Managing Generative AI Innovation: The Impact of Proactive Personality and LMX on Work Outcomes

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This study uses leader-member exchange (LMX) theory to examine the interplay between proactive personality, LMX, generative AI innovation (GenAI innovation), and affective employee perceptions. Data collected from 378 working adults were tested with mediated-moderation analyses to examine the extent to which the relationship between proactive personality and employee perceptions varied as a function of LMX while working through GenAI innovation. The results indicated that LMX positively moderated (i.e., strengthened) the relationship between proactive personality and GenAI innovation. Furthermore, GenAI innovation mediated the relationship between the interaction (i.e., proactive personality X LMX) and three affective perceptions, namely organizational commitment, job satisfaction, and turnover intentions. Support for this mediated-moderation model empirically validates the interactive influence between individual characteristics and relational factors in the organizational environment. These findings pose beneficial managerial and conceptual insights to improve organizational performance by facilitating innovation and retaining engaged employees.

In today's dynamic and highly competitive business environment, organizations must consistently deliver innovative solutions to sustain performance and serve customers effectively (Audenaert et al., 2019). The ability to innovate new processes or products has become a critical organizational competency as it facilitates adaptation in changing environments, increases competitive advantage, and improves long-term organizational growth and sustainability (Tidd & Bessant, 2018). One tool that holds the potential to drive innovation at an unprecedented rate is generative artificial intelligence (GenAI) (Mariani & Dwivedi, 2024), which not only has the ability to solve complex problems based on advanced programming but can come up with novel content such as text, code, images, audio, video, and more (Jebra, 2004). GenAI, such as ChatGPT, can mimic human creativity to a certain extent, simulating the exchange of ideas between two individuals. However, GenAI allows for this exchange to be between an employee and an entity without human biases, further stimulating the generation of employee ideas while taking into account potential boundary conditions. For example, in publishing, employees gain access to advanced vocabulary, historical background information, and enhanced character development. In product design, GenAI can help identify human preferences and create novel ideas based on previous societal interests and available resources, because GenAI can not only analyze data, but produce new content that can be used to maximize employee engagement and output (Berg et al., 2023). These technological advancements affect human resources and its management (Budhwar et al., 2023).

The nature of work has long been predicted to experience disruption from artificial intelligence (Getchell et al., 2022), but the recent introduction of free GenAI tools such as ChatGPT and Gemini has ushered in this transition rapidly with major workplace transformation on the horizon (Mollick, 2022). Perceptions regarding the favorability of forthcoming changes due to GenAI are mixed (Ahuja et al.; Cardon et al., 2023; Holmström & Carroll, 2024), but the widespread adoption of these tools as well as the integration of GenAI into major software packages such as Microsoft Copilot provide strong indication that our workplaces will be forever changed for better or worse (Chow, 2023). Some employers have attempted to block access to GenAI tools entirely (Estrada, 2023), while others are limiting its usage through organizational policy (Grossenbacher, 2023). As a result, approximately 70% of employees using GenAI tools are doing so in secret (Navarra, 2023). This can result in issues for the organization unless practitioners can align the use of GenAI with strategic decisions (Holmström & Carroll, 2024).

Hence, a timely question to ask is what are the factors that lead employees to embrace GenAI innovation, and
how does this impact their relationship with the firm? Research has shown that individual characteristics play an influential role in the extent to which employees feel confident in taking risks (e.g., social, financial, political, intellectual, etc.) for innovation (Chan & Drasgow, 2001; Niu, 2022). According to Florida and Goodnight (2005), creative capital is an important asset for firms, because they represent the antecedents of lucrative new products and services. The process of generating new ideas is complex and requires continuous support and access to resources that ease this process. Leaders play a prominent role in facilitating these innovative improvements to spark creativity in their employees to improve the value offering of a firm’s products and services (Afzar & Umrani, 2019; Kozio-Nadolna, 2020). In addition, managers who exhibit an interest in innovation and individual creativity are more likely to engage with GenAI (Cimino et al., 2024), allowing for enhanced collaboration between GenAI-savvy managers and employees. As a result, innovative organizations are more able to attract and retain talented individuals who value creativity and growth opportunities (Scaliza et al., 2022).

Therefore, the aim of this research is to clarify how individual and relational factors influence GenAI innovation as well as important affective outcomes. Specifically, we examine the influence of proactive personality and leader-member exchange (LMX) on GenAI innovation, as well as the subsequent impact on employee job satisfaction, organizational commitment, and turnover intentions. This study is conducted in response to recent calls for research. Din et al. (2023) reviewed existing proactive personality research and suggested future studies examine boundary conditions and moderators of proactive behavior as well as practical implications for intervention and practice. Examining LMX as a moderator provides a boundary condition for the established relationship between proactive personality and innovative behavior.

