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The Effect of Organizational Learning and Innovation Climate on Innovative Work Behavior Mediated by Employees' Intrinsic Motivationwest Sumatra Province Regional Financial and Asset Management Agency

Muhammad Aliffarras Prasetyo[1], Elfiswandi[2], Zefriyenni[3]
[1,2,3]Putra Indonesia University "YPTK" Padang
E-mail: magisteralif@gmail.com

This study aims to examine the influence of organizational learning and innovation climate on innovative work behavior, mediated by intrinsic motivation among employees of the Regional Financial and Asset Management Agency (BPAM) in West Sumatra Province. Data collection was conducted through a survey and questionnaire distribution, with a sample of 93 respondents. The analysis method used was structural equation modeling using SmartPLS. The results showed a significant effect of organizational learning on intrinsic motivation. There was a significant effect of innovation climate on intrinsic motivation. There was a significant effect of organizational learning on innovative work behavior. There was a significant effect of innovation climate on innovative work behavior. There was a significant effect of intrinsic motivation on innovative work behavior. Intrinsic motivation mediated the effect of organizational learning on innovative work behavior. Intrinsic motivation mediated the effect of innovation climate on innovative work behavior.
Keywords: Organizational Learning, Innovation Climate, Intrinsic Motivation, and Innovative Work Behavior

Corresponding Author:
Muhammad Aliffarras Prasetyo
Putra Indonesia University "YPTK" Padang
magisteralif@gmail.com

1. Introduction

Human resource management (HRM) is a strategic function within an organization that focuses on the planning, management, and development of employees so that they can work effectively and make optimal contributions to achieving organizational goals. Appropriate HRM practices, such as competency-based recruitment and selection, continuous training and development, objective performance appraisals, and fair reward systems, play a crucial role in improving the quality of human resources. Amidst a dynamic work environment characterized by rapid change, technological advancement, and increasing job complexity, organizations are required to have employees who are not only technically competent but also able to demonstrate innovative work behavior. Innovative work behavior is reflected in an individual's ability and willingness to generate new ideas, propose more effective work methods, and implement creative solutions to solve work tasks and problems. With the support of HRM policies oriented towards employee development and empowerment, innovative work behavior can grow sustainably and become a crucial factor in improving organizational performance and competitiveness.[1].

Innovative employee work behavior reflects an individual's ability and willingness to generate new ideas, propose more effective work methods, and implement creative solutions to solve work tasks and problems. This behavior is crucial in facing organizational change and challenges, as innovative employees tend to be more adaptive, proactive, and oriented toward continuous improvement. Organizational support, an open

work climate, and opportunities for learning and experimentation are important factors in encouraging innovative employee work behavior.

The Regional Financial and Asset Management Agency (BPKAD) of West Sumatra Province is a regional agency that plays a strategic role in managing regional government finances and assets to support effective, transparent, and accountable governance. BPKAD is responsible for planning, implementing, administering, reporting, and supervising regional finances, including managing regional assets to ensure optimal utilization and compliance with statutory provisions. In carrying out its duties and functions, BPKAD is required to adapt to regulatory dynamics, developments in information technology, and demands for improved regional financial governance. Therefore, the support of competent, professional, and high-integrity human resources is a crucial factor in achieving effective regional financial and asset management. Through the implementation of an integrated management system and continuous capacity building of its personnel, BPKAD of West Sumatra Province strives to support the achievement of regional development goals and increase public trust in regional government performance. It is known that in general, financial management performance shows varying achievements between indicators. In terms of the timeliness of financial report consolidation, the consolidation time was recorded at 8 days, faster than the target of 10 days. This shows that the financial report consolidation process has been running quite efficiently.

In terms of financial transaction volume, the number of realized transactions was 7,500 per month, slightly below the target of 8,000 transactions. This condition indicates that transaction costs are relatively manageable, but still requires anticipation of increases in transactions during certain periods. Meanwhile, realized financial management operational costs amounted to Rp1,250 million, slightly exceeding the target of Rp1,200 million, indicating an increase in operational costs.

