
FACTORS THAT INFLUENCE INNOVATIVE WORK BEHAVIOR OF Y GENERATION EMPLOYEES AT THE INDONESIA FINANCIAL SERVICES AUTHORITY

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ABSTRACT

This study aims to examine a structural effect model of proactive behavior and workplace spirituality on the innovative work behavior of Y generation employees at the Indonesia Financial Services Authority (IFSA) mediated by psychological empowerment. The variables in this study are exogenous variables consisting of proactive behavior and workplace spirituality, endogenous variable is innovative work behavior. Psychological empowerment is a mediator. As a hypothesis in this research is a theoretical model of the influence of proactive behavior and workplace spirituality on the innovative work behavior mediated by psychological empowerment fit with the empirical data on gen Y of IFSA. Data collection techniques are done by self-report measurement, using the scale of proactive behavior, scale of workplace spirituality, scale of psychological empowerment and scale of innovative work behavior. Data analysis used the Structural Equation Model (SEM) with the help of LISREL analysis. The sampling technique was carried out by using simple random sampling with 279 respondents. The results showed that proactive behavior and workplace spirituality have significant influence on innovative work behavior mediated by psychological empowerment, with an RMSEA coefficient of 0.010 and with an GFI coefficient of 0.97, so the hypothesis was accepted.

Keyword: Innovative Work Behavior, Psychological Empowerment, Proactive Behavior, Workplace Spirituality, SEM.

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INTRODUCTION

Currently, the industrial revolution 4.0 is developing vitally and massively in terms of scale, scope and complexity because every line of life is affected by the principles of digitalization technology, artificial intelligence and big data. Schwab, 2017 said that all lines are inseparable from the influence of the industrial revolution 4.0, starting from science, politics, society, economics, industry and government. In this 4.0 industrial revolution, at least three generations are met, namely the boomer generation, generation X and the millennial generation (which is referred to as gen Y in this study). These three generations are still the productive workforce in the world and Indonesia.

Gen Y has the characteristics of being confident, independent, and result-oriented. Gen Y also has a high mastery of technology, it seems that this makes gen Y's self-esteem increase (Meier & Crocker, 2010). The superiority of gen Y is the potential for creativity and a way of thinking that produces innovative ideas that are beneficial to the organization. Gen Y's way of thinking that generates innovative ideas is not only useful for the organization but also for employees, because its role can support the creation of a smooth work process (Birdi et al., 2016). If employees are able to

display innovation and creativity in the scope of work, then this will increase their intrinsic motivation and psychological well-being (Amabile et al., 2005).

Y generation in the world of work according to the data from the Central Statistics Agency (BPS) in 2019 occupies the first position with 33.25% in terms of population composition in Indonesia, followed by 29.23% Z generation, 25.74% X generation and finally 11.27% baby boomers. Data shows that the key is to maximize the ability of Y and Z generation to the future performance of the Indonesian nation in facing global competition, as well as encouraging productivity growth that can strengthen the economy and organization in Indonesia. Gen Y in this study is the generation born in 1980 to the end of 2000 referring to the theory of (Korn, 2010).

This study carried out in Indonesia Financial Services Authority that has 4,022 as of 31 December 2021 which is consisting of three generations, namely the baby boomer generation (126 or 3.13%), gen X (935 or 23.25%) and gen Y (2,635 or 65.51%) and gen Z (326 or 8.10%). This data reflects that IFSA employees are dominated by gen Y, namely 2,635 (65.51% of 4,022 employees) with distribution at the head office and offices in the regions as administrative employees, staff, and sub-section heads and section heads. Previous studies were done mostly in industry. However, this research is the first study in IFSA as authority that respondents of the research focused on Y generation employees.

In this study, the authors chose IFSA as the location of research, because IFSA is the authority in charge of regulating and supervising the financial services sector as well as protecting consumers and the people of Indonesia. IFSA is expected to be able to carry out its duties, functions and responsibilities in serving all parties with an interest in IFSA through the best performance with the support of employees who have innovative work behavior (Ayandele & Nnamseh, 2014).

IFSA leaders have innovative work behavior, but not yet for the gen Y employees. It is very important for leaders to motivate gen Y employees to be innovative. The innovative work behavior is reflected in the initiative strategy work program of the highest leaders that forwarded to the head of the department up to the unit (Abdullatif, 2017).

This research investigated the effect of proactive behavior and workplace spirituality on the innovative work behavior of Y generation employees at IFSA that mediated by psychological empowerment (Afsar & Badir, 2017). There are four variables in this research, namely innovative work behavior (IWB), psychological empowerment (PE), proactive behavior (PB) and workplace spirituality (WS). First, IWB refers to the theory of (De Jong & Den Hartog, 2010), which is a form of behavior that aims to achieve the initiation and implementation of the introduction of new ideas, processes, procedures and products that are useful for the organization.

