



Effect of Work Stress and Leader-Member Exchange on Adaptive Performance through Innovative Work Behavior of Generation Z Employees in East Java

Ni Nyoman Asti Styta Putri^{1*)}; Shinta Setia²⁾

^{1,2)}Department of Management, Faculty of Economic and Bussiness, Universitas Hayam Wuruk Perbanas

*Correspondent Author: ninyomanputri1003@gmail.com

How to Cite :

Putri, N. N. A. S., dan Setia, S. (2026). Effect of Work Stress and Leader-Member Exchange on Adaptive Performance through Innovative Work Behavior of Generation Z Employees in East Java. *Bima Journal : Business, Management and Accounting Journal*, 7 (1) [665-676](#) . DOI: <https://doi.org/10.37638/bima.6.1.665-676>

ARTICLE HISTORY

Received [06 January 2026]

Revised [07 February 2026]

Accepted [15 June 2026]

KEYWORDS

Adaptive Performance,
Innovative Work Behavior,
Work Stress, Leader-
Member Exchange,
Generation Z.

This is an open access article
under the [CC-BY-SA](#) license



ABSTRACT

Purpose: This study aims to analyze the effect of work stress and leader-member exchange on adaptive performance through the mediating role of innovative work behavior among Generation Z employees, in line with increasing demands for adaptation in a dynamic work environment. **Methodology:** This study used a quantitative approach through an online questionnaire survey of Generation Z employees in East Java who met the research criteria, resulting in 145 valid responses. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to evaluate the measurement model and structural model. **Results:** The results showed that work stress had a significant negative effect on innovative work behavior and adaptive performance, while leader-member exchange had a significant positive effect on both variables. Innovative work behavior was also found to play a significant mediating role in explaining employee adaptability. **Findings:** Innovative work behavior emerged as a key behavioral mechanism that translates work stress conditions and leadership relationship quality into individual adaptability. **Novelty and Originality:** This study provides new empirical evidence on the dynamics of Generation Z employee adaptation by placing innovative work behavior as the main psychological channel connecting work demands and leadership resources with adaptive performance, thereby enriching the understanding of behavioral mechanisms in the context of the young workforce. **Conclusion:** This study concludes that adaptive performance among Generation Z is not directly shaped by work pressure or leadership, but is significantly guided by individual innovation capacity, affirming the central role of innovative work behavior as the primary mechanism for developing workforce adaptability. **Type of Paper:** Empirical research article.

INTRODUCTION

The increasingly dynamic work environment due to digitalization and the development of industry 4.0 requires employees to have a high level of adaptability. Organizations no longer only need technically competent workers, but also individuals who are able to quickly adapt to changes in systems, technology, and work patterns. In this context, adaptive performance has become a key competency that determines the sustainability of individual and organizational performance. Adaptive performance describes a series of behaviors that demonstrate an employee's ability to

adjust their behavior, manage stress, and respond effectively to unexpected work situations (Kaltiainen & Hakanen, 2022). In a dynamic modern work environment, adaptability is important because job changes are often triggered by technological innovations and improvements in work systems that require continuous adjustment (Saleem et al., 2021). Thus, adaptive performance is not just a temporary reaction to change, but a work competency that reflects the workforce's readiness to respond to organizational demands.

Generation Z is the workforce group that currently dominates the Indonesian job market and is known for being adaptable to technology and valuing work flexibility. However, academic literature shows that this generation has different work behaviors and expectations from previous generations, such as a strong desire for work-life balance, flexibility, and responsive leadership support, which, if not met, can be a source of psychological tension and barriers to adaptation in the workplace (Agung & Nugroho, 2025). This condition is reinforced by industry reports showing that some Generation Z employees experience pressure, anxiety, and work stress in the workplace (Deloitte, 2024). This condition shows that adaptive abilities are not only influenced by generational characteristics but also by psychological and social factors in the work environment. One behavior that plays an important role in improving adaptive performance is innovative work behavior (IWB). IWB refers to the actions of individuals in creating, promoting, and realizing new ideas that are relevant to their work (Bataineh et al., 2022). This behavior is not limited to the creation of ideas, but also includes exploring opportunities and implementing new strategies that improve work effectiveness (Ferdinan, 2023). Individuals who exhibit innovative behavior tend to be more flexible, proactive, and able to find creative solutions to work challenges, thereby strengthening their adaptive abilities.