Uhl-Bien et al. (2020) call for research examining how follower characteristics, behaviors, and attitudes may affect LMX quality, and how LMX quality impacts employee outcomes such as job satisfaction and turnover intentions. This research responds to these calls by examining the extent to which the relationship between follower characteristics (i.e., proactive personality) and follower behaviors (i.e., innovative behavior) vary as a function of LMX, and how this triadic interplay impacts employee affective outcomes (i.e., job satisfaction, turnover intentions, organizational commitment). The implications of this study can provide practical strategies leaders can utilize to encourage GenAI innovation while simultaneously strengthening employees’ relationships with the firm.

This research begins with a review of the literature on the primary constructs of interest. LMX theory is then used to conceptualize a mediated-moderation model in which GenAI innovation mediates the relationship between the interaction (i.e., proactive personality X LMX) and affective employee outcomes (i.e., job satisfaction, organizational commitment, and turnover intentions). The sample and method of data collection are presented along with a description of the items used to measure the constructs of interest. Measures of construct reliability, convergent validity, and discriminant validity are provided, followed by the regression procedures used to test the hypothesized relationships. The research findings and their implications for practice are then discussed, as well as the limitations of this study and directions for future research.

**Literature Review and Hypotheses**

**Innovation**

Innovation is broadly defined as the process of creating new ideas, products, or processes that bring significant change and value to the organization (Damanpour, 1991). Innovative ideas are not only novel, but they are valuable in relation to improving organizational performance (Kuzma et al., 2020; Iranmanesh et al. 2020). Valuable innovations can increase product or service performance for customers, improve internal operational efficiency, or alter the business model to create, deliver, and capture more value. Innovations can be incremental improvements to existing products or processes, or radically new products or processes (Damanpour, 2014). Innovations in the workplace are the result of innovative behaviors initiated by individuals who are influenced by both social and structural factors in the organizational environment (Azeem et al., 2021; Chuang & Lee, 2023). Innovative behavior can take many forms, such as ideation, experimentation, risk-taking, and implementation (Anderson et al., 2014; Janssen, 2000).

At the individual level, innovative behaviors are primarily driven by natural creativity and intrinsic motivation which provide the inspiration, energy, and commitment needed to develop and pursue new ideas (Amabile, 1997; Scott & Bruce, 1994; Janssen, 2000, Valtonen et al., 2023). At the organizational level, a culture that supports innovation and risk-taking has been found to positively influence innovation behavior (Chen & Huang, 2009; Damanpour, 1991; Tierney & Farmer, 2002, Kö rẻ et al., 2021). A supportive organizational culture is not only created through policies and practices such as resource support but also through trusted relationships between leaders and employees (Jung et al., 2021; Du & Wang, 2022). Leaders who recognize and encourage innovation by offering autonomy and resource support are far more likely to elicit the types of innovations from employees that will differentiate the organization than leaders who do not (Shin & Zhou, 2003).

Innovative behavior has been associated with several positive outcomes for individuals, teams, and organizations. Innovativeness has been found to increase job satisfaction and engagement among employees (Jung & Sosik, 2002; Mustafa et al., 2021). It has also been found to increase career success and advancement opportunities (Scott & Bruce, 1994; Zhang et al., 2021; Nohut & Balaban, 2022). Individual innovation serves as a building block for team-level innovation and leads to greater or-
organizational innovation (Janssen, 2000). At the organizational level, innovation has been linked to increased productivity from the workforce and strengthened competitiveness in the marketplace (Anderson et al., 2014; Damanpour & Gopalakrishnan, 2001; Marić et al., 2022).

Innovation stemming from GenAI is nascent due to the relative infancy of this technology. However, this tool has the potential to radically transform our work activities, especially those involving content creation (Davenport & Mittal, 2022), and augment human creativity in some industries (Ananthasirichai & Bull, 2022). Society is very much in the experimental phase of GenAI adoption as innovative ways to use GenAI are being discovered daily. Of particular interest to the current study is a survey conducted by Cardon et al. (2023) which indicated that 63.4% of executives, 57% of managers, and 59.3% of non-managerial employees indicated GenAI helps generate ideas for work which is a key type of innovation in the work context. Also, most respondents indicated that GenAI makes their work more efficient, improves the quality of their work, and helps them communicate effectively (Cardon et al., 2023).

Proactive Personality

A proactive personality is defined as an individual’s tendency to take initiative, persevere in the face of obstacles, and affect change in their environment (Bateman & Crant, 1993). Proactive people tend to be more creative than their less proactive peers because they are more likely to generate new ideas and take calculated risks (Grant & Ashford, 2008; Mubarak, 2021). Proactive individuals are also more likely to seek out and create opportunities for innovation (Li et al., 2020). Proactive personality has been found to be positively associated with innovative behavior in a host of distinct and varied organizational contexts (Parker et al., 2010).

