

HOW QUIET QUITTING UNDERMINES INNOVATION: MEDIATING EFFECTS OF KNOWLEDGE HOARDING AND PROCRASTINATION AMONG SALESPERSONS IN INDONESIA

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ABSTRACT

The increasing competition in digital financial services challenges salespersons in traditional microfinance institutions (MFIs) to adopt innovative strategies for survival. This intense pressure has contributed to the growing trend of quiet quitting behavior among salespersons. This research aims to investigate the impact of quiet quitting on innovative work behavior (IWB), with knowledge hoarding and work procrastination as mediating variables. Data were collected through a survey of 557 MFI employees across five districts in Central Java, Indonesia. This study used Smart PLS 4 to examine the proposed hypotheses. The results demonstrate that quiet quitting negatively relates to salespersons' innovative work behavior. Quiet quitting also has a positive effect on knowledge hoarding and work procrastination, both of which negatively impact innovative work behavior. In addition, based on the evaluation of indirect effects, this study reveals that the association between quiet quitting and innovative work behavior is mediated by knowledge hoarding and work procrastination.

This research addresses an important gap in the literature by investigating the influence of quiet quitting on innovative work behavior. Although scholars have investigated both constructs independently, their direct empirical linkage remains insufficiently explored within previous studies. By incorporating knowledge hoarding and work procrastination as mediating variables, this study develops a more comprehensive model to understand the mechanisms through which quiet quitting impacts employees' innovation. The findings also provide valuable insights for MFI managers to address quiet quitting and foster a more innovative sales workforce.

Keywords: quiet quitting; innovative work behavior; knowledge hoarding; work procrastination; microfinance institutions

MENGHUBUNGKAN *QUIET QUITTING* DENGAN PERILAKU KERJA INOVATIF TENAGA PENJUALAN: PERAN MEDIASI *KNOWLEDGE HOARDING* DAN *PROCRASTINATION*

ABSTRAK

Tingginya persaingan jasa layanan keuangan digital semakin menantang tenaga penjualan di lembaga keuangan mikro (MFIs) tradisional untuk mengadopsi strategi yang lebih inovatif. Tekanan yang intens ini telah berkontribusi pada meningkatnya tren perilaku *quiet quitting* di kalangan tenaga penjualan. Penelitian ini bertujuan untuk menyelidiki pengaruh *quiet quitting* terhadap perilaku kerja inovatif (IWB), dengan *knowledge hoarding* dan *work procrastination* sebagai variabel mediasi. Survei telah dilakukan melibatkan 557 karyawan MFIs di lima kabupaten di Jawa Tengah, Indonesia. Studi ini menggunakan Smart PLS 4 untuk menguji hipotesis yang diajukan. Hasil penelitian menunjukkan bahwa *quiet quitting* berhubungan negatif dengan perilaku kerja inovatif. Selain itu, *quiet quitting* memiliki pengaruh positif terhadap *knowledge hoarding* dan *work procrastination*, yang keduanya berdampak negatif pada perilaku kerja inovatif. Berdasarkan evaluasi pengaruh tidak langsung, penelitian ini mengungkapkan bahwa hubungan antara *quiet quitting* dan perilaku kerja inovatif dimediasi oleh *knowledge hoarding* dan *work procrastination*. Penelitian ini mengisi kesenjangan penting dalam literatur dengan menyelidiki pengaruh *quiet quitting* terhadap perilaku kerja inovatif. Dengan memasukkan *knowledge hoarding* dan *work procrastination* sebagai variabel mediasi, penelitian ini mengembangkan model yang lebih komprehensif untuk memahami mekanisme bagaimana *quiet quitting* memengaruhi inovasi. Temuan ini juga memberikan wawasan berharga bagi manajer MFIs, menekankan perlunya menangani perilaku *quiet quitting* untuk meminimalkan dampak buruknya terhadap inovasi dan mendorong tenaga kerja yang lebih produktif serta inovatif.

