (H9) integrates these individual and relational pathways. Work life conflict depletes psychological capital (Pu et al., 2017), reduced psychological capital weakens leader member exchange quality (Feng & Adams, 2023; Zhu et al., 2023), and lower leader member exchange restricts the relational support needed for innovative behaviour (Mustafa et al., 2023; Sharif et al., 2024), with Bak et al. (2022) providing integrative evidence that psychological capital and leader member exchange operate jointly in translating contextual conditions into innovative outcomes. Based on this reasoning, the study proposes that:

H5. Psychological capital mediates the relationship between work life conflict and innovative behaviour.

H6. Resistance to change mediates the relationship between work life conflict and innovative behaviour.

- H7. Leader member exchange mediates the relationship between work life conflict and innovative behaviour.*
- H8. Leader member exchange mediates the relationship between psychological capital and innovative behaviour.*
- H9. Psychological capital and leader member exchange serially mediate the relationship between work life conflict and innovative behaviour.*

Despite growing attention to flexible work and digital transformation, several research gaps remain. First, practical evidence shows that flexible work, employee wellbeing, artificial intelligence adoption, and productivity are increasingly important in Indonesia, yet empirical research still needs to explain how these conditions shape innovative behaviour at the employee level (Ahdiat, 2024; Gallup, 2026; Septiani, 2024). Second, although the pathways outlined above indicate how work life conflict, psychological capital, leader member exchange, and resistance to change may relate to one another, prior studies have largely examined these constructs separately, leaving limited understanding of how they operate together within a single mediation framework (Abstein et al., 2014; Javed et al., 2018; Uen et al., 2021). Third, evidence from emerging economy service organisations remains limited, even though these organisations must sustain innovation while facing digital transformation, changing employee expectations, and pressure to improve productivity (Delery & Roumpi, 2017; Shanker et al., 2017).

To address these gaps, this study examines the effect of work life conflict on employee innovative behaviour through psychological capital, leader member exchange, and resistance to change among telecommuting employees in an Indonesian general insurance company. The insurance sector provides a relevant setting because service based financial organisations depend on employee adaptability, problem solving, and process innovation while operating under regulatory and customer service pressures (OJK, 2017). This study contributes to the literature in three ways. First, it extends work life conflict and innovation research by explaining why their relationship may occur through psychological and relational pathways rather than a simple direct effect (Abstein et al., 2014; Mishra et al., 2019). Second, it integrates psychological capital, leader member exchange, and resistance to change into a multiple mediation model that reflects the complexity of employee innovation in telecommuting contexts (Avey et al., 2008; Saeed et al., 2019; Uen et al., 2021). Third, it provides contextual evidence from Indonesia, where flexible work, digital collaboration, artificial intelligence adoption, and employee wellbeing have become central issues in contemporary human resource management (Bayu, 2021; Gallup, 2026; Ridwan, 2025).

RESEARCH METHOD

Research Design

This study employed a quantitative explanatory research design to examine the relationship between work life conflict and innovative behaviour through psychological capital, leader member exchange, and resistance to change (see Figure 1). A quantitative approach was appropriate because the study tested theoretically developed hypotheses and examined relationships among latent variables using numerical data (Creswell & Creswell, 2018). The explanatory design was selected because the study aimed not only to identify whether work life conflict influences innovative

behaviour, but also to explain how this relationship operates through psychological and relational mechanisms (Hair et al., 2022).

This study used a cross sectional survey design because the data were collected from respondents at one point in time. This design was considered suitable for examining employee perceptions of work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour within a specific organisational context (Creswell & Creswell, 2018). The use of a structured survey also allowed the researcher to collect comparable responses from a relatively large number of employees and to test the proposed model using structural equation modelling (Hair et al., 2022).

Research Context and Unit of Analysis

The research was conducted among employees of a national general insurance company in Indonesia. This context was relevant because insurance companies operate in a service based financial sector that requires employee adaptability, problem solving, and continuous improvement in work processes and customer service delivery (OJK, 2017). The unit of analysis was the individual employee because the study focused on employee level perceptions and behaviours, namely work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour (Farr & Ford, 1990; Fisher et al., 2009).

