

ABSTRACT

The decline in participation in the company's innovation program through the Bukit Asam Innovation Award (BAIA) at PT Bukit Asam Tbk (PTBA) indicates a need to understand the factors influencing employee innovation behavior. Organizational justice and ethical leadership are identified as important elements that can affect innovation behavior. Thus, this research aims to provide a deeper understanding of this dynamic.

This research aims to analyze organizational justice, ethical leadership, and employee innovative behavior at PTBA; examine the influence of organizational justice on employee innovative behavior; examine the influence of ethical leadership on employee innovative behavior; and examine the simultaneous influence of organizational justice and ethical leadership on employee innovative behavior at PTBA.

The research method used is quantitative with a descriptive and causal approach. Data were collected through questionnaire surveys distributed to 325 PTBA employees randomly and stratified based on job level. Data analysis used Structural Equation Modeling based on Partial Least Squares (PLS-SEM) through SmartPLS version 4.0 software.

Based on the descriptive analysis, the implementation of organizational justice was perceived as "very fair," ethical leadership as "very good," and employee innovative behavior as "good." The results of the hypothesis testing indicate that organizational justice and ethical leadership each have a positive and significant partial effect on employee innovative behavior. Simultaneously, organizational justice and ethical leadership have a positive and significant influence, collectively explaining 72.1% of the variance in employee innovative behavior at PTBA. These findings confirm the importance of organizational justice and ethical leadership in facilitating innovative behavior and provide empirical support for theories linking these two factors to innovation.

The results of this research are expected to broaden understanding of the role of organizational justice and ethical leadership in shaping employee innovative behavior. For PTBA, the results of this research can be used as an evaluation to design policies and programs that enhance organizational justice and develop ethical leadership to encourage innovation behavior. It is recommended that further research be conducted in other industry or company contexts so that the research findings can be generalized.

Keywords: *Organizational Justice, Ethical Leadership, Innovation Behavior*