Work stress is an important variable that influences employee engagement in innovative behavior and adaptive abilities. Work stress is defined as an individual's psychological and physiological response to work environment demands that cause mental and physical tension (Dodanwala et al., 2021). Role conflict, increased workload, and job uncertainty are the main sources of stress in modern organizations (Saleem et al., 2021; Bataineh et al., 2022). Conceptually, the literature distinguishes between constructive eustress and detrimental distress. Eustress describes a condition in which work demands are perceived as opportunities for self-development that can increase motivation and work engagement (Anjum & Zhao, 2022). However, these benefits are highly dependent on individuals' assessments of the pressures they face. In many modern work situations, pressure is more often experienced as emotional exhaustion that drains psychological energy than as a motivating challenge.

This perspective is in line with the Challenge-Hindrance Stressor Framework, which distinguishes work stress into challenge stressors and hindrance stressors. When work demands are perceived as obstacles, pressure tends to reduce an individual's cognitive and emotional capacity. Conservation of Resources theory explains that in conditions of psychological resource depletion, individuals will prioritize self-protection over investing energy in innovation. As a result, work stress is more likely to reduce innovative work behavior and adaptive performance than to strengthen them. For Generation Z employees who are still in the early stages of their careers, even moderate emotional pressure can narrow the psychological space for experimentation and adaptation. Thus, this study positions work stress as a hindrance stressor that is predicted to have a negative relationship with employees' innovative behavior and adaptive abilities (Stevan E. Hobfoll, Jonathon Halbesleben, Jean-Pierre Neveu, 2018).

In this context, the quality of the relationship between leaders and subordinates, or leader-member exchange (LMX), serves as an important social resource. LMX describes a working relationship built on trust, support, and shared responsibility (Ha, 2022). High-quality relationships create a sense of psychological security that allows employees to channel work pressure into productive innovative behavior. Thus, IWB functions as a mediating mechanism that explains how the investment of psychological resources resulting from eustress and social support from LMX translates into adaptive performance.

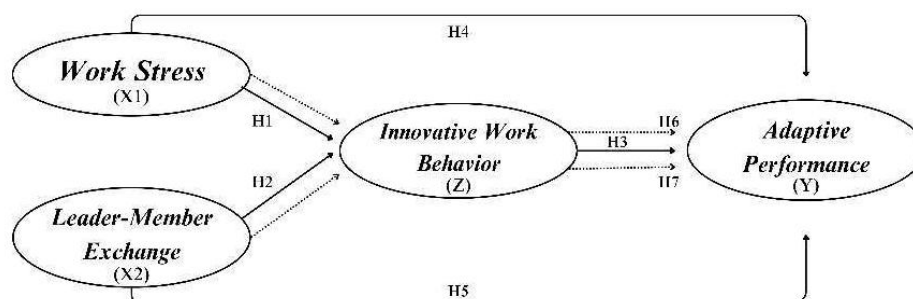
Differences in previous research results indicate a gap in explaining the mechanism of how work stress and LMX influence adaptive performance, particularly in the context of Generation Z employees in Indonesia. Previous studies tended to examine direct relationships between variables without emphasizing the role of eustress and innovative behavior as underlying psychological mechanisms. Therefore, this study aims to examine the positive influence of work stress and leader-member exchange on adaptive performance through the mediation of innovative work behavior among Generation Z employees in East Java.

Research Hypothesis

Based on the theoretical explanation and previous research results described above, the relationship between variables in this study is considered relevant to be tested empirically. Therefore, this study formulates the following hypotheses:

- H1: Work Stress significantly has a negative effect on Innovative Work Behavior among Generation Z employees in East Java.
- H2: Leader-Member Exchange significantly and positively affects Innovative Work Behavior among Generation Z employees in East Java.
- H3: Innovative Work Behavior significantly and positively affects Adaptive Performance among Generation Z employees in East Java.
- H4: Work Stress significantly and negatively affects Adaptive Performance among Generation Z employees in East Java.
- H5: Leader-Member Exchange significantly and positively affects Adaptive Performance among Generation Z employees in East Java.
- H6: Innovative Work Behavior significantly mediates the effect of Work Stress on Adaptive Performance among Generation Z employees in East Java.
- H7: Innovative Work Behavior significantly mediates the effect of Leader-Member Exchange on Adaptive Performance among Generation Z employees in East Java.