Kata kunci: quiet quitting; perilaku kerja inovatif; knowledge hoarding; procrastination; lembaga keuangan mikro

INTRODUCTION

Today, competition in the microfinance sector has intensified significantly. In addition to rival with similar institutions, microfinance organizations face serious challenges from the rapid growth of digital financial services, such as fintech and digital banks (Shen et al. 2024). These platforms offer easier loan requirements, faster processing times, and unparalleled accessibility, available anytime and anywhere. This shift forces traditional microfinance institutions to adopt innovative strategies to remain relevant and competitive. Thus, as the spearhead of the company, the role of salespeople in MFI becomes more critical (Tegambwage and Kasoga 2024). Salespeople are no longer simply intermediaries between institutions and clients. They are expected to take creative approaches to promoting products, building client relationships, and identifying new market opportunities (Kalra, Lee, and Dugan 2024). However, the intense pressure to innovate and achieve high sales targets can lead to work-related stress, which may trigger a growing trend of quiet quitting behavior (Thu Trang and Thi Thu Trang 2024).

Quiet quitting refers to employees doing the minimum required for their job and disengaging from extra responsibilities or initiatives (Atalay and Dağistan 2024). In the context of MFIs, quiet quitting among salespeople often occurs after they achieve their sales targets, leading them to reduce their efforts and focus solely on completing the minimum tasks required by their roles. Instead of continuing to pursue new opportunities or taking on additional responsibilities, they often adopt a more relaxed approach to their work (Doering and Wry 2022). While not outwardly disruptive, this behavior limits employees' willingness to engage in activities beyond their basic duties (Harris 2025). Quiet quitting is not necessarily a result of dissatisfaction with the work environment, but often reflects a desire for a healthier work-life balance (Xueyun et al. 2023). This shift in employee attitudes highlights the critical need for MFI managers to overcome the negative impact of quiet quitting of salesperson.

Quiet quitting is often considered similar to other closely related concepts. For instance, "acting their wage" refers to employees performing tasks strictly in line with the compensation they receive (Dillard, Cavallo, and Zhang 2024), while "work to rule" describes employees limiting their efforts to the minimum required as a form of protest against inadequate working conditions (Hamouche, Koritos, and Papastathopoulos 2023). However, quiet quitting differs fundamentally. It emphasizes an individual's decision to establish healthy

boundaries between work and personal life (Karrani, Bani-Melhem, and Mohd-Shamsudin 2024), safeguard their mental well-being, and disengage emotionally from excessive involvement in their job (Nimmi et al. 2024). Unlike collective actions typically organized by labor unions, quiet quitting is more personal in nature, reflecting a growing focus on achieving better work-life balance. In small businesses, quiet quitting presents a significant challenge because employees are often required to take on multiple roles and additional responsibilities to keep the business running (Clercq and Pereira 2024). Therefore, quiet quitting requires management's attention, particularly in fostering a culture that encourages employee engagement and innovation, which are essential for organizational growth and success.

This study aims to examine the impact of quiet quitting on innovative work behavior. Previous research has shown that quiet quitting may hinder innovative work behavior by weakening employees' motivation and initiative, (Gone, Naim, and Peethambaran 2025; Moisoglou et al. 2024). Additionally, recent findings indicate that a high power distance orientation can trigger emotional blackmail in the workplace. This psychological mechanism increases the likelihood of quiet quitting, further reducing employees' proactive and creative contributions (Lo 2025). Disengaged employees tend to show lower levels of creativity and innovation (Bhimani, Mention, and Salampasis 2023), largely due to a lack of intrinsic motivation and commitment (Wason 2024). Disengaged employees may lack the initiative to turn innovative ideas into concrete actions. They may be reluctant to collaborate with colleagues or take an active role in implementing necessary changes (Saraiva and Nogueiro 2025; Toska et al. 2025). If employees are not motivated to go beyond basic tasks, they might struggle to implement ideas, which can reduce the organization's ability to innovate. Therefore, understanding quiet quitting phenomenon can provide valuable insights for developing strategies to foster a more innovative and committed workforce.

Additionally, this research also explores the mediating roles of knowledge hoarding and work procrastination. Knowledge hoarding refers to the practice of withholding or concealing valuable information, expertise, or insights from others in the workplace. As noted by Silva de Garcia et al. (2022), knowledge hoarding occurs when individuals perceive that sharing knowledge could diminish their own value or position within the organization. Moreover, Shukla et al. (2024) suggests that employees may hoard knowledge due to violation of psychological contracts,

leading to mistrust and a need for self-protection against potential career harm. In line, past studies revealed that knowledge hoarding often driven by low trust, workplace ostracism (Dash, Farooq, and Upadhyay 2023), or self-serving motives. Quiet quitting reduces employees' engagement, leading to knowledge hoarding, which in turn stifles innovation by hindering the flow of information and collaboration essential for generating and implementing creative ideas (Dewi 2024; Karrani et al. 2024).