Individuals with proactive personalities are more likely to engage in productive behaviors, such as seeking feedback, networking, and learning new skills (Crant, 2000, Tiwari, 2020). Similar to innovative behavior, proactive individuals are more likely to experience career success, such as job performance and promotions (Seibert et al., 1999, Lent et al., 2022). Proactive individuals are more likely to experience job satisfaction as they feel a greater sense of control over their work environment and are more likely to perceive their work as meaningful (Li et al., 2010; Wang & Lei, 2021).

A proactive personality is also likely to impact key organizational outcomes (Meyers, 2020). Research has shown that proactive individuals are more likely to implement change in their organizations (Li et al., 2020). Employees with a proactive personality are more likely to engage in organizational citizenship behaviors, such as helping others and engaging in extra-role activities (Grant & Ashford, 2008). This, in turn, can contribute to improved organizational performance and effectiveness (Parker & Collins, 2010). Therefore, organizations benefit from recruiting and retaining proactive individuals who are more likely to contribute to positive organizational outcomes through innovative and socially supportive behaviors.

Leader-Member Exchange

Leader-member exchange (LMX) is a conceptual framework used to explain the relationship between leaders and their followers (Graen & Uhl-Bien, 1995). This relationship is built on trust, mutual respect, and communication, which can improve job satisfaction, performance, psychological detachment, and organizational commitment (Keskes et al., 2018; Richter-Killenberg & Volmer, 2022). The construct of LMX is defined as the quality of the relationship between a leader and a member of their team (Graen & Uhl-Bien, 1995, Vass et al., 2023).

Several factors have been identified that influence the development of LMX. One of the most studied antecedents is leader-member similarity, which refers to the extent to which leaders and their subordinates share similar characteristics such as values, attitudes, and interests (Martin et al., 2018, Parent-Rocheleau et al., 2020; Emirza & Katrinli, 2022). Other antecedents include communication quality (Brown et al., 2019; Santalla-Bandlerla & Alvarado, 2022), task interdependence (Chan & Drasgow, 2001), and leader behaviors such as supportiveness and employee empowerment (Liden et al., 1997). Follower characteristics, such as job experience and motivation, can also influence the quality of LMX relationships (Martin et al., 2016, Xue, 2022). Organizational factors, such as culture and climate, impact the development of LMX relationships because leaders have such a profound influence on these organizational factors (Park & Jo, 2018; Terpstra-Tong et al., 2020).

High-quality LMX relationships have been found to elicit positive outcomes for both leaders and subordinates in numerous studies. For example, high LMX has been linked to increased job satisfaction, organizational commitment, and job performance for individuals as well as teams (Liden et al., 1997; Martin et al., 2018, Pan et al., 2021). High-quality LMX relationships have also been linked to lower turnover rates and higher levels of employee engagement (Martin et al., 2016; 2018; Chung & Jeon, 2020).

LMX has been found to mediate the relationship between a variety of antecedents and outcomes. For instance, LMX was found to mediate the relationship between servant leadership and team potency, as well as the relationship between team potency and team effectiveness (Hu & Liden, 2011). Shanock and Eisenberger (2006) found that LMX partially mediated the relationship between perceived supervisor support and both perceived organizational support and job performance.

In addition to antecedent and mediating effects, LMX has been found to moderate various organizational processes and outcomes. Research has shown that LMX moderates the relationship between job characteristics (e.g., task variety, autonomy) and employee outcomes.
such as job satisfaction and motivation (Graen & Uhl-Bien, 1995). Erdogan et al. (2006) found that the positive effects of transformational leadership on job satisfaction and affective commitment were stronger for employees with high-quality LMX relationships. Lastly, high-quality LMX relationships can mitigate the negative effects of diversity on team outcomes by increasing communication and reducing conflict (Dong et al., 2017).

**Hypothesized Moderating and Mediating Effects**

LMX theory suggests that leaders develop different levels of exchange relationships with their followers, which can be categorized as either high-quality LMX or low-quality LMX (Graen & Uhl-Bien, 1995). High-quality LMX is characterized by trust, mutual respect, and high levels of support, while low-quality LMX is characterized by a lack of trust, low levels of support, and transactional exchanges (Erdogan & Endsers, 2007; Martin et al., 2016). Subordinates with high-quality LMX have more frequent and personalized interactions with leaders and are offered more opportunities for growth and development (Liden et al., 1997). In contrast, subordinates with low-quality LMX are more likely to have formal relationships with their leaders characterized by limited opportunities for interaction and support (Graen & Uhl-Bien, 1995).

High-quality LMX relationships promote innovative behavior by establishing trusting interpersonal relationships and encouraging reasonable risk-taking (Carmeli et al., 2010, Mulligan et al., 2021). Research has shown that proactive individuals tend to take more initiative and engage in innovation, such as seeking feedback, suggesting new ideas, taking on additional responsibilities, and learning new skills (Li et al., 2020). When proactive individuals have high-quality LMX relationships with their supervisors, they may be more likely to receive support, resources, and opportunities to contribute to the organization. This can lead to increased innovativeness, as they are able to access the necessary resources and support to implement their ideas (Hirst, et al., 2011). The outcome of this support as well as the organizational improvements achieved through innovations can increase employee job satisfaction, commitment, and performance (Graen & Uhl-Bien, 1995; Liden et al., 2000).

