JURNAL ECONOMINA
e-ISSN: 2963-1181
Volume 5, Number 10, October 2026
Homepage: ejournal.45mataram.ac.id/index.php/economina

The Effect of Psychological Safety and Employee Engagement On Employee Performance Through Innovative Behavior as a Mediation Variable At The Customs And Excise Supervision and Service Office, Type B Madya Pabean Makassar

Zulkifli[1*], Muh. Akob[2], Dharmawaty Djaharuddin[3]
[1*23] Sekolah Tinggi Ilmu Ekonomi Makassar Bongaya, Indonesia

**Corresponding Author : kzulkifli880@gmail.com*

Article History

Received: 16-10-2026
Revised: 23-10-2026
Published: 30-10-2026

ABSTRACT

This study aims to examine and analyze the influence of Psychological Safety and Employee Engagement on Employee Performance through Innovative Behavior as a mediating variable at the Makassar Type B Customs and Excise Supervision and Service Office. The study used a quantitative approach involving 126 employees as respondents. Data were collected through questionnaires and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The results showed that Psychological Safety had a positive but insignificant effect on Employee Performance. Employee Engagement also had a positive but insignificant effect on Employee Performance. Meanwhile, Innovative Behavior had a positive and significant effect on Employee Performance. Psychological Safety and Employee Engagement each had a positive and significant effect on Innovative Behavior. Furthermore, Innovative Behavior was proven to positively and significantly mediate the influence of Psychological Safety and Employee Engagement on Employee Performance. These results indicate that Innovative Behavior is an important mechanism in translating psychological safety and employee engagement into improved performance. Thus, improving employee performance can be strengthened through the creation of a psychologically safe work environment, increasing employee engagement, and developing innovative behavior in carrying out work.

Keywords: ***Employee Engagement, Innovative Behavior, Psychological Safety, Kinerja Pegawai***

INTRODUCTION

Public sector organizations are currently required to be increasingly adaptive, accountable, and responsive in providing services to the public. This demand makes human resource management a crucial component of achieving organizational performance. In the context of the State Civil Apparatus (Civil Service), performance management is not only directed at achieving administrative targets, but also at performance development, meeting leadership expectations, conducting performance dialogues, achieving work results, and continuously improving work behavior, as stipulated in Ministerial Regulation Number 6 of

2022. Therefore, employee performance is a crucial factor in determining the effectiveness of public organizations.

Employee performance is not only determined by technical skills and procedural implementation, but is also influenced by psychological conditions, employee engagement with work, and the ability to generate and implement new ideas. From a human resource management perspective, Psychological Safety, Employee Engagement, and Innovative Behavior are relevant factors in creating employees who are able to work effectively, are open to change, and make greater contributions to the organization (Newman et al., 2017; Bakker & Albrecht, 2018; AlEssa & Durugbo, 2022).

Psychological safety describes a condition where employees feel safe to express opinions, ask questions, provide input, admit mistakes, and express ideas without fear of negative interpersonal consequences. Edmondson and Bransby (2023) explain that psychological safety is linked to learning behavior, job completion, work experience, and leadership. When employees feel psychologically safe, they tend to be more willing to report work challenges, accept feedback, participate in discussions, and propose improvements. These conditions can support work quality, task completion effectiveness, collaboration, and contribution to achieving organizational goals.

The relationship between psychological safety and employee performance has received empirical support, but previous research has not been entirely consistent. Kızrak (2025) showed that psychological safety positively influences job performance, both directly and through organization-based self-esteem. Hamonangan and Hendarman (2026) also found a positive and significant influence of psychological safety on employee performance. However, Lee (2022) found that the direct effect of psychological safety on employee performance was insignificant, although this influence may occur through job crafting and thriving at work. These differences in findings indicate that psychological safety does not necessarily automatically result in increased performance, but may require specific behavioral mechanisms.

In addition to psychological safety, employee engagement is a factor that can influence employee performance. Employee engagement reflects a state of high energy, dedication, concentration, and involvement in their work. Employees with high engagement tend to demonstrate enthusiasm, responsibility, perseverance, and a willingness to give their best effort in carrying out their work. Borst et al. (2020) showed that work engagement is related to various employee attitudes, behaviors, and performance outcomes. In public organizations, employee engagement is crucial because achieving service and organizational targets requires employees who are not only physically present but also emotionally and cognitively engaged in their work.

Research on the relationship between employee engagement and performance also yields mixed results. Nababan and Desiana (2023) found that work engagement has a positive and significant effect on employee performance in the public sector. Similar findings were presented by Rahmayuna and Sandakila (2026), who demonstrated that employee engagement has a positive and significant effect on performance in public sector institutions in Indonesia. Conversely, Salsabila and Lo (2023) found that work engagement has a negative and

insignificant effect on employee performance. This difference indicates an empirical gap and indicates that employee engagement does not necessarily translate directly into performance without specific behaviors that enable that energy and dedication to produce tangible improvements in work.

One relevant mechanism explaining this relationship is innovative behavior. Innovative behavior is employee behavior in creating, introducing, developing, and implementing new ideas that can improve work and organizational effectiveness. AlEssa and Durugbo (2022) emphasize the importance of innovative behavior because organizations cannot simply rely on existing routines and procedures; they also need the ability to find solutions, improve processes, and develop more efficient and adaptive ways of working.

