

Workplace Friendship and Innovative Work Behaviour: Investigating the Mediation Model in Indonesian SMEs Context

Irfan Helmy^{a*}, Gunarso Wiwoho^b, ^{a,b}Departement of Management, Putra Bangsa Economics College, Indonesia, Email: ^{a*}risetirfan@gmail.com

The research development to date is still unclear regarding the impact of workplace friendship on organisational outcomes. The purpose of this paper is to extend previous research by investigating the relationship between workplace friendship on innovative work behaviour. This study also examines the mediating role of workplace happiness, knowledge sharing and psychological safety on the relationship between workplace friendship and innovative work behaviour. Data were obtained using a self-administrated survey from 250 employees working in the creative industry of Small Medium Entreprises (SMEs) in Central Java, Indonesia. Findings reveal that workplace friendship shares a positive relationship with innovative work behaviour via workplace happiness and knowledge sharing. Results also indicate that workplace happiness and psychological safety have a significant effect on knowledge sharing. However, the findings found that psychological safety is not significantly related to innovative work behaviour. This present study provides a new insight regarding on how to nurture a workplace friendship to encourage employees' innovative work behaviour.

Key words: *Workplace friendship, Workplace happiness, Psychological safety, Knowledge sharing, Innovative work behaviour.*

Introduction

Working together upward of eight hours a day inevitably gives employees a chance to develop close relationships, even long-term friendships, with colleagues. Employees are motivated to have friendly relations due to the "need for belonging", which is the basic psychological need of an individual to affiliate with others. Recently, researchers and practitioners have given more attention to workplace friendship not only because it is

common in the workplace but also because it has a critical impact on organisational outcomes. For instance, workplace friendship is considered as the source of happiness at work and in turn increases job satisfaction, career wellbeing, employee interpersonal citizenship and productivity (Colbert, Bono, & Purvaniva, 2016; Ferreira, 2019; Xiao et al. 2020; Gómez, Tortoriello, & Soda, 2019).

Despite this importance, all organisations must be careful to manage workplace friendship. Recent studies show ongoing debate regarding the benefit and the "dark side" of workplace friendship. Pillemer & Rothbard (2018) explain how friendship features are at odds with central features of organisational life that may lead to organisational tension. More recent research also indicates that workplace friendship leads to negative gossip, decreased loyalty, and negative organisational politics (Methot et al. 2016; Song & Olshfski, 2008). These findings point out that workplace friendships can also create complexities and costs for the organisation. Therefore, managers need to gain an understanding of workplace friendship mechanisms that can potentially become a competitive resource for the organisation.

In today's exceptionally competitive and global world, the critical source of those organisations paying attention is the human resources that can create innovative behaviour and support the innovation performance of the organisation (Javed et al. 2019; Abua, Mohd, & Othmanc, 2019). Innovative behaviours of employees are the main pillars of any high-performing organisation (Anser et al. 2020) and therefore, it is critical to investigate factors that motivate or enable individual innovative behaviour. A number of studies have explored the importance of the effect of social interaction among employees on promoting employee innovative work behaviour (Agarwal et al. 2012; Li & Liu, 2019; Khorakian & Jahangir, 2018). However, prior empirical studies overlook the relationship between workplace friendship and innovative work behaviour, whereas the social capital theory states that the close relationships that arise in the workplace could increase the exchange of information that impacts on the creativity and innovative behaviour of employees (Nahapiet & Ghosal, 1998; Mura et al. 2013).

Research on the creative industry of SMEs in Indonesia is in high demand since the contribution of the creative industry to national GDP in 2019 was almost 1.21 percent, which was nearly 16.26 percent of the whole creative industry. Creative industry of SMEs is mainly characterised by the rapid changes of customer needs in the new product design. The creative industries need to update their new-original product frequently to maintain consumer loyalty (Ahmana et al., 2020). Therefore, encouraging employees' innovative work behaviour has become a challenge for owner-managers in the creative industry sector.

Addressing this issue, the purpose of this present study is to examine the effect of workplace friendship on innovative employee behaviour. Furthermore, this study also analyses the

mediating effect of psychological safety and knowledge sharing in the relationship between workplace friendship and innovative work behaviour. This study provides a different perspective on the psychological impact of workplace friendship, which in turn becomes a trigger for employees' innovative behaviour. The result provides new insight for managers regarding how to nurturing the "bright side" of workplace friendship, by promoting employees' innovative work behaviour.

Literature Review and Hypothesis Development

Workplace Friendship and Innovative Work Behaviour

Innovative work behaviour (IWB) is a form of innovation at the individual level (Scott & Bruce 1994). IWB consists of several stages, which include idea-generating, idea promoting, and idea implementation (De Jong & Hartog, 2010). Innovative work behaviour not only the process of generating valuable ideas but also implemented it in the workplace. In each stage of innovative behaviour, support from colleagues is very critical. Friendship relations provide informal and voluntary conditions that may unleash information sharing among employees. Previous research also reveals that idea generating is more stable in a friendly work environment (Donati, Zappalà, & González-Romá, 2016). In the stage of promoting ideas, employees must be sure that the proposed idea does not pose a risk if it implemented. Therefore, support from co-workers as "backers" is important for idea promotion (Janssen, 2000). Thus, it can be concluded that friendship with colleagues holds a significant role in improving innovative employee behaviour. According to previous research, individual innovative behaviour is enhanced by having strong and embedded relationships with their colleagues (Gómez-Solórzano, Tortoriello & Soda, 2019; Hu, 2019; Bani-Melhem, Zeffane, and Albaity, 2018). Accordingly, this hypothesis is proposed:

H1: Workplace friendship has a significant effect on innovative work behaviour.

