

THE EFFECT OF GREEN WORK ENGAGEMENT, EMPLOYEE GROWTH MINDSET, AND EMPLOYEE'S INNOVATIVE WORK BEHAVIOR ON INNOVATIVE ORGANIZATIONAL CULTURE

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ABSTRACT

An innovative organizational culture presents an opportunity for commercial entities to maintain competitiveness, particularly within the MSME sector. Consequently, MSME entrepreneurs must devise ways to confront competition. This study seeks to elucidate the impact of the interplay among Green Work Engagement, Employee Growth Mindset, and Employee Innovation Work Behavior on the Innovation Organizational Culture within Patchwork and Quilting MSMEs in East Java. The study population comprised all Patchwork and Quilting MSMEs in East Java, the exact number of which is unspecified. Respondents were chosen using unintentional purposive sampling, with quantitative data gathered from 160 individuals in the Patchwork and Quilting MSME sector in East Java. This study, utilizing PLS-SEM, demonstrated that the three independent factors positively influence Innovation Organization Culture in all Patchwork and Quilting MSMEs in East Java. The findings indicate that green employee engagement substantially fosters the development of an innovative organizational culture. Furthermore, employees possessing a growth mindset can facilitate innovative collaboration through their work behavior, ultimately cultivating a more innovative work environment and promoting sustainable organizational growth. This study offers comprehensive insights and tangible advantages for MSME stakeholders in formulating new human resource development strategies that are competitive in the current era.

Keywords: Green Work Engagement, Employee Growth Mindset, Employee Innovation Work Behaviot, Innovation Organization Culture

INTRODUCTION

Micro , Small, and Medium Enterprises (MSMEs) significantly contribute to the Indonesian economy, accounting for 61% of the country's gross domestic product (Sugiyarto et al., 2024). The creative economy sector, a component of MSMEs, contributes around Rp1,300 trillion and has generated more than 22 million jobs (Chaniago et al., 2023). Indonesia's creative economy encompasses various industries, including Patchwork & Quilting, which is part of the craft industry. Patchwork is a sector of ecrاف that employs patchwork waste by integrating fabrics of diverse colors and shapes, including geometric patterns, landscapes, flowers, and houses, to create new motifs, which are then affixed to the fabric to generate novel designs (Mahardika et al., 2020). Patchwork is augmented through a quilting technique that combines the first, second, and third layers of fabric into a single, thicker layer. In East Java, a group of Patchwork artisans known as "Pelanusa" has successfully sold its products to Japan, Malaysia, and Vietnam, with Indonesians residing in Australia also purchasing Patchwork Quilting items from Pelanusa (Lia et al., 2022.; Nada Zeitalini, 2021). This indicates that creative items

like Patchwork Quilting are in high demand among consumers domestically and internationally, necessitating their development as a robust product.

To confront global competitiveness and swift technological advancement, firms must cultivate a work climate conducive to innovation (Nugroho, 2024). Research by Zhang et al., (2023) elucidates that organizational culture is a significant intangible asset that can be leveraged to attain strategic objectives pertaining to innovation. Consequently, organizational culture is a component that can foster innovation (Fernanda et al., 2023). Khootimah Azzaakiyah et al., (2023) assert that an organizational culture promoting resilience and agility in the face of change enhances the organization's capacity to adapt to market and technological shifts, thereby facilitating the continuous development of new products and services to maintain competitiveness. This demonstrates that an inventive organizational culture can generate products like Patchwork and Quilting to compete on a global scale.

According to Windi, (2024) Organizational Culture encompasses the behaviors, values, beliefs, and habits that guide individual conduct within the organization. Innovation entails

the generation of novel entities within an industry, including the invention of products, the advancement of methodologies, the establishment of new markets, the creation of resources, and the formation of monopolies dedicated to the development of new products and production systems (Handoko & Anjaningrum, 2024). An Innovative Organizational Culture is defined as a corporate culture that prioritizes creative values developed by the firm and then executed by current personnel (Windi, 2024).