In this study, Innovative Behavior is positioned as a mediating variable. Employees with high levels of Psychological Safety tend to be more courageous in expressing ideas, trying new approaches, and taking the interpersonal risks necessary in the innovation process. On the other hand, employees with high Employee Engagement have greater energy, dedication, and drive to contribute beyond completing routine tasks. Both conditions can increase Innovative Behavior, which in turn has the potential to improve Employee Performance.

The relationship between psychological safety, innovative behavior, and performance is supported by Mahmoud et al. (2022), who showed that psychological safety can improve individual performance through intrapreneurial behavior. Jin and Peng (2024) also found that team psychological safety can improve employee innovative performance through communication behavior. Meanwhile, Al Wali et al. (2023) showed that innovative work behavior has a positive relationship with job performance. These results indicate that psychological safety can provide the initial conditions that encourage employees to behave innovatively, which then contributes to improved performance.

The relationship between Employee Engagement, Innovative Behavior, and performance has also been proven by El Junusi et al. (2023) who showed that Employee Engagement influences innovative work behavior and employee performance, and innovative work behavior can mediate the relationship between the two. Saputra et al. (2025) also found that work engagement has a positive effect on performance and innovative behavior and that Innovative Behavior can be a mediating mechanism in public sector organizations. These findings provide the basis that employee energy and engagement can result in better performance when manifested in behaviors to discover, develop, and implement new ways of working.

Theoretically, the relationship between research variables can be explained through Social Exchange Theory. This theory views the relationship between employees and the organization as a reciprocal exchange process. When the organizational environment provides positive conditions, including a sense of psychological safety and work experiences that foster engagement, employees tend to respond through behaviors that benefit the organization. In this study, one form of such response is Innovative Behavior, which can then contribute to Employee Performance.

The context of this research is the Makassar Type B Customs and Excise Supervision and Service Office, which carries out strategic functions in customs and excise services and supervision. The work characteristics require precision, professionalism, integrity, the ability to adapt to regulatory and technological changes, and the ability to respond to the needs of service users. These conditions make sustainable employee performance crucial for maintaining organizational effectiveness.

Empirically, the Organizational Performance Value of KPPBC Type Madya Pabean B Makassar during 2022–2025 consistently exceeded the 100% target. The realization increased from 115.22% in 2022 to 115.99% in 2023, then 116.81% in 2024, and reached 119.15% in 2025. This achievement indicates that the research phenomenon does not lie in low organizational performance, but rather in the need to maintain and improve performance sustainability amidst service digitalization, regulatory changes, and the increasing complexity of supervisory functions. CHAPTER I

In such a work environment, psychological safety is crucial because employees need the courage to openly communicate work challenges, provide input, convey information, and propose improvements. Employee engagement is also essential because achieving sustainable performance requires employees with energy, dedication, and active involvement in carrying out their duties. However, a positive psychological state and work engagement are not necessarily enough if they are not translated into concrete actions that add value to the work process.

The digitalization of services, the need for efficiency, regulatory changes, and demands for improved oversight require employees to not only adhere to procedures but also generate and implement new ideas. Therefore, Innovative Behavior holds a strategic position as a mechanism that enables psychological safety and employee engagement to translate into process improvements and enhanced employee performance.

Based on this study, several research gaps remain. First, there is an empirical gap because research results regarding the direct influence of Psychological Safety and Employee Engagement on Employee Performance still show inconsistencies. Second, there is a mechanism gap because the relationship between these two variables and performance can occur through certain behaviors, particularly Innovative Behavior. Third, there is a contextual gap because this relationship still needs to be tested in public sector organizations that face high demands for service, oversight, compliance, digitalization, and performance achievement.

The novelty of this research lies in the simultaneous testing of Psychological Safety and Employee Engagement as factors that influence Employee Performance by placing Innovative Behavior as a mediating mechanism in one research model. This model allows the research not only to explain whether psychological safety and employee engagement affect performance, but also to explain how these two factors can be translated into improved performance through innovative behavior. The contextual novelty of this research lies in the application of the model to KPPBC Type Madya Pabean B Makassar as a public sector organization with high performance achievements and the need to maintain continuous innovation.

The study uses a quantitative approach with Structural Equation Modeling–Partial Least Squares (SEM-PLS) to test the direct and indirect effects between variables. Based on the description, the study aims to test and analyze the effect of Psychological Safety and Employee Engagement on Employee Performance, the effect of Innovative Behavior on Employee Performance, the effect of Psychological Safety and Employee Engagement on Innovative Behavior, and the role of Innovative Behavior in mediating the effect of Psychological Safety and Employee Engagement on Employee Performance at the Makassar Type B Customs and Excise Supervision and Service Office.

RESEARCH METHODS

This study uses a quantitative approach with an explanatory and causal associative approach. This approach is used to test and explain the causal relationship between Psychological Safety and Employee Engagement as independent variables, Innovative Behavior as a mediating variable, and Employee Performance as a dependent variable. Tests were conducted on the direct and indirect effects between variables in accordance with the research model.