Workplace Friendship and Workplace Happiness

Socialising with others is a basic psychological need of every employee in an organisation (Deci & Ryan, 2000). Therefore, organisations needs to facilitate and support employees' relationships. Workplace friendship is defined as employee relationships in the workplace, which is characterised by voluntary, informal, socio-emotional goals, and communal norms (Pillemer & Rothbard, 2018). Previous research concludes that nurturing personal relationships among employees (for example, friendships) could build emotional bonds that increase happiness at work. Also, friendship at work makes the working environment more comfortable and enjoyable, and generates employee satisfaction (Demir, Tyra, & Çıplak, 2019; Zarankin, & Kunkel, 2019). Workplace friendship also provides emotional support that

promotes employees' happiness in the workplace (Cemaloğlu, Duykuluoğlu, & Lisesi (2019). Thus, this present study proposes this hypothesis:

H2: Workplace friendship has a significant effect on workplace happiness.

Workplace Happiness and Innovative work Behaviour

Workplace happiness refers to employees feeling work and its environment as something pleasurable and enjoyable (Salas-Vallina et al., 2016). Workplace happiness includes all aspects of positive well-being and enjoyment that make the work not just satisfying but also pleasurable (Ford et al., 2003). Previous research reveals that happy workers are willing to improve their existing skills and contribute toward creating new ideas for the organisation (Etikariena, 2018; Abdullah & Ling; 2016; Pryce-Jones, 2011). According to Madrid et al. (2014), happy employees could increase positive mood, leading to a higher level of innovative work behaviour. Accordingly, this hypothesis is proposed:

H3: *Workplace* happiness has a significant effect on innovative work behaviour.

Mediating Role of Workplace Happiness

This study assumes that happiness at work is a mechanism through which workplace friendship exerts a positive influence on employees' innovative work behaviour. When the organisation nurtures a friendship relationship in the workplace, positive emotions between employees would improve (greater workplace happiness). These, in turn, would lead to improving innovative work behaviour (Ashkanasy & Paulsen, 2013). In this regard, it might be that workplace friendship could play a mediating role between workplace friendship and innovative work behaviour. Accordingly, this hypothesis is proposed:

H4: Workplace happiness has significant mediating effect in the relationship between workplace friendship and innovative work behaviour.

Workplace Friendship and Knowledge Sharing

Social interaction is the main foundation in knowledge sharing behaviour (Wang & Noe, 2010; Ghahtarani, Sheikhmohammady, & Rostami, 2019). Workplace friendship denotes the emotional closeness of an individual without any boundaries or status ties at work. Previous research reveals that employees that have a close relationship with colleagues provide a quality of knowledge sharing (Kim and Lee, 2010; Van den Hooff and Huysman, 2009). According to previous research, this study proposes this hypothesis:

H₅: Workplace friendship has a significant effect on knowledge sharing.

Knowledge Sharing and Innovative Work Behaviour

Knowledge sharing activity provides an exchange of valuable information from co-workers that are beneficial for problem-solving and or creating new ideas. A number of studies conclude that there is a critical role of knowledge sharing on increasing level of innovative work behaviour, absorptive capacity and firm innovativeness (Liao, Fei & Chen, 2007; Liu & Philips, 2001; Hau, Kim, Lee & Kim, 2013). Furthermore, employees could measure the potential risks of implementing innovation in the workplace through a knowledge sharing process with colleagues (Yesil & Dereli, 2013; Helmy, Adawiyah & Banani, 2019). This mechanism, in turn, improves employee innovative work behaviour. Therefore, this study proposes this hypothesis:

H₆: Knowledge sharing has a significant effect on innovative work behaviour.

Mediating Role of Knowledge Sharing

Workplace friendship characteristics encourage employees to share information or work methods with colleagues. Employees are more open and honest in conveying information which can reduce the barriers to sharing knowledge. The higher knowledge exchange between employees has potentially become a trigger for innovative work behaviour. Previous studies reveal that knowledge sharing had been recognised as a variable mediating in many studies related to innovation (Kuo, Kuo, and Ho, 2012; Wang and Kwek, 2018). Based on previous literature, this hypothesis is proposed:

H₇: Knowledge sharing has a significant mediating effect in the relationship between workplace friendship and innovative work behaviour.

Workplace Friendship and Psychological Safety

Friendship relations provide emotional support, trust and a sense of comfort among employees in an organisation (Berman & West, 2002). According to Mao & Hsieh (2017), strong friendships in the workplace enhance the sense of disclosure and openness among employees in the organisation. Therefore, workplace friendship is a potential resource to increase employees' psychological safety. Thus, this hypothesis is proposed:

H₈: Workplace friendship has significant effect on psychological safety.

Psychological Safety and Innovative Work Behaviour

Psychological safety is an employee's feeling of the interpersonal risks faced in the work environment (Edmondson, Kramer & Cook, 2004; Rao-Nicholson, Stokes & Khan, 2015). An increasingly dynamic work environment can threaten the physical and mental health of employees if they feel psychologically insecure. Therefore, organisations need to create a culture that can facilitate innovation and good team collaboration that allows every employee to dare to take risks in the work environment, since innovative behaviour contains risk. Previous research concludes that if employees feel psychologically safe, they are more likely to offer ideas to others. This motivates them to develop, promote, and implement new ideas (Javed et al. 2019). Therefore, this hypothesis is proposed:

H₉: Psychological safety has a significant effect on innovative work behaviour.

Mediating Role of Psychological Safety

Employees who engage in workplace friendship considered a friend as a "backer" to support their creative ideas (Janssen, 2000). Workplace friendship also positively relates to psychological safety, and in turn, increasing innovative work behaviour. Previous research posits psychological safety as a mediating variable related to innovation research. For instance, Alzyoud, Partington, & Mitchell (2017) propose a conceptual model linking organisational factors, psychological safety and innovative work behaviour. Sharifirad (2013) also reveals the mediation effect of psychological safety on the relationship between leadership behaviour and innovative work behaviour. Thus, this present study proposes this hypothesis:

H₁₀: Knowledge sharing has a significant mediating effect in the relationship between workplace friendship and innovative work behaviour.