Figure 1. Research Framework



METHOD

This study uses a quantitative approach with a causal design to examine the effect of work stress and leader-member exchange on adaptive performance through innovative work behavior among Generation Z employees in East Java. The analysis was conducted using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, which is suitable for testing structural models with multiple latent constructs and mediating relationships.

The research population consisted of Generation Z employees who were actively working in East Java Province. Generation Z in this study was limited to individuals born between 1997 and 2007 who had been working for at least six months so that respondents had sufficient work experience to evaluate organizational conditions. The sampling technique used purposive sampling based on these criteria. Respondents were recruited through the distribution of online questionnaires using Google Forms distributed through professional networks, work social media,

and snowball sampling, in which initial respondents were asked to forward the survey to colleagues who met the research criteria. Data collection was conducted from December 31, 2025, to January 20, 2026. A total of 147 questionnaires were collected, and after screening based on completeness and criteria suitability, 145 questionnaires were deemed suitable for analysis. The final response rate that could be used in this study was 98.6%. All data were collected and analyzed anonymously to maintain the confidentiality of respondents' identities and were used only for academic purposes.

All constructs were measured using instruments adapted from scales that had been validated in previous studies. The adaptation process was carried out through translation and contextual adjustment to suit the respondents' work environment. Adaptive performance was measured using a scale from Charbonnier-Voirin and Roussel, adapted by Kaltiainen and Hakanen (2022), which covers four dimensions: adaptive stress management, adaptive reactivity, adaptive creativity, and interpersonal adaptivity. The adaptive stress management dimension reflects the ability to manage work pressure, with an example item being "I keep my cool in situations where I am required to make many decisions." The adaptive reactivity dimension describes the speed of responding to change, with an example item being "I quickly decide on the actions to take to resolve problems." The adaptive creativity dimension reflects the ability to generate new solutions, with an example item being "I do not hesitate to go against established ideas and propose an innovative solution." The interpersonal adaptivity dimension indicates the ability to adjust social behavior, with an example item being "I try to understand the viewpoints of my counterparts to improve my interaction with them."

Innovative work behavior is measured using a scale from Hassan et al. (2024) that includes three dimensions: idea generation, idea promotion, and idea realization. The idea generation dimension describes the creation of new ideas, with an example item being "Creating new ideas for difficult issues." The idea promotion dimension reflects efforts to gain support for innovative ideas, with an example item being "Mobilizing support for innovative ideas." The idea realization dimension shows the implementation of ideas, with an example item being "Transforming innovative ideas into useful applications." Leader-member exchange is measured using a multidimensional scale from Liden and Maslyn adapted by Ha (2022), consisting of the dimensions of affect, loyalty, contribution, and professional respect, with example items for each: "I like my supervisor very much as a person." "My supervisor defends my work actions to a superior, even without complete knowledge of the issue in question." "I am willing to apply extra efforts, beyond those normally required, to further the interests of my work group." and "I admire my supervisor's professional skills." Work stress is measured using a scale from Dodanwala et al. (2021) that includes psychological and physiological dimensions. The psychological dimension describes emotional pressure due to work, with sample items such as "I feel emotionally drained by my job." while the physiological dimension reflects physical reactions to work stress, with sample items such as "Job-related problems keep me awake at night."

