

**PSYCHOLOGICAL EMPOWERMENT ON EMPLOYEE CREATIVITY IN
PT. BNI (PERSERO) TBK. MAIN BRANCH OFFICE MANADO**

by :

**Sabathine Nelly Koleangan¹
Ferdinand Tumewu²**

^{1,2} Faculty of Economics and Business
International Business Administration (IBA) Program
University of Sam Ratulangi Manado

email: ¹nellysk@gmail.com
²ferdinandtumewu@yahoo.com

ABSTRACT

Creative employees are important in order to fulfill the increasingly demanding of work environment. The managers need to empower employees so they could have confidence in perform the work creatively. By empower from managers the employees will have psychological empowerment from themselves. Psychological empowerment can increase employee motivation in the work and produce creative results for the company. The purpose of this study is to analysis the influence of impact, choice, competence, and meaning on employee creativity simultaneously and partially. This research used quantitative method by use multiple linear regression analysis. The population is the employees in BNI Main Branch Office Manado with sample 75 respondents. Result showed that impact, choice, competence, and meaning influence simultaneously and partially on employee creativity. This study suggests that the managers in BNI Main Branch Office Manado to empowering or motivates the employees, giving privacy to employees in how to do their work by giving choice to choose the method of working, placed the employees in right division according to their competence, and hired the employees that really want to work because of their passion. If psychological empowerment implemented properly, it can improve the performance of creativity, productivity and employee satisfaction.

Keywords: *creativity, empowerment, psychological empowerment*

INTRODUCTION

Research Background

Humans are one of the most reliable sources of a company's performance, efficiency, and effectiveness. Increasingly complex work processes challenging employees to compete to produce great results for the company. Employees are required to have an additional value to face the change and competition in the world of work.

Nowadays, many managers realized the importance of employees to be creative because creative employee usually seeing something in a different way, have a sense of curiosity in the work, will not stop trying if they're fail. Based on experience managers want the employee have to be creative in doing their job. It is important considering because when the employees are creative then it will influence to the result of work outcomes. Every person has different creativity, but most of the employees usually follow the rule and they don't have encouraged showing that they are creative. In this case the managers must empowered the employee so they could have confidence in perform the job.

The roles of employee empowerment are necessary in order to show the performance of the creativity of employees. Managers need to empower their employees because they are the people who know the creativity of the employees and the managers has a huge influence on the creative could happen. In a world of global competition, change, and the high quality of the employees, empowerment has become almost sacred. Empowerment becomes the term commonly used by environmental managers. Managers realized if they give

empower well to employee it can result to the satisfactory results for the company. By empower from managers the employee will have a psychological empowerment from themselves.

Spreitzer (1995) explained psychological empowerment is an important concept to consider when dealing with changes in the workplace and improve performances. Psychological empowerment can increase employee motivation to engage in the work and produce creativity results for the company. If psychological empowerment implemented properly, it can improve the performance of creativity, productivity and employee satisfaction. Spreitzer (1995) claimed that psychological empowerment has four dimensions of impact, competence, choice, and meaning. Psychological empowerment process not only required by manager to obtain satisfactory results for the company, but also useful to look at the quality of work life of employees themselves.

One of the leading banks in Indonesia which is Bank National Indonesia (BNI) was fourth in the Indonesian banking sector by assets, loans and deposits. The data from BNI (*Bank National Indonesia:2014*) showed the total employees in BNI are 24.861 people in Indonesia. From the large number of employees, BNI always empower the employees well. It aims to always strive to be the bank of choice by providing excellent service and value-added solutions for all customers. BNI managers realize the importance of psychological empowerment in order to improve employee performance and creativity, based on observations every Tuesday and Wednesday manager in BNI Main Branch Office Manado empowers employees by providing briefings and motivation. With employee empowerment then they will have psychological empowerment from themselves, the employee will have creative thinking in order to achieve company goals, employee satisfaction, and satisfactory service to customers. This study will be conducted to determine employee creativity and psychological empowerment on employees at BNI Branch Office Manado. Based on the explanation, this study will analyze "Psychological Empowerment on Employee Creativity in PT. BNI (Persero) Tbk. Main Branch Office Manado".

