Creative Self Efficacy in Mediating the Effect of Transformational Leadership and Innovative Behavior on Employee Performance at PT Pegadaian (Persero) Regional Office VII Denpasar

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Abstract

PT Pegadaian (Persero) is one of financial institution in the form of channeling funds to the public on the basis of the law of pawning. PT Pegadaian (Persero) Regional Office VII Denpasar in 2018 - 2020 has a low KPI value in the last 3 years compared to other regional offices throughout Indonesia. The decline in employee performance can be influenced by several factors, including leadership, innovative behavior and creative self-efficacy. This study was conducted to determine the role of creative self-efficacy in mediating the effect of transformational leadership and innovative behavior on employee performance. The sampling technique used was proportionate random sampling as many as 227 respondents were employees of PT Pegadaian (Persero) Regional Office VII Denpasar. Data were analyzed using Confirmatory Factor Analysis (CFA), Structural Equation Modeling (SEM) based on Partial Least Square (PLS). The results shows creative self-efficacy, transformational leadership and innovative behavior have a positive and significant effect on employee performance (t statistic > 1.96). The results of the mediation analysis showed that creative self-efficacy was not able to mediate transformational leadership on employee performance (18.3%) but was able to partially mediate the effect of innovative behavior on employee performance (41.7%). This research is expected to be empirical evidence for future research and to be able to enrich the theory of social exchange, transformational leadership, innovative behavior and creative self-efficacy. In addition, this research is expected to provide information as a leader in improving employee performance in the PT Pegadaian (Persero) Regional Office VII Denpasar.
Keywords
Creative Self Efficacy, Transformational Leadership, Innovative Behavior, Employee Performance.

Introduction
PT Pegadaian (Persero) is one of the non-banking credit institutions that serves the public to get funds quickly through credit. PT Pegadaian (Persero) is engaged in pawning services and is officially licensed by the Financial Services Authority to conduct financing in the form of distributing funds to the public based on the pawn law. PT Pegadaian (Persero) is one of the important organizations that can influence the economic movement in an area. One of the factors that play a very important role in influencing companies to achieve targets in competition is that companies are expected to have competent human resources, so that human resource management plays an important role to help companies obtain the right human resources, namely leaders and employees. In an organization, human resource management is part of the management function that focuses on managing people or people by planning, organizing, directing and controlling so that organizational goals can be achieved (Tan and Nasurdin, 2018; Sihabudin, 2018; Asri & Darma, 2020; Sudarmo, 2020). Employee performance is needed to achieve profits in accordance with the targets set by the company.

Companies in achieving good performance must have Key Performance Indicators (KPI) to measure organizational and individual performance in accordance with their duties, work and responsibilities to achieve company goals (Soemohadiwidjojo, 2017). The performance appraisal of PT Pegadaian (Persero) is carried out by measuring the KPI every year. Regional Office VII Denpasar has a low KPI value in the last 3 years compared to other regional offices throughout Indonesia. The achievement of PT Pegadaian (Persero) Regional Office VII Denpasar certainly has not been able to reach the optimal value when viewed from the company's target. Based on the Regulation of the Board of Directors of PT Pegadaian (Persero) in 2020 the optimal target for the KPI value achieved is the excellent category. In addition, several components have not been realized in accordance with the 2020 KPI targets by employees optimally, such as the contribution component of channel turnover, fee-based income and the collectibility and distribution of PKBL (Partnership and Community Development Programs). This shows that employees still have not made maximum efforts in carrying out initiatives to fulfill fee-based income set by the company by offering different products in addition to the company's main products (cross selling) such as online multi payments and remittances. Another component that has not been optimally realized is the collectibility and distribution of PKBL, in which the data shows
that only 73% of the 75% have been realized. This shows the ineffectiveness of company leaders in directing employees to support PKBL lending. The survey was conducted on the factors that have the highest indication of influencing the low performance of employees of PT Pegadaian (Persero) Regional Office VII Denpasar, namely leadership and innovative behavior. The survey results show that leadership and innovative behavior have a percentage of 75% and 65%, respectively.