All items were measured using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The internal reliability of the construct was tested using Cronbach's alpha and composite reliability, while the construct validity was evaluated through convergent validity and discriminant validity. Data analysis was performed using PLS-SEM with the help of SmartPLS software through two main stages, namely measurement model evaluation and structural model evaluation. Convergent validity was assessed through factor loading values ≥ 0.50 and average variance extracted (AVE) ≥ 0.50 , while discriminant validity was evaluated using a heterotrait-monotrait ratio (HTMT) < 0.85 and cross loading comparisons. Constructs were declared reliable if Cronbach's alpha and composite reliability values were ≥ 0.70 (Hair et al., 2021). Structural model evaluation was conducted using R-square, F-square, and Q-square values to assess the model's predictive power. An R-square value of 0.75 indicates a strong effect, 0.50 a moderate effect, and 0.25 a weak effect. An F-square value of 0.02 indicates a small effect, 0.15 a moderate effect, and 0.35 a large effect, while the model is considered to have predictive ability if the Q-square value is greater than zero. Hypothesis testing was conducted through the bootstrapping procedure to

obtain path coefficient, t- statistic, and p-value values. The hypothesis is supported if the t-statistic value is ≥ 1.96 and the p-value is ≤ 0.05 at a 5% significance level (Hair, 2021).

RESULTS AND DISCUSSION

RESULTS

A total of 147 questionnaires were collected, but after screening based on research criteria, the data that could be analyzed amounted to 145 respondents. Data analysis was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the help of SmartPLS software. The testing included evaluation of the measurement model (outer model) and structural model (inner model).

Outer Model

The measurement model was evaluated to ensure the validity and reliability of the research constructs. The test results showed that all indicators had loading values that met the criteria, enabling them to represent the constructs being measured. The construct reliability values also showed good internal consistency.

Table 1. Validity Test

Indicator	Question Item	Loading Factor	Description
Adaptive Performance			
Adaptive Stress Management	AP1	0.625	Valid
	AP2	0.616	Valid
	AP3	0.625	Valid
Adaptive Reactivity	AP4	0.579	Valid
	AP5	0.596	Valid
Adaptive Creativity	AP8	0.638	Valid
Interpersonal Adaptivity	AP12	0.777	Valid
	AP13	0.706	Valid
Innovative Work Behavior			
Creating Ideas	IWB1	0.604	Valid
	IWB2	0.617	Valid
Promoting Ideas	IWB4	0.641	Valid
	IWB5	0.723	Valid
	IWB6	0.750	Valid
Realizing Ideas	IWB7	0.754	Valid
	IWB8	0.789	Valid
	IWB9	0.621	Valid
Leader-Member Exchange			
Affect	LMX1	0.618	Valid
	LMX2	0.631	Valid
	LMX3	0.703	Valid
Loyalty	LMX4	0.607	Valid
	LMX5	0.571	Valid
	LMX6	0.608	Valid
Professional Respect	LMX9	0.716	Valid
	LMX10	0.806	Valid
	LMX11	0.796	Valid
Work Stress			
Psychological Aspects	WS1	0.704	Valid
	WS2	0.676	Valid

Indicator	Question Item	Loading Factor	Description
Physiological Aspects	WS3	0.819	Valid
	WS4	0.720	Valid
	WS5	0.775	Valid
	WS6	0.779	Valid
	WS7	0.781	Valid
	WS8	0.682	Valid

Source: Processed Data, 2026

Based on the test results shown in the table above, the loading factor values for each variable > 0.5 are considered valid (Hair et al., 2021). Several items from the adaptive performance, innovative work behavior, and leader-member exchange variables were removed because their loading factor values were < 0.5 and were declared invalid. The testing was conducted three times by removing items AP6, AP7, AP9, AP10, and AP 11 in the Adaptive Performance variable, item IWB3 in the Innovative Work Behavior variable, and items LMX7 and LMX8 in the Leader-Member Exchange variable. In the Leader-Member Exchange variable, one indicator was removed because both items in the contribution indicator were declared invalid after three tests. This indicates that the contribution indicator does not measure the current respondents.

Table 2. Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Adaptive Performance	0,800	0,852	0,420
Innovative Work Behavior	0,841	0,878	0,477
Leader-Member Exchange	0,861	0,883	0,459
Work Stress	0,886	0,908	0,553

Source: Processed Data, 2026

The AVE value is one of the criteria for measuring convergent validity. The AVE value for the Adaptive Performance variable is 0.420, which is the smallest value, followed by the Leader-Member Exchange variable at 0.459 and the Innovative Work Behavior variable at 0.477. The AVE value for the Work Stress variable is 0.553. If the AVE value is < 0.5 but the composite reliability is > 0.6, then the AVE value is acceptable and can measure convergent validity (Fornell Larcker (1981) in Taye & Assefa, 2025).

