

Creative Process Engagement Mediate the Relation Between Proactive Personality, Creativity Employee, and Innovation

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ABSTRACT

This study aims to explore the influences of proactive personality toward creativity and innovation through the process of creativity involvement from the perspective of Resource Dependence Theory. This study was conducted on Small and Medium Enterprises (SMEs) in the Magelang area in the form of a survey. The sample selection method in this study used with purposive sampling technique. The criteria used in this study are SMEs that have high creativity, such as children's toys, batik, and souvenirs, and have a minimum number of 10 employees. The number of samples in this study was 287 respondents. The analytical tool to test the hypothesis in this study uses Structural Equation Modeling (SEM) with WarpPLS 7 software. The results show that proactive personality influences employees' creativity through the involvement of the creative process. Furthermore, creativity affects organizational innovation.

Keywords: Creative Process Engagement, Creativity Employee, Innovation, Proactive Personality

JEL Classification: M00, M10, M19

INTRODUCTION

The performance of Small and Medium Enterprises (SMEs) is one of the interesting topics to be studied. Several researchers have revealed their studies related to this performance topic (Harash, 2015; Hoque, Awang, & Salam, 2017; Saraswati & Putra, 2020). Organizations that have good performance can further maintain the sustainability of the organization. The consistently good performance of SMEs is often associated with financial stability (Mabenge, Ngorora-Madzimure, & Makanyeza, 2020), sufficient investment, and good product quality (Asad, Chethiyar, & Ali, 2020). However, one of the most important things is related to the capacity of human resources. When an organization has good organizational capabilities (Najar & Dhaouadi, 2020), then the organization is increasingly competitive.

Organizational capabilities that encourage better SMEs performance are shown through the innovative mindset of employees (De, Chowdhury, Dey, & Ghosh, 2020; Haizar, Kee, Chong, & Chong, 2020). When employees can solve problems with new ideas, the competitiveness of SMEs will get better and have well-maintained sustainability. Innovation is identified as an important mechanism in a competitive organization to survive in global business (Najar & Dhaouadi, 2020). According to de Zubielqui, Lindsay, Lindsay, and Jones (2019); (La Tjadi, Rawis, Londa, & Lengkong, 2021), innovation is also believed to be an important force in improving organizational performance. Innovation is a process related to new products or services, new production process technologies, new structural and administrative systems, or new plans for organizational members (Wallace, Butts, Johnson, Stevens, & Smith, 2016).

Innovation in organizations requires individual encouragement, such as a proactive personality (Rodrigues & Rebelo, 2019; Su & Zhang, 2020). According to Crant (2000), a proactive personality is a disposition to take personal initiative to influence one's environment. Proactive personality describes a willingness to be involved and take the initiative to identify and contribute to various activities and situations. Therefore, proactive personality is one of the positive characteristics of individuals that drive innovation in organizations. However, different results show that proactive personality does not affect organizational innovation (Kickul & Gundry, 2002). Proactive personality will not encourage innovation if the environment is less supportive. Thus, organizational innovation will be achieved when all lines are supported, such as the innovation target process, organizational innovation system, and organizational environmental support. Indeed, innovation in organizations requires the creation of an employee (T. Amabile, Burnside, & Gyskiewicz, 1999; Ferreira, Coelho, & Moutinho, 2020; Perry-Smith & Mannucci, 2017) and is followed by proactive personality (Akgunduz, Alkan, & Gök, 2018; Kim, Hon, & Lee, 2010).

Creativity is manifested through a mindset, the creation of ideas and thoughts in an organization. With this creative thinking, it will produce several forms of sharp and critical thinking (Diliello, Houghton, & Dawley, 2011), especially when an employee is given discretion regarding the work (Caesens & Stinglhamber, 2014). This is from the point of view of Resource Dependence Theory which shows that the continuity of organizational performance depends on the ability of management to maximize organizational power, especially to obtain resources (Tausch, 2010). Therefore, the achievement of good organizational performance depends on the ability of management to support innovative thinking patterns within the organization.

Proactive personality also encourages creative process engagement (Chang & Shih, 2019). This behavior is often identified with involvement related to finding ideas, seeking information, and evaluating problems that occur within the organization. This cognitive

ability encourages employees to be more creative. According to (Wu, 2018), in creativity, there is a process of individual involvement in finding new, constant, and better ways of doing their work. An employee who has a creative personality will tend to have better cognitive abilities (Mwesigwa & Namiyingo, 2014).