In terms of human resource competency, the percentage of human resources understanding financial systems has only reached 72% of the 90% target, with a financial application comprehension score of 3.6 out of a target of 4.5. This achievement indicates that human resources' ability to operate financial systems still needs to be improved through ongoing training and mentoring.

Furthermore, the percentage of manual processes was successfully reduced to 8%, exceeding the target of 10%. However, the timeliness of financial report submissions only reached 82% of the 100% target, indicating that despite the reduction in manual processes, timely reporting still faces challenges. This also resulted in an increase in additional work hours during the reporting period, which amounted to 12 hours per person, exceeding the target of 10 hours.

In terms of internal oversight and control, the number of financial audit findings reached six, exceeding the target of two. This situation demonstrates the need to strengthen the internal control system to minimize potential non-conformities in financial management.

In terms of budget efficiency, the budget absorption rate reached 89% of the 95% target, with an output-to-budget ratio of 0.87, compared to a target of 1.00. This indicates that budget utilization is not yet fully optimal. Furthermore, financial system uptime has only reached 94% of the 99% target, with system disruptions occurring 11 times per year, far exceeding the target of 3 times, impacting operational smoothness.

The impact of these system limitations is evident in the financial data provision time, which reached 6 hours, compared to the target of 2 hours, and the financial data error rate, which reached 4%, compared to the maximum target of 1%. This situation indicates that financial data reliability still needs to be improved.

Finally, regarding the availability and completeness of historical financial data, data availability has only reached three years of the five-year target, with a completeness level of 78% of the 100% target. This limits the ability to conduct a comprehensive long-term financial performance analysis. Therefore, it can be concluded that the level of innovative work behavior is suboptimal, possibly due to organizational learning and an innovation climate driven by intrinsic motivation.

According to[2]Innovative behavior is the totality of individual actions that lead to the emergence, introduction, and implementation of something new and beneficial at all levels of the organization. A person with innovative behavior can be seen from their attitude in their daily life, always thinking creatively, trying to make something different in their environment and always seeing everything new, or seen in their attitude that changes from being left behind to being more advanced, and strives to make the change more useful and have added value.

Organizational learningis a continuous process within an organization to acquire, manage, and develop knowledge through experience, training, and interactions among members of the organization. Organizational learning enables individuals and groups to enhance competencies, improve work practices, and adapt to dynamic environmental changes. Through organizational learning, organizations focus not only on individual learning but also on how that knowledge is disseminated, stored, and utilized collectively to improve organizational performance.[3]. Research conducted by[4],[5] which states that organizational learning has a significant influence on innovative work behavior. This contrasts with research conducted by[6] which states that organizational learning has an insignificant influence on innovative work behavior.

A climate of innovation is a work environment within an organization that supports and encourages the emergence of new ideas, creativity, and the implementation of innovative work methods. A climate of innovation is reflected in open communication, leadership support for employee ideas, tolerance for risk and error, and opportunities for employees to learn and experiment. A work environment with a positive climate of innovation will make employees feel safe and motivated to express ideas, try new approaches, and actively contribute to organizational improvement and development.[7]. Research conducted by[8],[9] which states that the innovation climate has a significant influence on innovative work behavior. This is in contrast to research conducted by[10] which states that the innovation climate has an insignificant influence on innovative work behavior.

Intrinsic motivation is the drive that arises from within a person to do something because of personal interest, satisfaction, or pleasure, rather than because of external rewards or pressure. People who are intrinsically motivated do activities because they enjoy them or feel they are important for their personal development, such as learning, creating, or exploring new things simply because they want to understand or master them. This motivational power makes a person more consistent, creative, and resilient in the face of obstacles, because every effort is made not solely for the results, but for the satisfaction and meaning felt in the process.[11]. Research conducted by[12],[13]which states that intrinsic motivation has a significant influence on innovative work behavior. This is in contrast to research conducted by[14]which states that intrinsic motivation has a significant influence on innovative work behavior..