The research was conducted at the Makassar Type B Customs and Excise Supervision and Service Office located at Jl. Hatta No. 2, Butung, Wajo District, Makassar City, South Sulawesi. The research took place from July to September 2026. The research population was all State Civil Apparatus at the Makassar Type B Customs and Excise Office, totaling 126 employees. The sampling technique used saturated sampling or total sampling, so that all members of the population became research respondents with a total sample of 126 respondents.

Data collection was conducted using a survey method with a structured questionnaire instrument. Each statement item was structured based on indicators of each research variable. Respondents' responses were measured using a five-point Likert scale, ranging from 1 for strongly disagree to 5 for strongly agree. Primary data was obtained from respondents' answers to the questionnaire, while secondary data was used as supporting data from organizational documents, performance reports, employee data, regulations, books, and relevant scientific literature.

Table 1. Operationalization of research variables

Variables	Definition Operational	Indicator
Psychological Safety (X1)	Perception employee regarding the sense of security in a way psychological For convey opinion , ask , acknowledge error , giving input , and put forward ideas without Afraid to consequence negative in environment Work	Feeling safe for deliver opinion ; sense of security for ask ; feel safe for admit error ; openness against input and bait return ; mutual feeling appreciate deep environment work
Employee Engagement (X2)	Condition attachment employee to the work shown through energy ,	*Vigor* ; *Dedication* ; *Absorption*

	dedication , focus , enthusiasm , and involvement active in carry out task	
Innovative Behavior (Z)	Behavior employee in create , develop , promote , and implementing new , useful ideas for improvement effectiveness work And organization	*Idea Generation* ; *Promotion Ideas* ; *Idea Realization*
Performance Officer (Y)	Results work officer deep implement task and responsible answer suitable with standard assigned work organization	Quality work ; quantity work ; accuracy time ; effectiveness work ; independence

Psychological Safety indicators refer to Edmondson and Bransby (2023), Employee Engagement refers to Bakker and Albrecht (2018), Innovative Behavior refers to Janssen (2000), while Employee Performance refers to Robbins and Judge (2017).

Data analysis was conducted using descriptive statistics and Structural Equation Modeling–Partial Least Squares (SEM-PLS) with the help of SmartPLS. Descriptive statistical analysis was used to provide an overview of respondent characteristics and response tendencies regarding Psychological Safety, Employee Engagement, Innovative Behavior, and Employee Performance. SEM-PLS analysis was used to simultaneously test the relationship between latent variables, including direct and indirect influences through mediating variables.

SEM-PLS evaluation is conducted through a measurement model or outer model and a structural model or inner model. The outer model evaluation includes testing convergent validity through loading factor values and Average Variance Extracted (AVE), discriminant validity through Fornell–Larcker and Heterotrait–Monotrait Ratio (HTMT), and construct reliability through Cronbach's Alpha and Composite Reliability. Indicators are declared to meet convergent validity if the loading factor ≥ 0.70 and AVE ≥ 0.50, while the construct is declared reliable if the Cronbach's Alpha and Composite Reliability values ≥ 0.70.

The inner model is evaluated using the coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). The R^2 value is used to determine the ability of exogenous variables to explain endogenous variables, the f^2 value is used to measure the contribution of each predictor variable, and Q^2 is used to determine the model's predictive ability. A model is said to have predictive relevance if $Q^2 > 0$.

Hypothesis testing was conducted through a bootstrapping procedure, taking into account the path coefficient, t-statistic, and p-value. The hypothesis was accepted if the t-statistic was > 1.96 and the p-value was < 0.05 at a 5% significance level. Furthermore, mediation testing was conducted by examining the significance of the indirect effect. Innovative Behavior was declared to act as a mediating variable if the indirect influence path between Psychological Safety or Employee Engagement on Employee Performance was proven statistically significant.

RESULTS AND DISCUSSION

This study involved 126 employees of the Makassar Type B Customs and Excise Supervision and Service Office. Respondents were predominantly male (100 people or 79.37%), while females (26 people or 20.63%) comprised 26. Based on age, the 30–39 and 40–49 age groups each comprised 47 people or 37.30%. Based on length of service, the majority of respondents had a work period of 10–20 years (58 people or 46.03%), followed by a work period of 21–30 years (46 people or 36.51%). In terms of education, respondents were predominantly Bachelor (S1) graduates (62 people or 49.21%) and Master (S2) graduates (30 people or 23.81%). This composition indicates that the majority of respondents were of productive age, had relatively long work experience, and had an adequate educational background to assess the research variables.

Descriptive Analysis of Research Variables

The results of the descriptive analysis show that all research variables are in the very good category.

Table 2. Description of research variables

Variables	Mean	Category
Psychological Safety	4.85	Very Good
Employee Engagement	4.87	Very Good
Innovative Behavior	4.84	Very Good
Performance Employee	4.87	Very Good

Psychological Safety received an average score of 4.85. The highest score was employee openness to receiving feedback that could help improve work methods, with a score of 4.90. Meanwhile, relatively lower scores were related to feeling safe in expressing opinions, expressing differing views, and admitting mistakes, each with a score of 4.80. Although lower than the other scores, all of these scores were still in the very good category. This indicates that employees generally feel safe communicating, asking questions, receiving feedback, and interacting in a respectful work environment.