The Reliability Test aims to assess the consistency and stability of the measurement scale and ensure that the questionnaire used can function as a valid indicator for each variable. The reliability test in this study was conducted using the Cronbach alpha and composite reliability methods, which state that this method is reliable if it has a value of more than 0.7 (Hair et al., 2021). The table above shows composite reliability results of more than 0.7 for each variable, which can be concluded that all variables in this study are reliable.

Discriminant Validity

Table 3. Heterotrait-Monotrait Ratio Value

Variabel	AP	IWB	LMX	WS
Adaptive Performance				
Innovative Work Behavior	0,849			
Leader-Member Exchange	0,505	0,525		
Work Stress	0,464	0,321	0,228	

Source: Processed Data, 2026

The table above shows that the variables in this study have met the criteria for discriminant validity. The HTMT values for the variables Adaptive Performance, Innovative Work Behavior, Leader-Member Exchange, and Work Stress are less than 0.85, indicating excellent discriminant validity.

Inner Model

Inner model analysis is used to test the indirect relationship between variables in the research model. The aim is to measure the predictive power and level of influence between variables in order to determine how well the research model describes the phenomenon being studied.

Table 4. R-Square Value

Variabel	R-Square	R ²
Adaptive Performance	0,562	0,552
Innovative Work Behavior	0,289	0,279

Source: Processed Data, 2026

The table above shows that the R-Square value indicates that the variables of Work Stress and Leader- Member Exchange explain the variables of Adaptive Performance and Innovative Work Behavior. The analysis results show that Work Stress and Leader-Member Exchange explain 56.2% of the variability in Adaptive Performance, indicating a strong influence, and 28.9% of the variability in Innovative Work Behavior, indicating a moderate influence.

Table 5. F-Square Value

Variabel	F-Square
IWB→AP	0.511
LMX→AP	0.041
LMX→IWB	0.287
WS→AP	0.098
WS→IWB	0.047

Source: Processed Data, 2026

The table above shows that the f-square value for the Innovative Work Behavior variable on Adaptive Performance is 0.511 and the Leader-Member Exchange variable on Innovative Work Behavior is 0.287, indicating a significant influence. Meanwhile, the f-square value for the variable Work Stress on Adaptive Performance is 0.098, followed by the variable Work Stress on Innovative Work Behavior at 0.047 and the variable Leader-Member Exchange on Adaptive Performance at 0.041, all three of which indicate a moderate influence.

Table 6. Q-Square Value

Variabel	Q-Square
Adaptive Performance	0,221
Innovative Work Behavior	0,133

Source: Processed Data, 2026

The table above shows the Q-Square values for the Adaptive Performance variable at 0.221 and Innovative Work Behavior at 0.133. The Q-Square values for both variables indicate that the research model has predictive capabilities.

Table 7. Hypothesis Testing

Hipotesis	Variabel	Path Coefficient	t-statistics	p-value
H1	WS→IWB	-0.187	2.845	0.004
H2	LMX→IWB	0.464	7.598	0.000
H3	IWB→AP	0.561	9.064	0.000
H4	WS→AP	-0.217	3.486	0.000
H5	LMX→AP	0.157	2.151	0.032
H6	WS→IWB→AP	-0.105	2.727	0.006
H7	LMX→IWB→AP	0.260	5.938	0.000

Source: Processed Data, 2026

Hypothesis testing was conducted using path analysis on the PLS-SEM structural model to determine the direct and indirect effects between the research variables. The test results showed that all relationships between variables were statistically significant and consistent with the direction of the proposed hypothesis.

Work stress had a significant effect on innovative work behavior with a negative relationship ($\beta = -0.187$; $t = 2.845$; $p = 0.004$), thus supporting the hypothesis. This finding indicates that work pressure is an obstacle to the emergence of new ideas and initiatives. Leader-member exchange has a positive and significant effect on innovative work behavior ($\beta = 0.464$; $t = 7.598$; $p < 0.001$), thus supporting the hypothesis. Work relationships based on trust and support encourage employees to express their ideas and try new work approaches.