Workplace Happiness and Knowledge Sharing

Feeling happiness is crucial factor for fostering employees' knowledge sharing activity. Employees who experienced happiness at work are more likely open to accessing information and encouraging a willingness to share (Zheng, Pan, & Sun, 2019). When employees are full of greater happiness, they become more willing to communicate and collaborate to achieve work effectiveness (Liu et al. 2018). Therefore, workplace happiness has been recognised as a factor that nurtures knowledge sharing behaviour. Therefore, this hypothesis is proposed:

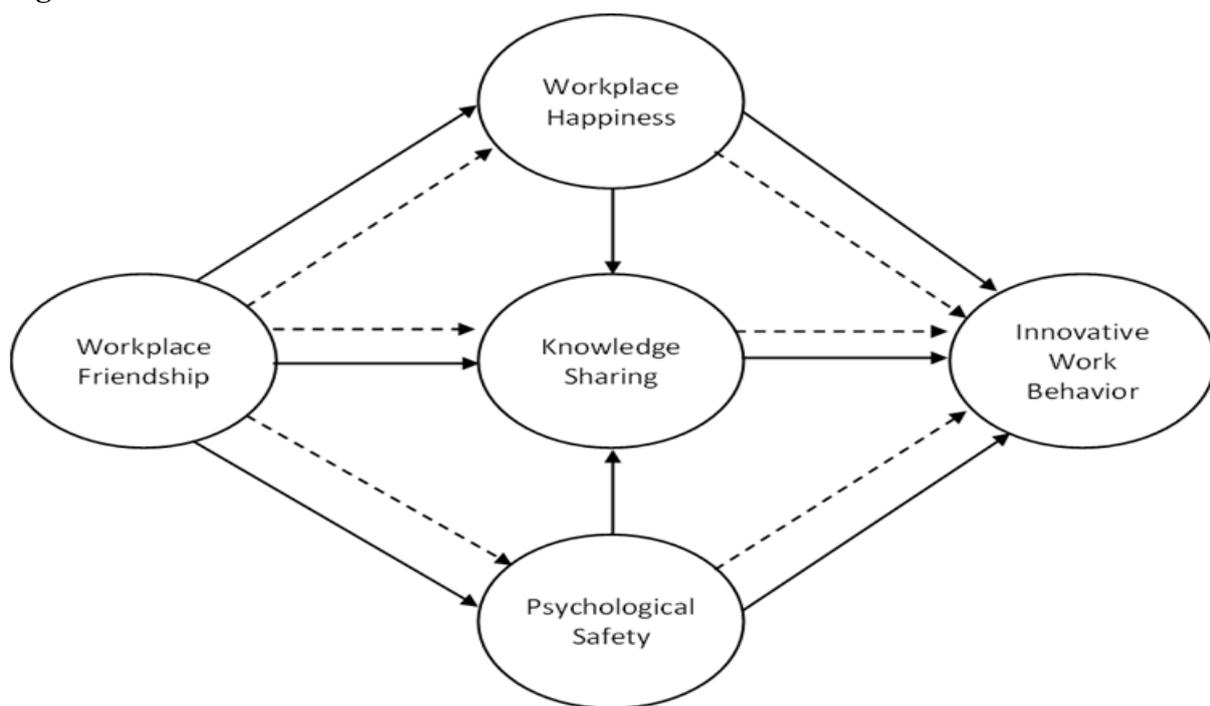
H₁₁: Workplace happiness has a significant effect on knowledge sharing.

Psychological Safety and Knowledge Sharing

According to Edmondson, Kramer & Cook (2004), employees who feel psychologically safe take interpersonal risks without fear of embarrassment or punishment for speaking up. They also participate in knowledge sharing voluntarily and enjoy good interpersonal relationships. This means that employees will be more willing to express themselves, demonstrate their expertise, and share their knowledge with others when they feel psychologically safe (Gerpott et al., 2019). Thus, it can be concluded that psychological safety will encourage employees to share their knowledge. Based on the above literature, this study proposes this hypothesis:

H₁₂: Psychological safety has a significant effect on knowledge sharing.

Figure 1. The research model



Methodology

Data Collection

This study was conducted in Central Java, which is one of the province's most rapidly growing creative industry sectors in Indonesia. We focus on the creative industry of SMEs, especially those that produce fashion and crafts. The fashion and crafts context was chosen to ensure a need for employees' innovative work behaviour in the business. Data were collected through a self-reported survey. The questionnaires were delivered in person by the

researchers (team survey) after making an appointment with owner-managers. To preserve anonymity, respondents were not required to write their names on the questionnaire or provide any identifying clues. Over approximately four months from October 2019 until February 2020, a total of 310 questionnaires were distributed, and 250 were adequately filled. Thus, the usable response for this study is 80.64 percent.

Measurement

All of the survey items were translated from English into Indonesian using a method of forward and backward translation (Brislin, 1970). Innovative work behaviour was measured using a version of Scott and Bruce (1994). The instrument is a 5-point Likert scale (1 = strongly disagree; 5 = strongly agree) that includes six items (e.g., “I generate creative ideas” and “I am innovative”).

Workplace friendship was measured using a workplace prevalence instrument (six items) developed by Nielsen, Jex and Adam (2000). The instrument is a 5-point Likert scale (1 = strongly disagree; 5 = strongly agree) and includes six items (e.g., “I have formed strong friendships at work” and “I feel I can trust many co-workers a great deal”).

Knowledge sharing measurement in this research was measured using the five items developed from Casimir, Lee, & Loon (2012) and Kim & Shim (2019). The instrument is a 5-point Likert scale (1=strongly disagree; 5= strongly agree) and includes five items. (e.g., “I voluntarily share my business experience with others” and “I willingly learn a lot from others”).

The measurement items of workplace happiness were obtained from scales developed by Chaiprasit and Santidhiraku (2011). The instrument is a 5-point Likert scale (1 = strongly disagree; 5 = strongly agree) and includes three items (e.g., “I feel joy at work”).