Alternatively, proactive individuals who have low-quality LMX relationships may be less likely to receive support, resources, and opportunities to contribute to the organization through innovative ideas (Hirst et al., 2011). While they are likely to generate new ideas due to their proactive nature, the lack of support received from superiors can counteract or inhibit the effect of their personality on innovative behavior. Furthermore, proactive employees with low-quality LMX may feel frustrated, resentful, or constrained by their supervisors, which can lead to decreased job satisfaction, commitment, and performance (Li et al., 2020; Parker et al., 2006). Based on this review of extant literature and consistent with LMX theory, the following relationships are hypothesized:

Hypothesis 1: LMX will positively moderate (i.e., strengthen) the relationship between proactive personality and GenAl innovation.

Hypothesis 2: GenAI innovation will mediate the relationship between the interaction (i.e., proactive personality X LMX) and organizational commitment.

Hypothesis 3: GenAI innovation will mediate the relationship between the interaction (i.e., proactive personality X LMX) and job satisfaction.

Hypothesis 4: GenAI innovation will mediate the relationship between the interaction (i.e., proactive personality X LMX) and turnover intentions.

The full model of the hypothesized relationships between these constructs is depicted in Figure 1.

**Materials and Methods**

**Subjects**

Data used to test the hypothesized mediating and moderating relationships were gathered from working adults who were employed full-time in a variety of industries. The data collection procedure followed extant practice (e.g., Casper et al., 2013; Masuda et al., 2012) in which

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**Figure 1**

Supported Model of Moderating and Mediating Relationships

- **Proactive Personality**
  - +
  - Leader-Member Exchange

- **Generative AI Innovation**
  - +
  - Organizational Commitment
  - +
  - Job Satisfaction
  - -
  - Turnover Intentions
graduate higher education students enrolled at a university in the United States participated voluntarily. Before completing an online survey regarding the constructs of interest, the students were provided training on data collection procedures and ethics in survey-based research. The data collection method generated 378 usable survey responses. A description of the profile of the same is provided in Table 1.

**Measures**

The constructs in this study were measured with scales that have shown satisfactory levels of reliability and validity in extant research. These measures included participants’ levels of proactive personality, leader-member exchange, GenAI innovation, organizational commitment, job satisfaction, and turnover intentions. A levels-based between-persons research design was chosen in this study as our research question was not associated with a specific event or episode, or the changes within individuals over time.

The items for proactive personality, leader-member exchange, GenAI innovation, organizational commitment, job satisfaction, and turnover intentions were measured on a five-point Likert scale ranging from “Strongly Agree” to “Strongly Disagree” in response to the prompt “Please indicate the extent to which you agree or disagree with the following items.”

Proactive personality was measured with three items from Parker (1998). Leader-member exchange was assessed with four items from Dunegan et al. (1992). Organizational commitment was measured with four items from Meyer et al. (1993). Job satisfaction was measured with three items by Idaszak et al. (1988). Turnover intentions were measured with two items from Colarelli (1984). GenAI innovation was measured from three items adapted from the Holman et al. (2012) innovation implementation scale.

For the first step of analyzing the collected data, the measures were evaluated to see if they met established acceptability benchmarks for construct reliability, convergent validity, and discriminant validity. Each measure exceeded the threshold for Cronbach’s Alpha (Cronbach’s Alpha > 0.70), average variance extracted (AVEs > 0.50), and composite reliability (reliabilities > 0.70). Therefore, the measurement scales used in this study demonstrated sufficient construct reliability.

The convergent validity of the measurement scales was assessed with a confirmatory factor analysis (CFA) in SPSS 24. The items in the CFA were allowed to correlate with a direct oblimin oblique rotation and Kaiser normalization. In this method, the item loadings represent standardized regression coefficients as the observed variables are calculated as a function of the factors (Gorsuch, 1983; Thompson, 2004). Each indicator for the corresponding factor was significant (p<0.01) and the measurement model met the established standards considered to indicate satisfactory fit statistics $\chi^2 (60) = 120.18$, $p < 0.00$, NFI =0.97, CFI=0.99, TLI=0.97, RMSEA = 0.05. Therefore, the measurement scales used in this study demonstrated sufficient convergent validity. The full scales used to measure these constructs are provided in Table 2 along with the standardized regression coefficients associated with each item.

The discriminant validity among the constructs measured in this study was also assessed with the CFA. The squared correlation between the constructs was less than the average variance extracted (AVE) from each construct which indicates sufficient discriminant validity (Fornell & Larcker, 1981). The measurement means, standard deviations, correlations, and reliabilities are depicted in Table 3. Altogether, these results meet the recommended thresholds for satisfactory reliability and validity (i.e., convergent and discriminant).