Research Objective

The objectives of this research are to analyze the influence of:

1. Psychological empowerment namely impact, choice, competence, and meaning on employee creativity in BNI Branch Office Manado simultaneously.
2. Impact on employee creativity in BNI Branch Office Manado partially.
3. Choice on employee creativity in BNI Branch Office Manado partially.
4. Competence on employee creativity in BNI Branch Office Manado partially.
5. Meaning on employee creativity in BNI Branch Office Manado partially.

THEORETICAL FRAMEWORK

Human Resource Management

Snell and Bohlander (2010:4) explained human resource management (HRM) is the process of managing human talent to achieve an organization objective. Meanwhile Beer et al (1984:1) defined human resource management involves all management decisions and actions that affect the nature of the relationship between the organization and employees its human resources.

Empowerment

Fetemeh et al (2013) explained empowerment as a delegation of authority in organization that this delegation of authority in organization that this delegation should have been seen in organizational role.

Speitzer and Quinn (1999) claimed that empowerment is a complex context d empowerment tends to mean different things to different people and also found that the fact, there are two very contrasting world views or perspectives that come into conflict when people think about empowerment, when the organization had become unresponsive to the changing needs of the external business environment, it is concluded that the organization needed to empower their workforce and proceeded to make empowerment a top priority in their business plan.

Psychological Empowerment

In 2008 Spreitzer defined psychological empowerment refers to a set of psychological states that are necessary for individuals to feel a sense of control in relation to their work rather than focusing on managerial practices that share power with employees at all levels, the psychological perspective is focused on how employees experience their work. Spreitzer and Quinn (1999) defined psychological empowerment is a motivational construct manifested in four cognitions: meaning, competence, self-determination (choose), and impact.

Creativity

Amabile (1996) assumes creativity is the production of novel and useful ideas in any many domains in other words in order to be considered creative, a product or an idea must be different from what has been done before. John J. Kao (1989) stated that creativity has been defined as: "It is a human process leading to a result which is novel (new), useful (solves an existing problem or satisfies an existing need), and understandable (can be produce)".

Employee Creativity

Amabile et al (1996) explained all employees can add value creatively; organizations should do what they can to equip employees to persist creatively and also businesses have long been concerned with boosting employee creativity to achieve better results. Moreover Amabile et al (1996) determined there are three component model of creativity which is expertise, creativity skills, and task motivation.

Previous Research

Xiaomeng Zhang, and Kathryn M. Bartol (2010) found that results of the study shows empowering leadership and leader encouragement of creativity indicate significant better fit. Charly Webster (2006) found that psychological empowerment is an important intervening variable in order to show employee creativity and performance. Azlin Ayob, Siti Rohaida Mohamed Zainal (2011) found that the result psychological empowerment very vital not only to ensure long term survival of medium industry but also to encourage the emergence of new SMEs in particular relating to manufacturing industries.