2. Method

Structural Equation Modeling (SEM) Analysis

This study used the Structural Equation Modeling (SEM) analysis tool using the SmartPLS program. SmartPLS is a component-based approach for testing structural equation models, commonly called SEM. SmartPLS is based on the idea of having two iterative procedures that use least squares estimation for

single and multi-component models. By applying these procedures, this algorithm aims to minimize the variance of all dependent variables, therefore the cause and direction between all variables need to be clearly defined. SmartPLS is divided into measurement models and structural models. SmartPLS is a powerful method because it is not based on many assumptions. Data does not have to be multivariate normal distribution (indicators with categorical, ordinal, interval, and ratio scales can be used in the same model). SmartPLS is also more efficient with algorithmic calculations that are capable of estimating larger and more complex models with hundreds of latent variables and thousands of indicators.[15].

Measurement Model Test (Outer Model)

In data analysis techniques using SmartPLS, there are three criteria for assessing the outer model: Convergent Validity, Discriminant Validity, and Composite Reliability. Convergent validity of a measurement model with reflective indicators is assessed based on the correlation between item scores or component scores estimated using SmartPLS software. An indicator is considered to have good reliability if it has a value above 0.7. We can see this figure by referring to the Outer Loading table in SmartPLS.[16].In this composite reliability test, there are two tables that must be observed: the values contained in the Composite Reliability table and Cronbach's Alpha, which must be greater than 0.7. For the Discriminant Validity test, it can be seen from the cross-loading value. The correlation value of the indicator to its construct must be greater than the correlation value between the indicator and other constructs. There is another way to test Discriminant Validity by comparing the root value of the Average Variance Extracted (AVE) for each construct with the correlation between the construct and other constructs.

1. Measurement Modelor Validity
   The outer model assessment aims to assess the correlation between item or indicator scores and their construct scores, indicating the level of validity of a statement item. Outer model testing is conducted based on the results of a questionnaire trial conducted for all research variables. There are three criteria in the use of data analysis techniques to assess the outer model: Convergent Validity, Discriminant Validity, and Composite Reliability. In the development stage, a correlation of 0.50 to 0.6 is considered acceptable. In research, the limit for convergent validity is above 0.7.
2. Reliability
   Once the data validity level is known, the next step is to determine the level of data reliability or the level of reliability of each construct or variable. This assessment is done by looking atComposite reliability value and Crombach alpha value. A construct is said to be reliable if it provides a Crombach alpha value > 0.70.
3. R-square
   Next, as explained previously, the inner model assessment will be evaluated through the R-Squared value, to assess the influence of certain exogenous latent constructs on endogenous latent constructs to see whether they have a substantive influence.

Path Coefficient and Hypothesis Testing

Testing the inner model or structural model is conducted to examine the relationship between variables, the significance value, and the R-square of the research model. Model assessment using PLS begins by examining the R-square for each dependent latent variable. Changes in the R-square value can be used to assess the influence of a particular independent latent variable on the dependent latent variable and whether it has a substantive effect.

3. Results and Disccusion

Research Description

Table 1. Calculation of Questionnaire Distribution Results

No.	Questionnaire	Amount	Percentage%
1	Distributed questionnaires	93	100
2	Unreturned questionnaires	0	0
3	Incorrectly filled out (defective or damaged) questionnaire	0	0
4	Questionnaires suitable for data processing	93	100

Source: Survey Results, 2026

Research Data Analysis

The data processing technique in this study uses the SEM method based on Partial Least Square (PLS) which requires two stages for the assessment of a research model: the outer model and the inner model. The outer model assessment aims to assess the correlation between item or indicator scores and their construct scores, which indicate the level of validity of a statement item. Outer model testing is carried out based on the results of questionnaire trials that have been conducted for all research variables. There are three criteria in the use of data analysis techniques to assess the outer model: Convergent Validity, Discriminant Validity, and Composite Reliability. In the development stage, a correlation of 0.50 to 0.6 is considered adequate or acceptable. In research, the limit for convergent validity values is above 0.7.