**Literature Review**

Leadership is an attitude to encourage groups that can be said to be successful or not an organization is determined by leadership within it (Bastari et al., 2020). Transformational leadership tends to be open-minded and visionary in influencing employees which is believed to be one of the factors driving employees to perform better (Syabarrudin et al., 2020). Mustika et al., (2020) in his research stated that transformational leadership is one of the important factors in improving employee performance because the role of leaders in an organization is one of the important things to encourage employees to be able to work effectively. Companies need to have leaders with transformational leadership styles because they can motivate employees to work beyond expectations in achieving organizational goals. Patiara and Wang (2020), Zainuddin et al. (2019), Vijaya (2015) and Syafi et al. (2019) shows that transformational leadership has a significant and positive effect on employee performance. Ping et al. (2012) suggested that, a transformational leader will maintain and respect followers which will increase organizational commitment and interest in working in the organization and provide higher performance. Akbar (2015) shows that the better the transformational leadership style, the higher the leader's ability to guide, motivate, explain the roles and duties of employees, the more motivated employees will be to work better.

Innovative behavior needs to be carried out by employees to help organizations become more competitive in facing various global competitions. Riansyah and Syaroni's (2018), innovative behavior has a positive and significant effect on employee performance. This is supported by several research results which have identified processes, products (Gunday et al., 2011), innovative behavior (Camison and Villar, 2014) that affect employee performance. Dama and Ogi (2018) state that innovative behavior has a significant effect and contributes significantly on employee performance. Research conducted by Mardiah and Simatupang (2020) found that innovative behavior has a positive effect on employee performance.
Leaders who are positive in leading the company will increase the Creative Self Efficacy (CSE) of employees so that employee performance becomes more optimal. Research Sunardi et al. (2019) states that there is a positive relationship between transformational leadership and creative self-efficacy. CSE is an individual's belief in his ability to do a better job (Azliyanti et al., 2019). Tierney and Farmer (2002) stated that higher perceptions of transformational leadership and high creative self efficacy of employees will lead to the level of the organization as a whole. Employees' innovative behavior that is balanced with creative self-confidence will make employees have confidence in developing their creative ideas so that they can improve individual employee performance. Chih-Ching et al. (2019) which states that innovation that leads to innovative behavior has a relationship and increases creative self efficacy. Nusannas et al. (2020) shows creative self efficacy has a significant effect on employee performance. Gong et al. (2009) showed that CSE is a mediator of the influence of transformational leadership on creativity on employee performance. Furthermore, it is not enough with leaders who can have an influence on employee performance, but employees must have confidence in his ability to complete their tasks which is called CSE (Clercq et al., 2018).

Based on this phenomenon, the formulation of the hypothesis and the conceptual framework formed are as follows:

H1: Transformational leadership has a positive and significant effect on employee performance.
H2: Innovative behavior has a positive and significant effect on employee performance.
H3: Transformational leadership has a positive and significant effect on creative self-efficacy.
H4: Innovative behavior has a positive and significant effect on creative self-efficacy.
H5: Creative self-efficacy has a positive and significant effect on employee performance.
H6: Creative self-efficacy is able to mediate positively and significantly the influence of transformational leadership on employee performance.
H7: Creative self-efficacy is able to mediate positively and significantly the effect of innovative behavior on employee performance.

Research Method

Data type of this study is quantitative and is in the form of causality associative research. This study used was proportionate random sampling as many as 227 respondents were employees of PT Pegadaian (Persero) Regional Office VII Denpasar. This study uses 38 indicators. Data analysis used Confirmatory Factor Analysis (CFA), Structural Equation Modeling (SEM) based on Partial Least Square (PLS). Variance Accounted for (VAF) is used to test the mediating variables (Hair, et al., 2017).

Data Analysis

A. Characteristic of Respondents

Characteristics of respondents are respondent data collected to determine the profile of research respondents based on gender, age and work area. This study used a sample of 227 respondents. The results showed that respondents with male sex were 65.6% higher than female respondents, namely 34.4%. Distribution based on work area is mostly in the Ampenan Area as much as 22% and the least is in the Kupang Area as much as 12.7%. The distribution based on age showed that the majority of respondents were aged 27-32 years as much as 37.4% and the least respondents were aged 51-56 years 4.85%.