Psychological safety was measured using the five items developed by Carmeli, Reiter-Palmon and Ziv (2010). The instrument is a 5-point Likert scale (1 = strongly disagree; 5 = strongly agree) and includes six items (e.g., “I am able to bring up problems and tough issues”).

Results

Demographic Characteristic

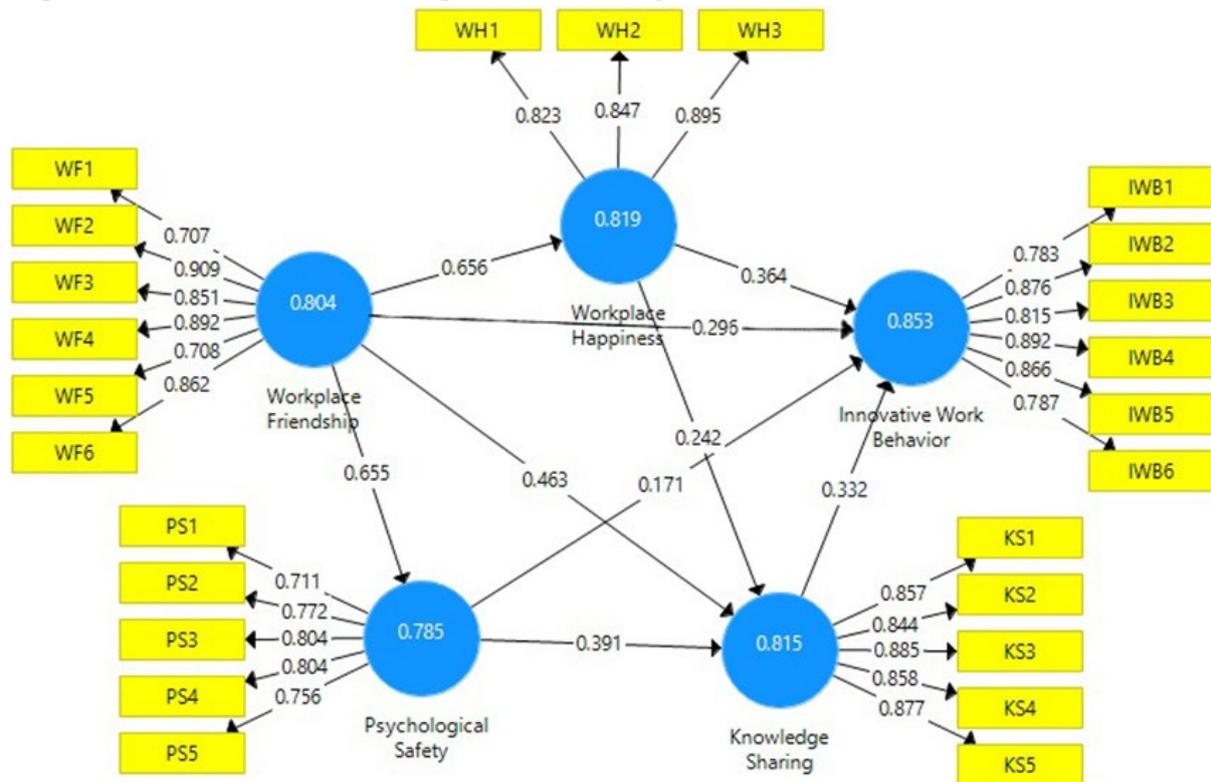
The questionnaires were distributed and collected from 250 employees. The demographic data of the respondents are presented in Table 1:

Table 1: Characteristics of respondents (n=250)

| Demographic Characteristic | Frequency | Percentage |
|-----------------------------------|------------------|-------------------|
| Gender | | |
| Male | 165 | 66.00% |
| Female | 85 | 34.00% |
| Total | 250 | |
| Age | | |
| 16-23 | 85 | 34.00% |
| 24-30 | 125 | 50.00% |
| 30-50 | 38 | 15.20% |
| > 50 | 2 | 0.80% |
| Total | 250 | |
| Employment length (years) | | |
| < 1 | 28 | 11.20% |
| 1-2 | 55 | 22.00% |
| 2-3 | 135 | 54.00% |
| > 3 | 32 | 12.80% |
| Total | 250 | |
| Education | | |
| Secondary and High School | 70 | 28.00% |
| Vocational school | 55 | 22.00% |
| University | 125 | 50.00% |
| Total | 250 | |

Based on table 1, we conclude that 165 respondents (66.00%) were male. The majority of the respondents (50.00%) are in the age range of 24-30 years. Regarding educational qualifications, the majority of the participants had a university education (50.00%) and secondary and high School (28.00%), followed by vocational school (22.00%). According to employment length, most of the respondents (54.00%) had work experience in the range of two to three years.

Figure 2. Result of a structural equation modelling



Measurement Model Evaluation

Table 2: Summary results for model measurement

| Items | Mean | Standard Deviation | Loading factor | |
|--|--|--------------------|----------------|-------|
| Innovative Work Behaviour | | | | |
| CR =0.926; AVE = 0.677; Cronbach’s Alpha = 0.853 | | | | |
| IWB1 | I search out new technologies, processes, techniques, and/or product ideas | 3.83 | 0.53 | 0.783 |
| IWB2 | I generate creative ideas | 3.79 | 0.67 | 0.876 |
| IWB3 | I promote and champion ideas to others | 3.84 | 0.59 | 0.815 |
| IWB4 | I investigate and secure funds needed to implement new ideas. | 3.34 | 0.88 | 0.892 |
| IWB5 | I develop adequate plans and schedules for the implementation of new ideas | 3.44 | 1.17 | 0.866 |
| IWB6 | I am innovative | 3.44 | 1.02 | 0.787 |
| Knowledge Sharing | | | | |
| CR =0.937; AVE = 0.747; Cronbach’s Alpha = 0.815 | | | | |
| KS1 | I willingly exchange important information with | 3.54 | 0.84 | 0.857 |