On the other hand, this study argues that work procrastination can affect the link between quiet quitting and employee innovation. Work procrastination defined as habitual delay of tasks despite knowing the potential negative consequences, often linked to low motivation or poor time management. procrastination can occur when employees feel overwhelmed or disengaged, leading them to avoid or delay tasks (Metin, Peeters, and Taris 2018; Steinert, Heim, and Leichsenring 2021). Work procrastination is often linked to negative emotional states (Sirois 2023; Wang and Zong 2023), which can reduce the likelihood of completing tasks on time and potentially hinder the organization's ability to innovate (Shin and Grant 2020). Quiet quitting may encourage these behaviors as disengaged employees become less inclined to share ideas or complete tasks efficiently. As a result, these mediating factors create barriers to the collaboration, creativity, and initiative necessary for innovative work behavior.

This study contributes a novel perspective by introducing a dual mediation model that integrates both knowledge hoarding and work procrastination. These two factors have rarely been examined together in relation to quiet quitting. Based on Social Exchange Theory (SET), this research posits that employee behavior is shaped by perceived reciprocity in their relationship with the organization (Priya and Sreejith 2025). When employees perceive an imbalance, they may reduce their contributions, including innovative efforts (Xueyun et al. 2023). Quiet quitting, knowledge hoarding, and procrastination can be understood as passive responses to a perceived breakdown in this social exchange.

In addition, the focus on salespersons in microfinance institutions provides contextual uniqueness, as this population has been largely overlooked in existing research (Serenko 2024). This research was conducted in Indonesia, where MFIs contribute significantly to and economic development. According to data from the Financial Services Authority (OJK), the number of MFIs in Indonesia increased from 245 in December 2023 to 250 in December 2024. This represents a growth of approximately 2.04% over

one year, indicating a stable and expanding presence of MFIs in the country. As the sector continues to grow, the rising number of MFIs also signals an increasingly competitive environment. In this context, the ability to drive innovation becomes essential for microfinance institutions to maintain their relevance and ensure sustainability (Ahmadi, Widhiastuti, and Helmy 2022).

Based on the literature, this study proposes the hypothesis:

H1: Quiet quitting has a negative effect on innovative work behavior.

H2: Quiet quitting has a positive effect on knowledge hoarding.

H3: Quiet quitting has a positive effect on work procrastination.

H4: Knowledge hoarding has a negative effect on innovative work behavior.

H5: Work procrastination has a negative effect on innovative work behavior

H6: Knowledge hoarding mediates the link between quiet quitting and innovative work behavior.

H7: Knowledge hoarding mediates the link between quiet quitting and innovative work behavior.

METHOD

This study uses a quantitative approach to examine the proposed hypothesis. A survey questionnaire was distributed to 557 employees working in MFIs in Central Java. According to the 2024 Microfinance Institutions Statistics Report by the Financial Services Authority (OJK), Central Java is home to 112 MFI entities, accounting for 45.34% of the national total. In addition to the high number of MFIs, Central Java also leads in terms of total MFI assets, reaching 692.64 billion Rupiah as of April 2024, approximately 43.9% of the national MFI asset total of 1,579.88 billion Rupiah. This substantial concentration of both institutions and assets makes Central Java a strategically significant region for examining the phenomenon of innovation in the MFI context. This study uses convenience sampling, where the MFIs surveyed are those under the guidance or assistance of Community of Integrated Service (CIS) Central Java. Respondents were selected based on ease of access through the facilitation of CIS consultants, rather than random selection. Convenience sampling is often avoided due to its limitations in generalizability, thus it is recommended to clearly describing the sample and study setting (Landers and Behrend 2015).