LITERATURE REVIEW

Proactive personality is defined as a disposition to take personal initiative to influence one's environment (Crant, 2000). Proactive individuals are a form of embodiment of an employee who is actively involved in actions that have an impact on themselves and the environment (Bakker, Tims, & Derks, 2012). Therefore, employees who have a proactive personality are always future-focused, aware, and oriented to change within the organization. Furthermore, proactive personality is shown by behavior that tends to be opportunistic, takes initiative, dares to act, and perseveres, so that this behavior is much desired by the organization. Proactive employees will be more dynamic in the workplace, so this behavior is often used as a leader and is more likely to act as an agent of change in the company. Therefore, proactive personality is described as an important determinant of success and effectiveness improvement related to organizational creativity (Akgunduz et al., 2018; Diliello et al., 2011).

Creativity is considered as a whole personality as a result of interaction with the environment (Perry-Smith & Mannucci, 2017). The environment can support the development of creativity when ideas can be channeled properly through the media that exist in the environment. On the other hand, when the media cannot run optimally, it will hinder the development of creativity. Apart from this, the creativity that exists in individuals is used to face and solve various problems in their environment interaction (Janssen, 2000).

In previous studies, proactive personality affects employees' creativity (Akgunduz et al., 2018; Diliello et al., 2011). In addition, a proactive personality also affects the creative process of engagement (Chang & Shih, 2019). It shows that an employee who is proactive towards environmental changes will be encouraged to create high creativity through searching for information and ideas, thereby creating effective organizational performance. Based on the theoretical concept, it is hypothesized as follows:

H1. Proactive personality affects employees' creativity

H2. Proactive personality affects creative process engagement

H3. Creative process engagement affects employees' creativity

Creative thinking will bring up various ideas or thoughts that are useful and can make it easier for employees to do various types of work (Herrmann & Felfe, 2014). The ideas or thoughts generated are new and different from those that already exist. Employees often have ideas to advance their workplaces, such as the implementation of work, product, and service processes or other things. Those ideas are manifested in the workplace or the environment and will encourage innovation in the organization (Perry-Smith & Mannucci, 2017). According to (Bäckström & Bengtsson, 2019), Innovation is the implementation of new ideas, whether in the form of other products or services. Of course, innovation enables organizations to respond to external or internal opportunities and use creativity to introduce ideas, processes, or products.

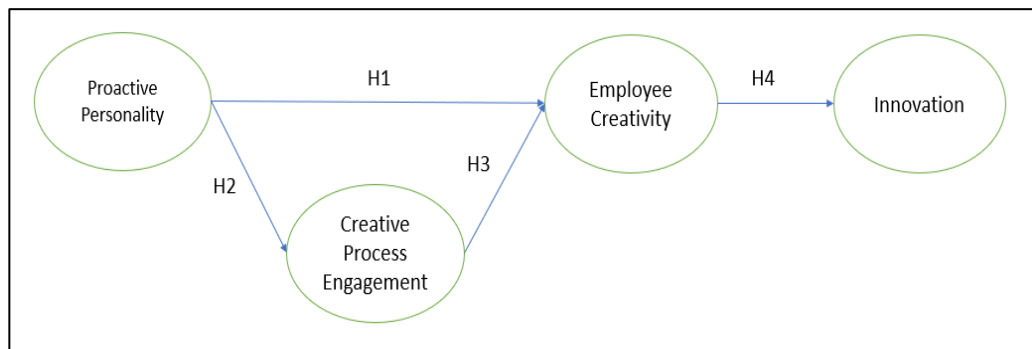
The results show that the creativity of employees has an effect on innovation in the organization. If an employee can create ideas and put them into action, it will encourage higher innovation in the organization. Of course, the implementation is adjusted to organizational conditions by considering individual involvement in the creative (Chang & Shih, 2019) and proactive process (Akgunduz et al., 2018; Crant, 2000). This is by the

Resource Dependence Theory which shows that the continuity of organizational performance depends on the ability of management to maximize the power of the organization, especially to obtain resources. Therefore, achieving good organizational performance depends on the ability of management to support creative thinking patterns. In addition, active involvement will encourage innovation in the organization. Based on this concept, it is hypothesized as follows:

H4. Employees' creativity affects innovation

Innovation is a real embodiment of ideas from creativity. Of course, high creativity will increase better innovation in an organization (Perry-Smith & Mannucci, 2017). High creativity appears when there is a process of creative involvement (Chang & Shih, 2019) and proactive personality of employees (Kim et al., 2010). Based on this concept, it is hypothesized and modeled in Figure 1.