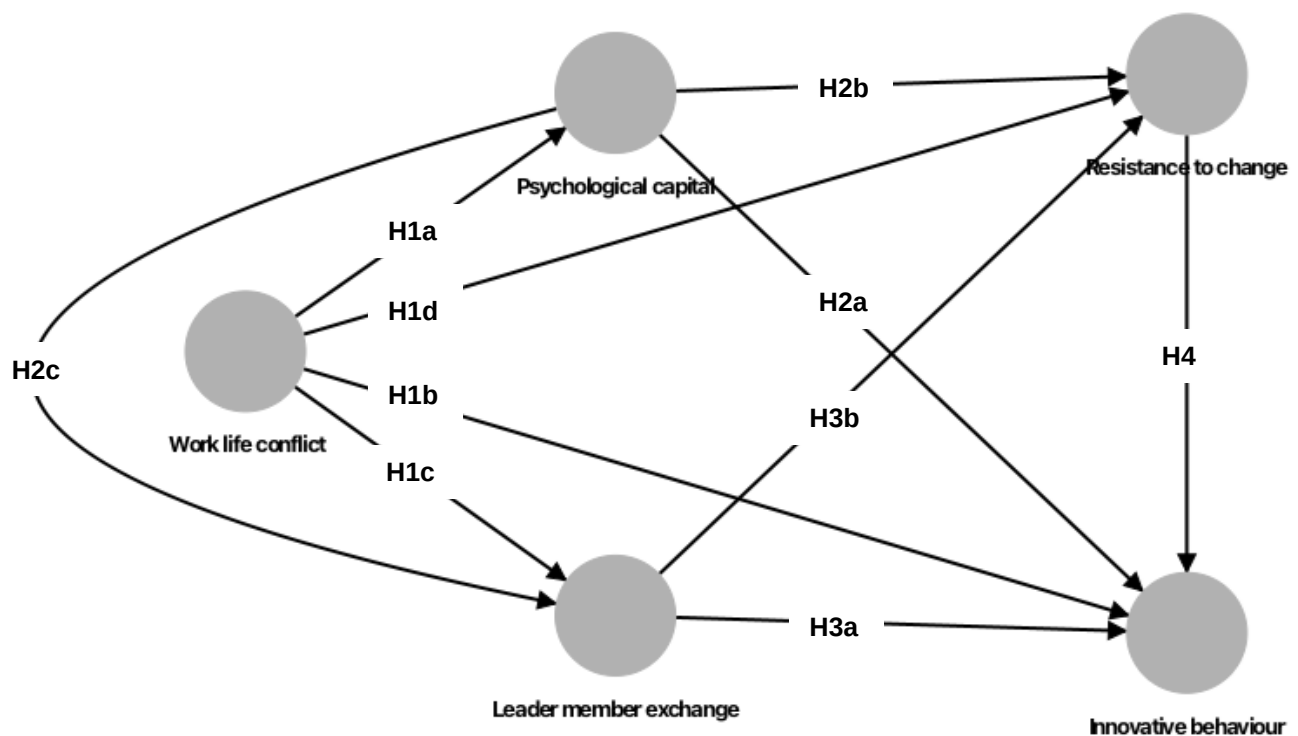


Figure 1. Conceptual Model

Respondents were permanent employees who had experienced telecommuting or remote work arrangements and did not hold structural or functional officer positions. These criteria were used to ensure that respondents represented non managerial employees who directly experienced changes in work boundaries, digital coordination, and supervisor employee interaction during telecommuting. This respondent profile was consistent with the study's focus on individual work

experiences and employee innovative behaviour in a telecommuting context (Allen et al., 2015; Kleysen & Street, 2001).

Population and Sample

This study employed a non probability purposive sampling technique, in which respondents were deliberately selected based on predetermined criteria relevant to the research objectives rather than through random selection (Creswell & Creswell, 2018). The sampling criteria required respondents to be permanent employees who had experienced telecommuting or remote work arrangements and who did not hold structural or functional officer positions, ensuring that the sample represented non managerial employees with direct exposure to the changes in work boundaries, digital coordination, and supervisor employee interaction examined in this study.

The questionnaire was distributed to more than 250 employees through online communication channels using Google Forms. After the screening process based on the criteria above, 211 valid responses met the research criteria and were included in the final analysis. The sample size was considered adequate for SEM PLS because this method is suitable for analysing complex models with multiple latent variables, indirect effects, and moderate sample sizes (Hair et al., 2022).

The respondent profile consisted of 138 female employees, representing 65.40%, and 73 male employees, representing 34.60%. Most respondents were between 26 and 30 years old, with 98 respondents or 46.45%, followed by 65 respondents or 30.81% aged 31 to 35 years. In terms of education, 185 respondents or 87.68% held a bachelor degree or equivalent qualification, indicating that most respondents had sufficient educational background to understand the questionnaire items (Dimitrov, 2014).

In terms of work location, 137 respondents or 66.18% worked in branch offices, 70 respondents or 33.82% worked at the head office, and 4 respondents or 1.93% worked in regional offices. Based on job field, 144 respondents or 68.25% worked in operational functions, while 67 respondents or 31.75% worked in supporting functions. Most respondents had worked for one to five years, representing 133 respondents or 63.03%, while 128 respondents or 60.66% were married and 105 respondents or 49.76% had one to two dependents. These characteristics were relevant because work life conflict may vary according to work responsibilities, family status, and personal life demands (Fisher et al., 2009; Keeney et al., 2013).

Measurement Instruments

Work life conflict was measured using the instrument developed by Fisher et al. (2009). The instrument consisted of 17 items and four dimensions, namely work interference with personal life, personal life interference with work, work enhancement of personal life, and personal life enhancement of work. This instrument was selected because it captures the broader relationship between work and non work domains, not only the narrower relationship between work and family (Fisher et al., 2009; Keeney et al., 2013).

Psychological capital was measured using the 12 item Psychological Capital Questionnaire developed by Luthans et al. (2007). The instrument consisted of four dimensions, namely self efficacy, hope, resilience, and optimism. This scale was selected because psychological capital represents a positive psychological state that is relevant for explaining employee motivation, adaptive behaviour, and innovation under challenging work conditions (Luthans et al., 2007; Luthans & Youssef Morgan, 2017).

Leader member exchange was measured using the multidimensional LMX scale developed by Liden and Maslyn (1998). The instrument consisted of 12 items and four dimensions, namely affect, loyalty, contribution, and professional respect. This measurement was considered appropriate because it captures the quality of supervisor employee relationships through both social and work related exchange dimensions (Liden & Maslyn, 1998; Kim et al., 2010).