The questionnaires were distributed from August to October 2024, with significant assistance from consultants from the CIS. The CIS consultants played a crucial role in providing

insights into the data and assisting with field surveys. They facilitated communication and sought permission from managers of MFIs to conduct the study. After obtaining approval, the consultants helped coordinate the distribution of questionnaires by liaising with the MFIs and ensuring that employees participated in the survey. The survey consisted of questions designed to assess various workplace behaviors related to quiet quitting, including employee engagement, procrastination, and knowledge sharing.

Data collected from the survey analyzed using Smart PLS. PLS-SEM was selected due to its suitability for predictive and theory-testing models, particularly when the objective is to examine complex relationships among latent variables (Hair et al. 2017). Construct validity and reliability were assessed through outer model evaluation, including convergent validity (loadings, AVE), discriminant validity (Fornell-Larcker), and reliability (CR, Cronbach's Alpha), all exceeding recommended thresholds. According to the measurement of variables, innovative work behavior (IWB) variable is measured using 6 items from (Scott and Bruce 1994). The quiet quitting (QQ) variable is assessed with 9 items developed by Galanis et al. (2024). The knowledge hoarding (KH) variable is measured using 4 items from Evans et al. (2015), and the work procrastination (WP) variable is adapted from 8 items developed by Eerde (2003). All variables measured with a 1–5 Likert scale ranging from 1 ("Strongly Disagree") to 5 ("Strongly Agree"). All the item questioner were translated into Indonesian language, through back translation method (Brislin 1970).

The demographic distribution of the respondents shows that the majority are aged 18-25 years (53.14%), with most being female (59.25%). Regarding years of employment, nearly half (49.55%) have 1-2 years of experience, followed by 32.14% with 3-5 years, and 18.31% with more than 5 years. For education level, respondents are fairly distributed, with 34.47% holding a high school diploma, 33.75% an associate degree, and 31.78% a bachelor's degree.

RESULTS AND DISCUSSION

PLS-SEM involves two main stages, the assessments of the outer model and the inner model (Hair et al. 2019). The outer model focuses on evaluating the validity and reliability of the measurement items, ensuring the constructs accurately represent the data through tests like convergent validity, discriminant validity, and reliability. The inner model assesses the structural relationships between constructs, examining the significance of path coefficients, R-square values,

and predictive relevance to validate the model's hypotheses and predictive capability.

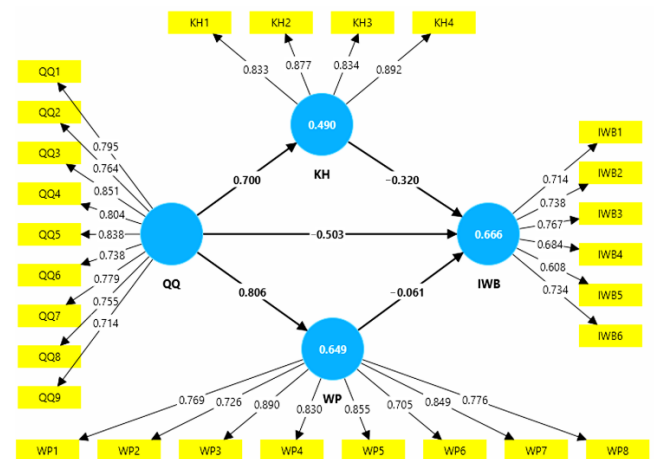


Figure 1. Measurement Model

Source: Authors, 2024

Outer Model Evaluation

The outer model assessment demonstrates that all variables achieve adequate validity and reliability, ensuring that the measurement tools used in this study are both accurate and consistent. Validity refers to the extent to which an instrument measures what it is intended to measure, while reliability pertains to the consistency of these measurements over time or across various samples (Hair et al. 2019). According to Table 2, the loading factors for all indicators range from 0.705 to 0.892, exceeding the recommended threshold of 0.7, which indicates strong convergent validity. Convergent validity assesses whether items that are theoretically related to the same construct are highly correlated. Higher loading factors suggest that the items effectively capture the construct they are intended to measure.