Innovative work behavior has a positive and significant effect on adaptive performance ($\beta = 0.561$; $t = 9.064$; $p < 0.001$). The hypothesis is supported, indicating that engagement in innovative behavior strengthens employees' ability to adapt to work changes. Work stress also has a significant negative effect on adaptive performance ($\beta = -0.217$; $t = 3.486$; $p < 0.001$), thus supporting the hypothesis. High work stress tends to reduce individual flexibility in dealing with dynamic work demands. Conversely, leader-member exchange has a positive and significant effect on adaptive performance ($\beta = 0.157$; $t = 2.151$; $p = 0.032$), thus supporting the hypothesis. Supportive work relationships help improve employees' readiness to adapt.

The mediation test results show that innovative work behavior plays a significant role as a mediator. The indirect effect of work stress on adaptive performance through innovative work behavior is negative and significant ($\beta = -0.105$; $t = 2.727$; $p = 0.006$). This indicates that work stress reduces adaptive performance not only directly but also indirectly through a decrease in innovative behavior. Innovative work behavior also mediates the relationship between leader-member exchange and adaptive performance with a positive and significant effect ($\beta = 0.260$; $t = 5.938$; $p < 0.001$). This finding confirms that the quality of the relationship between superiors and subordinates enhances innovative behavior, which ultimately strengthens employees' adaptive abilities.

DISCUSSION

This study aims to explain the dynamics of the relationship between work stress, leader-member exchange, innovative work behavior, and adaptive performance among Generation Z employees. The results show that adaptive capacity is not only influenced by work conditions directly but also through innovative behavior as a psychological mechanism that bridges work experience with individual adaptive responses. This finding confirms that adaptive performance is the result of the interaction between work pressure, social resources, and individual innovative capacity.

Key findings in this study indicate that work stress has a negative effect on innovative work behavior and adaptive performance, in line with the proposed hypothesis. Empirically, the work

pressure experienced by respondents acts as an inhibiting factor rather than a driver of performance. Within the Challenge–Hindrance Stress Framework (C-HSF), these results indicate that work stress is perceived more as a hindrance stressor than a challenge stressor. Hindrance stressors drain psychological energy, reduce exploratory motivation, and limit individuals' capacity to generate new ideas. As a result, innovative behavior weakens and adaptive flexibility declines.

These findings are in line with research by Anjum & Zhao, (2022), which explains that psychological pressure reduces individuals' cognitive and emotional capacity, thereby inhibiting engagement in innovative behavior. Innovation requires mental energy, a sense of security, and cognitive space to experiment—conditions that are difficult to achieve when individuals are under high work pressure. This explanation is reinforced by Conservation of Resources Theory (COR), which emphasizes that individuals tend to conserve resources when faced with the threat of losing energy or emotional stability. When work pressure is perceived as a risk of resource depletion, individuals reduce their investment in exploratory activities such as innovation. The impact is not only a decline in innovative work behavior but also limitations in adaptive performance. From the COR perspective, work stress in the context of this study activates resource conservation mechanisms rather than growth mechanisms, thereby limiting adaptive capabilities.

Leader–member exchange has been shown to strengthen innovative work behavior, which supports Widiastuti & Kusmaryani, (2023) findings. Trust-based working relationships create a sense of psychological security that allows employees to express ideas without fear of social consequences. Within the COR framework, the quality of supervisor–subordinate relationships functions as a social resource that helps individuals remain invested in innovative behavior even in demanding work environments. These findings confirm that supportive leadership is an important resource reserve in maintaining innovation sustainability.

Innovative work behavior emerges as the strongest predictor of adaptive performance, in line with the findings of (Bataineh et al., 2022). Innovative behavior trains individuals to interact with uncertainty, thereby increasing their readiness to face technological and organizational changes. Innovation in this context is not only the result of work but also an adaptive learning process that shapes long-term competencies.