**Results**

This study examines a hypothesized moderated-mediation model in which leader-member exchange is expected to moderate the relationship between proactive personality and GenAI innovation (H1), and GenAI innovation was expected to mediate the relationship between proactive personality and three affective workplace outcomes including organizational commitment (H2), job satisfaction (H3), and turnover intentions (H4). The Hayes (2022) methodology was used to test the hypothesized direct and indirect relationships.

Two regression equations are estimated when testing for moderated mediation, and the first equation assesses the effect of the moderator on the relationship between

### Table 1
**Sample Profile**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Usable Responses</td>
<td>378</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td></td>
<td>228 (60%) Female, 148 (41%) Male</td>
</tr>
<tr>
<td>Age (in Years)</td>
<td></td>
</tr>
<tr>
<td>Range</td>
<td>19–55+</td>
</tr>
<tr>
<td>Mean</td>
<td>40</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>10.24</td>
</tr>
<tr>
<td>Highest Education Obtained</td>
<td></td>
</tr>
<tr>
<td>High School/GED</td>
<td>19%</td>
</tr>
<tr>
<td>Associates/Technical Degree</td>
<td>16%</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>43%</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>18%</td>
</tr>
<tr>
<td>Doctoral Degree</td>
<td>4%</td>
</tr>
<tr>
<td>Top Five Industries Represented</td>
<td></td>
</tr>
<tr>
<td>Finance, Banking, &amp; Prof. Services</td>
<td>18%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>15%</td>
</tr>
<tr>
<td>Engineering/Manufacturing</td>
<td>14%</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>13%</td>
</tr>
<tr>
<td>Education</td>
<td>13%</td>
</tr>
<tr>
<td>Experience (in Years)</td>
<td></td>
</tr>
<tr>
<td>Current Position</td>
<td>7.8</td>
</tr>
<tr>
<td>Current Employer</td>
<td>9.4</td>
</tr>
<tr>
<td>Managerial/Supervisory</td>
<td>52%</td>
</tr>
</tbody>
</table>
Table 2
Results of Confirmatory Factor Analysis

<table>
<thead>
<tr>
<th>Constructs and Items</th>
<th>Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactive Personality <em>(adapted from Parker, 1998)</em></td>
<td></td>
</tr>
<tr>
<td>No matter what the odds, if I believe in something I will make it happen.</td>
<td>0.85</td>
</tr>
<tr>
<td>I love being a champion for my ideas, even against others' opposition.</td>
<td>0.72</td>
</tr>
<tr>
<td>If I believe in an idea, no obstacle will prevent me from making it happen.</td>
<td>0.89</td>
</tr>
<tr>
<td>Leader-Member Exchange <em>(adapted from Dunegan, Duchon, and Uhl-Bien, 1992)</em></td>
<td></td>
</tr>
<tr>
<td>I can count on my supervisor to help me when I need it.</td>
<td>0.90</td>
</tr>
<tr>
<td>My supervisor is willing to use his/her authority to help me solve problems.</td>
<td>0.89</td>
</tr>
<tr>
<td>My supervisor and I work well together.</td>
<td>0.89</td>
</tr>
<tr>
<td>My supervisor recognizes my potential.</td>
<td>0.80</td>
</tr>
<tr>
<td>Generative AI Innovation <em>(adapted from Holman et al., 2012)</em></td>
<td></td>
</tr>
<tr>
<td>I use generative AI to get innovative ideas implemented.</td>
<td>0.96</td>
</tr>
<tr>
<td>I use generative AI to get suggestions for improvements adopted.</td>
<td>0.95</td>
</tr>
<tr>
<td>I use generative AI to get proposals for doing things differently carried out.</td>
<td>0.94</td>
</tr>
<tr>
<td>Organizational Commitment <em>(adapted from Meyer &amp; Allen, 1993)</em></td>
<td></td>
</tr>
<tr>
<td>I feel a strong sense of &quot;belonging&quot; to my organization.</td>
<td>0.83</td>
</tr>
<tr>
<td>I feel &quot;emotionally attached&quot; to this organization.</td>
<td>0.88</td>
</tr>
<tr>
<td>I feel like &quot;part of the family&quot; at my organization.</td>
<td>0.92</td>
</tr>
<tr>
<td>This organization has a great deal of personal meaning for me.</td>
<td>0.88</td>
</tr>
<tr>
<td>Job Satisfaction <em>(Idaszack et al., 1988)</em></td>
<td></td>
</tr>
<tr>
<td>Generally speaking, I am satisfied with my job.</td>
<td>0.50</td>
</tr>
<tr>
<td>I am generally satisfied with the kind of work I do in this job.</td>
<td>0.81</td>
</tr>
<tr>
<td>I feel a great sense of personal satisfaction when I do this job well.</td>
<td>0.87</td>
</tr>
<tr>
<td>Turnover Intentions <em>(Colarelli, 1984)</em></td>
<td></td>
</tr>
<tr>
<td>I frequently think of quitting my job.</td>
<td>0.86</td>
</tr>
<tr>
<td>I am planning to search for a new job during the next 12 months.</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Note. All standardized coefficients are significant at \(p<0.01\).