Table 2. The Result of Convergent Validity, Construct Reliability, Composite Reliability

| Item | Constructs | Loading |
|---|---|---------|
| Innovative work behavior (IWB) AVE = 0.613; CA = 0.812; CR = 0.878 | | |
| IWB1 | "I come up with innovative and creative notions" | 0.714 |
| IWB2 | "I try to propose my own creative ideas and convince others" | 0.738 |
| IWB3 | "I seek new service techniques, methods, or techniques" | 0.767 |
| IWB4 | "I provide a suitable plan for developing new ideas" | 0.784 |
| IWB5 | "I try to secure the funding and resources needed to implement innovations" | 0.708 |
| IWB6 | "Overall, I consider myself a creative member" | 0.734 |
| Quiet quitting (QQ) AVE = 0.775; CA = 0.837; CR = 0.786 | | |
| QQ1 | "I do the basic or minimum amount of work without going above and beyond" | 0.795 |
| QQ2 | "If a colleague can do some of my work, then I let him/her do it." | 0.764 |

| Item | Constructs | Loading |
|----------------------------------|--|---------|
| QQ3 | "I take as many breaks as I can." | 0.851 |
| QQ4 | "Sometimes, I pretend to be working in order to avoid another task." | 0.804 |
| QQ5 | "I don't express opinions and ideas about my work because I am afraid that the manager (owner) assigns me more tasks." | 0.838 |
| QQ6 | "I don't express opinions and ideas about my work because I think that work conditions are not going to change." | 0.738 |
| QQ7 | "I often take initiative at my work (r)." | 0.779 |
| QQ8 | "I find motives in my job (r)." | 0.755 |
| QQ9 | "I feel inspired when I work (r)". | 0.714 |
| Work procrastination (WP) | | |
| AVE= 0.817; CA= 0.751; CR= 0.814 | | |
| WP1 | "I begin later than I had planned." | 0.796 |
| WP2 | "I have another cigarette /cup of coffee instead of beginning the task." | 0.726 |
| WP3 | "I feel I can only do it under pressure when it's very nearly due." | 0.890 |
| WP4 | "I say to myself: start now, and I still don't start." | 0.830 |
| WP5 | "I will just do something easier." | 0.855 |
| WP6 | "I make a plan that I really already know is not feasible." | 0.705 |
| WP7 | "I convince myself that there are other things that have to be done first." | 0.849 |
| WP8 | "I let the time go by without getting any work done on the task." | 0.776 |
| Knowledge hoarding (KH) | | |
| AVE= 0.837; CA= 0.728; CR= 0.813 | | |
| KH1 | "I keep news about what I am doing secret from others until the appropriate time." | 0.833 |
| KH2 | "I avoid releasing information to others in order to maintain control." | 0.877 |
| KH3 | "I control the release of information in an effort to present the profile I want to show." | 0.834 |
| KH4 | "Information is a resource that needs to be carefully guarded." | 0.892 |

Source: Research data processed by the researcher, 2024

Average variance extracted (AVE) values for each construct are greater than 0.5, confirming that the indicators adequately capture the variance of their respective constructs. Value above 0.5 indicates that more than half of the variance observed in the indicators is accounted for by the construct, which strengthens the validity of the model. Additionally, the Composite Reliability (CR) and Cronbach's Alpha (CA) values exceed the recommended threshold of 0.7 for all variables. Composite Reliability measures the internal consistency of a construct, providing an estimate of the reliability of a set of items. Similarly, CA assesses the reliability of the scale by measuring the extent to which all items in a test measure the same construct. In this study, CR values range from 0.813 to 0.878, and CA values range from 0.728 to 0.837, indicating strong reliability across all constructs.

Table 3. Discriminant Validity Assessment

| Variables | IWB | QQ | KH | WP |
|--------------------------------|--------------|--------------|--------------|--------------|
| Innovative Work Behavior (IWB) | 0.717 | | | |
| Quiet Quitting (QQ) | - 0.314 | 0.719 | | |
| Knowledge Hoarding (KH) | - 0.213 | 0.478 | 0.617 | |
| Work Procrastination (WP) | - 0.121 | 0.312 | 0.187 | 0.598 |

Source: Research data processed by the researcher, 2024

In addition, Table 3 demonstrates that discriminant validity is established, as the Fornell-Larcker criterion is satisfied (Hair et al. 2017). Discriminant validity examines whether constructs that are not supposed to be related are indeed distinct from each other. The Fornell-Larcker criterion states that the square root of a construct's AVE should be greater than its correlations with other constructs. These results collectively confirm that the measurement model meets the necessary criteria for validity and reliability, providing a robust foundation for further analysis of the structural relationships between constructs.