Conceptual Framework

Figure 1. Conceptual Framework

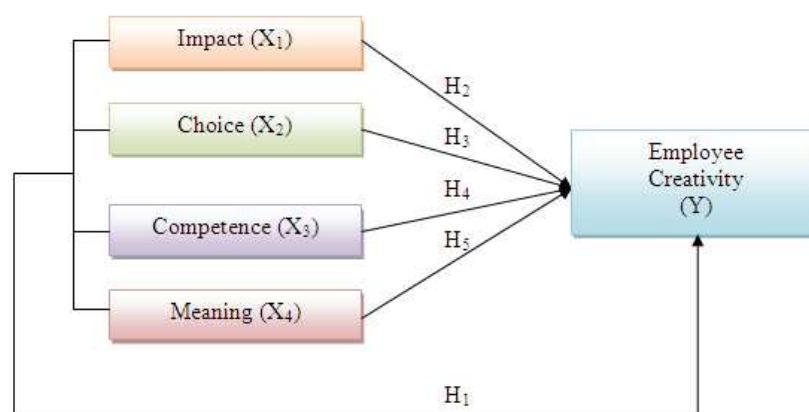


Figure 1. Conceptual Framework

Source: Theoretical Review 2014

Hypothesis

- H₁: Impact, Choice, Competence and Meaning are influences on employee creativity simultaneously
- H₂: Impact is influence on employee creativity partially
- H₃: Choice is influence on employee creativity partially
- H₄: Competence is influence on employee creativity partially
- H₅: Meaning is influence on employee creativity partially

RESEARCH METHOD

Type of Research

The research that involves finding the effect of one thing on another or the effect of one variable to another, therefore it is a Causal Research.

Place and Time of Research

This study is conducted PT. Bank Negara Indonesia (Persero) Tbk., Main Branch Office with address: Jl. Dotulolong Lasut Kompleks Pasar 45 Manado (Depan Taman Kesatuan Bangsa). This research will be conducted in Manado between June to July 2014.

Population and Sample

The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran and Bougie, 2009:262). The populations of this research are the employees in BNI Main Branch Office Manado. Total populations of employees in BNI Main Branch Office Manado are 100 employees. This research takes 75 respondents from the employees in BNI Branch Office Manado.

Data Collection Method

Sekaran and Bougie (2009:184) explained that data collection methods are an integral part of research design, which are interviewing, questionnaire, observation, unobtrusive method. This research used interviewing, questionnaire and observation.

Data Analysis Method

Validity and Reliability Tests

To analyze the validity of questionnaire, Pearson Product Moment is used. Validity is how well an instrument that is developed measure the particular concept it is intended to measure (Sekaran and Bougie, 2009:157). An instrument measure is valid if the instrument measure what is supposed to be measured. Sekaran and Bougie (2009:157) explained Alpha Cronbach is reliable coefficient that can indicate how good items in asset have positive correlation one another.

Multiple Linear Regressions

Multiple regression is a flexible method of data analysis that may be appropriate whenever a quantitative variable (the dependent or criterion variable) is examined in relationship to any other factors. Multiple Regression is regression model that using more than one independent variable (Levine et al., 2011; 556). The formula of multiple regression models in this research is shown as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Description:

Y	= Employee creativity	b1, b2, b3, b4	= Regression coefficient
X ₁	= Impact	a	= constant
X ₂	= Choice	e	= error
X ₃	= Competency		
X ₄	= Meaning		

RESULT AND DISCUSSION

Validity and Reliability Test

The research instrument can be seen as valid or not by comparing correlation index in Pearson Product Moment with significance level of 1%. If probability of correlation is less than 0.01 (1%) then the research instrument is stated as valid. If the correlation index is greater than 0.3 and below the significance level of 1%, therefore, the data is considered as valid. All of the Item-to-total correlation (Column Y) value is >0.01, which indicates that the data for variable Y is valid. Reliability test is done by determining the value of Cronbach Alpha. The minimum value of Cronbach Alpha must be 0.6 or it is better if the value is above 0.6. The table shows the value of Cronbach Alpha is 0,958 it means the instruments used in this research is reliable or accurate and can be trusted.

Table 1. Validity Statistics

	Impact	Choice	Competence	Meaning	Employee Creativity
Impact	1	.761**	.853**	.890**	.915**
Choice	.761**	1	.734**	.740**	.802**
Competence	.853**	.734**	1	.834**	.874**
Meaning	.890**	.740**	.834**	1	.903**
Employee Creativity	.915**	.802**	.874**	.903**	1

Source: SPSS data processed, 2014

Table 2. Reliability Statistics

Cronbach's Alpha	N of Items
.958	5

Source: SPSS data processed, 2014

Classical Assumption Test

Table 3. Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
Impact	.158	6.316
Choice	.387	2.587
Competence	.235	4.249
Meaning	.183	5.461

a. Dependent Variable Employee Creativity

Source: SPSS data processed, 2014

The values of TV and VIF for Impact (X1) are 0.158 and 6.316; the value Choice (X2) is 0.387 and 2.587; the value Competence (X3) is 0.235 and 4.249; the value Meaning (X4) is 0.183 and 5.461. Since TV of Impact (X1), Choice (X2), Competence (X3), and Meaning (X4) are above 0.10 and VIF value are less than 10 shows that this research is free from multicollinearity.