Resistance to change was measured using the scale developed by Oreg (2003). The instrument consisted of 17 items and four dimensions, namely routine seeking, emotional reaction, short term focus, and cognitive rigidity. This scale was used because it captures resistance to change as an individual dispositional tendency that may influence how employees respond to changes in routines, systems, and work arrangements (Oreg, 2003; Oreg, 2018).

Innovative behaviour was measured using the scale developed by Kleysen and Street (2001). The instrument consisted of 14 items and captured individual behaviour related to opportunity exploration, idea generation, formative investigation, idea championing, and application. This instrument was suitable because it measures innovation as an employee behaviour rather than merely as an organisational output (Kleysen & Street, 2001; Farr & Ford, 1990).

All questionnaire items were measured using a six point Likert scale ranging from 1, strongly disagree, to 6, strongly agree. The six point scale was used to reduce neutral responses and encourage respondents to express a clearer tendency of agreement or disagreement. The use of Likert type measurement was appropriate because the study examined latent psychological and behavioural constructs that could not be directly observed (Dimitrov, 2014; Hair et al., 2022).

Data Analysis Technique

The data were analysed using structural equation modelling based on partial least squares with SmartPLS. SEM PLS was selected because it is suitable for prediction oriented research, complex models with several latent variables, and mediation analysis involving direct and indirect effects. This technique also allows researchers to assess measurement quality and structural relationships simultaneously (Hair et al., 2022; Ringle et al., 2022).

The data analysis consisted of two main stages, namely measurement model assessment and structural model assessment. The measurement model was evaluated to ensure that each construct was measured validly and reliably. The structural model was then examined to test the direct effects, mediation effects, and serial mediation effect proposed in the hypotheses. This two stage analytical procedure follows the standard SEM PLS approach recommended for reflective measurement models (Hair et al., 2022).

RESULTS AND DISCUSSION

Model Evaluation

The model evaluation was conducted through two stages, namely measurement model evaluation and structural model evaluation. The measurement model was assessed through outer loading, Cronbach's alpha, composite reliability, and average variance extracted, while the structural model was assessed through R^2 , adjusted R^2 , Q^2 , and model fit indices. This procedure follows the SEM PLS evaluation logic recommended by Hair et al. (2022), where the validity and reliability of the measurement model should be confirmed before interpreting the structural model.

Table 1. Measurement Model Assessment

Construct	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Work Life Conflict	WLC1	0.812	0.966	0.969	0.646
	WLC2	0.789			
	WLC3	0.798			
	WLC4	0.783			
	WLC5	0.798			
	WLC6	0.796			
	WLC7	0.803			
	WLC8	0.787			
	WLC9	0.798			
	WLC10	0.812			
	WLC11	0.824			
	WLC12	0.806			
	WLC13	0.837			
	WLC14	0.842			
	WLC15	0.799			
	WLC16	0.768			
	WLC17	0.809			
Psychological Capital	Psy1	0.71	0.921	0.933	0.536
	Psy2	0.743			
	Psy3	0.767			
	Psy4	0.768			
	Psy5	0.713			
	Psy6	0.743			
	Psy7	0.693			
	Psy8	0.713			
	Psy9	0.73			
	Psy10	0.754			
	Psy11	0.745			
	Psy12	0.702			
Leader Member Exchange	LMX1	0.738	0.918	0.93	0.527
	LMX2	0.782			
	LMX3	0.733			
	LMX4	0.733			
	LMX5	0.683			
	LMX6	0.728			
	LMX7	0.744			
	LMX8	0.713			
	LMX9	0.701			
	LMX10	0.71			
	LMX11	0.717			
	LMX12	0.725			
Resistance to Change	RtC1	0.834	0.97	0.972	0.674
	RtC2	0.797			
	RtC3	0.855			
	RtC4	0.814			
	RtC5	0.799			
	RtC6	0.823			
	RtC7	0.813			
	RtC8	0.81			
	RtC9	0.867			
	RtC10	0.815			
	RtC11	0.837			

Construct	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Innovative Behaviour	RtC12	0.839	0.929	0.938	0.521
	RtC13	0.812			
	RtC14	0.816			
	RtC15	0.835			
	RtC16	0.793			
	RtC17	0.799			
	IB1	0.761			
	IB2	0.742			
	IB3	0.673			
	IB4	0.685			
	IB5	0.766			
	IB6	0.717			
	IB7	0.72			
	IB8	0.725			
	IB9	0.762			
	IB10	0.687			
	IB11	0.771			
	IB12	0.742			
	IB13	0.644			
	IB14	0.695			

As shown in Table 1, all indicator loadings ranged from 0.644 to 0.867. Most indicators exceeded the recommended loading value of 0.70, while several indicators below 0.70 were still retained because they remained above the minimum acceptable range and did not reduce the overall construct validity. Hair et al. (2022) explain that indicators with loadings between 0.40 and 0.70 may be retained when composite reliability and AVE remain satisfactory. Therefore, the retained indicators were considered adequate for measuring work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour. The internal consistency reliability of all constructs was satisfactory. Cronbach's alpha values ranged from 0.918 to 0.970, exceeding the 0.70 threshold recommended by Hair et al. (2022). Composite reliability values also ranged from 0.930 to 0.972, indicating that the indicators consistently represented their respective latent constructs. These results show that the measurement instruments had strong reliability in capturing employee perceptions of work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour.