Inner Model Evaluation

The structural model demonstrates strong explanatory power and predictive relevance, as indicated by the variance explained (R^2) and predictive relevance (Q^2) values. Quiet quitting explains 55% of the variance in knowledge hoarding ($R^2= 0.55$) and 61% in work procrastination ($R^2= 0.61$). Together, these factors account for 64% of the variance in innovative work behavior ($R^2= 0.64$), suggesting that the model captures substantial portions of the variance in the dependent variables. Predictive relevance (Q^2) values for knowledge hoarding (0.46), work procrastination (0.50), and innovative work behavior (0.68) further indicate medium to high predictive accuracy. Predictive relevance assesses the model's ability to predict data points not included in the estimation process, with values above 0 suggesting acceptable predictive capability. The model's fit indices also confirm its suitability. The Standardized Root Mean Square Residual (SRMR) value of 0.072 falls below the threshold of 0.08, indicating a good fit between the model and the data. Similarly, the Normed Fit Index (NFI) value of 0.91 exceeds the recommended threshold of 0.9, supporting the model's adequacy in explaining the relationships among variables.

Table 4. Structural Model Evaluation

| Variables | β | ST Dev | t | p | Hypothesis Testing |
|---------------------------------|---------|--------|-------|-------|--------------------|
| <i>Direct Effect</i> | | | | | |
| QQ → IWB | -0.503 | 0.215 | 2.339 | 0.020 | H1: Supported |
| QQ → KH | 0.700 | 0.315 | 2.222 | 0.027 | H2: Supported |
| QQ → WP | 0.806 | 0.114 | 7.070 | 0.000 | H3: Supported |
| KH → IWB | -0.320 | 0.123 | 2.601 | 0.010 | H4: Supported |
| WP → IWB | -0.261 | 0.108 | 2.416 | 0.017 | H5: Supported |
| <i>Specific Indirect Effect</i> | | | | | |
| QQ → KH → IWB | 0.224 | 0.105 | 2.133 | 0.033 | H6: Supported |
| QQ → WP → IWB | 0.211 | 0.081 | 2.602 | 0.010 | H7: Supported |

Source: Research data processed by the researcher, 2024

Note: Innovative Work Behavior (IWB), Quiet Quitting (QQ), Knowledge Hoarding (KH), Work Procrastination (WP).

Furthermore, the structural model evaluation reveals significant relationships between the variables. As shown in Table 4, the direct effects indicate that quiet quitting (QQ) has a significant negative impact on innovative work behavior IWB ($\beta = -0.503$; $p = 0.020$), supporting hypothesis 1 (H1). In addition, QQ positively influences knowledge hoarding ($\beta = 0.700$; $p = 0.027$) and work procrastination ($\beta = 0.806$; $p < 0.001$), confirming H2 and H3. The effects of knowledge hoarding ($\beta = -0.320$; $p = 0.010$) and work procrastination ($\beta = -0.261$; $p = 0.017$) on IWB are also negative, supporting H4 and H5. Moreover, the evaluation of indirect effects reveals that the mediation of knowledge hoarding ($\beta = 0.213$; $p = 0.033$) and work procrastination ($\beta = -0.211$; $p = 0.010$) in the relationship between QQ and IWB is significant, providing support for H6 and H7.

The Effect of Quiet Quitting on Innovative Work Behavior

The results of this study highlight the disadvantageous impact of quiet quitting on innovative work behavior among salespersons. Quiet quitting, characterized by a lack of initiative and minimal engagement with work responsibilities, significantly reduces employees' intrinsic motivation to think creatively and contribute novel ideas. This finding aligns with previous research suggesting that disengagement at work often limits employees' willingness to exceed basic job requirements, thereby stifling their capacity for innovation (Kang 2023; Moisoglou et al. 2024).

Innovative work behavior typically requires employees to actively explore opportunities, generate new ideas, and implement creative solutions and actions that necessitate emotional and cognitive investment in their roles. Quiet

quitting leads to a psychological withdrawal from work, which can undermine the proactive attitudes needed for innovation. Employees who adopt this behavior are less likely to collaborate with colleagues, seek out new methods, or champion innovative projects. This disengagement creates a significant barrier to organizational innovation, particularly in industries where creative problem-solving is essential (Nimmi et al. 2024).