The direct negative effect of work stress on adaptive performance in this study is consistent with Ari, (2025), findings. These results confirm that work stress perceived as a psychological burden tends to reduce an individual's ability to adapt to change. In the context of this study, work stress triggers more emotional fatigue, which interferes with concentration and mental readiness to respond to dynamic work demands. When stress is continuous, individuals' psychological energy is depleted and their attention is directed more toward maintaining self-stability than developing adaptive strategies.

This impact is more significant for Generation Z employees who are still in the early stages of their careers. At this stage, even moderate emotional pressure can narrow the psychological space for exploration and adaptive learning. As a result, adaptive performance becomes more vulnerable to the effects of work stress because individuals tend to prioritize managing pressure rather than developing adaptive responses to change (Ari, 2025).

Conversely, leader–member exchange contributes positively to adaptive performance, in line with (Ardianto & Suharnomo, 2023). Support from superiors helps employees navigate change and clarify work roles, thereby increasing adaptive readiness. Although its influence is relatively smaller than that of the innovative pathway, the leadership relationship still functions as a social infrastructure that supports adaptive abilities.

The mediating role of innovative work behavior is the main contribution of this study. Work stress reduces adaptive performance not only directly but also indirectly through a decrease in innovative behavior. Conversely, leader–member exchange enhances adaptive performance by strengthening innovative work behavior. This mechanism confirms that innovation is a key psychological pathway linking work stress and social resources to adaptive capacity. These findings

expand the literature by showing that innovative behavior functions as a transformational mechanism that translates work conditions into adaptive capacity.

From a practical perspective, this study emphasizes that organizations need to manage employees' perceptions of work stress, not just reduce workloads. A supportive work environment and leadership that builds trust are important factors in maintaining a balance between demands and employees' psychological resources. In a rapidly changing economic context, an organization's ability to maintain innovation while protecting the psychological well-being of its young workforce is a determinant of performance sustainability.

CONCLUSION

This study concludes that the adaptive performance of Generation Z employees is significantly influenced by work stress, leader-member exchange, and innovative work behavior. Work stress has been shown to reduce innovative behavior and adaptability, while leader-member exchange enhances both. Innovative work behavior plays an important mediating role in explaining how work stress and leadership relationship quality translate into adaptability. These findings indicate that innovative behavior is the main mechanism that helps young workers remain prepared to face a dynamic work environment.

Theoretically, this study strengthens the organizational behavior literature by positioning innovative work behavior as a link between psychological work conditions and adaptive performance. Practically, organizations need to manage work stress through balanced workload arrangements, emotional support, and open managerial communication to maintain employees' psychological energy. On the other hand, improving the quality of leader-member exchange through supportive working relationships, clear direction, and professional trust is an important factor in encouraging innovative behavior. These efforts help employees develop flexibility and adaptability in the face of work changes.

This study has several limitations. First, the research design is cross-sectional, so it cannot fully explain the cause-and-effect relationship between variables. Second, all data were obtained from respondent reports through the same source, so the potential for perception bias cannot be avoided. Third, sampling limited to Generation Z employees in East Java restricts the generalization of findings to other regions and population groups. In addition, several constructs showed moderate AVE values, indicating limitations in the measurement power of the instruments.

Future research should use a longitudinal design so that changes in work behavior can be observed in greater depth. Collecting data from various sources, such as supervisors' assessments of adaptive performance, can enrich the accuracy of the research results. Subsequent studies could also test this model on other generations to examine differences in workforce characteristics. Furthermore, future research could add moderator variables such as psychological capital or organizational culture, and distinguish between challenge-oriented and obstacle-oriented types of work stress to gain a more specific understanding of the role of work stress.