Convergent validity was established because all AVE values exceeded 0.50. Work life conflict recorded an AVE of 0.646, psychological capital recorded 0.536, leader member exchange recorded 0.527, resistance to change recorded 0.674, and innovative behaviour recorded 0.521. According to Henseler et al. (2015), AVE values above 0.50 indicate that a construct explains more than half of the variance of its indicators. These findings confirm that each construct had sufficient convergence among its indicators. Resistance to change demonstrated the strongest measurement quality, with Cronbach's alpha of 0.970, composite reliability of 0.972, and AVE of 0.674. This result indicates that the indicators of routine seeking, emotional reaction, short term focus, and cognitive rigidity consistently represented resistance to change. This is consistent with Oreg (2018), who explains that resistance to change reflects relatively stable individual tendencies in responding to change through affective, cognitive, and behavioural patterns.

Work life conflict also showed strong measurement quality, with Cronbach's alpha of 0.966, composite reliability of 0.969, and AVE of 0.646. These values indicate that the work life conflict

indicators were internally consistent in capturing interference and enhancement between work and personal life domains. This result is aligned with Keeney et al. (2013), who argue that work life measurement should move beyond family roles and include broader personal life domains such as leisure, recovery, social relationships, and self development. Psychological capital achieved Cronbach's alpha of 0.921, composite reliability of 0.933, and AVE of 0.536. These results indicate that self efficacy, hope, resilience, and optimism validly represented the psychological capital construct. Luthans and Youssef Morgan (2017) emphasise that these four dimensions form a positive psychological resource that supports employee functioning, performance, and adaptation in organisational settings.

Leader member exchange had Cronbach's alpha of 0.918, composite reliability of 0.930, and AVE of 0.527. These results indicate that the dimensions of affect, loyalty, contribution, and professional respect adequately represented the quality of the supervisor employee relationship. Gutermann et al. (2017) explain that leader member exchange is important because high quality exchange relationships strengthen employee engagement and performance through relational support and reciprocal interaction. Innovative behaviour achieved Cronbach's alpha of 0.929, composite reliability of 0.938, and AVE of 0.521. These values indicate that the indicators of opportunity recognition, idea generation, idea promotion, and implementation were valid and reliable in measuring innovative behaviour. Shanker et al. (2017) argue that innovative work behaviour is a key behavioural mechanism through which organisational climate contributes to performance, making reliable measurement of this construct essential in employee innovation research.

Discriminant validity was also examined to confirm that each construct was empirically distinct from the others, rather than only convergent within itself. This study used the heterotrait monotrait ratio of correlations (HTMT) as the discriminant validity criterion, following Henseler et al. (2015), who demonstrated that HTMT outperforms the traditional Fornell-Larcker criterion in detecting discriminant validity problems, particularly in variance based structural equation models such as PLS SEM. In addition, because all data in this study were collected through a single self reported questionnaire, common method bias was assessed using the full collinearity variance inflation factor (VIF) approach (Kock, 2015), which examines whether shared method variance among constructs inflates the structural relationships beyond what substantive theory would predict.

Table 2. HTMT

	Innovative behaviour	Leader member exchange	Psychological capital	Resistance to change	Work life conflict
Innovative behaviour					
Leader member exchange	0.645				
Psychological capital	0.589	0.600			
Resistance to change	0.583	0.503	0.532		
Work life conflict	0.546	0.430	0.554	0.498	

As shown in Table 2, all HTMT values ranged from 0.430 to 0.645, well below the conservative threshold of 0.85 and the more lenient threshold of 0.90 recommended by Henseler et al. (2015). The highest HTMT value was observed between innovative behaviour and leader member exchange (0.645), while the lowest was observed between leader member exchange and work life conflict (0.430). These results confirm that discriminant validity was established for all five constructs, indicating that work life conflict, psychological capital, leader member exchange, resistance to

change, and innovative behaviour represented empirically distinct constructs despite their theoretical interrelationships.

Table 3. VIF Common Method Bias

	VIF
Leader member exchange -> Innovative behaviour	1.582
Leader member exchange -> Resistance to change	1.488
Psychological capital -> Innovative behaviour	1.800
Psychological capital -> Leader member exchange	1.386
Psychological capital -> Resistance to change	1.716
Resistance to change -> Innovative behaviour	1.565
Work life conflict -> Innovative behaviour	1.532
Work life conflict -> Leader member exchange	1.386
Work life conflict -> Psychological capital	1.000
Work life conflict -> Resistance to change	1.424

As shown in Table 3, the full collinearity VIF values ranged from 1.000 to 1.800, well below the conservative threshold of 3.3 proposed by Kock (2015) for detecting common method bias in PLS SEM. The highest VIF value was found for the path from psychological capital to innovative behaviour (1.800), while the lowest was found for the path from work life conflict to psychological capital (1.000), which reflects the single predictor relationship for that construct. Because all VIF values remained substantially below the critical threshold, common method bias was not considered a significant concern in this study, despite the use of a single self reported questionnaire for data collection. This result strengthens confidence that the observed relationships among work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour reflect substantive associations rather than artifacts of shared method variance.

As shown in Table 4, the structural model explained 50.7% of the variance in innovative behaviour. Hair et al. (2022) suggest that R^2 values should be interpreted according to the complexity and field of the research model. In this study, the R^2 value of 0.507 indicates moderate explanatory power, showing that work life conflict, psychological capital, leader member exchange, and resistance to change jointly explain a meaningful proportion of employee innovative behaviour.