B. Instrument Test Results

In the test of the validity of the instrument in this study, it is known that the test results between the instrument and the total score in the questionnaire show a correlation coefficient of r 0.30 with an error rate of <0.05, it is stated that a statement that has a positive correlation with the criteria (total score) and a high correlation indicates that the statement has high validity. In the reliability test using the cronbach alpha formula with a level of = 0.05. The research instrument means to be reliable if the alpha value is greater than 0.60.

C. Measurement

The value is considered valid if outer loading shows the loading value above 0.7 (Table 1).
Table 1 Outer Loading of Research Indicator

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Transformational Leadership (X₁)</th>
<th>Innovative Behavior (X₂)</th>
<th>Creative Self Efficacy (M)</th>
<th>Employee Performance (Y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X₁₁</td>
<td>.870</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X₁₂</td>
<td>.841</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X₁₃</td>
<td>.870</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X₁₄</td>
<td>.747</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X₂₁</td>
<td></td>
<td>.719</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X₂₂</td>
<td></td>
<td>.839</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X₂₃</td>
<td></td>
<td>.833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X₂₄</td>
<td></td>
<td>.793</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M₁</td>
<td></td>
<td></td>
<td>.802</td>
<td></td>
</tr>
<tr>
<td>M₂</td>
<td></td>
<td></td>
<td>.855</td>
<td></td>
</tr>
<tr>
<td>M₃</td>
<td></td>
<td></td>
<td>.804</td>
<td></td>
</tr>
<tr>
<td>Y₁</td>
<td></td>
<td></td>
<td>.786</td>
<td></td>
</tr>
<tr>
<td>Y₂</td>
<td></td>
<td></td>
<td>.776</td>
<td></td>
</tr>
<tr>
<td>Y₃</td>
<td></td>
<td></td>
<td>.853</td>
<td></td>
</tr>
<tr>
<td>Y₄</td>
<td></td>
<td></td>
<td>.813</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

D. Discriminant Validity

All construct variables have discriminant validity which is quite good because all construct variables have an average variance extracted value (AVE) greater than 0.50 (Table 2).

Table 2 Average Variance Extracted Value (AVE)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational</td>
<td>.695</td>
</tr>
<tr>
<td>Innovative Behavior</td>
<td>.636</td>
</tr>
<tr>
<td>Creative Self Efficacy</td>
<td>.674</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>.695</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

E. Composite Reliability

Internal consistency is measured by composite reliability and the value must be above 0.6 and the Cronbach alpha value is greater than 0.7.

Table 3 Composite Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational</td>
<td>.853</td>
<td>.901</td>
<td>Reliable</td>
</tr>
<tr>
<td>Innovative Behavior</td>
<td>.808</td>
<td>.874</td>
<td>Reliable</td>
</tr>
<tr>
<td>Creative Self Efficacy</td>
<td>.757</td>
<td>.861</td>
<td>Reliable</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>.822</td>
<td>.882</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021
Table 4 R-square test

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Self Efficacy (M)</td>
<td>.557</td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td>.483</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

To measure the observation value is generated by the model and also its parameter estimation, its calculate Q-square which is obtained a value of 0.928 more than 0 and close to 1, thus showing the model has predictive relevance value or the model deserves to be said to have predictive value. relevant or feasible to use to predict (Figure 2.).

![Figure 2 Structural Research Model](image)

F. Testing the Direct Effect, Indirect Effect and Variance Accounted for (VAF)

Table 5 Direct effect test results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample (O)</th>
<th>Standard Deviation (STDEV)</th>
<th>t-Statistics ([O/STDEV])</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership → Employee Performance</td>
<td>.290</td>
<td>.077</td>
<td>3.767</td>
<td>.000</td>
</tr>
<tr>
<td>Innovative Behavior → Employee Performance</td>
<td>.230</td>
<td>.080</td>
<td>2.882</td>
<td>.002</td>
</tr>
<tr>
<td>Transformational Leadership → Creative self efficacy</td>
<td>.233</td>
<td>.057</td>
<td>4.058</td>
<td>.000</td>
</tr>
<tr>
<td>Innovative Behavior → Creative self efficacy</td>
<td>.581</td>
<td>.056</td>
<td>10.308</td>
<td>.000</td>
</tr>
<tr>
<td>Creative self efficacy → Employee Performance</td>
<td>.278</td>
<td>.072</td>
<td>3.852</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021
Direct influence test show that creative self efficacy, transformational leadership and innovative behavior have a positive and significant effect on employee performance (t statistic > 1.96).