Outer Model (Structural Model) Testing Before Elimination

Testing of the outer model (measurement model) before elimination was conducted to assess the validity and reliability of the indicators for each construct in the study. Analysis using SmartPLS software showed that the correlation values (outer loadings) between statement items and latent variables still varied. Some indicators met convergent validity criteria with loading values above 0.70, while others were still below the recommended limit. Furthermore, evaluation of the Average Variance Extracted (AVE) and Composite Reliability values indicated that not all constructs met the established standards. Therefore, a process of eliminating invalid indicators was necessary to improve the quality of the measurement model. Based on the results,Testing the outer model using SmartPLS, obtained the correlation values between the statement items of the research variables as follows:

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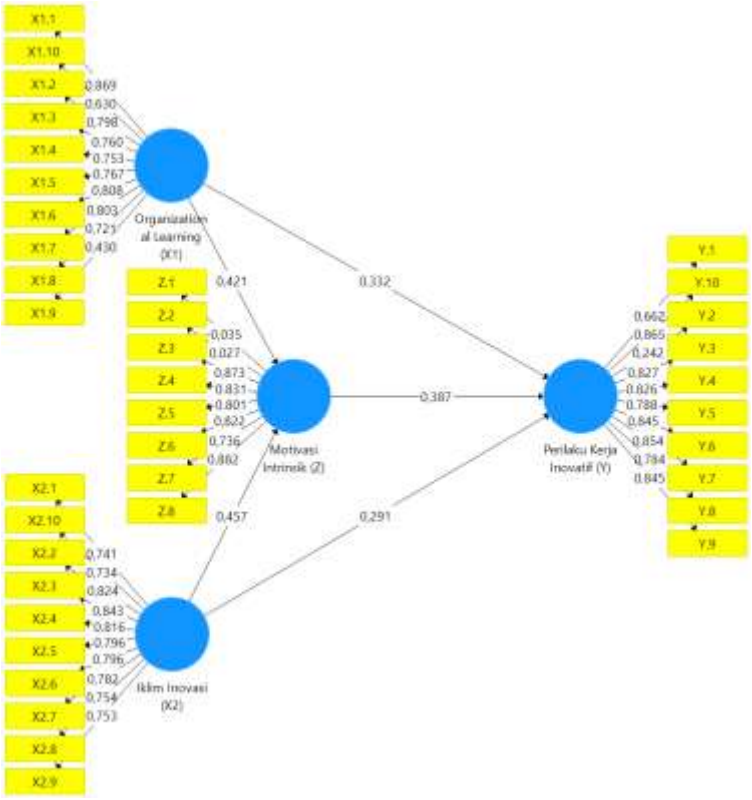
Figure 1. Outer Loadings Before Elimination



In data analysis techniques using SmartPLS, there are three criteria for assessing the outer model: convergent validity, discriminant validity, and composite reliability. Convergent validity of a measurement model with reflective indicators is assessed based on the correlation between item scores or component scores estimated with PLS software. Indicators are considered to have good reliability if they have a value above 0.7. There are three criteria in the use of data analysis techniques to assess the outer model: convergent validity, discriminant validity, and composite reliability. In the development stage, a correlation of 0.50 to 0.6 is considered adequate or acceptable. In research, the limit value of convergent validity is above 0.7.