Figure 1. Research Model



RESEARCH METHOD

Samples and Procedures

The setting of this research is based on previous research on creativity and organizational performance, most of which were conducted in manufacturing companies and small and medium enterprises. (Akgunduz et al., 2018; Bakker et al., 2012; Ferreira et al., 2020). The three types of companies or organizations used as research settings were chosen because they require a creative and innovative mindset and pay attention to the complexity of the task. This research was conducted on SMEs in the Magelang area. Research that uses individuals as the unit of analysis requires samples with certain criteria. This study uses non-probability sampling with a purposive sampling technique as a sample selection method. The first criteria used in this research are SMEs that sell products that are classified as having high creativity, such as children's toys, batik, and souvenirs. Second, employees who have at least 10 employees. These criteria are set to select SMEs that already have long-term sustainability so that they can compete. The distribution of questionnaires in this study was 300 respondents, but only 287 questionnaires could be used in this study, because of incomplete data. Based on this amount, this study meets the minimum sampling limit. Sekaran and Bougie (2016) stated that sample sizes of more than 30 and less than 500 are appropriate for research.

Operational Definition and Variable Measurement

Proactive personality is the perception of action that is more active in an organization (Robbins & Judge, 2013). This variable is measured by 8 question indicators adopted from Akgunduz et al. (2018) with five Likert scales, from 1 for strongly disagree to 5 for strongly agree. All indicators on research variables are valid except for indicator 1 and the results of the reliability test in this study show Cronbach's alpha of 0.831.

Creative process involvement is a perception related to employee involvement in relevant creative cognitive processes, including problem identification, information seeking and encoding, as well as generating ideas and alternatives. (Diliello et al., 2011). This variable is measured by 4 question indicators adopted from Perry-Smith, J. E., & Mannucci, P. V. (Perry-Smith & Mannucci, 2017) on a five Likert scale, from 1 to strongly disagree to 5 to strongly agree. All indicators on research variables are valid except for indicator 3 and the results of the reliability test in this study show Cronbach's alpha of 0,815.

Employee creativity is a perception related to the character of creative work in carrying out his work or in short, a worker who does things in a different way (Chang & Shih, 2019). This variable is measured by 5 question indicators adopted from Tierney and Farmer's (Tierney & Farmer, 2002) on a five Likert scale, from 1 to strongly disagree to 5 to strongly agree. All indicators on the research variables are valid and the results of the reliability test in this study show Cronbach's alpha of 0,861

Innovation is a perception related to new things that depart from science and can provide benefits in organizational life (Luthans, 2010). This variable is measured by 9 question indicators adopted from Janssen (Janssen, 2000) on a five Likert scale, from 1 to strongly disagree to 5 to strongly agree. All indicators on the research variables are valid and the results of the reliability test in this study show Cronbach's alpha of 0.912

Analysis Tools

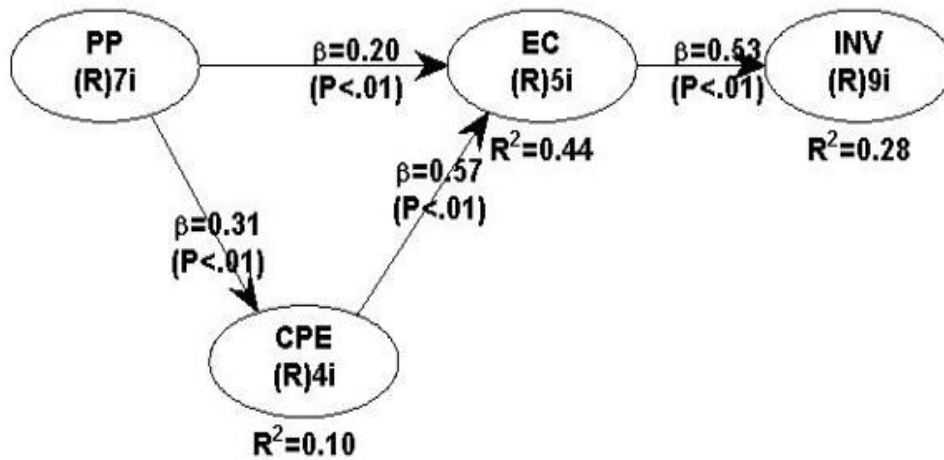
This study uses Structural Equation Modeling (SEM) as an analytical tool to test hypotheses and through the WarpPLS program (Hair, Black, Babin, & Anderson, 2015). The fitness of the model in this study was determined using the average path coefficient (APC), average R-square (ARS), and average variance inflation factor (AVIF). APC and ARS values must be less than 0.05 and AVIF as an indicator of multicollinearity must be greater.