Indonesia, particularly in East Java, encounters difficulties in fostering a culture of innovation among Patchwork and Quilting MSMEs, stemming from constraints in comprehending and executing an innovation-supportive culture (Nugroho, 2024). According to the Global Innovation Index statistics (2021), Indonesia is placed 87th out of 132 nations regarding innovativeness, indicating a significantly low level of innovation, especially within the Patchwork & Quilting MSME sector. Innovative organizational culture fosters creativity, experimentation, and the willingness to take risks, which are crucial for public organizations aiming to maintain relevance and competitiveness in the global market (Putri & Frinaldi, 2024). Consequently, this research is imperative to ascertain methods for enhancing innovative organizational culture in Patchwork and Quilting MSMEs in East Java.

Previous research indicates that innovative organizational culture is significantly affected by green work engagement. For instance, research by Elsayed et al., (2024) demonstrates that organizations promoting green work engagement cultivate an environment in which employees are motivated to reciprocate through engagement in organizational cultural behaviors. Work engagement quantifies the degree to which individuals psychologically align with their work and perceive their performance as intrinsically rewarding (Fitriadi et al., 2022), whereas the term "green" pertains to nature or the natural environment, thus signifying environmental (Welmilla & Ranasinghe, 2020). Green work engagement as defined refers to the energy employees devote to integrating their job with environmentally sustainable practices, characterized by their commitment to invest time and effort, as well as their level of absorption in these activities (Aboramadan, 2022).

Research by Welmilla & Ranasinghe, (2020) indicates that work involvement focused on environmental considerations and green occupations serves as a positive indication of the

workplace, fostering an innovative corporate culture. Fang et al., (2022) elucidated that employee engagement in green initiatives significantly influences process innovation, employees involved in such initiatives are inclined to identify methods for waste reduction and minimizing environmental impact, thereby enhancing the overall efficiency of the organization, including its innovative culture. Aboramadan, (2022) indicates that the prevailing literature predominantly addresses work engagement in a general workplace context; therefore, further study is necessary to assess the influence of specific green practices on green job engagement inside organizations. Based to research, the global crisis is making it difficult for people to engage in green work, which has a negative impact on employee engagement at work (Haque et al., 2024). This highlights an additional study gap concerning the correlation between green work participation and innovative corporate culture.

Additionally, other studies indicate that an innovative organizational culture is significantly shaped by Employee Growth Mindset, as evidenced by research from Canning et al., (2020), which demonstrates that a growth mindset can transform an organization's culture. In an innovative organizational culture, employees must consistently collaborate to establish new behavioral patterns, pursue new information, apply novel ideas, and engage in continual self-improvement (Canning et al., 2020). This aligns with the assertion Yeager & Dweck, (2020) in their research that individuals' innate abilities can be augmented via education, experience, and experimentation. According to Liu & Tong, (2022) demonstrates that an employee's growth mindset correlates favorably with innovative conduct, while a collective pattern of behavior, rules, conventions, and values inside an organization is termed organizational culture (AlSaied & Alkhoraif, 2024)

Growth mindset personnel, as defined by Yeager & Dweck (2020), hold the notion that their abilities and intelligence can be cultivated via commitment, effort, and education. Research indicates that people possessing a growth mindset exhibit more readiness to confront challenges, endure setbacks, and perceive failure as a learning opportunity (Yeager & Dweck, 2020). Moreover, research Ding & Yu (2022), indicates that individuals possessing a growth mindset foster innovation by embracing difficulties and soliciting feedback, hence facilitating positive organizational transformation. Additional research Krskova & Breyer, (2023) corroborates that employees'

growth mindset can individually and collectively enhance creativity in the workplace. A growth mentality enhances both individual and group innovation, as employees are inspired to seek novel ideas and consistently advance the organization's development.

Conversely, several prior studies indicate that innovative corporate culture is also affected by Employee Innovation Work Behavior. Research by Yang et al., (2020) demonstrated that firms with employees displaying innovative behavior, such as generating new and proactive suggestions to enhance work procedures, are inclined to cultivate a culture that is more conducive to innovation. Furthermore, study by Ghani et al., (2023) demonstrated that robust employee job engagement significantly impacts innovative work behavior. According to Handoko & Anjaningrum (2024), an innovative corporate culture is reinforced by robust work engagement, a conducive physical work environment, and innovative work behavior.