Outer Model (Structural Model) Testing After Elimination

Based on the resultsTesting the outer model using SmartPLS, obtained the correlation values between the statement items of the research variables as follows:

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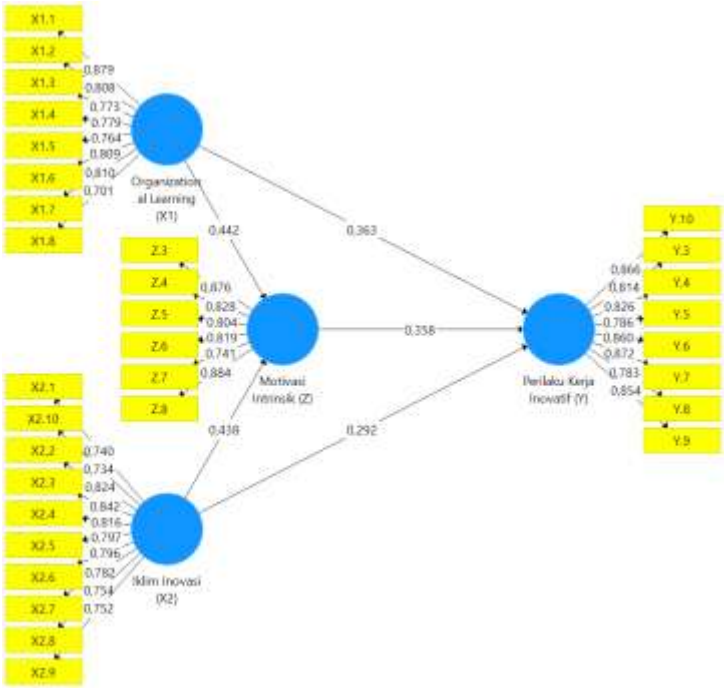
Figure 2. Outer Loadings After Elimination



Average Variance Extracted (AVE) Assessment

The validity criteria for a construct or variable can also be assessed through the Average Variance Extracted (AVE) value for each construct or variable. A construct is considered to have high validity if its value is above 0.50. The AVE values for all variables are presented below.

Table 2. Average Variance Extracted (AVE) Value

	Average Variance Extracted (AVE)
Innovative Work Behavior (Y)	0.694
Organizational Learning(X1)	0.627
Innovation Climate (X2)	0.616
Intrinsic Motivation (Z)	0.683

Based on Table 2, it can be concluded that all constructs or variables above meet good validity criteria. This is indicated by the Average Variance Extracted (AVE) value above the recommended 0.50 criterion.

Outer Model Testing (Structural Model)

The next testing process is testing the inner model, or structural model, which aims to determine the relationships between hypothesized constructs. The structural model is evaluated by observing the R-Square value for the endogenous construct and the influence it receives from the exogenous construct.

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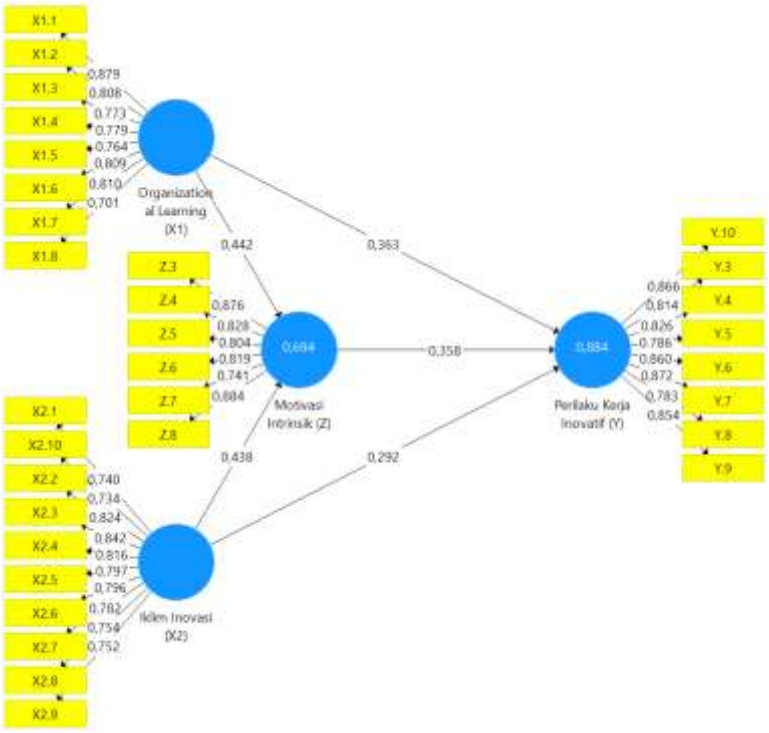
Figure 3. Structural Outer Model