The model also explained 27.8% of the variance in psychological capital, 32.8% of the variance in leader member exchange, and 36.1% of the variance in resistance to change. These values indicate that the model had weak to moderate explanatory power for the mediating constructs. This is reasonable because psychological capital, leader member exchange, and resistance to change are complex psychological and relational constructs that may also be influenced by other organisational, personal, and contextual factors, as noted by Luthans and Youssef Morgan (2017), Gutermann et al. (2017), and Oreg (2018).

Table 4. Structural Model Assessment

Construct	R^2	Adjusted R^2	Q^2
Psychological Capital	0.278	0.275	0.143
Leader Member Exchange	0.328	0.322	0.168
Resistance to Change	0.361	0.352	0.237
Innovative Behaviour	0.507	0.497	0.258
Model Fit Index	Value		
SRMR	0.045		
d_ ULS	5.427		
d_ G	2.892		

NFI	0.778
Chi-square	2843.956

The Q^2 values also indicated predictive relevance for all endogenous constructs. Psychological capital had a Q^2 value of 0.143, leader member exchange had 0.168, resistance to change had 0.237, and innovative behaviour had 0.258. Hair et al. (2022) state that Q^2 values greater than zero indicate that a model has predictive relevance for endogenous constructs. Therefore, the proposed model was not only able to explain variance, but also demonstrated predictive capability. The model fit results further supported the adequacy of the model. The SRMR value was 0.045, which is below the recommended maximum value of 0.08. Henseler et al. (2015) identify SRMR as an important approximate fit criterion in variance based SEM, with lower values indicating better fit between the observed and model implied correlations. Therefore, the SRMR value suggests that the model had good fit.

The NFI value was 0.778, indicating an acceptable but improvable level of fit. Hair et al. (2022) note that model fit indices in SEM PLS should be interpreted cautiously because PLS SEM is primarily prediction oriented rather than covariance fit oriented. Thus, the NFI value should be read together with the acceptable SRMR, satisfactory measurement model, R^2 values, and Q^2 values rather than as a standalone criterion. Overall, the measurement and structural model results indicate that the proposed SEM PLS model was adequate for hypothesis testing. The reliability and validity results confirmed that all constructs were measured appropriately, while the R^2 , Q^2 , and SRMR values showed that the model had acceptable explanatory power, predictive relevance, and model fit. This provides a sufficient empirical basis for examining the direct, mediating, and serial mediating relationships among work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour.

Hypothesis Testing

The structural model was evaluated using the bootstrapping procedure in SmartPLS to assess the significance of the proposed direct and indirect relationships. According to Hair et al. (2022), hypothesis testing in SEM PLS is based on the significance of the path coefficient, t statistic, and p value generated through bootstrapping. Figure 2 presents the bootstrapping results, while Table 5 summarises the hypothesis testing outcomes.

The results support H1a, which proposed that work life conflict negatively influences psychological capital ($\beta = -0.528$, $t = 10.736$, $p < 0.001$). This relationship represents the strongest direct effect in the model. The finding suggests that employees who experience greater interference between work and personal life tend to report lower levels of self efficacy, hope, resilience, and optimism. This result is consistent with Pu et al. (2017), who found that work family conflict depletes psychological resources and increases vulnerability to negative work outcomes. Similarly, Luthans and Youssef Morgan (2017) argue that psychological capital requires continuous psychological resource replenishment, which becomes difficult when employees face persistent role conflict.

Table 5. Hypothesis Testing Results

	Path	β	t-value	p-value	Decision
H1a	Work Life Conflict → Psychological Capital	-0.528	10.736	0.000	Supported
H1b	Work Life Conflict → Innovative Behaviour	-0.201	3.174	0.002	Supported
H1c	Work Life Conflict → Leader Member Exchange	-0.161	2.631	0.009	Supported
H1d	Work Life Conflict → Resistance to Change	0.262	4.200	0.000	Supported

	Path	β	t-value	p-value	Decision
H2a	Psychological Capital → Innovative Behaviour	0.143	2.252	0.024	Supported
H2b	Psychological Capital → Resistance to Change	-0.231	3.060	0.002	Supported
H2c	Psychological Capital → Leader Member Exchange	0.471	8.761	0.000	Supported
H3a	Leader Member Exchange → Innovative Behaviour	0.328	5.236	0.000	Supported
H3b	Leader Member Exchange → Resistance to Change	-0.244	3.444	0.001	Supported
H4	Resistance to Change → Innovative Behaviour	-0.229	3.819	0.000	Supported
H5	Work Life Conflict → Psychological Capital → Innovative Behaviour	-0.075	2.110	0.035	Supported
H6	Work Life Conflict → Resistance to Change → Innovative Behaviour	-0.060	2.672	0.008	Supported
H7	Work Life Conflict → Leader Member Exchange → Innovative Behaviour	-0.053	2.326	0.020	Supported
H8	Psychological Capital → Leader Member Exchange → Innovative Behaviour	0.154	4.309	0.000	Supported
H9	Work Life Conflict → Psychological Capital → Leader Member Exchange → Innovative Behaviour	-0.081	4.045	0.000	Supported

H1b was also supported, showing that work life conflict negatively affects innovative behaviour ($\beta = -0.201$, $t = 3.174$, $p = 0.002$). This finding indicates that employees experiencing higher levels of work life conflict are less likely to engage in idea generation, experimentation, and implementation of new solutions. The result supports the argument of Abstein et al. (2014), who found that work life conflict limits employees' capacity to engage in innovative work behaviour because psychological and cognitive resources are redirected toward managing competing role demands rather than pursuing innovation activities.