In the Indonesian context, hierarchical structures and collectivist values may intensify the effects of quiet quitting. Salesperson often avoid proposing new ideas out of respect for authority and group harmony, which can further suppress innovation when disengagement is present. This highlights the need for culturally sensitive approaches to encourage initiative and innovative behavior. For microfinance institutions (MFIs), where competition from fintech and digital banks is intensifying, the inability of salespeople to contribute to innovation could have long-term implications for competitiveness and growth. Salesperson in a microfinance institution (MFI) who engages in quiet quitting may strictly adhere to routine tasks, such as processing loan applications or conducting basic customer outreach, without actively seeking out new clients, exploring additional revenue streams, or suggesting improvements to operational processes. This passive approach undermines innovative work behavior, as actions like identifying untapped markets or devising creative solutions for client retention require emotional and cognitive investment. The negative relationship observed in this study underscores the importance of fostering a work environment that motivates employees to go beyond minimum requirements and actively engage in innovative practices.

The Effect of Quiet Quitting on Knowledge Hoarding

The findings also reveal that quiet quitting has a positive and significant effect on knowledge hoarding. Employees who engage in quiet quitting are more likely to withhold valuable information, expertise, or insights from their colleagues. This behavior is often driven by a lack of trust, disengagement, or a desire to maintain a sense of personal control within the workplace. Past studies also revealed that quiet quitting reduces employees' sense of belonging and commitment to their organization (Dutta et al. 2024), which can further exacerbate knowledge hoarding behaviors (Srivastava et al. 2024). Knowledge hoarding poses a significant threat to organizational performance, particularly in environments that rely on collaboration and the exchange of ideas. In MFIs, where salespeople play a critical role in identifying new market opportunities and building

client relationships, withholding knowledge can hinder the organization's ability to innovate and adapt to market changes. Employees who hoard knowledge may do so as a protective mechanism, perceiving that sharing information could diminish their value or expose them to additional responsibilities. This behavior not only disrupts teamwork but also limits the organization's capacity to leverage collective expertise for creative problem-solving and innovation.

The Effect of Quite Quitting on Work Procrastination

This study further demonstrates that quiet quitting positively influences work procrastination. Quiet quitting often characterized by lack of intrinsic motivation to complete tasks promptly, leading to habitual delays despite knowing the potential negative consequences. For salespeople in MFIs, procrastination can be particularly detrimental. The nature of their work often involves time-sensitive tasks, such as client meetings, loan processing, and market analysis. Delays in completing these tasks can disrupt operations and erode client trust. Moreover, procrastination can limit employees' ability to develop and implement innovative ideas, as they may prioritize less demanding tasks or avoid challenges altogether. Past studies claimed the link between procrastination to negative outcomes, such as frustration and boredom (Sirois 2023), which are commonly associated with disengagement and lack of commitment (Edmondson, Matthews, and Ward 2024). As employees become disengaged through quiet quitting, their likelihood of procrastinating increases, further reducing their productivity and ability to meet organizational goals (Steel et al. 2022). This finding underscores the importance of addressing procrastination as part of broader efforts to mitigate the negative impacts of quiet quitting on organizational performance.

The Mediating Roles of Knowledge Hoarding and Work Procrastination

The mediating roles of knowledge hoarding and work procrastination provide deeper insights into the mechanisms through which quiet quitting affects innovative work behavior. The results indicate that both factors significantly mediate the relationship between quiet quitting and IWB, highlighting their critical roles in shaping employee behavior and organizational outcomes. Knowledge hoarding emerges as a significant mediator in the link between quiet quitting and innovative work behavior. Salesperson who engage in quiet quitting are less likely to share information, which creates barriers to collaboration and the free flow of ideas—both essential for fostering innovation. In MFIs, where

collaboration and knowledge sharing are critical for identifying new opportunities and developing creative solutions, knowledge hoarding can stifle innovation by isolating employees and limiting access to valuable insights (Efendi and Nurnida 2024). The findings are consistent with prior research indicating that knowledge hoarding often stems from disengagement, low trust, and self-serving motives (Al-Abbadi, Alshawabkeh, and Rumman 2020; Evans et al. 2015; Shukla et al. 2024).