| Items | | Mean | Standard Deviation | Loading factor |
|---|--|------|--------------------|----------------|
| | co-workers in organisation | | | |
| KS2 | I voluntarily share my skills with colleagues within my department | 3.33 | 0.99 | 0.844 |
| KS3 | I often obtain valuable information through relationships with others | 3.26 | 0.98 | 0.885 |
| KS4 | I voluntarily share my business experience with others | 3.23 | 0.89 | 0.858 |
| KS5 | I willingly learn a lot from others | 3.97 | 0.32 | 0.877 |
| Workplace friendship | | | | |
| CR =0.904; AVE = 0.682; Cronbach's Alpha = 0.804 | | | | |
| WF1 | I have formed strong friendships at work. | 3.44 | 0.77 | 0.707 |
| WF2 | I socialise with co-workers outside of the workplace. | 3.39 | 0.89 | 0.909 |
| WF3 | I can confide in people at work. | 3.73 | 0.66 | 0.851 |
| WF4 | I feel I can trust many co-workers a great deal. | 3.44 | 0.77 | 0.892 |
| WF5 | Being able to see my co-workers is one reason why I look forward to my job. | 3.47 | 0.59 | 0.708 |
| WF6 | I do not feel that anyone I work with is a true friend. (R) | 3.64 | 0.76 | 0.862 |
| Psychological safety | | | | |
| CR =0.853; AVE = 0.541; Cronbach's Alpha = 0.785 | | | | |
| PS1 | I am able to bring up problems and tough issues | 3.73 | 0.53 | 0.711 |
| PS2 | People in this organisation sometimes reject others for being different (R) | 3.69 | 0.67 | 0.772 |
| PS3 | It is safe to take a risk in this organisation | 2,78 | 1.23 | 0.804 |
| PS4 | It is easy for me to ask other members of this organisation for help | 3.24 | 0.88 | 0.804 |
| PS5 | No one in this organisation would deliberately act in a way that undermines my efforts | 3.64 | 0.76 | 0.756 |
| Workplace Happiness | | | | |
| CR = 0,891; AVE = 0.732; Cronbach's Alpha = 0.819 | | | | |
| WH1 | I feel joy at work | 3.34 | 0.57 | 0.823 |
| WH2 | I am satisfied with my work | 3.37 | 0.59 | 0.847 |
| WH3 | I feel enthusiastic at my work | 3.34 | 0.56 | 0.895 |

All minimum requirements are fit with the measurement model, as illustrated in Table 2. First, this study used a cut-off value of 0.70 significance for the loading factor of all items

above 0.70. Higher levels of outside loading factors indicate a higher level of indicator reliability (Hair et al. 2017). Second, all extracted mean values (AVE) exceed the 0.50 threshold, supporting the convergent validity of the construct steps. Composite reliability (CR) precisely explains the convergence and internal consistency of the developed measures. CR estimates the degree to which the respective indicators signal the latent construct. The CR estimates of the latent variables of the present study range from 0.853 to 0.937 (Table 2), which exceed the cut-off value of 0.7. Cronbach's alpha coefficients for the items: workplace friendship, workplace happiness, knowledge sharing, psychological safety, and innovative work behaviour, were 0.804, 0.819, 0.815, 0.785, and 0.853, respectively, indicating an acceptable level of reliability.

Findings

For this study, structural equation modelling using Partial Least Squares (PLS) is used to test the hypotheses. In order to conduct the analysis, Smart PLS 3 Version 2.0) software is used.

Table 3: Structural model assessment

| Construct/ Variable | Path Coefficients | | | | |
|---|-------------------|--------------------|-------------|---------|-----------------------------|
| | Original Samples | Standard Deviation | t-statistic | p-value | Conclusion |
| Direct Effect | | | | | |
| Workplace Friendship → IWB | 0.296 | 0.119 | 2.487 | 0.011 | H ₁ : Supported |
| Workplace Friendship → Workplace Happiness | 0.656 | 0.063 | 10.412 | 0.000 | H ₂ : Supported |
| Workplace Happiness → IWB | 0.364 | 0.087 | 4.183 | 0.001 | H ₃ : Supported |
| Workplace Friendship → Knowledge Sharing | 0.463 | 0.109 | 4.248 | 0.000 | H ₄ : Supported |
| Knowledge Sharing → IWB | 0.467 | 0.095 | 4.915 | 0.000 | H ₅ : Supported |
| Workplace Friendship → Psychological Safety | 0.655 | 0.055 | 11.910 | 0.000 | H ₆ : Supported |
| Psychological Safety → IWB | 0.171 | 0.131 | 1.305 | 0.192 | H ₇ : Rejected |
| Workplace Happiness → Knowledge Sharing | 0.815 | 0.041 | 19.878 | 0.000 | H ₈ : Supported |
| Psychological Safety → Knowledge Sharing | 0.391 | 0.101 | 3.871 | 0.002 | H ₉ : Supported |
| Indirect Effect (mediation effect) | | | | | |
| Workplace Friendship → Workplace Happiness → IWB | 0.239 | 0.069 | 3.464 | 0.004 | H ₁₀ : Supported |
| Workplace Friendship → Knowledge Sharing → IWB | 0.216 | 0.067 | 3.224 | 0.016 | H ₁₁ : Supported |
| Workplace Friendship → Psychological Safety → IWB | 0.112 | 0.086 | 1.302 | 0.264 | H ₁₂ : Rejected |

Table 3 summarises the results that explain the direct and indirect relationship between exogenous variables and endogenous variables. This research finds that workplace friendship has a significant effect on IWB ($t=2.487$; $\alpha=0.011$). These results support H₁. The results also find a significant association between workplace friendship and workplace happiness ($t=10.412$; $\alpha=0.000$) and workplace happiness positively relates to IWB ($t=4.183$; $\alpha=0.001$). Therefore, H₂ and H₃ are supported. Furthermore, workplace friendship is found to positively influence knowledge sharing ($t=4.248$; $\alpha=0.000$) and knowledge sharing is found to positively related to IWB ($t=4.915$; $\alpha=0.001$). These results provide support for H₄ and H₅. The findings also provide support for H₆, which states that workplace friendship has a significant impact on psychological safety ($t=11.910$; $\alpha=0.000$). However, the result reveals that psychological safety has an insignificant relationship with innovative work behaviour ($t=1.305$; $\alpha=0.192$). Therefore, H₇ is unsupported. Additionally, we also investigated the

relationship between workplace happiness and psychological safety on knowledge sharing. The result shows that both workplace happiness ($t=19.878$; $\alpha=0.000$) and psychological safety ($t=3.871$; $\alpha=0.002$) have a significant relationship on knowledge sharing.