Table 3
Descriptive Statistics, Correlations, and Reliabilities for Construct Measures

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>X5</th>
<th>X6</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 Proactive Personality</td>
<td>3.56</td>
<td>0.71</td>
<td>.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2 Leader-Member Exchange</td>
<td>2.94</td>
<td>0.77</td>
<td>.12*</td>
<td>.90</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X3 Generative AI Innovation</td>
<td>3.10</td>
<td>0.88</td>
<td>.33*</td>
<td>.24*</td>
<td>.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X4 Organizational Commitment</td>
<td>3.72</td>
<td>0.96</td>
<td>.13*</td>
<td>.40*</td>
<td>.36*</td>
<td>.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X5 Job Satisfaction</td>
<td>4.20</td>
<td>0.67</td>
<td>.11*</td>
<td>.45*</td>
<td>.30*</td>
<td>.62*</td>
<td>.81</td>
<td></td>
</tr>
<tr>
<td>X6 Turnover Intentions</td>
<td>2.22</td>
<td>1.14</td>
<td>.04</td>
<td>-.40</td>
<td>-.17*</td>
<td>-.62*</td>
<td>-.56*</td>
<td>.82</td>
</tr>
</tbody>
</table>

Note. *Correlation is significant at \(p<0.05\). Alphas are shown on the diagonal.

the independent variable and the mediator (Preacher et al., 2007). As hypothesized in the first stage moderated-mediation model (Hayes, 2022), the first regression equation assessed the impact of X on M (i.e., proactive personality on GenAI innovation) estimated to be linearly moderated by W (i.e., leader-member exchange) as follows:

The second equation assesses the effect of the independent variable, mediating variable, and moderating
variable on the dependent variable(s) (Preacher et al., 2007). Therefore, the indirect effect of X on Y (i.e., proactive personality on organization commitment, job satisfaction, and turnover intentions) is estimated to be a function of the effect of X on M and the effect of M on Y as a linear product of W (Edwards & Lambert, 2007; Hayes, 2022; Preacher et al., 2007). The inclusion of XW and W when modeling Y permits W to moderate the direct effects of X without changing the indirect effect of X (Hayes, 2022). As a result, the second regression was:

Consistent with our hypotheses, Model 7 of the Process software macro v3.4 (Hayes, 2022) was executed in SPSS to assess moderation of the independent variable to mediator (i.e., δ-path), but not the independent variable to the dependent variable (i.e., c-path). The variables were mean-centered to reduce the potential effects of collinearity between the independent variables and the interaction term (i.e., the regressor variables) (Shieh, 2011). As displayed in Table 4, leader-member exchange moderated the relationship between proactive personality and GenAI innovation (H1, r = 0.37, p<0.01), and GenAI innovation fully mediated the relationship between proactive personality and organizational commitment (H2, r = 0.38, p<0.01), job satisfaction (H3, r = 0.22, p<0.01), and turnover intentions (H4, r = -0.22, p<0.01). Evidence of full mediation is provided by the non-significant correlation between the independent variable (i.e., proactive personality) and the affective outcome variables (i.e., organizational commitment, job satisfaction, and turnover intentions) when the mediating variable (i.e., generative AI innovation) is included. These results provide support for all hypothesized relationships in this study.

Evidence of moderated mediation is indicated by a conditional process analysis which assesses the extent to which the effect of proactive personality differs as a function of leader-member exchange. Conditional process analyses take a sampling distribution from the data to generate bias-corrected confidence intervals for the mediating effects called “path” effects (Hayes, 2022). Confidence intervals excluding zero indicate evidence of effects which are statistically different from zero (Hayes, 2022). If evidence of mediation exists after the effects of the moderator have been accounted for, moderated mediation exists (Hayes, 2022).

The results of the conditional process analysis displayed in Table 5 represent the indirect effects of the independent variable at levels of the moderator (i.e., at the mean and one standard deviation above and below the mean) working through the mediator to influence the dependent variables hypothesized in this study. As shown in the right-hand columns of Table 5, the lower and upper-level confidence intervals exclude zero which provides support for moderated mediation. These results indicate that high, moderate, and low levels of leader-member exchange moderate the relationship between proactive personality and affective employee outcomes (i.e., organizational commitment, job satisfaction, and turnover intentions) through innovative behavior. The interaction of these variables has been graphed in Figure 2.

Condition indices and variance inflation factors were analyzed to determine if multi-collinearity existed among the variables in the study. Condition indices ranged from 10.94-16.53 and variance inflation factors ranged from 1.06-1.17. No condition indices above 30 were observed, and no variance inflation factors above 10 were observed (Hair et al., 2006). Therefore, no resulting evidence indicated potential multicollinearity concerns among the variables.