Table 6 Indirect effect test results

| Variable                                      | Original Sample (O) | Standard Deviation (STDEV) | t-Statistics (|O/STDEV|) | p-Values |
|-----------------------------------------------|---------------------|---------------------------|-----------------|----------|
| Transformational Leadership → creative self efficacy → Employee Performance | .065                | .024                      | 2.652           | .004     |
| Innovative Behavior → creative self efficacy → Employee Performance | .163                | .045                      | 3.604           | .000     |

Source: Primary data processed, 2021

Table 7 Variance Accounted For (VAF)

<table>
<thead>
<tr>
<th>Variable</th>
<th>VAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership → creative self efficacy → Employee Performance</td>
<td>.183</td>
</tr>
<tr>
<td>Innovative Behavior → creative self efficacy → Employee Performance</td>
<td>.417</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021

Table 7 shows the VAF value of 0.183 (18.3 percent) where creative self-efficacy has no mediating effect on the effect of transformational leadership on employee performance. In the next variable, the VAF value is 0.417 (41.7 percent) which indicates that creative self-efficacy is a partial mediating variable on the effect of innovative behavior on employee performance.

Result and Discussion

The results of data analysis indicate that the hypothesis is accepted which transformational leadership has an influence on employee performance. Transformational leadership is committed to the integrity of behavior, consistent with decisions and beliefs. In addition, leaders with transformational leadership are motivated to comply with work procedures and are able to direct employees to complete work according to job descriptions which will improve employee performance. This study is in accordance with the results of Paracha et al. (2012), Rasool et al. (2015), Shafie et al. (2013), Risambesy et al. (2012), Patiara and Wang (2020) and Zainuddin et al. (2019) shows that there is a significant influence between
transformational leadership and employee performance. Transformational leadership is one of the factors driving employee performance to achieve company goals (Subhi, 2014).

Innovative behavior has a positive and significant effect on employee performance, so the hypothesis is accepted. Innovative behavior is a very important factor in facing business competition. These results show that opportunity exploration in innovative behavior is carried out by finding new work methods, finding opportunities in fulfilling KPI components and finding the latest trends by employees to improve performance. The implementation of ideas that have been carried out by employees of PT Pegadaian (Persero) Regional Office VII Denpasar includes changing the operating model where the transaction model which was originally more traditional and paper based, becomes digital based so that the customer transaction process becomes more efficient. The results of this study are supported by Sujiarwo and Wahjono (2017) stating that innovative behavior has a positive influence on employee performance, if employees perform high innovative behavior, employee performance will be better. In Riansyah and Syaroni's research (2018), innovative behavior has a positive and significant influence partially and simultaneously on employee performance. This is supported by several research results which have identified processes, products (Gunday et al., 2011), technology and innovative behavior (Camison and Villar, 2014) that affect employee performance.

Transformational leadership has a significant influence on creative self-efficacy, so the hypothesis is accepted. Wang and Ye (2014), Waterwall et al. (2017), Afsar and Masood (2017), Newman et al. (2018) and Sunardi et al. (2019) states the same thing, transformational leadership is positively related to creative self-efficacy. Mittal and Dhar (2015) who argue that transformational leadership affects creative self-efficacy. Innovative behavior has a positive and significant effect on creative self-efficacy, so the hypothesis is accepted. This shows that innovative behavior is carried out by creating new ideas based on obstacles during the work process, redeveloping existing ideas and suggesting creative ideas based on the latest trends that will affect creative self-efficacy. Innovative behavior by employees is positively related to creative self-efficacy (Hu and Zhao, 2016). This means that employees with high innovative behavior will influence CSE in implementing ideas and can adapt unconventional methods. This research is supported by Desiana (2019) which states that if someone's innovative behavior is high, it will affect creative self-efficacy and will result in good performance.