The results further support H1c and H1d. Work life conflict negatively influenced leader member exchange ($\beta = -0.161$, $t = 2.631$, $p = 0.009$) and positively influenced resistance to change ($\beta = 0.262$, $t = 4.200$, $p < 0.001$). These findings suggest that employees experiencing higher work life conflict tend to have weaker relationships with supervisors and greater reluctance toward organisational change. Sampath et al. (2020) argue that work life conflict can spill over into workplace relationships, reducing relational quality between supervisors and subordinates. Meanwhile, Oreg (2018) explains that stressful work conditions increase employees' tendency to seek stability and avoid uncertainty, thereby strengthening resistance to change.

The findings also confirm the importance of psychological capital in shaping employee outcomes. H2a indicates that psychological capital positively affects innovative behaviour ($\beta = 0.143$, $t = 2.252$, $p = 0.024$), while H2b demonstrates that psychological capital negatively affects resistance to change ($\beta = -0.231$, $t = 3.060$, $p = 0.002$). In addition, H2c shows that psychological capital positively affects leader member exchange ($\beta = 0.471$, $t = 8.761$, $p < 0.001$). These findings support the view of Luthans et al. (2010) that psychological capital serves as a strategic psychological resource enabling employees to remain adaptive, optimistic, and proactive. Employees with stronger psychological capital are more likely to embrace change, maintain constructive supervisor relationships, and engage in innovative activities.

The role of leader member exchange was also confirmed. H3a demonstrates that leader member exchange positively affects innovative behaviour ($\beta = 0.328$, $t = 5.236$, $p < 0.001$), while H3b shows that leader member exchange negatively affects resistance to change ($\beta = -0.244$, $t = 3.444$, $p = 0.001$). The effect of leader member exchange on innovative behaviour was the strongest positive direct effect in the model. This finding is consistent with Saeed et al. (2019), who found that

high quality leader member exchange encourages employee innovation through increased trust, support, and access to organisational resources. Similarly, Van Dam et al. (2008) demonstrated that supportive supervisor relationships reduce employee resistance by increasing confidence in organisational change initiatives.

H4 was also supported, indicating that resistance to change negatively affects innovative behaviour ($\beta = -0.229$, $t = 3.819$, $p < 0.001$). This finding suggests that employees who prefer stability, routine, and familiar work patterns are less likely to engage in innovation activities. The result supports Oreg (2018), who argues that resistance to change often limits employee willingness to experiment with new approaches and adapt to changing work environments. In increasingly digital and flexible workplaces, such resistance may become a significant obstacle to innovation.

The mediation analysis revealed that psychological capital significantly mediates the relationship between work life conflict and innovative behaviour (H5: $\beta = -0.075$, $t = 2.110$, $p = 0.035$). This finding suggests that part of the negative effect of work life conflict on innovation occurs because work life conflict reduces employees' psychological resources. This result is consistent with the findings of Mishra et al. (2019), who demonstrated that psychological capital functions as an important mechanism linking workplace conditions to innovative behaviour.

The mediation role of resistance to change was also supported. H6 shows that work life conflict indirectly reduces innovative behaviour through resistance to change ($\beta = -0.060$, $t = 2.672$, $p = 0.008$). Similarly, H7 indicates that leader member exchange mediates the relationship between work life conflict and innovative behaviour ($\beta = -0.053$, $t = 2.326$, $p = 0.020$). These findings suggest that both behavioural adaptation and supervisor employee relationships constitute important pathways through which work life conflict influences employee innovation. The results align with Aleksić et al. (2017), who found that work life conditions and leader member exchange jointly shape employee creativity and innovative outcomes.