Collectively, these results provide support for the hypothesized moderated mediation model. Specifically, leader-member exchange moderated the relationship between proactive personality and GenAI innovation, and GenAI innovation fully mediated the relationship between proactive personality and organizational commitment, job satisfaction, and turnover intentions. Therefore, relationships with leaders strengthen the likelihood that employees will leverage GenAI productively and exhibit greater organizational commitment, job satisfaction, and reduced turnover intentions as a result. Examining the influence of personality on innovation as a function of relationships

Table 4

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Generative AI Innovation</th>
<th>Organizational Commitment</th>
<th>Job Satisfaction</th>
<th>Turnover Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactive Personality</td>
<td>Coef = .18, SE = .06, p</td>
<td>Coef = .06, SE = .07, p 42</td>
<td>Coef = .03, SE = .05, p 49</td>
<td>Coef = .13, SE = .14</td>
</tr>
<tr>
<td>LMX</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Proactive Personality x LMX</td>
<td>.37, .11, .00</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Gen AI Innovation</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Constant</td>
<td>1.73, .40, .00</td>
<td>1.69, .33, .00</td>
<td>3.12, .24, .00</td>
<td>3.03, .41, .00</td>
</tr>
<tr>
<td>R² = .16</td>
<td>R² = .16</td>
<td>R² = .10</td>
<td>R² = .08</td>
<td></td>
</tr>
<tr>
<td>F(2, 371) = 36.37, p&lt;.00</td>
<td>F(4, 371) = 17.28, p&lt;.00</td>
<td>F(4, 371) = 10.65, p&lt;.00</td>
<td>F(4, 371) = 4.09, p&lt;.00</td>
<td></td>
</tr>
</tbody>
</table>

Note. Coef = Coefficient; SE = Standard Error; LMX = Leader-Member Exchange
with leaders provides a more nuanced understanding of the factors which may facilitate or impede individual innovation, and the employee reactions which are likely to result.

**Table 5**

*Indirect Effects Through Generative AI Innovation at Levels of LMX*

<table>
<thead>
<tr>
<th></th>
<th>Organizational Commitment</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of LMX</td>
<td>Effect</td>
<td>Bootstrap SE</td>
<td>Lower Level CI</td>
<td>Upper Level CI</td>
<td></td>
</tr>
<tr>
<td>3.25</td>
<td>.18</td>
<td>.0462</td>
<td>.0928</td>
<td>.2729</td>
<td></td>
</tr>
<tr>
<td>4.00</td>
<td>.15</td>
<td>.0328</td>
<td>.0868</td>
<td>.2146</td>
<td></td>
</tr>
<tr>
<td>4.75</td>
<td>.12</td>
<td>.0369</td>
<td>.0499</td>
<td>.1947</td>
<td></td>
</tr>
</tbody>
</table>

|                   | Job Satisfaction          |                 |                |                |                |
| Value of LMX      | Effect                    | Bootstrap SE   | Lower Level CI | Upper Level CI |
| 3.25              | .10                       | .0272          | .0517          | .1592          |
| 4.00              | .09                       | .0203          | .0482          | .1270          |
| 4.75              | .07                       | .0229          | .0261          | .1157          |

|                   | Turnover Intentions       |                 |                |                |                |
| Value of LMX      | Effect                    | Bootstrap SE   | Lower Level CI | Upper Level CI |
| 3.25              | -.12                      | .0408          | -.2048         | -.0437         |
| 4.00              | -.10                      | .0325          | -.1670         | -.0390         |
| 4.75              | -.07                      | .0325          | -.1500         | -.0236         |

**Figure 2**

*Interactive Effects of Proactive Personality and Leader-Member Exchange on Generative AI Innovation*

**Discussion and Implications**

This study highlights the critical role of proactive personality and high-quality leader-member exchange (LMX) relationships in fostering generative AI (GenAI) innovation within organizations. Specifically, employees
with proactive personalities are more likely to leverage GenAI tools effectively, and this relationship is significantly strengthened when there is a high-quality exchange relationship with their leaders.

Our results support the hypothesis that LMX moderates the relationship between proactive personality and GenAI innovation (H1), indicating that employees who feel supported and valued by their leaders are more inclined to use GenAI tools to innovate. This finding is consistent with previous research indicating that supportive leadership can enhance employee creativity and innovation (Carmeli et al., 2010; Mulligan et al., 2021).

Moreover, the study reveals that GenAI innovation mediates the relationship between the proactive personality- LMX interaction and affective employee outcomes such as organizational commitment, job satisfaction, and turnover intentions (H2, H3, and H4, respectively). This means that proactive employees with supportive leaders not only innovate more but also experience greater job satisfaction, stronger organizational commitment, and lower turnover intentions. These outcomes are crucial for organizations aiming to retain top talent and maintain a competitive edge through continuous innovation.