Innovative work behavior refers to individuals' intentional actions to generate, introduce, and execute innovative ideas inside a workplace, group, or organization to enhance performance (AlEssa & Durugbo, 2022). According to Al-Omari et al., (2019), further research is necessary on the side effects of innovative work behavior in relation to various other factors. Consequently, this study invites additional perspectives, particularly concerning the relationship between employee innovative work behavior and innovative organizational culture within Patchwork and Quilting MSMEs. Given the evolving market dynamics and heightened competition among companies, innovative work behavior has become an essential requirement for all organizations (Ghani et al., 2023)

Innovation serves as a mechanism for an organization to sustain growth and maintain global competitiveness. An innovative work environment enables an organization to establish a competitive edge that is adaptable to change, responsive to competition, and capable of generating new products and evolving to satisfy market demands. This research is significant as Patchwork and Quilting MSMEs represent a crucial segment of the e-craft industry that substantially contributes to the Indonesian economy; hence, it is essential to identify the characteristics that can enhance creative organizational culture for the advancement of Patchwork and Quilting MSMEs. This study seeks to ascertain: 1) the influence of Green Work Engagement on Organizational Culture of Innovation, 2) the impact of Employee Growth

Mindset on Organizational Culture of Innovation, 3) the effect of Employee Innovation Work Behavior on Organizational Culture of Innovation.

Hypotheses Development:

Green Work Engagement and Innovative Organization Culture

Green work engagement can be defined as the drive given by employees to encourage an environmentally friendly work environment, as well as their commitment to act in an environmentally friendly manner. (Aboramadan, 2022). The concept of green work engagement refers to how employees are actively involved in sustainable initiatives at their workplace where they should be dedicated and committed to supporting sustainable practices in reducing the negative impacts caused on society, the environment, and other social aspects (Marini et al., 2023). Meanwhile, work engagement itself can be defined as a positive and satisfying mental state related to work, characterized by enthusiasm, dedication, and involvement (Kurniawan et al., 2024). Employees who actively participate in green initiatives tend to be more motivated to do new things and contribute to a corporate culture that supports innovation (K, 2024). When employees are involved in green work they are more motivated to work creatively and look for new ways to solve environmental problems which in turn promotes an innovative organizational culture (Ababneh, 2021). Therefore, there is a growing need to innovate "green" products or use sustainable materials (Sharma et al., 2021). Based on these facts, the current study hypothesizes that:
H1 : Employees who have green work engagement can significantly influence innovative organizational culture

Employee Growth Mindset and Innovative Organization Culture

A growth mindset can be defined as the belief that various characteristics of individual or employee abilities can be improved through learning, experience, and experimentation within and outside the organization (Yeager & Dweck, 2020). The concept of a growth mindset further illustrates that employees who have a growth mindset are ready to face challenges to work hard to achieve very unique and extraordinary things, which also support the organization in its efforts to create higher value, especially in innovation (Yeager & Dweck, 2020). Those who work with this mindset are more likely to take risks, innovate, and learn from mistakes, which is an important part of creating an innovative culture in the company (Liu & Tong, 2022). The organization itself is an important place as a learning process for

all human resources (AlSaied & Alkhoraif, 2024). Employees with a growth mindset always work hard and try new strategies to achieve their goals so they are not afraid of failure and will see mistakes as lessons learned (Abernethy et al., 2021). This is in accordance with Yeager & Dweck (2020) that failure is an opportunity to learn and grow compared to the idea that failure is caused by their abilities. Therefore, with a growth mindset employees of innovative organizational cultures can collaborate to create new patterns of behavior with each other, seek new information, implement new ideas, and continuously improve themselves (Canning et al., 2020). Based on this explanation, it can be hypothesized that:

H2 : Employee growth mindset can significantly influence innovative organizational culture.