Employee Engagement scored an average of 4.87. The highest score was for pride in the work they are responsible for, at 4.90, indicating a strong dedication aspect. Meanwhile, the lowest relative score was for the ability to maintain enthusiasm when facing work challenges, at 4.83. These results indicate that employees have very high levels of energy, dedication, focus, and involvement in their work.

Innovative Behavior received an average score of 4.84. The highest score, 4.86, was related to employees' ability to translate new ideas into workable methods. Meanwhile, the lowest score, 4.79, was related to efforts to gain support from others for new ideas. This indicates that innovative behavior has developed very well, especially in the aspect of idea realization, although the ability to gain support for ideas can still be strengthened.

Employee performance received an average score of 4.87. The highest score was the ability to complete a number of tasks for which the employee is responsible, with a score of 4.90. The relatively lower score was the ability to achieve the target work volume, with a score of 4.84. Overall, employees demonstrated excellent performance levels in terms of quality, quantity, timeliness, effectiveness, and independence.

Evaluation of Measurement Model

The results of the outer model test indicate that all indicators meet the convergent validity criteria. The outer loading values for Psychological Safety are in the range of 0.784–0.897, Employee Engagement is 0.894–0.940, Innovative Behavior is 0.857–0.919, and Employee Performance is 0.849–0.909. All values are above 0.70, so no indicators need to be eliminated.

Table 3. Results of construct validity and reliability

Variabel	AVE	Cronbach's Alpha	rho_A	Composite Reliability
Employee Engagement	0,841	0,905	0,906	0,941
Innovative Behavior	0,797	0,873	0,878	0,922
Kinerja Pegawai	0,777	0,928	0,930	0,946
Psychological Safety	0,708	0,896	0,902	0,924

All Average Variance Extracted (AVE) values were above 0.50, while Cronbach's Alpha, rho_A, and Composite Reliability were all above 0.70. Thus, all constructs were declared valid and reliable.

Discriminant validity was also met based on the Heterotrait-Monotrait Ratio (HTMT). The HTMT values for all pairs of constructs ranged from 0.743 to 0.893, still below the 0.90 threshold. The highest value was found in the relationship between Psychological Safety and Innovative Behavior at 0.893, while the lowest value was found in the relationship between Employee Performance and Employee Engagement at 0.743. These results indicate that each construct has adequate empirical differences.

Structural Model Evaluation

Collinearity testing showed that all Variance Inflation Factor (VIF) values were within the range of 2.407–3.280, or less than 5.00. Thus, the model does not experience multicollinearity.

Table 4. Evaluation of the structural model

Testing	Relationship / Variable	Mark	Information
R-Square	*Innovative Behavior*	0.695	Strong
R-Square	Performance Employee	0.762	Strong
Q^2predict	*Innovative Behavior*	0.649	Own relevance predictive
Q^2predict	Performance Employee	0.539	Own relevance predictive
f^2	*Employee Engagement* → *Innovative Behavior*	0.218	Currently
f^2	*Employee Engagement* → Performance Employee	0.003	Very small

f^2	*Innovative Behavior* → Performance Employee	0.623	Big
f^2	*Psychological Safety* → *Innovative Behavior*	0.324	Currently
f^2	*Psychological Safety* → Performance Employee	0.084	Small

The R-Square value of 0.695 indicates that Psychological Safety and Employee Engagement are able to explain 69.5% of the variation in Innovative Behavior, while the remaining 30.5% is influenced by other factors outside the model. Meanwhile, the R-Square value of Employee Performance of 0.762 indicates that Psychological Safety, Employee Engagement, and Innovative Behavior are able to explain 76.2% of the variation in Employee Performance, while the remaining 23.8% is influenced by other factors.

The Q^2predict value for Innovative Behavior is 0.649 and Employee Performance is 0.539, both of which are greater than zero. Thus, the model has predictive relevance for both endogenous variables. In terms of effect size, Innovative Behavior has the largest contribution to Employee Performance with an f^2 of 0.623. Conversely, the direct effect of Employee Engagement on Employee Performance has a very small effect size of 0.003. This finding indicates that employee engagement contributes more to performance when it is first manifested in innovative behavior.

Hypothesis Testing

Table 5. Results of direct influence testing

Hypothesis	Connection Intervariable	Coefficient	T-Statistics	P-Values	Decision
H1	*Psychological Safety* → Performance Employee	0.253	1,434	0.152	Rejected
H2	*Employee Engagement* → Performance Employee	0.048	0.348	0.728	Rejected
H3	*Innovative Behavior* → Performance Employee	0.697	5,453	0,000	Accepted
H4	*Psychological Safety* → *Innovative Behavior*	0.487	2,936	0.003	Accepted
H5	*Employee Engagement* → *Innovative Behavior*	0.400	2,141	0.032	Accepted

The test results show that of the five direct influences, H3, H4, and H5 are accepted, while H1 and H2 are rejected. Thus, Psychological Safety and Employee Engagement have not provided a significant direct influence on Employee Performance, but both are able to increase Innovative Behavior. Furthermore, Innovative Behavior has a strong positive and significant influence on Employee Performance.