Second, psychological empowerment is an intrinsic motivation which reflects the orientation of individuals in work roles which is manifested in four cognitions, namely meaning, competence, self-determination and impact referred to the theory of (Spreitzer, 2008).

Third, proactive behavior refers to the theory of (Parker & Collins, 2010), namely motivated action, awareness, self-effort and initiative to bring about change in the situation or oneself to achieve future-directed goals.

Fourth, workplace spirituality defined as a pleasant experience that has an inner attachment between workers and their work that encourages individual to consider the workplace not only as a place to work or earn a living but as a place that provides and fulfills personal satisfaction according to Maslow's theory of needs (Milliman et al., 2003). This research was to determine the effect of proactive behavior and workplace spirituality on the innovative work behavior of Y generation

employees at IFSA mediated by psychological empowerment (Arefin et al., 2015). The results of this study can be used by IFSA to motivate Y generation to improve their innovative work behavior. These efforts are urgent to be carried out in order to keep pace with the demands of very rapid external developments such as those seen in the field of information technology.

METHOD

This research used descriptive method with correlational study approach. Descriptive research is directed to establish the nature of a situation at the time of the investigation. This research correlates between proactive behavior, workplace spirituality, psychological empowerment and innovative work behavior (Bantha & Nayak, 2020). The respondents of this study were 279 Y generation employees of IFSA. *Data collection techniques are done by self report measurement, using the scale of proactive behavior, scale of workplace spirituality, scale of psychological empowerment and scale of innovative work behavior. The Structural Equation Model with the help of LISREL analysis was used to analyze the data.*

RESULTS AND DISCUSSION

Process

Exogenous variables are proactive behavior and workplace spirituality. The endogenous variable is innovative work behavior. The mediator variable is psychological empowerment. The data collection method used in this study is a psychological scale with an answer scale of 1-5. The scale used is the Likert model scale. The Likert model scale is a method of expressing attitudes and interests that uses the subject's response as the basis for scoring (Erkutlu, 2014).

Validity test using Confirmatory Factor Analysis (CFA) produced a loading factor value in accordance with the provisions of more than 0.5 that showed all indicators are valid. For reliability testing using VE and CR with VE is more than 0.50 and CR is more than 0.7. It can be concluded that it has met the valid and reliable criteria.

The stages of the SEM model include evaluation of the overall model, Goodness of Fit (GOF) is a model fit test and evaluation of the structural model. If there is a match between the theoretical model and the empirical data for gen Y employees at IFSA, it is possible to test the hypothesis about the structural influence in the model.

Result

The age of the study respondents was more in the age of 31 - 40 years as many as 140 (50.18%) gen Y employees at IFSA compared to others. The gender of the research respondents showed that women of gen Y at

IFSA were more dominant than men, namely 58.06% (162 employees). The last education of research respondents is more dominant at the Bachelor level, namely 214 (76.70%) gen Y employees at IFSA compared to others. Research respondents with a length of work of 5-10 years are more dominant than the others, namely 56.63%. The position of research respondents is more dominant at the staff level than others, namely k 200 (71.68%) gen Y employees at IFSA.

Confirmation Factor Analysis

The following table 1 of CFA test results for all variables:

Table 1 of CFA Test Results

Variable		Value	CR	VE
		Standardized Loading Factor Indicator		
Innovative work behavior		0.78 – 0.97	0.9836	0.8010
Psychological empowerment		0.75 – 0.98	0.9858	0.8536
Proactive behavior		0.68 – 0.94	0.9745	0.7478
Workplace spirituality		0.69 – 0.94	0.9831	0.7751

The CFA table above describes the validity of all indicators that have the factor loading values greater than 0.50, it showed that all indicators are valid in measuring the variables of innovative work behavior, psychological empowerment, proactive behavior and workplace spirituality. Reliability measurement with CR value greater than 0.70 and VE greater than 0.50 means that the reliability of all variable indicators has been met.

Model Fit Test

Table 2 of Goodness Fit Model

Goodness-of-Fit	Cut-off-Value	Result	Description
RMR	$\leq 0,05$ atau $\leq 0,1$	0.0161	Good Fit
RMSEA	$\leq 0,08$	0.010	Good Fit
GFI	$\geq 0,90$	0.97	Good Fit
AGFI	$\geq 0,90$	0.96	Good Fit
CFI	$\geq 0,90$	0.96	Good Fit
NFI	$\geq 0,90$	0.97	Good Fit
NNFI	$\geq 0,90$	0.97	Good Fit
IFI	$\geq 0,90$	0.98	Good Fit
RFI	$\geq 0,90$	0.99	Good Fit

The overall model fit test is intended to see how well the data fits the model (goodness of fit). In SEM to test the fit of the model not only use one test instrument and according to (Hair, 2009) there are three test tools, namely absolute fit test, relative fit test and parsimony fit test. The absolute fit test is intended to determine the degree of prediction of the overall model to the correlation and covariance matrices consisting of the RMSEA and the GFI.

