

ABSTRACT

Empirical studies have shown that an organization's dynamic capability is able to encourage innovative behavior and creativity. However, this approach describes dynamic capabilities as a collective effort at the organizational level and does not explain specifically how these capabilities emerge and develop and operate in individuals within the organization. The aim of this research is to develop a new construct, namely Reflective Reconfiguration Capability (RRC) as a result of integrating social exchange theory with social cognitive theory, as a new strategy to improve lecturer performance, especially in LLDIKTI Region VI Central Java.

This research used survey data through questionnaires obtained from 193 lecturer respondents, and Structural Equation Model (SEM) analysis was carried out with AMOS software to test the causal relationship between variables according to the empirical model developed in this research.

The research results found that RRC was significantly able to encourage increased employee engagement and employee performance. RRC also plays a mediating role in the relationship between inclusive leadership and employee performance. It was also found that inclusive leadership can be an important predictor in the development of the RRC. Theoretically, the results of this research contribute to the development of dynamic capability theory at the individual level.

Keywords : *Inclusive leadership, Reflective Reconfiguration Capability, employee engagement, employee performance*