Table 6. Results of indirect influence testing

Hypothesis	Connection Intervariable	Coefficient	T-Statistics	P-Values	Decision

H1	*Psychological Safety* → Performance Employee	0.253	1,434	0.152	Rejected
H2	*Employee Engagement* → Performance Employee	0.048	0.348	0.728	Rejected
H3	*Innovative Behavior* → Kinerja Pegawai	0,697	5,453	0,000	Diterima
H4	*Psychological Safety* → *Innovative Behavior*	0,487	2,936	0,003	Diterima
H5	*Employee Engagement* → *Innovative Behavior*	0,400	2,141	0,032	Diterima

Both indirect influences were proven positive and significant. Because the direct influence of Psychological Safety and Employee Engagement on Employee Performance was insignificant, while the indirect influence through Innovative Behavior was significant, Innovative Behavior acted as a full or indirect mediator in both relationships.

The Influence of Psychological Safety on Employee Performance

Psychological Safety has a positive but insignificant effect on Employee Performance with a coefficient of 0.253, T-Statistics of 1.434, and P-Values of 0.152. Thus, H1 is rejected. The f^2 value of 0.084 also indicates that the direct contribution of Psychological Safety to Employee Performance is in the small category.

These findings indicate that psychological safety is not yet a direct factor in improving employee quality, quantity, timeliness, effectiveness, or independence. Employees do have the space to express opinions, ask questions, admit mistakes, provide input, and offer ideas, but this psychological well-being requires further development to have a tangible impact on work outcomes.

At the Makassar Type B Customs Office (KPPBC), task implementation is closely tied to relatively clear procedures, regulations, service standards, and targets. Therefore, a sense of security in communication will not automatically improve performance if this openness is not translated into process improvements or concrete actions that add value.

These findings align with Lee (2022), who found that psychological safety does not have a significant direct impact on employee performance, but may operate through other mechanisms such as job crafting and thriving at work. These findings differ from those of Kızrak (2025) and Hamonangan and Hendarman (2026), who found a positive and significant impact of psychological safety on performance. These differences suggest that organizational characteristics and the behavioral mechanisms that accompany psychological safety can determine whether this impact is directly reflected in performance.

The Influence of Employee Engagement on Employee Performance

Employee Engagement has a positive but insignificant effect on Employee Performance with a coefficient of 0.048, T-Statistics of 0.348, and P-Values of 0.728, so H2 is rejected. The f^2 value of 0.003 also indicates that the direct effect size is very small.

These findings indicate that high levels of employee energy, dedication, enthusiasm, focus, and engagement do not directly translate into significant improvements in employee performance. Engagement is a crucial psychological asset, but it needs to be translated into productive actions or behaviors to impact work outcomes.

In a work environment with clear procedures, targets, regulations, and operational standards, employees with high energy and dedication still need to translate that commitment into problem-solving, process improvements, or the implementation of new ways of working. This explains why Employee Engagement has a stronger influence on Innovative Behavior than directly influencing Employee Performance.

The study's findings align with those of Salsabila and Lo (2023), who found that work engagement had no significant effect on employee performance. However, these findings differ from those of Nababan and Desiana (2023) and Rahmayuna and Sandakila (2026), who demonstrated a positive and significant influence of engagement on performance. These differences demonstrate that employee engagement can have different consequences depending on how that energy and dedication are manifested in work behavior.

The Influence of Innovative Behavior on Employee Performance

Innovative Behavior has a positive and significant effect on Employee Performance with a coefficient of 0.697, T-Statistics of 5.453, and P-Values of 0.000, so H3 is accepted. The f^2 value of 0.623 indicates a large effect size and is also the largest effect in the research model.

These findings demonstrate that employees' ability to create, develop, promote, and implement new ideas can significantly contribute to improving employee performance. Innovative behavior enables employees to find solutions to work problems, improve processes, and develop more effective and efficient work methods.

These conditions are relevant for the Makassar TMP B Tax Office (KPPBC), which is facing technological developments, service digitization, regulatory changes, and the need to improve service and oversight effectiveness. Successfully implemented new ideas can accelerate work completion, improve process accuracy, and support more effective resource utilization.

The study's results align with those of Al Wali et al. (2023), who demonstrated a positive relationship between innovative work behavior and job performance. These findings are also consistent with those of El Junusi et al. (2023) and Saputra et al. (2025), who demonstrated the importance of innovative behavior in improving employee performance.

The Influence of Psychological Safety on Innovative Behavior

Psychological Safety has a positive and significant effect on Innovative Behavior with a coefficient of 0.487, T-Statistics of 2.936, and P-Values of 0.003, so H4 is accepted. The f^2 value of 0.324 indicates a medium effect size.

The findings suggest that the safer employees feel to express opinions, ask questions, admit mistakes, receive feedback, and offer ideas, the more likely they are to exhibit innovative

behavior. Psychological safety reduces concerns about interpersonal risks when employees present alternatives or try new approaches.

In the context of customs and excise organizations, this sense of security is crucial as employees face changing regulations, technology, and various operational issues that require discussion and new solutions. An open work environment allows employees to identify weaknesses in work processes and constructively propose improvement alternatives.

The study's findings align with Mahmoud et al. (2022), who demonstrated that psychological safety can encourage proactive and innovative behavior. These findings also align with Jin and Peng (2024), who demonstrated that team psychological safety supports employee innovative performance through communication behavior.