Employee Innovation Work Behavior and Innovative Organization Culture

Employee innovative work behavior (IWB) is defined as behavior that creates, discovers, and applies new ideas or ideas in the workplace, group, or organization to improve individual, group, or organizational performance (Rahmat & Seswandi, 2023). Employee innovative behavior is the process by which people create,

encourage, and implement new ideas in their workplace. This is crucial for the survival and progress of the organization amid fierce competition and a rapidly changing environment. (Ebrahim et al., 2023). In an innovative corporate culture, these behaviors are highly relevant and characterized by a work environment that encourages creativity, cooperation, and risk-taking (Zhang et al., 2023). Employees who actively innovate not only contribute to the development of new products and processes, but also strengthen the culture of innovation within the organization (Liu & Tong, 2022). In accordance with the definition of an innovative organizational culture where the organization must encourage activities that pursue new ideas in products, services, and work behavior to improve competitiveness and meet market needs (AlSaied & Alkhoraif, 2024).. Thus, IWB offers the ability to maintain a competitive advantage and keep the organization sustainable (AlEsa & Durugbo, 2022). Therefore, this study hypothesizes that:

H3 : Employee innovative work behavior can significantly influence innovative organizational culture.

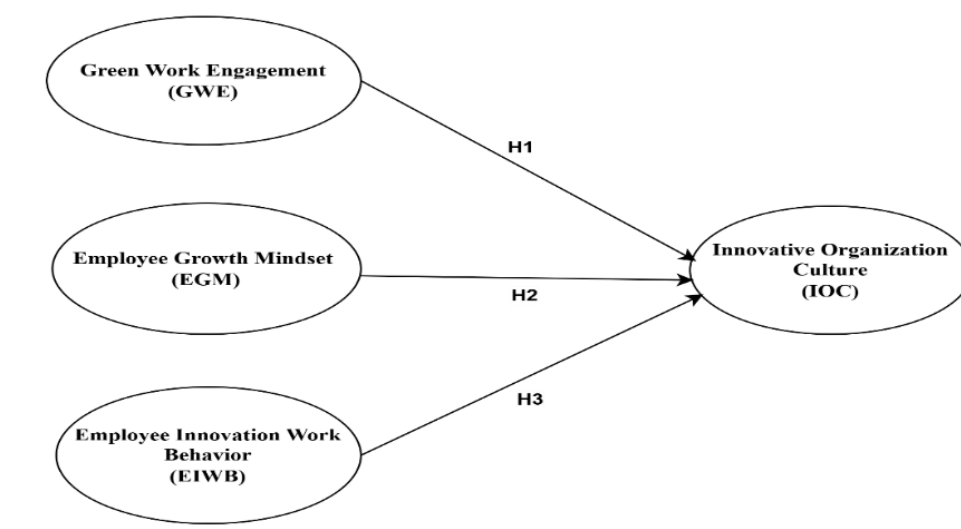


Figure 1. Conceptual framework

Source : Developed by Authors (2024)

RESEARCH METHODS

This study employed a quantitative research technique focusing on four primary latent constructs: Green Work Engagement, Employee Growth Mindset, Employee Innovation Work Behavior, and Innovation Organizational Culture. The four constructs establish a conceptual framework that facilitates the formulation of hypotheses in this investigation. The subject of this study comprises Patchwork and Quilting MSMEs

located in East Java. The sample for this study was established using an accidental purposive sampling strategy, according to a minimum sample size as outlined by Hair et al. The Hair formula is employed due to the uncertainty over the population size, indicating that the sample size should be 5 to 10 times the indicator variable. The total number of indicators is 16 multiplied by 10, resulting in 160. Table 1 delineates the computation of the sample size for each Patchwork & Quilting MSME in East Java.

Table 1. Number of Samples			
Categories	Subcategories	Total Amount	Percentage
Job Position	Owner	48	30%
	Employee	112	70%
Gender	Man	64	40%
	Woman	96	60%
Age	18-25	40	25%
	26-35	72	45%
Education	36-45	48	30%
	High School	96	60%
	Diploma	40	25%
	Bachelor's Degree	24	15%
Business Experience	1-5th	24	15%
	6-10th	88	55%
	>10th	48	30%
Total of Employees	1-4 Employees	56	35%
	5-19 Employees	72	45%
	20-99 Employees	32	20%
Business Income	<Rp5 Million IDR	48	30%
	Rp5-10 Million IDR	64	40%
	Rp10-20 Million IDR	32	20%
	>Rp 20 Million IDR	16	10%

Source: Primary Data – Authors Own (2024)

Measurement
Each latent construct is measuredusing a variety of items as shown in Table 2 below:

Table 2. Measurements of Latent Constructs

Latent-Constructs	Items
Green Work Engagement (GWE) Adapted from Khanh & Tran,. (2023)	(GWE1) Environmental tasks inspire. (GWE2) Pride comes from environmental work. (GWE3) Full immersion occurs when doing environmental work. (GWE4) Environmental tasks at work trigger high enthusiasm. (GWE5) There is a sense of joy when working hard on environmental tasks. (GWE6) Full energy is felt when doing environmental tasks at work.
Employee Growth Mindset (EGM) Adapted from Liu & Tong, (2022)	(EGM1) Everyone, no matter who they are, can significantly change their basic characteristics. (EGM2) People can always substantially change the kind of person they are. (EGM3) No matter what kind of person someone is, they can always change very much. (EGM4) All people can change even their most basic qualities.
Employee Innovation Work Behavior (EIWB) Adapted from Handoko & Anjaningrum, (2024)	(EIWB1) Innovative individuals. (EIWB2) Innovative leadership styles. (EIWB3) Innovative organizations.
Innovation Organization Culture Adapted from Handoko & Anjaningrum, (2024)	(IOC1) Availability of basic facilities for an innovative corporate culture. (IOC2) Existence of an innovative vision & mission. (IOC3) Growth of a culture of respecting fellow human beings as well as the environment.

Source: Developed by the Authors (2024)

Data Acquisition

The quantitative data collection method involves distributing an online questionnaire to participants. Every item in the questionnaire assessing respondents' perceptions is allocated a 5 point Likert scale.

Data Examination

Two analytical methodologies were employed: (1) descriptive analysis to elucidate respondent demographics, and (2) PLS-SEM analysis, which encompasses Outer Model Measurement (including evaluations of convergent and discriminant validity, as well as the reliability of the research instrument) and Inner Model Measurement (pertaining to the integrity of the established structural model, incorporating the

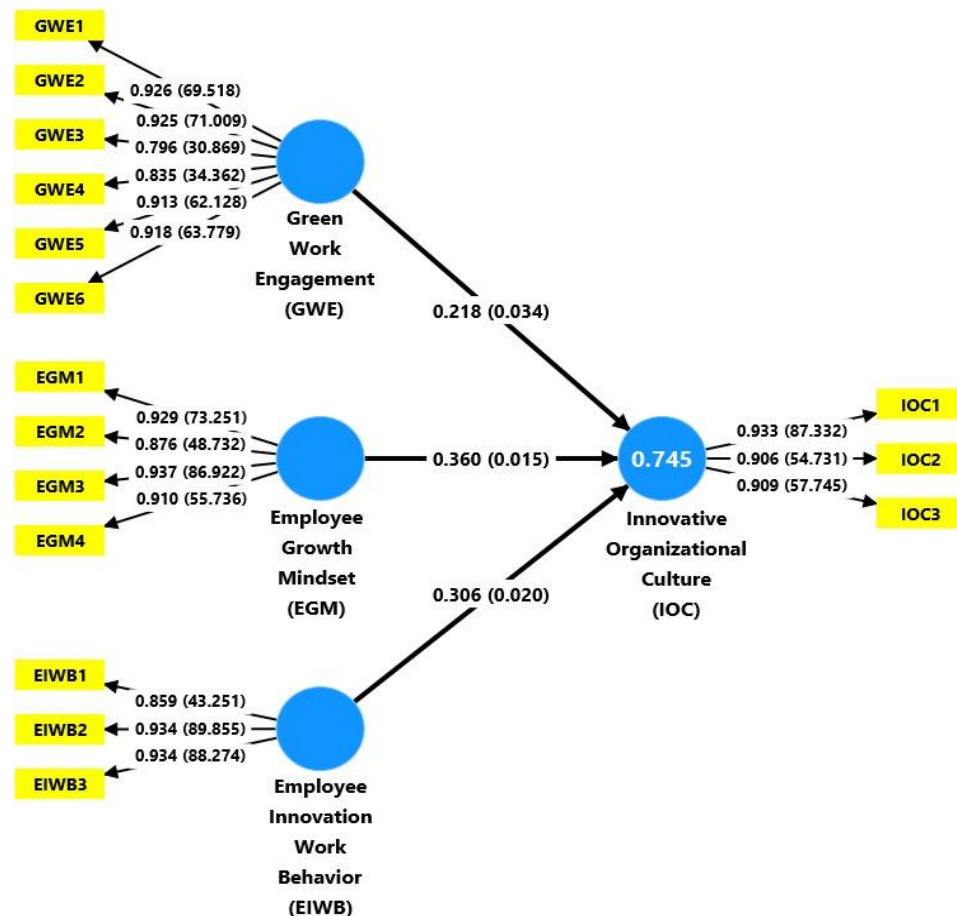
determination coefficient (R2), effect size analysis (f2), and hypothesis testing through the t-test).