Heteroscedasticity

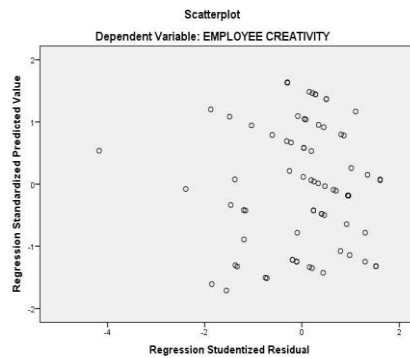


Figure 2. Heteroscedasticity Test Output
 Source: SPSS data processed, 2014

Figure 2 shows the result of Heteroscedasticity, it can be seen that the pattern of dots is spreading and not making clear pattern, above and below 0 (zero) in ordinate, this means or proves the model is free from Heteroscedasticity, there is no Heteroscedasticity in this regression.

Normality

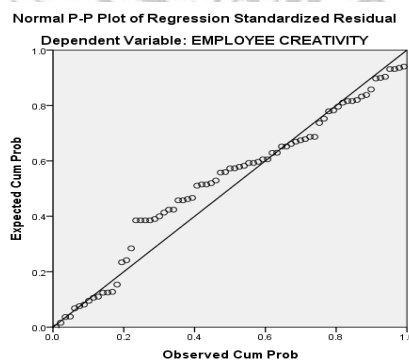


Figure 3. Normality Test Output
 Source: SPSS data processed, 2014

Figure 3 shows that the dots are spreading near the diagonal line and follow the direction of the diagonal line. Therefore, the data is distributed normally.

Multiple Regression Analysis

Multiple Linear Regression model is used to determine the effect of several independent variables on dependent variable and the calculation process of correlating the analysis and multiple regressions was done using SPSS 20 Program. The computerized calculation ensures the accuracy of the analysis.

Table 4. Multiple Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.948	.573		5.144	.000
Impact	.408	.112	.343	3.624	.001
Choice	.159	.059	.165	2.715	.008
Competence	.221	.083	.208	2.670	.009
Meaning	.363	.106	.302	3.429	.001

a. Dependent Variable: Employee Creativity
 Source: SPSS data processed, 2014

The Equation is as follows: $Y = 2.948 + 0.408 X_1 + 0.159 X_2 + 0.221 X_3 + 0.363 X_4$

1. Constant (α) 2.948 shows the influence to relationship between Impact (X_1), Choice (X_2), Competence (X_3), Meaning (X_4), to Employee Creativity (Y).
2. Variable X_1 (Impact) have an influence to Y (Employee Creativity) is 0.408,
3. Variable X_2 (Choice) have an influence to Y (Employee Creativity) is 0.159,
4. Variable X_3 (Competence) have an influence to Y (Employee Creativity) is 0.221,
5. Variable X_4 (Meaning) have an influence to Y (Employee Creativity) is 0.363.

Table 5. Table R and R²

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.949 ^a	.900	.895	.72802

a. Predictors: (Constant), Impact, Choice, Competence, Meaning

Source: SPSS Data processed 2014

The table above shows the correlation value is 0.949. This value can be interpreted that the relationship between the 4 variables are strong relationship. Through this table also obtained the value of R Square or coefficient of determination that indicates how well the regression model formed by the interaction of the independent variables and the dependent variables. Determination coefficient value obtained was 90.0 %, which can be interpreted that the independent variables X_1 Impact, X_2 Choice, X_3 Competence, X_4 Meaning has the effect of a contribution of 90.0 % to variable Y Employee Creativity and the 10.0 % influence by other factors than the variable X_1 , variable X_2 , variable X_3 , and variable X_4 .