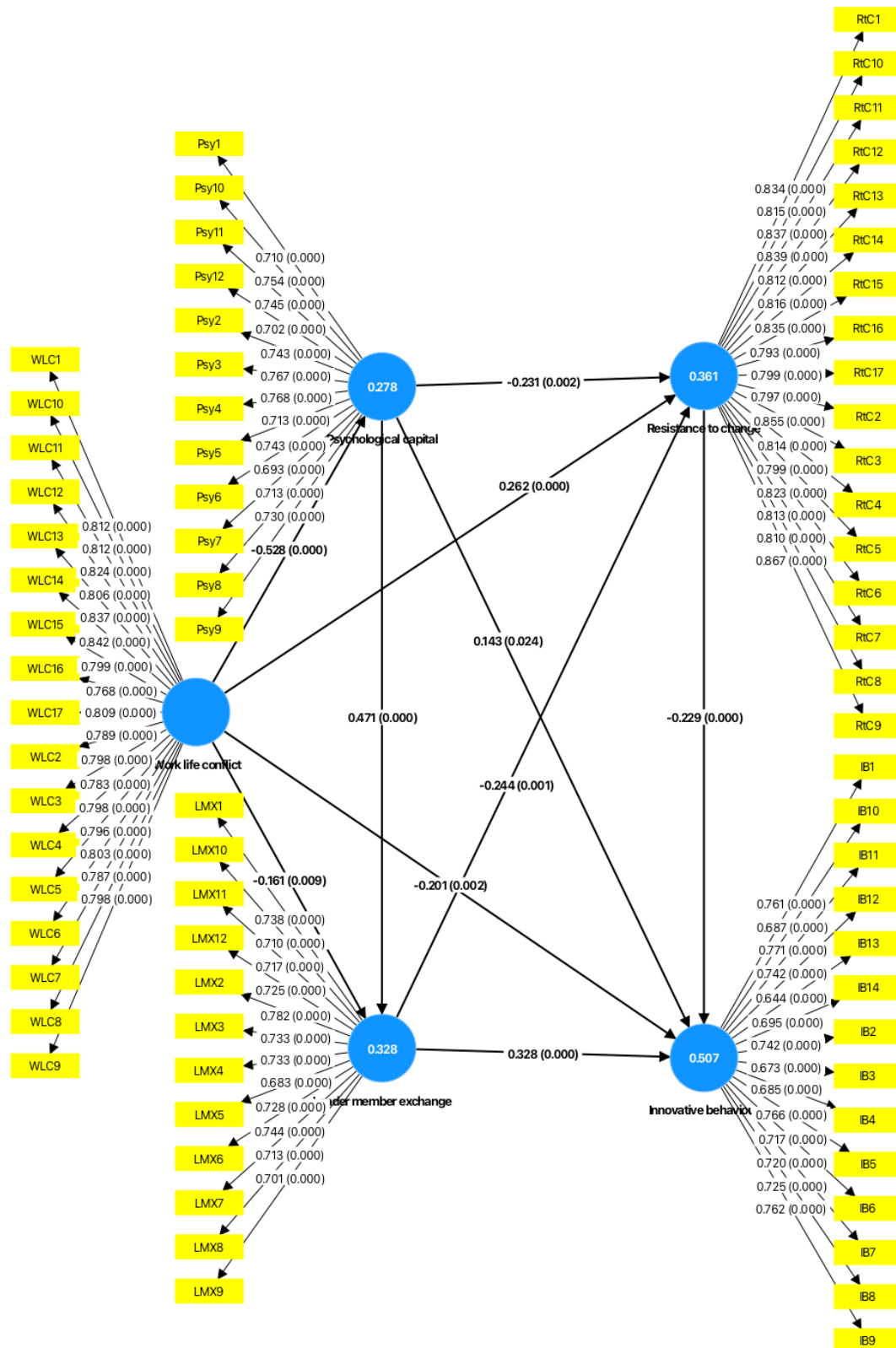


Figure 2. Bootstrapping Analysis

The results further support H8, which proposed that leader member exchange mediates the relationship between psychological capital and innovative behaviour ($\beta = 0.154$, $t = 4.309$, $p < 0.001$). This indirect effect is stronger than the direct effect of psychological capital on innovative behaviour, suggesting that a substantial portion of psychological capital's influence operates through relational mechanisms. Feng and Adams (2023) argue that employees with stronger psychological resources are more likely to establish productive relationships with supervisors, which subsequently enhance innovative performance.

Finally, H9 demonstrates a significant serial mediation effect of psychological capital and leader member exchange in the relationship between work life conflict and innovative behaviour ($\beta = -0.081$, $t = 4.045$, $p < 0.001$). This finding indicates that work life conflict first reduces psychological capital, which then weakens leader member exchange, ultimately lowering innovative behaviour. The result provides strong support for the proposed integrated mechanism and highlights that employee innovation is shaped not only by individual psychological resources but also by the quality of workplace relationships. This finding extends previous studies by demonstrating how psychological and relational processes operate sequentially in explaining the negative consequences of work life conflict on employee innovation (Luthans & Youssef Morgan, 2017; Gutermann et al., 2017).

Overall, the hypothesis testing results suggest that work life conflict represents a significant barrier to employee innovation, while psychological capital and leader member exchange function as important enabling mechanisms. Resistance to change, meanwhile, acts as a critical behavioural constraint that reduces employees' willingness to engage in innovative activities. Together, these findings provide a comprehensive explanation of how work life conflict influences innovative behaviour through interconnected psychological, relational, and behavioural pathways.

Discussion

This study aimed to explain how work life conflict influences innovative behaviour through psychological capital, leader member exchange, and resistance to change among employees working in a telecommuting environment. The findings demonstrate that work life conflict acts as a significant inhibitor of employee innovation, both directly and indirectly through psychological and relational mechanisms. This result supports the view that innovative behaviour depends not only on individual competence, but also on psychological resources, relational support, and readiness to adapt to change (Luthans & Youssef Morgan, 2017; Saeed et al., 2019).

The strongest direct relationship in the model was the negative effect of work life conflict on psychological capital. This finding indicates that employees who experience stronger interference between work and personal life tend to report lower self efficacy, hope, resilience, and optimism. This result is consistent with Pu et al. (2017), who found that work family conflict depletes psychological resources, and with Luthans and Youssef Morgan (2017), who explain that psychological capital requires positive resource replenishment to sustain employee functioning.

The findings also show that work life conflict directly reduces innovative behaviour. This means that employees facing stronger role conflict are less likely to engage in idea generation, experimentation, and implementation of new solutions. Abstein et al. (2014) similarly found that work life conflict can limit innovative work behaviour because employees' cognitive and psychological resources are redirected toward managing competing work and personal demands.

Work life conflict was also found to weaken leader member exchange and increase resistance to change. This suggests that employees under work life pressure may have less capacity to maintain constructive relationships with supervisors and may become more defensive toward organisational change. Sampath et al. (2020) explain that work life conflict can spill over into workplace relationships, while Oreg (2018) argues that stressful conditions may strengthen employees' preference for stability and avoidance of uncertainty.