The Influence of Employee Engagement on Innovative Behavior

Employee Engagement has a positive and significant effect on Innovative Behavior with a coefficient of 0.400, T-Statistics of 2.141, and P-Values of 0.032, so H5 is accepted. The f^2 value of 0.218 indicates a medium effect size.

These results suggest that employee energy, dedication, enthusiasm, concentration, and engagement can foster innovative behavior. Highly engaged employees not only strive to fulfill formal obligations but also tend to have a stronger drive to seek better ways of working, develop ideas, and make additional contributions to the organization.

In the context of KPPBC TMP B Makassar, the need to adapt to technology, regulatory changes, service digitalization, and improving service quality provides space for highly engaged employees to direct their energy and dedication to finding new solutions.

These findings also demonstrate that Employee Engagement's primary role in the model lies not in its direct impact on employee performance, but rather in its ability to encourage innovative behavior. Thus, employee engagement becomes more valuable when it translates into innovative actions that result in tangible improvements in job performance.

The Role of Innovative Behavior in Mediating the Influence of Psychological Safety on Employee Performance

The indirect effect of Psychological Safety on Employee Performance through Innovative Behavior has a coefficient of 0.340, T-Statistics of 2.716, and P-Values of 0.007. Thus, H6 is accepted.

The direct effect of Psychological Safety on Employee Performance is insignificant, while Psychological Safety has a positive and significant effect on Innovative Behavior, and Innovative Behavior has a positive and significant effect on Employee Performance. This pattern indicates that Innovative Behavior acts as a full mediator or indirect-only mediation.

These findings suggest that a sense of psychological safety is not enough to directly improve work performance. Its impact becomes evident when that sense of safety encourages employees to develop and implement new ideas. Employees who are willing to raise issues,

propose suggestions, accept feedback, and try new approaches are more likely to generate innovations, which in turn increases work effectiveness.

From a Social Exchange Theory perspective, a work environment that provides a sense of safety and recognition encourages employees to respond positively to the organization. In this study, this response is primarily manifested in Innovative Behavior, which then contributes to improved performance. Thus, Innovative Behavior is the primary mechanism that translates Psychological Safety into improved work outcomes.

The Role of Innovative Behavior in Mediating the Effect of Employee Engagement on Employee Performance

The indirect effect of Employee Engagement on Employee Performance through Innovative Behavior has a coefficient of 0.279, T-Statistics of 2.096, and P-Values of 0.036. Thus, H7 is accepted.

The direct effect of Employee Engagement on Employee Performance is insignificant with a coefficient of 0.048 and P-Values of 0.728. Conversely, the effect of Employee Engagement on Innovative Behavior is significant, as is the effect of Innovative Behavior on Employee Performance. Therefore, Innovative Behavior acts as a full mediator or indirect-only mediation.

These findings suggest that new employees' energy, dedication, and engagement have a more significant impact on performance when translated into the creation and implementation of new ideas. Highly engaged employees have psychological energy resources that can be used to engage in problem-solving, develop alternative ways of working, and drive innovation.

Thus, Employee Engagement is not enough to simply maintain a positive psychological state. Organizations need to provide the space for this energy and dedication to develop into innovative behavior through opportunities to share ideas, participate in process improvements, gain support for ideas, and implement new solutions.

Overall, the research results confirm that Innovative Behavior occupies a central position in the model. Psychological Safety and Employee Engagement have not been able to significantly improve Employee Performance directly, but both are able to increase Innovative Behavior. Furthermore, Innovative Behavior has a strong influence on Employee Performance and acts as a full mediator in both relationships. Thus, efforts to improve performance are not enough to simply create a sense of psychological safety or increase employee engagement, but need to ensure that both conditions can be converted into innovative behavior that generates added value for the work and the organization.

CONCLUSION AND SUGGESTIONS

Conclusion

The results of the study indicate that psychological safety has a positive but insignificant effect on employee performance, thus rejecting H1. Employees' sense of psychological safety does not directly improve the quality, quantity, punctuality, effectiveness, and independence of

their work. This means that psychological safety plays a more supportive role that needs to be translated into value-added work behaviors.

Employee engagement also has a positive but insignificant effect on employee performance, thus H2 is rejected. High levels of employee energy, dedication, focus, and involvement in their work do not directly result in significant performance improvements. Employee engagement will provide more tangible benefits when manifested in productive and innovative actions in carrying out work.

Conversely, Innovative Behavior has a positive and significant effect on Employee Performance, thus H3 is accepted. The higher an employee's ability to generate, develop, promote, and implement new ideas, the higher their Employee Performance. This finding confirms that innovative behavior is a crucial factor in creating more effective and efficient work processes.

Psychological Safety has a positive and significant effect on Innovative Behavior, thus H4 is accepted. The higher the employee's sense of safety in expressing opinions, asking questions, providing input, admitting mistakes, and putting forward ideas, the greater the employee's tendency to demonstrate innovative behavior.

Employee Engagement has a positive and significant effect on Innovative Behavior, thus H5 is accepted. Employees who have high energy, dedication, focus, and involvement in their work are more motivated to find solutions, develop new ideas, and implement work methods that add value to the organization.