These findings also have important implications for managers seeking to improve employee affect regarding their work and the organization. First, identifying and nurturing proactive individuals within the organization can significantly boost innovation, especially with the aid of GenAI tools. Thus, managers should focus on better understanding their employees’ personalities, for example through individual conversations during and after the hiring process. Developing this understanding may help managers in creating and maintaining high-quality LMX relationships by providing support, resources, and opportunities for professional growth. This approach will not only enhance innovation but also improve overall employee engagement and retention.

Furthermore, both managers and employees should stay updated with the latest developments in GenAI to harness its full potential. Providing employees with approved GenAI tools, coupled with proper training, can enhance their innovative capabilities while ensuring compliance with organizational policies. This proactive approach can mitigate the risks associated with unauthorized GenAI use and maximize its benefits.

Additionally, organizations should also be open to changes in various processes, including hiring, communication, and performance analysis. Evaluating and integrating GenAI into these processes can lead to greater efficiency and effectiveness without compromising employee and data safety. Managers should assess whether GenAI can make certain processes more efficient or effective, particularly those that may have previously led to employee turnover, job dissatisfaction, or lack of commitment.

In summary, the study underscores the importance of proactive personality and high-quality LMX in driving GenAI innovation and improving employee affective outcomes. Managers who can cultivate these relationships and leverage GenAI tools effectively will be better positioned to foster a culture of innovation and retain engaged, committed employees.

Limitations and Future Research

The mediated-moderation model supported by this research provides valuable insight into the nuanced relationship between individual characteristics, social relationships, behaviors, and affective outcomes. Future research could extend these insights by investigating the social and structural factors that facilitate GenAI innovation among individuals who are not proactive. For instance, reactive individuals may be more responsive to extrinsic motivators such as incentives or objective measures of their performance whereas proactive individuals respond more positively to intrinsic motivation. Some research studies have found that extrinsic motivators reduce innovative behavior when problems are complex because the incentive focuses narrowly on goal attainment, thereby creating cognitive blindness to solutions on the periphery (e.g., Ariely et al., 2009; Eisenberger & Cameron, 1996; Pink, 2009). A potential boundary condition for this effect may be personality type, such that a proactive vs. reactive personality may moderate the effect of incentives on task performance. Furthermore, other factors could play prominent roles in this nomological framework such as job characteristics (Hackman & Oldham, 1976), other personality factors (e.g., the big five personality factors, locus of control, years of experience), and organizational factors (e.g., industry, the level within the organizational hierarchy, culture). These represent fruitful opportunities for future research such as examining the effects of high versus low power distance cultures and their effect on GenAI innovation.

The data used in this study was cross-sectional and variable-centered to examine how bidirectional levels of the antecedent, moderating, and mediating variables influence affective outcomes to increase the generalizability of the findings for between-person experiences. As a result, a large variance existed within the sample regarding demographics, work experience, and industry. While this research design is ideal for findings generalizability (Vaziri et al., 2020), it provides limited insight into specific groups of people or organizational environments. Therefore, future research could adopt a within-person approach in situations where groups are likely to exhibit unique results as a function of individual differences or work context.

Future research could adopt a longitudinal design or include objective measures to strengthen the confidence of these findings. While common method variance from self-report measures poses less risk of making a type I or type II error because that variance would reduce the moderating effect (Smoth, 2021), future research could use multiple data types or a longitudinal design to see if these relationships hold over time. Perhaps the effects of proactive personality outweigh the moderating impact of LMX quality over time, or perhaps this interaction is exacerbated over a long period of interactions. Furthermore, ex-
pressed intentions and affect combined with objective measures such as job performance or actual turnover would expand our understanding of the managerial implications in this research domain. Future research building our understanding in areas such as this would be pertinent and useful.

Despite the significant progress made in the LMX literature, several gaps warrant further investigation. For instance, few studies have explored the role of cross-cultural differences in LMX or the impact of technology-mediated communication on LMX. Finally, future research could explore how LMX can be effectively developed and maintained in organizations, particularly in the context of remote work and virtual teams.

Conclusion

This research explored the relationship between proactive personality, leader-member exchange, GenAI innovation, and affective outcomes (i.e., job satisfaction, turnover intentions, and organizational commitment). The results tested through mediated moderation indicate that proactive individuals are more likely to leverage GenAI productively, and leaders can facilitate innovation by developing high-quality relationships with their followers. Supportive and engaging workplaces can facilitate the type of innovations necessary to thrive in complex and dynamic competitive environments, but only with managerial intentionality.

This study presents a compelling case that leaders in all industries should understand. As technological progress expands, the importance of an innovative workforce will become increasingly important. Employees’ skills which are essential one day can become obsolete the next, particularly with the advent of artificial intelligence. Therefore, leaders must develop expertise in training others how to think critically and innovate creatively with accessible tools such as GenAI. Leaders must also become adept at understanding the personality differences within their workforce so that managerial approaches can be adjusted appropriately.

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