REFERENCES

- Agung, Y., & Nugroho, W. (2025). *A Systematic Literature Review on Workplace Expectations and Behavioral Characteristics of Generation Z Employees Tinjauan Literatur Sistematis tentang Harapan Tempat Kerja dan Karakteristik Perilaku Karyawan Generasi Z*. 14(3), 367–375.
- Anjum, A., & Zhao, Y. (2022). *The Impact of Stress on Innovative Work Behavior among Medical Healthcare Professionals*.
- Ardianto, B., & Suharnomo. (2023). Effect of Leader-Member Exchange and Organization Climate towards Public Sector Employee Performance Mediated by Innovative Work Behavior. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, 6(2), 2621–606.
- Ari, H. O. (2025). *Determining the Relationship Between Work Stress and Job Performance: A Cross-Sectional Study Among Healthcare Workers*. 2025.
- Bataineh, M. S. E., Zainal, S. R. M., Muthuveloo, R., Yasin, R., Wali, J. Al, & Mugableh, M. I. (2022). 674 | Putri, N. N. A. S., dan Setia, S. (2026). *Effect of Work Stress and Leader-Member Exchange on Adaptive Performance....*

- Impact of inclusive leadership on adaptive performance: The role of innovative work behaviour. *International Journal of Business Science and Applied Management*, 17(1), 28–43.
- Deloitte. (2024). 2024 Gen Z and Millennial Survey. Living and working with purpose in a transforming world. *Deloitte Touche Tohmatsu Limited*, 1–37. <https://www.deloitte.com/global/en/issues/work/content/genzmillennialsurvey.html>
- Dodanwala, T. C., Shrestha, P., & Santoso, D. S. (2021). Role Conflict Related Job Stress among Construction Professionals: The Moderating Role of Age and Organization Tenure. *Construction Economics and Building*, 21(4), 21–37. <https://doi.org/10.5130/AJCEB.v21i4.7609>
- Ferdinan, B. A. (2023). Transformational Leadership and Job Stress: The Mediating Role of Innovative Work Behavior on Millennial and Z Performance. *International Journal of Economics and Management Studies*, 10(4), 48–57. <https://doi.org/10.14445/23939125/ijems-v10i4p106>
- Ha, J. C. (2022). Capturing Emerging Business Opportunities through Entrepreneurial Orientation and Innovation Behavior: The Moderating Role of Leader-Member Exchange. *Sustainability (Switzerland)*, 14(6). <https://doi.org/10.3390/su14063585>
- Hair, J. F., C. W., Babin, B. J., Anderson, R. E., Black, W. C., & Anderson, R. E. (2021). *Multivariate Data Analysis*. Andover.
- Kaltiainen, J., & Hakanen, J. (2022). Fostering Task and Adaptive Performance Through Employee Well-Being: The Role of Servant Leadership. *BRQ Business Research Quarterly*, 25(1), 28–43. <https://doi.org/10.1177/2340944420981599>
- Li, J., Liao, Y., Wang, W., Han, X., Cheng, Z., & Sun, G. (2025). Is Stress Always Bad? The role of Job Stress in Producing Innovative Ideas. *Knowledge Management Research & Practice*, 23(1), 77–88. <https://doi.org/10.1080/14778238.2023.2219402>
- Rafique, M. A., Hou, Y., Chudhery, M. A. Z., Waheed, M., Zia, T., & Chan, F. (2022). Investigating The Impact of Pandemic Job Stress and Transformational Leadership on Innovative Work Behavior: The mediating and Moderating Role of Knowledge Sharing. *Journal of Innovation and Knowledge*, 7(3). <https://doi.org/10.1016/j.jik.2022.100214>
- Saleem, F., Malik, M. I., & Qureshi, S. S. (2021). Work Stress Hampering Employee Performance During COVID-19: Is Safety Culture Needed? *Frontiers in Psychology*, 12(August), 1–13. <https://doi.org/10.3389/fpsyg.2021.655839>
- Stevan E.Hobfoll, Jonathon Halbesleben, Jean-Pierre Neveu, M. W. (2018). *Conservation of Resources in the Organizational Context: The Reality of Resources and Their Consequences*. 103–128.
- Taye, D., & Assefa, S. (2025). *Confirmatory Factor Analysis and Propensity to Cheat Scale Validation in the Ethiopian Public Higher Education*. 1–58.
- Widiastuti, W., & Kusmaryani, R. E. (2023). The Influence of Leader Member Exchange on Innovative Work Behavior (A Study of High School Teachers). *International Journal of Multicultural and Multireligious Understanding*, 10(10), 414. <https://doi.org/10.18415/ijmmu.v10i10.5186>