RESULTS

The results of testing the research model show that the model indicators that have been fit and fulfilled, namely APC and ARS are significant with a p-value of less than 0.05. Likewise, the AVIF indicator is 1.122 and meets the requirements below 5.

Proactive personality (PP) on Employee creativity (EC) shows significant results ($\beta = 0,20$; $p < 0,01$), thus supporting hypothesis 1 (H1). The effect of Proactive personality (PP) on Creativity process engagement (CPE) shows significant results ($\beta = 0,31$; $p < 0,01$), and Creativity process engagement (CPE) on Employee creativity (EC) also showed significant results ($\beta = 0,57$; $p < 0,01$), so it supports H2 and H3. Employee creativity (EC) on Innovation (INV) shows significant results ($\beta = 0,53$; $p < 0,01$), so H4 is supported. The full model is shown in Figure 2.

Figure 2. Full Research Model



DISCUSSION

The effect of proactive personality on employee creativity shows significant results. These results certainly support hypothesis 1 (H1). Of course, an employee who is always proactive or has high mobility will encourage high creativity. This is because someone who is given high freedom will encourage creativity in organizations or companies, especially in MSMEs (Akgunduz et al., 2018). The proactive process, of course, depends on the ability of management to subordinates. This is in line with the point of view of Resource Dependency Theory, when a superior gives freedom to an employee, they will be more creative. This ability is needed by a leader in an organization [6]. In addition, the freedom to behave towards subordinates is also a form of employee enforcement process as in theory Y, giving employees freedom so that they will behave better in the organization. A proactive employee is usually more focused on work and tries to be able to make changes in a wider scope so that the impact of the change is also greater. Then, a proactive person holds the principles he thinks are right. These principles are outlined in the form of values that will direct their attitudes and behavior so that every attitude and behavior always adhere to the principles adopted.

Proactive personality also encourages the process of creative involvement in the organization. Of course, this study also supports hypothesis 2 (H2). Someone proactive will be involved creatively related to creative activities in the organization. This activity is related to identifying problems, seeking information, creating creative ideas, and carrying out evaluation actions that have or have not been carried out in an organization (Chang & Shih, 2019). In addition, proactive behavior is also shown by being opportunistic, taking initiative, daring to act, and persevering. A proactive attitude is very useful for someone, especially in dealing with obstacles and in interacting with others. A proactive attitude shows a high level of emotional intelligence. Proactive personality provides more competitive organizational performance.

The creative engagement process will foster high creativity for employees. This shows that hypothesis 3 (H3) is supported. An organization that can give authority to decision-making can improve employee perceptions of employee creativity. The creative involvement process will encourage employees to complete work. The concept of support is of course, according to the view of Resource Dependence Theory, where the

management of an organization provides opportunities for its subordinates as desired but still within the boundaries of the organizational corridor, which will then increase high creativity. Providing opportunities and opportunities is an effective strategy to increase the creativity of a subordinate. Giving freedom to employees is considered as a certainty in organizational life so that it fosters high creativity and innovation.

Employee creativity also drives innovation within the organization (T. M. Amabile & Pratt, 2016). Of course, this concept supports hypothesis 4 (H4). When an employee has high creativity, through generative ideas and looking for new opportunities, it will encourage innovation in the organization. Creativity and innovation have an important role in a company. Creativity will create development innovation in the organization. The power of creativity should be based on advanced ways of thinking, new ideas, and different from existing products. This shows that, when an organization can maximize creativity, it will give birth to innovation.

CONCLUSION

This study explores the effects of proactive personality on creativity and innovation through the process of creativity involvement from the perspective of Resource Dependence Theory. There are 4 (four) hypotheses proposed in this study and all of these hypotheses are supported. The existence of a proactive personality will increase the process of creative engagement (H2) and creativity (H1). Furthermore, the process of creativity involvement also encourages employees' high creativity (H3). In addition, this creativity also increases innovation in the organization (H4).

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DECLARATION OF CONFLICTING INTERESTS

This article has nothing to do with conflicting interest.

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