Next, according to specific indirect effect test (Hair et al. 2017), this result shows that workplace happiness ($t=3.464$; $\alpha=0.004$) and knowledge sharing ($t=3.224$; $\alpha=0.016$) have partially mediated the relationship between workplace friendship and innovative work behaviour, providing support for H10 and H11. On the other hand, the mediating effect of psychological safety is not significant ($t=1.302$; $\alpha=0.264$). Therefore, H12 is not supported.

Discussions and Implications

This study generally provides support for previous studies that support the positive impact of workplace friendship on organisations. The findings reveal that workplace friendship has a significant effect on innovative work behaviour. This study recognises workplace friendship as a vital part of the informal structure of an organisation that promotes innovative work behaviour. Our study also empirically found that workplace friendship has a positive impact on workplace happiness and psychological safety. Supporting previous research, social connections among employees are found to be a central role in fostering a sense of happiness in the workplace. Alongside this, workplace friendship is found to be a resource for psychological safety. We also argue that workplace happiness and psychological safety could become a trigger for higher knowledge sharing behaviour.

Furthermore, this study also provides the mediating role of workplace happiness on the workplace friendship - innovative work behaviour relationship. However, contrary with to the prediction, psychological safety has an insignificant effect on innovative work behaviour. We argue that this result is related to employees' characteristics of SMEs and also the cultural context of Indonesia that includes a high level of power distance. Çakar and Ertürk (2010) reveal that power distance still becomes a strong barrier of employee innovativeness in SMEs, especially in a high level of power distance culture. Even though employees are safe to implement their ideas, full control is handled by the owner-manager. Employees who feel psychological safety in an organisation is not directly affecting the performing of innovative behaviour.

This present study provides several implications and suggestions for future research. First, managers should consider workplace friendship as a critical factor that increases employees' innovative work behaviour. In today's high-business competition environment, the main challenge of creative industries is to create an original product frequently, in order to meet customer demands. Thus, managers should maintain a friendly work environment that could increase employee happiness and psychological safety. Second, managers should create more

open information sharing among employees. We conclude that a more informal relationship would be valuable for employees to encourage knowledge sharing activity in order to gain employees' involvement in innovative work behaviour.

Conclusions, Limitations and Suggestions for Future Research

This present study concludes that workplace friendship lends a positive influence on innovative behaviour at work. The informal work environment in friendship relations could increase happiness at work and psychological safety, and as a result, encourage knowledge sharing among employees. However, this research has several limitations—first, this study was conducted in SMEs, which have different characteristics to big industrial companies. Thus, we suggest future research to investigate the different organisational settings (e.g., high-tech; manufacturing companies) to obtain a broader generalisation of the study. Second, we suggest replicating this study in a longitudinal way to understand the cause and effect relationship. Thus, we could investigate a causal effect on workplace friendship - innovative workplace behaviour relationship. Third, this study was conducted in Indonesia with a specific cultural context. Thus, we suggest a cross-cultural test of our model in different countries (e.g., Europe, America) to increase our broader understanding.

REFERENCES

- Abdullah, A. G. K. and Ling, Y. L. (2016). The mediating role of workplace happiness on teachers' innovative behaviour and affective commitment for Malaysian secondary schools: A cross-sectional questionnaire survey. *Teacher Education and Curriculum Studies*, Vol. 1, No. 1, pp. 15-19.
- Abua N.H , Mohd, F.H and Othman, Z. (2019). Organisation learning capability in Malaysian SMEs: Exploring management commitment, openness, and knowledge transfer as drivers for innovation implementation. *International Journal of Innovation, Creativity and Change*, Vol. 6, No. 3, pp. 123-142.
- Agarwal, U. A. Datta, S. Blake-Beard, S. Z. Bhargava, S. (2012). Linking LMX, innovative work behaviour and turnover intentions. *Career Development International*.
- Ahmana, E. A. Machmud, R. N. Sumawidjadjac, E. Herlinawati. Model of the competitive advantage of creative industries in Indonesia based on helix quadruple, creativity and innovation capability. *International Journal of Innovation, Creativity and Change*, Vol. 11, No. 8, pp. 147-165.
- Alzyoud, S. Partington, S. Z. and Mitchell, C. (2017). Employee innovation in the hospitality industry. The Mediating Role of Psychological Safety.
- Anser, M. K. Yousaf, Z. Khan, A. and Usman, M. (2020). Towards innovative work behaviour through knowledge management infrastructure capabilities. *European Journal of Innovation Management*.
- Ashkanasy, N. M. and Paulsen, N. (2013). The influence of follower mood on leader mood and task performance: An affective, follower-centric perspective of leadership. *The Leadership Quarterly*, Vol. 24, No. 4, pp. 496-515.
- Bani-Melhem, S. Zeffane, R. and Albaity, M. (2018), Determinants of employees' innovative behaviour. *International Journal of Contemporary Hospitality Management*, Vol. 30 No. 3, pp. 1601-1620. <https://doi.org/10.1108/IJCHM-02-2017-0079>
- Berman, E. M. West, J. P. and Richter, J. M. N. (2002). Workplace relations: Friendship patterns and consequences (according to managers). *Public Administration Review*, Vol. 62, No. 2, pp. 217-230. <https://doi.org/10.1111/0033-3352.00172>
- Brislin, R. W. (1970). Back-translation for cross-cultural research. *Journal of cross-cultural psychology*, Vol. 1, No. 3, pp. 185-216.