RMSEA aims to measure the deviation of parameter values in a model with a population covariance matrix (Browne & Cudeck, 1993), so it can be said that RMSEA is the most informative indicator of model fit measurement. Based on the research results, the RMSEA value of the tested model is 0.010 with a GFI value of 0.97, so overall it can be concluded that the tested model is close to the absolute fit model test criteria at the level of good test criteria.

The incremental fit model compatibility test is to compare the proposed model with the basic model called the null model or independence model, consisting of several test tools in their suitability, namely: (a) CFI, (b) NFI, (c) NNFI, (d) IFI, (e) RFI. The results showed the value of CFI = 0.96; NFI = 0.97; NNFI = 0.97; IFI = 0.98 and RFI = 0.99, then the model is said to be good because it is at the level of good test criteria.

Parsimonious fit model test, which is to compare the proposed model with the basic model where all variables in the model are independent of each other or relate the model to the estimated coefficients to achieve a fit at that level. The principle of parsimony, or frugality, means obtaining the highest degree of fit for each degree of freedom which consists of several test instruments in their suitability, namely the Adjusted Goodness of Fit Index (AGFI) and PGFI. AGFI is the same as GFI, but has been adjusted for the effect of the degree of freedom on a model. PGFI with almost the same size as GFI and AGFI but has been adjusted for the influence of degrees of freedom and data complexity. The results of the study illustrate that the AGFI value = 0.96, then the model is said to be close to good, because it is at the level of good test criteria.

Structural Model Results

The results of the structural model to answer the research hypothesis. The output of the structural model consists of the standardized loading factor and t count.

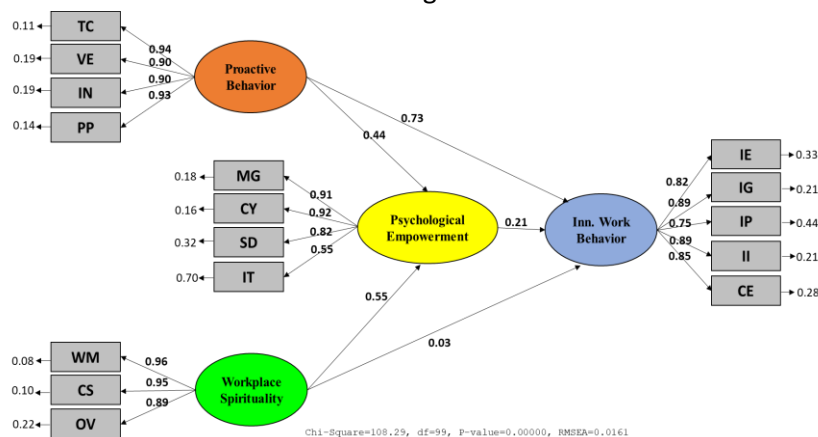


Figure 1: Standardized Loading Factor

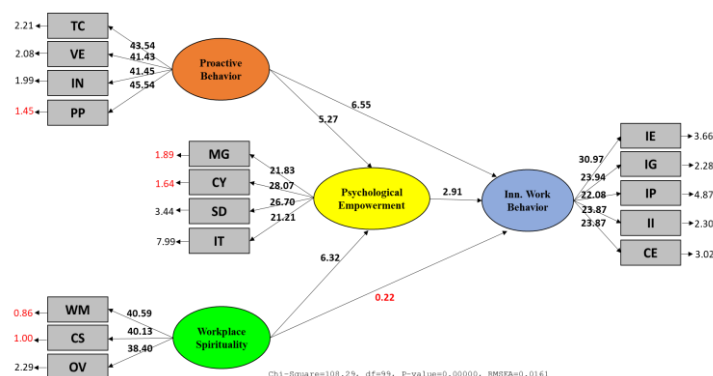


Figure 2. T-Calculation

Table 3 of Hypothesis Test Results

Hypothesis	Standardized Loading Factor	T hitung	Description
Proactive behavior → Innovative work behavior	0.73	6.55	Significantly Positive
Workplace spirituality → Innovative work behavior	0.03	0.22	Not significant
Proactive behavior → Psychological empowerment	0.44	5.27	Significantly Positive
Workplace spirituality → Pemberdayaan psikologis	0.55	6.32	Significantly Positive
Psychological empowerment → Innovative work behavior	0.21	2.91	Significantly Positive

The results of testing the influence of proactive behavior on innovative work behavior has a coefficient of influence of 0.73 and t value of 6.55. It can be concluded that proactive behavior has a significant effect on innovative work behavior. This means that the higher the proactive behavior of gen Y employees at IFSA, the higher the innovative work behavior of gen Y employees at IFSA.