RESULT AND DISCUSSION

RESULT

**SEM-PLS Outer-Model Measurement
Convergent Validity**

The loading factor value must exceed 0.70 to signify a valid item that measures the latent construct (Hair et al., 2014; Leguina, 2015). Figure 2 indicates that each item is valid, as the loading factor value (the number displayed on the connecting line across the item and the latent construct) exceeds 0.7.



Source: SmartPLS-4.1.0.8-Software's Output (2024)

Table 3. Reliability and Validity

	AVE	Cr-A	Co-R-(rho_a)	Co-R (rho_c)
GWE	0.787	0.945	0.946	0.957
EGM	0.834	0.933	0.934	0.953
EIWB	0.828	0.895	0.898	0.935
IOC	0.839	0.904	0.905	0.940

Source: SmartPLS-4.1.0.8-Software's Output (2024)

A further indicator of convergent validity for a research instrument is the Average Variance Extracted (AVE) score, which should exceed 0.5. Table 3 indicates that the Average Variance Extracted (AVE) value for each latent construct exceeds 0.5. Table 3 indicates that Cronbach's alpha (Cr-A) and Composite reliability (Co-R) demonstrate that the reliability of the research instruments is anticipated to exceed 0.6 (Cr-A) and 0.8 (Co-R).

Discriminant Validity

Discriminant validity is examined using the Fornell-Larcker (FL) criterion and cross-loading analysis. The FL criterion states that a research instrument is valid if the square root of the Average

Variance Extracted (AVE) exceeds the correlation coefficient between latent variables.

From the data in Table 4, it is known that the FL GWE value of 0.887 is greater than the GWE-IOC correlation of 0.218. The FL EGM value of 0.913 is greater than the EGM-IOC correlation of 0.360. The FL EIWB value of 0.910 exceeds the EIWB-IOC correlation of 0.306. The FL IOC value of 0.916 exceeds the EIWB-IOC correlation of 0.306, the EGM-IOC correlation of 0.360, and the GWE-IOC correlation of 0.218. These results indicate that the research instruments assessing these variables are discriminatively valid.

Table 4. Fornell-Larcker Criterion

	GWE	EGM	EIWB	IOC
GWE	0.887			0.218
EGM		0.913		0.360
EIWB			0.910	0.306
IOC				0.916

Source: SmartPLS-4.1.0.8-Software's Output – Modified by The Authors (2024)

Table 5. Cross-Loading Value

	GWE	EGM	EIWB	IOC
GWE1	0.926	0.845	0.839	0.764
GWE2	0.925	0.832	0.820	0.739
GWE3	0.796	0.709	0.722	0.691
GWE4	0.835	0.814	0.806	0.760
GWE5	0.913	0.801	0.793	0.700
GWE6	0.918	0.816	0.803	0.696
EGM1	0.811	0.929	0.873	0.777
EGM2	0.780	0.876	0.847	0.786
EGM3	0.863	0.937	0.916	0.808
EGM4	0.862	0.910	0.890	0.740
EIWB1	0.748	0.831	0.859	0.739
EIWB2	0.845	0.903	0.934	0.809
EIWB3	0.863	0.899	0.934	0.768
IOC1	0.797	0.810	0.802	0.933
IOC2	0.735	0.768	0.779	0.906
IOC3	0.718	0.763	0.752	0.909

Source: SmartPLS-4.1.0.8-Software's Output (2024)

An item of a latent construct is deemed valid if its loading value to that construct exceeds its loading values to other constructs. Table 5 indicates that the loading value of each variable indicator exceeds that of other variables. Thus, every indication assessing a variable is deemed valid.