- Çakar, N. D. and Ertürk, A. (2010). Comparing innovation capability of small and medium-sized enterprises: examining the effects of organizational culture and empowerment. *Journal of small business management*, Vol. 48, No. 3, pp. 325-359.
- Carmeli, A. Reiter-Palmon, R. and Ziv, E. (2010). Inclusive leadership and employee involvement in creative tasks in the workplace: The mediating role of psychological safety. *Creativity Research Journal*, Vol. 22, No. 3, pp. 250-260.
- Casimir, G., Lee, K. and Loon, M. (2012). Knowledge sharing: influences of trust, commitment and cost. *Journal of knowledge management*.
- Cemaloğlu, N. Duykuluoğlu, A. and Lisesi, K. F. (2019). Relationship between teachers workplace friendship perceptions and conflict management styles. *International Education Studies*, Vol. 12, No. 9, pp. 177-185.
- Chaiprasit, K. and Santidhiraku, O. (2011). Happiness at work of employees in small and medium-sized enterprises, Thailand. *Procedia-Social and Behavioural Sciences*, Vol. 25, pp. 189-200.
- Colbert, A. E. Bono, J. E. and Purvanova, R. K. (2016). Flourishing via workplace relationships: Moving beyond instrumental support. *Academy of Management Journal*, Vol. 59, No. 4, pp. 1199-1223
- De Jong, J. and Den H. D. (2010). Measuring innovative work behaviour. *Creativity and innovation management*, Vol. 19, No. 1, pp. 23-36.
- Diener, E. and Seligman, M. E. (2002). Very happy people. *Psychological Science*, Vol. 13, pp. 81–84.
- Deci, E. L. and Ryan, R. M. (2000). The ‘what’ and ‘why’ of goal pursuits: Human needs and the selfdetermination of behaviour. *Psychological Inquiry*, Vol. 11, pp. 319–338. https://doi.org/10.1207/S15327965PLI1104_01
- Demir, M. Tyra, A. and Özen-Çıplak, A. (2019). Be there for me and I will be there for you: Friendship maintenance mediates the relationship between capitalization and happiness. *Journal of Happiness Studies*, Vol. 20, No. 2, pp. 449-469.
- Donati, S. Zappalà, S. and González-Romá, V. (2016). The influence of friendship and communication network density on individual innovative behaviours: a multilevel study. *European Journal of Work and Organizational Psychology*, Vol. 25(4), 583-596.



- Edmondson, A. C., Kramer, R. M., & Cook, K. S. (2004). Psychological safety, trust, and learning in organizations: A group-level lens. *Trust and distrust in organizations: Dilemmas and approaches*, Vol. 12, pp. 239-272.
- Etikariena, A. (2018). The effect of psychological capital as a mediator variable on the relationship between work happiness and innovative work behaviour. *Diversity in Unity: Perspectives from Psychology and Behavioural Sciences*, pp. 379-386.
- Ferreira, N. (2019). Enhancing Career Wellbeing: The Role of Workplace Friendship, Career Adaptability and Organisational Commitment. In *Theory, Research and Dynamics of Career Wellbeing* (pp. 197-216). Springer, Cham.
- Ford, R. C. McLaughlin, F. S. and Newstrom, J. W. (2003). Questions and Answers about Fun at Work. *Human Resource Planning*, Vol. 26, No. 4, pp. 154-165.
- Ghahtarani, A. Sheikhmohammady, M. and Rostami, M. (2019). The impact of social capital and social interaction on customers' purchase intention, considering knowledge sharing in social commerce context. *Journal of Innovation & Knowledge*. doi:10.1016/j.jik.2019.08.004
- Gómez-Solórzano, M, Tortoriello, M, Soda, G. Instrumental and affective ties within the laboratory: The impact of informal cliques on innovative productivity. *Strat Mgmt J*, Vol.40, pp. 1593– 1609. <https://doi.org/10.1002/smj.3045>
- Gerpott, F. H. Lehmann-Willenbrock, N. Wenzel, R. and Voelpel, S. C. (2019). Age diversity and learning outcomes in organizational training groups: the role of knowledge sharing and psychological safety. *The International Journal of Human Resource Management*, pp. 1-28.
- Hau, Y. S. Kim, B. Lee, H. and Kim, Y. G. (2013). The effects of individual motivations and social capital on employees' tacit and explicit knowledge sharing intentions. *International Journal of Information Management*, Vol.33, No. 2, pp. 356-366.
- Helmy, I. Adawiyah, W. R., and Banani, A. (2019). Linking Psychological Empowerment, Knowledge Sharing, and Employees' Innovative Behaviour in SMEs. *The Journal of Behavioural Science*, Vol. 14, NO. 2, pp. 66-79.
- Ho, L. A. Kuo, T. H. and Lin, B. (2012). How social identification and trust influence organizational online knowledge sharing. *Internet Research*.