The effect of workplace spirituality on innovative work behavior has a coefficient of influence of 0.03 and t value of 0.22. It can be concluded that workplace spirituality has no significant effect on innovative work behavior. This can be concluded that workplace spirituality of gen Y employees at IFSA does not increase innovative work behavior of gen Y employees at IFSA.

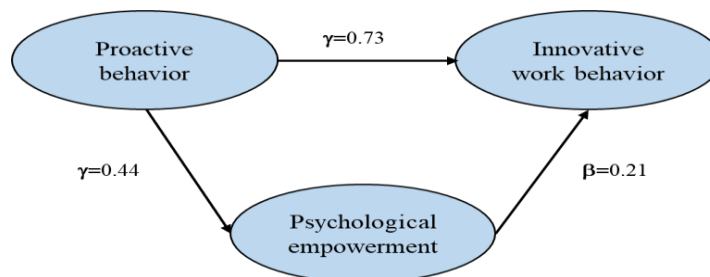
The influence of proactive behavior on psychological empowerment has a coefficient of effect of 0.44 and t value is 5.23. It can be concluded that proactive behavior has a significant effect on psychological empowerment. This means that the higher the proactive behavior of gen Y employees at IFSA, the higher the psychological empowerment of gen Y employees at IFSA.

The influence of workplace spirituality on psychological empowerment has a coefficient of influence of 0.55 and t value is 6.32. It can be concluded that workplace spirituality has a significant influence on psychological empowerment. This can be interpreted that the higher the workplace spirituality of gen Y employees at IFSA, the higher the psychological empowerment of gen Y employees at IFSA.

The influence of psychological empowerment on innovative work behavior has a coefficient of influence of 0.21 and t value is 2.91. It can be concluded that psychological empowerment has a significant effect on innovative work behavior. It can be said that the higher the psychological empowerment of gen Y employees at IFSA, the higher the innovative work behavior of gen Y employees at IFSA.

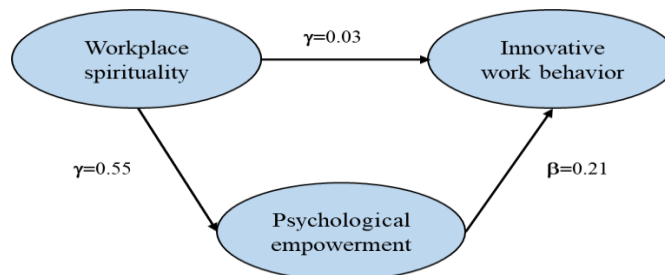
Mediation Effect Test

There is an effect of proactive behavior on innovative work behavior through psychological empowerment as a mediator for IFSA gen Y employees.



SEM results show that the indirect effect of proactive behavior on innovative work behavior through psychological empowerment is 0.0924 with a t count of 1.99. The t-count value of 1.99 is greater than t-table (1.96) then rejecting H0 means that it is proven that psychological empowerment is significantly capable of being a mediator of the influence of proactive behavior on innovative work behavior.

Workplace spirituality has an influence on innovative work behavior through psychological empowerment as a mediator of gen Y employees at IFSA.



The SEM results show that the indirect effect of workplace spirituality on innovative work behavior through psychological empowerment is 0.12 with a t count of 2.08. The t value of 2.08 is greater than t table (1.96), it is rejected Ho. It shows that psychological empowerment mediates the influence of workplace spirituality on innovative work behavior.

CONCLUSION

The conclusion of this study shows a direct and significant effect of proactive behavior on innovative work behavior of gen Y employees at IFSA. There is no significant influence of workplace spirituality on innovative work behavior of gen Y employees at IFSA. Psychological empowerment has a significant effect on the innovative work behavior of gen Y employees at IFSA. Proactive behavior has a significant influence on psychological empowerment of gen Y employees at IFSA. There is a significant effect of workplace spirituality on psychological empowerment of gen Y employees at IFSA. Proactive behavior has a significant effect on innovative work behavior through psychological empowerment of gen Y employees at IFSA. There is a significant influence of workplace spirituality on innovative work behavior through psychological empowerment of gen Y employees at IFSA.

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