Work procrastination also significantly mediates the relationship between quiet quitting and IWB. This study demonstrates that quiet quitting leads to work procrastination, as disengaged salespersons tend to deprioritize their tasks and approach their responsibilities with less urgency. This diminished commitment frequently results in delays in task completion, ultimately hindering opportunities for creativity and collaboration. This lack of commitment frequently results in delays in meeting sales targets, missed opportunities to tailor innovative financial solutions for clients, and reduced collaboration with team members to develop strategies. The findings align with research suggesting that procrastination is linked to low motivation and negative emotional states, both of which are exacerbated by quiet quitting (Metin et al. 2018; Steinert et al. 2021). For MFIs, addressing work procrastination requires a multifaceted approach.

CONCLUSION

This study highlights the significant impact of quiet quitting on innovative work behavior, along with the mediating roles of knowledge hoarding, and work procrastination. Quiet quitting directly undermines IWB by reducing employees' intrinsic motivation to explore opportunities, generate ideas, and implement creative solutions. This disengagement creates barriers to innovation, particularly in industries like microfinance, where adaptability and creativity are crucial for maintaining competitiveness.

The study also reveals that quiet quitting positively influences knowledge hoarding and work procrastination. Employees who engage in quiet quitting are more likely to withhold valuable information, limiting collaboration and the exchange of ideas essential for innovation. Similarly, quiet quitting increases the likelihood of work procrastination, which delays task completion and reduces employees' ability to develop and implement new ideas. Both behaviors exacerbate the negative effects of quiet quitting on organizational performance and innovation.

Furthermore, knowledge hoarding and work procrastination are shown to mediate the relationship between quiet quitting and IWB.

These mediating roles emphasize the mechanisms through which disengaged employees hinder innovation. Knowledge hoarding disrupts teamwork and isolates employees, while procrastination limits efficiency and creativity. Addressing these mediators is critical for organizations seeking to mitigate the adverse effects of quiet quitting.

In the context of intensifying competition fueled by disruptive innovations in digital finance and the rapid expansion of digital banks, organizations MFIs must adopt strategic approaches that enhance employee engagement, build institutional trust, and promote dynamic knowledge sharing to sustain their capacity for innovation. Providing structured time management training, setting outcome-oriented goals, and fostering a psychologically secure work environment can help reduce procrastination. Simultaneously, recognizing and rewarding contributions to innovation and encouraging collaborative problem-solving are essential to counteract knowledge hoarding and siloed thinking. By cultivating a culture of engagement, agility, and shared learning, organizations can unlock the full potential of their sales persons and strengthen their strategic resilience amid escalating pressures from tech-enabled financial disruptors.

Despite its contributions, this study has certain limitations that should be acknowledged. First, the data were collected from employees in the creative industry within a specific geographic region, which may limit the generalizability of the findings to other industries or regions. Future research could explore the impact of quiet quitting in different sectors, such as technology or healthcare, to examine whether the observed relationships hold across diverse contexts. Second, the study relies on self-reported data, which may introduce common method bias or social desirability bias. Employing multi-source data, such as supervisor evaluations or peer assessments, in future studies could enhance the robustness of the findings. Additionally, the cross-sectional design of this study limits the ability to draw causal inferences. Longitudinal studies could provide deeper insights into how quiet quitting evolves over time and its long-term effects on innovation and organizational performance. Third, while this study it does not include control variables such as age, gender, or length of employment, nor does it consider potential moderators like leadership style or organizational culture. Although the primary goal was to test the direct and indirect effects within a baseline mediation model, the absence of these variables may limit the depth and contextual nuance of the analysis. Future research is encouraged to incorporate such variables to

improve the generalizability and theoretical richness of the findings. Future research could investigate these additional variables to provide a more comprehensive understanding of the mechanisms linking quiet quitting to innovative work behavior. Lastly, the rapid technological advancements and changing workplace dynamics create new opportunities for research. For example, future studies could explore the role of digital tools and remote work environments in mitigating or exacerbating quiet quitting behaviors. By addressing these limitations, future research can build on the findings of this study and contribute to more effective strategies for enhancing employee engagement and innovation.

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