Psychological capital had a positive effect on innovative behaviour, a negative effect on resistance to change, and a positive effect on leader member exchange. These findings confirm that employees with stronger self efficacy, hope, resilience, and optimism are more capable of developing new ideas, accepting change, and maintaining constructive relationships with supervisors. This is consistent with Luthans et al. (2010), who describe psychological capital as a strategic psychological resource, and with Uen et al. (2021), who found that psychological capital supports innovative work behaviour.

Leader member exchange showed the strongest positive direct effect on innovative behaviour. This indicates that employees are more likely to express ideas, seek feedback, and promote new solutions when they experience trust, support, and respect from supervisors. Saeed et al. (2019) found that high quality leader member exchange strengthens innovative work behaviour, while Gutermann et al. (2017) emphasise that leader member exchange improves employee engagement and performance through relational support.

Leader member exchange also reduced resistance to change. This finding suggests that supportive supervisor employee relationships can reduce uncertainty and increase employees' willingness to accept new work arrangements. Van Dam et al. (2008) found that leader member exchange can lower resistance when employees perceive their supervisors as trustworthy and capable of managing change, while Dar et al. (2024) showed that deteriorating supervisor relationships may intensify dispositional resistance.

Resistance to change negatively affected innovative behaviour. Employees who prefer routines, feel uncomfortable with change, focus on short term inconvenience, or show cognitive rigidity are less likely to explore and implement new ideas. This result supports Oreg (2018), who explains that resistance to change limits adaptation, and Li et al. (2023), who found that resistance to change can weaken readiness for digital and innovation related transformation.

The mediation findings show that psychological capital, leader member exchange, and resistance to change significantly explain how work life conflict reduces innovative behaviour. Work life conflict weakens innovation by depleting psychological resources, reducing supervisor employee exchange quality, and increasing resistance to change. This finding extends Mishra et al. (2019), who showed that psychological capital mediates the relationship between workplace conditions and innovative behaviour, and Aleksić et al. (2017), who found that work life conditions and leader member exchange jointly shape creativity.

The serial mediation result provides an important theoretical contribution. Work life conflict first reduces psychological capital, lower psychological capital then weakens leader member exchange, and lower leader member exchange ultimately reduces innovative behaviour. This result indicates that psychological and relational mechanisms are sequentially connected. Feng and Adams (2023) argue that psychological capital can strengthen leader member exchange, while Mustafa et al.

(2023) and Sharif et al. (2024) show that leader member exchange supports innovative work behaviour through employee engagement, knowledge sharing, and voice behaviour.

From a managerial perspective, the findings suggest that organisations should not rely only on innovation programmes or digital tools to improve employee innovation. Organisations also need to reduce work life conflict, strengthen psychological capital, improve supervisor employee relationships, and manage resistance to change. This implication is consistent with Luthans and Youssef Morgan (2017), who highlight the developmental value of psychological capital, and with Saeed et al. (2019), who show that relational support from leaders is central to employee innovation.

Overall, this study contributes to the literature by integrating work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour into one explanatory framework. The findings show that innovative behaviour in telecommuting contexts emerges from the interaction between psychological resources, supervisor employee relationships, and change related behaviour. This integrated view extends previous work on psychological capital, leader member exchange, and resistance to change in explaining innovation outcomes (Oreg, 2018; Uen et al., 2021).

CONCLUSION

This study examined the effect of work life conflict on innovative behaviour through psychological capital, leader member exchange, and resistance to change among employees in an Indonesian general insurance company operating under telecommuting arrangements. The findings demonstrate that work life conflict negatively influences innovative behaviour both directly and indirectly. Employees experiencing higher levels of work life conflict tend to report lower psychological capital, weaker leader member exchange relationships, higher resistance to change, and ultimately lower innovative behaviour.

The results further indicate that psychological capital and leader member exchange function as important enabling resources for innovation, whereas resistance to change acts as a significant barrier. Psychological capital positively influences innovative behaviour, strengthens leader member exchange, and reduces resistance to change. Similarly, leader member exchange promotes innovative behaviour while reducing employees' resistance toward organisational change. In contrast, resistance to change negatively affects employees' willingness to engage in innovative activities.

The mediation analysis confirms that psychological capital, leader member exchange, and resistance to change serve as significant mechanisms linking work life conflict and innovative behaviour. The serial mediation effect of psychological capital and leader member exchange provides additional evidence that work life conflict reduces innovation through interconnected psychological and relational pathways. These findings suggest that employee innovation cannot be fully understood without considering both individual psychological resources and workplace relationship quality.

The study contributes theoretically by integrating work life conflict, psychological capital, leader member exchange, resistance to change, and innovative behaviour within a single explanatory framework. Practically, the findings suggest that organisations seeking to improve employee innovation should focus not only on innovation programmes but also on reducing work life conflict,

strengthening psychological capital, improving supervisor employee relationships, and promoting employee readiness for change.

Several limitations should be acknowledged. The study employed a cross sectional design, limiting causal inference. The data were collected from a single organisation and relied on self reported measures, which may affect generalisability. Future studies may utilise longitudinal designs, include multiple industries, and examine additional organisational factors such as organisational support, digital leadership, organisational culture, or employee wellbeing to further explain innovative behaviour in increasingly digital work environments.

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