

Caught in the Middle: Unpacking Cognitive, Psychological, and Contextual Dynamics in Paradoxical Leadership's Impact on Innovative Work Behavior

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Abstract

Amidst the ever-changing, competitive, and complex business environment, individuals play strategic roles as actors of innovation. Given that innovative works require individuals to navigate paradoxical tensions, a leadership style that balances creative freedom with structural alignment becomes essential. We propose that organizations adopt paradoxical leadership—characterized by the integration of contradictory yet complementary behaviors—to conform to organizational and individual demands inherent in innovative work behavior. Integrating paradox perspective, social cognitive theory, and social learning theory, we develop a model of how paradoxical leadership impacts innovative work behavior through cognitive, psychological and contextual mechanism. We conduct online surveys from employees across manufacturing, finance, and technology sectors in Indonesia. Our findings confirm that paradoxical leadership indirectly fosters individual work behavior. While creative self-efficacy emerged as a significant predictor of innovation, it did not mediate the association between paradoxical leadership and innovative work behavior. However, we underscore the significant moderating role of integrative complexity in enhancing the effect of paradoxical leadership on creative self-efficacy. It suggests that an individual's metacognitive capacity acts as a critical boundary condition that allows leaders' paradoxical approaches to cultivating employees' belief in their creative capabilities more effectively. Finally, perceived organizational support weakens the link between creative self-efficacy and innovative work behavior, countering assumptions of its consistently positive influence. Together, this study offers a nuanced understanding of specific cognitive, psychological, or contextual factors in which paradoxical leadership drives or limits innovative work behavior.

Keywords: paradoxical leadership; innovative work behavior; creative self-efficacy; integrative complexity; perceived organizational support