Creative self efficacy has a positive and significant influence on employee performance, so the hypothesis is accepted. Based on the average value of the overall description of respondents on creative self efficacy with a very high category. This shows that creative
self efficacy is carried out based on ideas in solving problems purely from oneself and employees have confidence in implementing different strategies. The research of Nusannas et al. (2020) showed the same results as this study, which showed that creative self-efficacy had a positive and significant effect on employee performance. Employees who have high creative self-efficacy will have confidence in solving problems with a persuasive approach as well as effectively and efficiently. In addition, creative self-efficacy is shown by having confidence in selling skills and confidence in doing cross or up selling within PT Pegadaian (Persero) Regional Office VII Denpasar.

The VAF value of 18%, which is below 20%, it can be shows creative self-efficacy is not able to positively and significantly mediate the influence of transformational leadership on employee performance. This study is in line with the research of Tims et al. (2011) which shows that creative self-efficacy cannot function as a mediator on the influence between transformational leadership and employee performance. This shows the transformational leadership who has creative inspiration, motivates and gives attention to careers can influence employee performance for the better without being mediated by creative self efficacy. The results of this study show differences with the results of research by Wijaya and Dewi (2020) which show creative self efficacy has a positive and significant role in mediating the influence of transformational leadership on employee performance. Previous research by Cavazotte (2016) also showed different results which showed that self-efficacy as a mediating variable had a positive and significant effect on the effect of transformational leadership on improving employee performance.

Creative self efficacy is able to mediate positively and significantly on the effect of innovative behavior on employee performance. Variance Accounted For (VAF) value shows the role of creative self efficacy as a mediator (41.7%). These results indicate that creative self efficacy is a partial mediating variable on the effect of innovative behavior on employee performance. The results of this study indicate that employees must have high creative self-efficacy so that innovative behavior can affect employee performance. Creative self efficacy is shown by having confidence in selling skills and confidence in doing cross or up selling skills, telesales, and convincing yourself to sell products in accordance with company goals. This is due to the influence of innovative behavior that aims to improve performance optimally and with quality. Yang et al. (2012) stated that CSE can mediate the relationship between innovative behavior and employee performance. Du et al. (2020) show that performance achievement is positively related to CSE mediated innovative behavior.
Based on social exchange theory in which innovative behavior carried out by employees will appear when creative self efficacy becomes the mediator in convincing themselves to make decisions that have an impact on increasing their performance. The success of achieving company goals indicates that the company's management is going well. Along with changes in the increasingly complex and competitive organizational environment, the readiness of leaders is required so that companies can improve employee performance to achieve organizational goals.

Conclusion

Creative self efficacy, transformational leadership and innovative behavior have a positive and significant effect on employee performance. The results of the mediation analysis showed that creative self efficacy was not able to mediate transformational leadership on employee performance but was able to partially mediate the effect of innovative behavior on employee performance.

Implication, Limitations and Further Research

Implications

This research can enrich and support social exchange theory which shows a reciprocal relationship between leaders and employees as well as employees and companies. This is implemented through social exchanges where leaders with transformational styles have high behavioral integrity, always motivate and inspire so as to improve employee performance at PT Pegadaian (Persero) Regional Office VII Denpasar. Transformational leadership can inspire and motivate employees to be able to do more work than expected and help employees develop themselves in dealing with problems so that they can put extra effort into realizing the goals of PT Pegadaian (Persero) Regional Office VII Denpasar. In developing the innovative behavior of employees of PT Pegadaian (Persero) Kanwil VII Denpasar, there is a way, namely through the process of creating and suggesting creative ideas for new products, processes and services and not only thinking about creative ideas on a matter but also evaluating and applying these ideas into the future. real action. The role of creative self-efficacy can determine employee creativity and it is important for an employee to have a high level of self-confidence so that it will produce an important decision for organizational success.
Limitations and Further Research

The limitations of this study are the factors that affect employee performance is only transformational leadership, innovative behavior and creative self-efficacy, while there are many other factors that affect employee performance such as motivation, organizational citizenship behavior, and the reward system. In addition, this study only uses the self report method and the data is subjective to the respondents of PT Pegadaian (Persero) Regional Office VII Denpasar.

References