- Hu, Y. (2019). Research on the Mechanism of Employee Work Reshaping's Impact on Innovative Behaviour. *Academic Journal of Humanities & Social Sciences*, Vol. 2, No. 3, pp. 178-186.
- Janssen, O. (2000). Job demands, perceptions of effort-reward fairness and innovative work behaviour. *Journal of Occupational and organizational psychology*, Vol. 73, No. 3, pp. 287-302.
- Javed, B. Naqvi, S. M. M. R. Khan, A. K. Arjoon, S. and Tayyeb, H. H. (2019). Impact of inclusive leadership on innovative work behaviour: The role of psychological safety. *Journal of Management & Organization*, Vol. 25, No. 1, pp. 117-136.
- Khorakian, A. and Jahangir, M. (2018). The impact of social network on the innovative behaviour of IT professionals: What is the role of sharing mistakes?. *E+M Ekonomie a Management*. Vol. 21, pp. 188-204. 10.15240/tul/001/2018-3-012.
- Kim, S. and Lee, H. (2006), The impact of organisational context and information technology on employee knowledge-sharing capabilities, *Public Administration Review*, Vol. 66, No. 3, pp. 370-85.
- Kim, N. and Shim, C. (2019). Taking it personally: How to increase interorganizational knowledge sharing in a tourist district. *Tourism and Hospitality Research*, Vol. 19, No. 1, pp. 85-97.
- Li, Y. Q. and Liu, C. H. (2019). The power of coworkers in service innovation: the moderating role of social interaction. *The International Journal of Human Resource Management*, Vol. 30, No. 12, pp. 1956-1976.
- Liao, S. H. Fei, W. C. and Chen, C. C. (2007). Knowledge sharing, absorptive capacity, and innovation capability: an empirical study of Taiwan's knowledge-intensive industries. *Journal of information science*, Vol. 33, No. 3, pp. 340-359.
- Liu, M. L. Hsieh, M. W. Hsiao, C. Lin, C. P. and Yang, C. (2018). Modeling knowledge sharing and team performance in technology industry: the main and moderating effects of happiness. *Review of Managerial Science*, pp. 1-24.
- Madrid, H. P. Patterson, M. G. Birdi, K. S. Leiva, P. I. and Kausel, E. E. (2014). The role of weekly high-activated positive mood, context, and personality in innovative work behaviour: A multilevel and interactional model. *Journal of Organizational Behaviour*, Vol. 35, No. 2, pp. 234-256.
- Mao, H.-Y. and Hsieh, A.-T. (2017). Friendship at work and error disclosure. *BRQ Business Research Quarterly*, 20, No. 4, pp. 213–225. doi:10.1016/j.brq.2017.07.002



- Methot, J. R. Lepine, J. A. Podsakoff, N. P. and Christian, J. S. (2016). Are workplace friendships a mixed blessing? Exploring tradeoffs of multiplex relationships and their associations with job performance. *Personnel psychology*, Vol. 69, No. 2, pp. 311-355.
- Mura, Matteo and Lettieri, E. and Radaelli, G.i and Spiller, N. (2013). Promoting Professionals' Innovative Behaviour through Knowledge Sharing: The moderating role of social capital. *Journal of Knowledge Management*. Vol. 17, pp. 527-544. 10.1108/JKM-03-2013-0105.
- Nahapiet, J. and Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of management review*, Vol. 23, No. 2, pp. 242-266.
- Nielsen, I. K. Jex, S. M. and Adams, G. A. (2000). Development and validation of scores on a two-dimensional workplace friendship scale. *Educational and Psychological Measurement*, Vol. 60, No. 4, pp. 628-643.
- Pillemer, J. and Rothbard, N. P. (2018). Friends without benefits: Understanding the dark sides of workplace friendship. *Academy of Management Review*, Vol. 43, No. 4, pp. 635-660.
- Pryce-Jones, J. (2011). *Happiness at work: Maximizing your psychological capital for success*. John Wiley & Sons.
- Rao-Nicholson, R. Khan, Z. and Stokes, P. (2016). Making great minds think alike: Emerging market multinational firms' leadership effects on targets' employee psychological safety after cross-border mergers and acquisitions. *International Business Review*, Vol. 25, No. 1, pp. 103-113.
- Salas-Vallina, A. Alegre, J. and Fernández, R. (2017). Organizational learning capability and organizational citizenship behaviour in the health sector: examining the role of happiness at work from a gender perspective. *The International journal of health planning and management*, Vol. 32, No. 2, pp. e137-e159.
- Scott, S. G. and Bruce, R. A. (1994). Determinants of innovative behaviour: A path model of individual innovation in the workplace. *Academy of management journal*, Vol. 37 No. 3, pp. 580-607. <https://doi.org/10.5465/256701>
- Sharifirad, M. S. (2013). Transformational leadership, innovative work behaviour, and employee well-being. *Global Business Perspectives*, Vol. 1, No. 3, pp. 198-225.
- Song, S-H. and Olshfski, D. (2008). Friends at Work: A Comparative Study of Work Attitudes in Seoul City Government and New Jersey State Government. *Administration & Society*, Vol. 40, No. 2, pp. 147-169.



- Van den Hooff, B. and Huysman, M. (2009). Managing knowledge sharing: Emergent and engineering approaches. *Information & management*, Vol. 46, No. 1, pp. 1-8.
- Wang, Z. and Kwek, C. L. (2018). The mediation role of knowledge sharing between organizational learning and technological innovation practice. *International Journal of Knowledge Management (IJKM)*, Vol. 14(3), 48-68.
- Wang, S. and Noe, R. A. (2010). Knowledge sharing: A review and directions for future research. *Human resource management review*, Vol. 20, No. 2, pp. 115-131.
- Xiao, J. Mao, J. Y. Quan, J. and Qing, T. (2020). Relationally charged: How and When Workplace Friendship Facilitates Employee Interpersonal Citizenship. *Frontiers in Psychology*, Vol. 11, No. 13, pp. 116-125.
- Yeşil, S. and Dereli, S. F. (2013). An empirical investigation of the organisational justice, knowledge sharing and innovation capability. *Procedia-Social and Behavioural Sciences*, Vol. 75, pp. 199-208.
- Zarankin, T. G. and Kunkel, D. (2019). Colleagues and friends: A Theoretical Framework of Workplace Friendship. *Journal of Organizational Psychology*, Vol.19, No. 5, pp. 147-163.
- Zheng, W. Pan, H. and Sun, C. (2019). A friendship-based altruistic incentive knowledge diffusion model in social networks. *Information Sciences*, Vol.491, pp. 138-150.