Based on the image above, the structural model above can be formed into the following model equation:

a. Equation model I, is a description of the magnitude of the influenceorganizational learning constructAndclimate of innovation towardsmotivationintrinsicwith the existing coefficients plus the error rate which is an estimation error or which cannot be explained in the research model.

$$Z = 0.442X1 + 0.438X2$$

b. Equation model II, is a description of the magnitude of the influenceorganizational learning construct,climate of innovationdmotivationintrinsictoinnovative work behavior with each coefficient for each construct plus an error which is an estimation error.

$$Y = 0.290X1 + 0.272X2 + 0.358\ Z$$

Next, as explained previously, the inner model assessment will be evaluated through the R-Squared value, to assess the influence of certain exogenous latent constructs on endogenous latent constructs to see whether they have a substantive influence. The following is the R-Square estimate:

Table 3. Evaluation of R Square Value

	R Square	*R Square Adjusted*
Intrinsic Motivation (Z)	0.694	0.687
Innovative Work Behavior (Y)	0.884	0.880

Source: SmartPLS Outer Model Test Results, 2026

In the table above, the r-square value of the innovative work behavior variable is 0.884 or 88.4%, so the contribution of the organizational learning variable, innovation climatedanmotivationIntrinsic factors towards innovative work behavior are 88.4%, the remaining 11.6% are influenced by other variables outside this research such as job satisfaction, work environment and leadership style.

The R-Square value of the intrinsic motivation variable is 0.694 or 69.4%, so the contribution of the organizational learning and innovation climate variables to work motivation is 69.4%, the remaining 30.6%

is influenced by other variables outside this research such as job satisfaction, work environment and leadership style.

PenHypothesis test

TestingThe hypothesis aims to answer the problems in this study, namely the influence of certain exogenous latent constructs on certain endogenous latent constructs, either directly or indirectly through mediating variables. Hypothesis testing in this study can be assessed from the magnitude of the t-statistic or t-count compared to the t-table of 1.96 at 5% alpha. If the t-statistic/t-count < t-table 1.96 at 5% alpha, then Ho is rejected and if the t-statistic/t-count > t-table 1.96 at 5% alpha, then Ha is accepted. The following SmartPLS output results illustrate the estimated output for testing the structural model.

Table 4. Results for Inner Weights Direct Affect

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistics (|O/STDEV|)*	*P Values*
Organizational Learning (X1) -> Intrinsic Motivation (Z)	0.442	0.432	0.102	4,321	0,000
Innovation Climate (X2) -> Intrinsic Motivation (Z)	0.438	0.431	0.099	4,438	0,000
Organizational Learning (X1) -> Innovative Work Behavior (Y)	0.363	0.360	0.076	4,748	0,000
Innovation Climate (X2) -> Innovative Work Behavior (Y)	0.292	0.297	0.095	3,090	0.002
Intrinsic Motivation (Z) -> Innovative Work Behavior (Y)	0.358	0.359	0.088	4,066	0,000
Organizational Learning (X1) -> Intrinsic Motivation (Z) -> Innovative Work Behavior (Y)	0.158	0.157	0.057	2,778	0.006
Innovation Climate (X2) -> Intrinsic Motivation (Z) -> Innovative Work Behavior (Y)	0.157	0.157	0.057	2,745	0.006

4. Conclusion

There is a significant influence of organizational learning on intrinsic motivation. There is a significant influence of innovation climate on intrinsic motivation. There is a significant influence of organizational learning on innovative work behavior. There is a significant influence of innovation climate on innovative work behavior. There is a significant influence of intrinsic motivation on innovative work behavior. Intrinsic motivation is able to mediate the influence of organizational learning on innovative work behavior. Intrinsic motivation is able to mediate the influence of innovation climate on innovative work behavior.

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