SEM-PLS Inner Moder Measurement

This study evaluates the R-Square test, which indicates the percentage contribution of the independent variable to the dependent variable. An independent variable is deemed to exert a considerable influence on the dependent variable if the R-Square value is no less than 0.67 (Chin, 1998 in Hair et al., 2014). The figure depicted in Figure 2, specifically the numeral within the blue circle symbol, indicates an R-Square value of 0.745 for the

'Innovative Organisation Culture' variable. Approximately 74.5% of Innovative Organization Culture is elucidated by Green Work Engagement, Employee Growth Mindset, and Employee Innovative Work Behaviour, indicating a substantial influence.

Testing the Hypotheses

Hypotheses must be assessed for truthfulness. The t-test is utilized for hypothesis testing. If the t-statistic surpasses 1.96 (at a 5% significance level) or the p-value is below 0.05, the influence of the independent variable on the dependent variable is significant, and vice versa. The route coefficient value (Original Sample (O)) signifies the direction of the effect, whether it is positive or negative. Table 6 presents the results of the t-test.

Table 6. T-Test Results

Variable Relational	Path. Coef	T statistic	P values	Inferences
Direct Impacts				
GWE -> IOC	0.218	2.117 > 1.96	0.034 < 0.05	(+) Sig.; H1-Supported
EGM -> IOC	0.360	2.438 > 1.96	0.015 < 0.05	(+) Sig.; H2-Supported
EIWB -> IOC	0.306	2.327 > 1.96	0.020 < 0.05	(+) Sig.; H3-Supported

Source: SmartPLS.4.1.0.6-Software Output (2024)

Table 6 indicates that the Green Work Engagement variable possesses a path coefficient of 0.218 (positive), a t-statistic of 2.117 (more than 1.96), and a p-value of 0.034 (less than 0.05), so

substantiating the first research hypothesis (H1). Moreover, the Employee Growth Mindset variable exhibits a path coefficient of 0.360 (positive), t-statistics of 2.438, which exceeds 1.96, and p-values

of 0.015, which is less than 0.05 (significant). These findings further corroborate the second research hypothesis (H2). The findings for the Employee Innovation Work Behaviour variable indicate a path coefficient of 0.306 (positive), a t-statistic of 2.327 (more than 1.96), and a p-value of 0.020 (less than 0.05), so corroborating the third study hypothesis (H3).

DISCUSSION

Green Work Engagement and Innovative Organizational Culture

This study demonstrates a significant impact of green work engagement on the innovative organizational culture within Patchwork and Quilting MSMEs in East Java. The findings indicate that employees engaged in a 'green' environment take pride in their work. Increased employee engagement in green initiatives correlates with a more innovative organizational culture across Patchwork and Quilting MSMEs in East Java. In the realm of Patchwork and Quilting MSMEs, green work engagement is pertinent due to the frequent utilization of textile waste that can be repurposed. This study supports the research of (Elsayed et al., 2024) regarding green work engagement, indicating that employees engaged in green practices can foster an environment that motivates reciprocal improved organizational behavior, although the findings pertain specifically to the relationship between green initiatives and green organizational citizenship behavior. Similarly, the results of Abdou et al., (2023) indicate that green work engagement significantly influences innovative organizational culture, while also serving as a mediating factor between Green Inclusive Leadership, Green Organizational Identification, and Green Organizational Citizenship. This conclusion also addresses the deficiency in prior studies Aboramadan, (2022) that solely examined green labor involvement in a general context. This study further elucidates how innovative organizational cultures can prosper despite some constraints posed by the current crisis, as noted by (Haque et al., 2024).