Furthermore, Innovative Behavior was proven to positively and significantly mediate the influence of Psychological Safety on Employee Performance, so H6 was accepted. Because the direct influence of Psychological Safety on Employee Performance was insignificant, while the indirect influence through Innovative Behavior was significant, Innovative Behavior acted as a full mediator or indirect-only mediation. This indicates that psychological safety will be more effective in improving performance if it can encourage employees to generate and implement innovations in their work.

Innovative Behavior is also able to positively and significantly mediate the influence of Employee Engagement on Employee Performance, so H7 is accepted. The direct effect of Employee Engagement on Employee Performance is not significant, but becomes significant through Innovative Behavior. Thus, Innovative Behavior also plays a role as a full mediator or indirect-only mediation in this relationship.

Overall, the study confirms that innovative behavior plays a central role in improving employee performance at the Makassar Type B Customs and Excise Supervision and Service Office. Psychological safety and employee engagement will have a stronger impact on performance when both are able to encourage the formation of innovative behavior. Therefore, improving performance is not enough only through creating a sense of psychological safety and employee engagement, but also needs to be followed by opportunities to generate, develop, and implement new ideas in the work.

Suggestion

The Makassar Customs Office B (KPPBC) needs to continue strengthening psychological safety by creating an open and respectful work environment, providing space for employees to express opinions, provide input, put forward ideas, and admit mistakes without fear of negative interpersonal consequences. This sense of security needs to be directed toward activities that can result in process improvements and increased work effectiveness.

Strengthening employee engagement needs to be directed not only at increasing employee energy and dedication, but also at fostering real involvement in problem-solving, relevant decision-making, developing work procedures, utilizing technology, and improving services. In this way, employee engagement can generate more tangible contributions to the organization.

Innovative behavior needs to be a primary focus in human resource development because it has been proven to have a strong influence on employee performance and act as a mediating mechanism in the relationship between psychological safety and employee engagement and performance. Organizations need to provide discussion forums, spaces for expressing ideas, job evaluation activities, and opportunities for employees to develop and test new solutions.

Organizations also need to support the implementation of innovative ideas through feedback, resource facilitation, mentoring, opportunities for testing, and recognition of innovative contributions. In this way, innovation doesn't stop at the creation or delivery of ideas but can be translated into work practices that improve effectiveness, efficiency, and service quality.

From a managerial perspective, psychological safety, employee engagement, and innovative behavior need to be managed in an integrated manner. Employees who feel safe and highly engaged need the opportunity to channel these positive feelings into innovation. Integrating these three aspects is expected to continuously strengthen employee performance.

Further research could develop the model by adding other variables that could potentially influence employee performance, such as leadership, perceived organizational support, organizational culture, work motivation, competence, and other psychological variables. Research could also be conducted in different organizations or work units, using a broader range of respondents, and implementing a longitudinal or mixed methods design to gain a more comprehensive understanding of the factors influencing employee performance.

BIBLIOGRAPHY

Akhmad, J., Damiyana, D., Makmuroh, U. H., Karomah, N. G., & Nurlia, T. (2026). Human resource practices and innovative work behavior: Examining the role of psychological safety. Jurnal Informatika Ekonomi Bisnis, 8(1), 57–61. https://doi.org/10.37034/infeb.v8i1.1350

Al Wali, J., Muthuveloo, R., Teoh, A. P., & Al Wali, W. (2023). Disentangling the relationship between employees' dynamic capabilities, innovative work behavior and job performance in public hospitals. International Journal of Innovation Science, 15(2), 368–384. https://doi.org/10.1108/IJIS-01-2022-0012

AlEssa, H. S., & Durugbo, C. M. (2022). Systematic review of innovative work behavior concepts and contributions. Management Review Quarterly, 72(4), 1171–1208. https://doi.org/10.1007/s11301-021-00224-x

Bakker, A. B., & Albrecht, S. (2018). Work engagement: Current trends. Career Development International, 23(1), 4–11. https://doi.org/10.1108/CDI-11-2017-0207

Blau, P. M. (1964). Exchange and power in social life. Wiley.

Borst, R. T., Kruyen, P. M., Lako, C. J., & de Vries, M. S. (2020). The attitudinal, behavioral, and performance outcomes of work engagement: A comparative meta-analysis across the public, semipublic, and private sector. Review of Public Personnel Administration, 40(4), 613–640. https://doi.org/10.1177/0734371X19840399

Creswell, J. W., & Creswell, J. D. (2018). Research design: Qualitative, quantitative, and mixed methods approaches (5th ed.). SAGE Publications.

Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. Journal of Management, 31(6), 874–900. https://doi.org/10.1177/0149206305279602

Edmondson, A. C., & Bransby, D. P. (2023). Psychological safety comes of age: Observed themes in an established literature. Annual Review of Organizational Psychology and Organizational Behavior, 10, 55–78. https://doi.org/10.1146/annurev-orgpsych-120920-055217

El Junusi, R., Agriyanto, R., Musahadi, & Wardayati, S. M. (2023). The role of innovative work behavior and proactive behavior in mediating employee engagement and performance at public universities. International Journal of Economics and Management, 17(3), 345–358. https://doi.org/10.47836/ijeam.17.3.05

Elsayed, A. M., Zhao, B., Goda, A. E., & Elsetouhi, A. M. (2023). The role of error risk taking and perceived organizational innovation climate in the relationship between perceived psychological safety and innovative work behavior: A moderated mediation model. Frontiers in Psychology, 14, 1042911. https://doi.org/10.3389/fpsyg.2023.1042911

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). Partial least squares structural equation modeling (PLS-SEM) using R: A workbook. Springer. https://doi.org/10.1007/978-3-030-80519-7

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. European Business Review, 31(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Hamonangan M., F. R. M., & Hendarman, A. F. (2026). The relationship of participative leadership and psychological safety on employee performance: A case study at PT Suprabakti Mandiri. Priviet Social Sciences Journal, 6(3), 428–444. https://doi.org/10.55942/pssj.v6i3.1630

Janssen, O. (2000). Job demands, perceptions of effort-reward fairness and innovative work behavior. Journal of Occupational and Organizational Psychology, 73(3), 287–302. https://doi.org/10.1348/096317900167038

Jin, H., & Peng, Y. (2024). The impact of team psychological safety on employee innovative performance: A study with communication behavior as a mediator variable. PLOS ONE, 19(10), e0306629. https://doi.org/10.1371/journal.pone.0306629

Makassar Type B Customs and Excise Supervision and Service Office. (2024). Makassar Type B Customs and Excise KPPBC Performance Report 2023. Directorate General of Customs and Excise.

Makassar Type B Customs and Excise Supervision and Service Office. (2025). Makassar Type B Customs and Excise KPPBC Performance Report 2023. Directorate General of Customs and Excise.

Makassar Type B Customs and Excise Supervision and Service Office. (2026). Makassar Type B Customs and Excise KPPBC Performance Report 2025. Directorate General of Customs and Excise.

Kasmir. (2016). Human resource management: Theory and practice. Rajawali Pers.

Ministry of State Apparatus Empowerment and Bureaucratic Reform of the Republic of Indonesia. (2022). Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform Number 6 of 2022 concerning Management of the Performance of State Civil Apparatus Employees.

Kızrak, M. (2025). Exploring the effects of psychological safety, organization-based self-esteem, and self-efficacy on job performance. Sosyal Mucit Academic Review, 6(1), 1–28. https://doi.org/10.54733/smar.1619101

Lee, J. Y. (2022). How does psychological safety foster employee performance? A serial multiple mediation of job crafting and thriving. International Journal of Organization Theory & Behavior, 25(3/4), 98–112. https://doi.org/10.1108/IJOTB-12-2021-0239

Magfijar, FM, & Ekhsan, M. (2024). The role of innovative behavior as a mediator in the influence of employee engagement on employee performance. Oikonomia: Journal of Management, 20(2), 111–126. https://doi.org/10.47313/oikonomia.v20i2.3659

Mahmoud, M.A., Ahmad, S., & Poespowidjojo, DAL (2022). Psychological safety and individual performance: The mediating effect of intrapreneurial behavior. International Journal of Productivity and Performance Management, 71(7), 2913–2931. https://doi.org/10.1108/IJPPM-10-2020-0538

Mangkunegara, AAAP (2017). Corporate human resource management. Rosdakarya Youth.

Nababan, E. A. J., & Desiana, P. M. (2023). The effect of public service motivation, meaningful work and work engagement on employee performance in the public sector. Business Innovation and Entrepreneurship Journal, 5(1), 1–9. https://doi.org/10.35899/biej.v5i1.427

Newman, A., Donohue, R., & Eva, N. (2017). Psychological safety: A systematic review of the literature. Human Resource Management Review, 27(3), 521–535. https://doi.org/10.1016/j.hrmr.2017.01.001

Rahmayuna, M. H., & Sandakila, I. (2026). The effect of competency and employee engagement on employee performance in public sector institutions. Journal of

Mathematics Instruction, Social Research and Opinion, 5(1), 185–192. https://doi.org/10.58421/misro.v5i1.993

Robbins, S. P., & Judge, T. A. (2017). Organizational behavior (17th ed.). Pearson.

Salsabila, N., & Lo, S. J. (2023). The influences of competency and compensation on employee performance at PT Balai Pustaka (Persero) as mediated by work engagement. European Journal of Business and Management Research, 8(2), 169–174. https://doi.org/10.24018/ejbmr.2023.8.2.1848

Saputra, A., Siahaan, E., & Sembiring, B. K. F. (2025). The influence of work engagement and ambidextrous organization on employee performance with innovative behavior as a mediating variable at the Housing and Settlement Area Agency of North Sumatra Province. Journal of Business Management, 3(1), 77–84. https://doi.org/10.47134/jobm.v3i1.155

Sekaran, U., & Bougie, R. (2016). Research methods for business: A skill-building approach (7th ed.). Wiley.

Sugiyono. (2019). Metode penelitian kuantitatif, kualitatif, dan R&D. Alfabeta.

Tiwari, B., & Lenka, U. (2016). Building psychological safety for employee engagement in post-recession. Development and Learning in Organizations: An International Journal, 30(1), 19–22. https://doi.org/10.1108/DLO-05-2015-0044