Employee Growth Mindset and Innovation Organizational Culture

The results indicate that Employee Growth Mindset has a favorable impact on Innovation Organizational Culture. The results indicate that regardless of employee proficiency, possessing a growth attitude will yield positive transformations within the organization. Employees possessing a growth mindset are more inclined to exhibit innovative behaviors that subsequently shape

organizational culture, as they perceive workplace issues as chances for learning and development rather than impediments. This research is supported by findings by Liu & Tong, (2022) regarding the correlation between employees with a growth mindset and inventive behavior, which indicates significant good outcomes. The study employed strengths-based leadership as a mediating factor, and the findings indicate that individuals possessing a growth mindset leverage their abilities more efficiently, hence fostering a creative organizational culture. This conclusion is corroborated by Canning et al., (2020), which asserts that a creative organizational culture necessitates individuals to engage in active collaboration by cultivating their attitude, acquiring new knowledge, applying novel ideas, and perpetually enhancing their skills. These findings provide an alternative viewpoint on the role of growth mindset in cultivating a creative organizational culture. It augments prior material that addresses development mentality either broadly or according to certain criteria.

Employee Innovative Work Behavior and Organizational Innovation Culture

This research yields favorable outcomes about Employee Innovation Work Behaviour and its impact on Organizational Innovation Culture. The results indicate that in East Java, the prevalent creative work behavior among Patchwork and Quilting MSMEs is characterized by a creative leadership style. This scenario indicates that the leadership of any MSME can implement creative leadership, as it is substantially bolstered by elevated green work engagement and a workforce possessing a development attitude, which is crucial for innovation. Nevertheless, broader findings (Handoko & Anjaningrum, 2024) indicate that innovative work behavior (IWB) can significantly impact innovative organizational culture (IOC), while IWB serves a moderating function in their results. Nonetheless, various additional studies corroborate the relationship between innovative work behavior (IWB) and innovative organizational culture (IOC), as evidenced by the findings of (Abun et al., 2023; Luo et al., 2024; Priyadi et al., 2023). These studies indicate that IWB is positively correlated with IOC, as employees exhibiting innovative work behavior are inclined to foster a culture that is more conducive to innovation. Other studies, such those by (Handayani & Pendrian, 2023), corroborate similar findings, indicating that IWB exerts a favorable influence due to many aspects such as information, rewards, and opportunities.

In the context of this research, this study shows that creative organisational culture in Patchwork and Quilting MSMEs is shaped by three interrelated aspects. It starts with green work engagement, which fosters awareness of the importance of sustainability in all aspects of work, and extends to employee development mentality, which encourages an open attitude and commitment to continuous learning in response to change. Finally, employees' innovation work behaviour ensures the efficient implementation of innovative ideas generated by employees. These three elements together foster an innovative culture that enables MSMEs to maintain relevance, competitiveness and prosperity amidst industry fluctuations.

CONCLUSION

The findings and discussion indicate a significant impact of green work involvement, employee growth mentality, and innovative work behavior on innovative organizational culture. Employee engagement with the 'green' environment fosters pride, prompting employees to maintain their focus on environmental issues, which subsequently cultivates a creative organizational culture. Employees possessing a growth mindset will be prepared to confront diverse changes, including ongoing collaboration, the pursuit of fresh information, the implementation of innovative ideas, the enhancement of creativity, and personal development. They assert that they may enhance their competencies and skills through effort and education. The findings indicate that a growth mindset enhances employee engagement in innovation by equipping individuals to confront challenges and derive lessons from errors. Furthermore, innovative work behavior, encompassing the generation and execution of novel ideas, is a crucial catalyst for fostering an innovative organizational culture. Employees that exhibit these behaviors enhance their individual productivity and foster a work atmosphere conducive to innovation and collaboration.

This work possesses many limitations that may raise concerns for future research advancement. This research focuses on micro, small, and medium enterprises (MSMEs) within the patchwork and quilting sector of the creative economy in East Java. Although this sector possesses distinct characteristics pertinent to the research subject, the results may not be entirely generalizable to MSMEs in other sectors or areas with varying cultural and economic contexts. These constraints present avenues for future study

to broaden the coverage area, investigate more MSME sectors, or employ a longitudinal approach to more accurately delineate the evolution of organizational culture. Future study may investigate extrinsic factors that affect the relationship between the variables to improve both theoretical and practical comprehension. Organizations that successfully integrate these three factors will be better positioned to address the challenges of a dynamic market, foster sustainable growth, and enhance their competitiveness within the sector. This research underscores the need of investing in human capital development and fostering a work climate conducive to sustainability and innovation as essential methods for attaining long-term success.

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