Hypothesis Testing

Table 6. F-test Result

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	335.566	4	83.891	158.281	.000 ^b
Residual	37.101	70	.530		
Total	372.667	74			

a. Dependent Variable: Employee Creativity

b. Predictors: (Constant), Impact, Choice, Competence, Meaning

Source: SPSS data processed, 2014

In this study $F_{\text{count}} > F_{\text{table}}$ (F_{count} bigger than F_{table}), then the regression model can be, $158.281 > 2.733$ then H_0 is rejected and H_1 is accepted. It means the regression model can be used to declare that the Independent variables X_1 (Impact), X_2 (Choice), X_3 (Competence), and X_4 (Meaning) simultaneously influence the dependent variable Y (Employee Creativity). Thereby, hypothesis is accepted.

Table 7. T-test Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.948	.573		5.144	.000
Impact	.408	.112	.343	3.624	.001
Choice	.159	.059	.165	2.715	.008
Competence	.221	.083	.208	2.670	.009
Meaning	.363	.106	.302	3.429	.001

a. Dependent Variable: Employee Creativity

Source: SPSS data processed, 2014

1. Impact and Employee Creativity
 T_{count} value on variable Impact (X_1) is equal to 3.624 and T_{table} is 1.992.
 $T_{\text{count}} > T_{\text{table}}$ H_0 is rejected and H_2 is accepted.
 Impact (X_1) is significantly influenced partially to Employee Creativity (Y)
2. Choice and Employee Creativity
 T_{count} value on variable Choice (X_2) is equal to 2.715 and T_{table} is 1.992.
 $T_{\text{count}} < T_{\text{table}}$ H_0 is accepted and H_3 is rejected.
 Choice (X_2) is significantly influenced partially to Employee Creativity (Y)
3. Competence and Employee Creativity
 T_{count} value on variable Competence (X_3) is equal to 2.670 and T_{table} is 1.992.
 $T_{\text{count}} > T_{\text{table}}$ H_0 is rejected and H_4 is accepted.
 Competence (X_3) is significantly influenced partially on Employee Creativity (Y).
4. Meaning and Employee Creativity
 T_{count} value on variable Meaning (X_4) is equal to 3.429 and T_{table} is 1.992.
 $T_{\text{count}} > T_{\text{table}}$ H_0 is rejected and H_5 is accepted.
 Meaning (X_4) is significantly influenced partially on Employee Creativity

Discussion

This research makes four distinct contributions. First, this research found that impact is influence on employee creativity. This result is supported by previous research of Webster (2006) which also found that impact is influence on employee creativity. Based on result of multiple regression analysis, impact is influence on employee creativity. The result of impact shows the employee of BNI Main Branch Office Manado will feel have an impact when the company really needs employee contribution on working environment or the work will not running well without them then employees will produce best result to company and become more creative in do their job. Zhang and Bartol (2010) also show that if employees have an impact to company then the employee will become creative but they also assumed empowering or giving motivation from the leadership also helping employees will become creative. Researchers suggested the managers should make the employees feel that they are important to company and also working environment, by giving them an empowering or motivation and also give employees huge contribution in their work then the employee will have processes that an individual are important and have a responsibility to company then employees will producing creative outcomes.

Second, this research found that choice is influence on employee creativity. On previous research by Webster (2006) also shows choice has an influence to employee creativity significantly. Based on result of multiple regression analysis, choice is influence on employee creativity. The result of choice shows that the employees of BNI Main Branch Office Manado have freedom to choose the method of working which is mean the employees have choice in doing their work. Researchers suggested to always giving privacy to employees in how to do their work and how to done their work by giving freedom to choose the method of working and it will influence to the outcomes. It is important to considering because will influence to the outcomes it will be creative or monotone.

Third, this research found that competence is influence on employee creativity. The previous research of Webster (2006) also evokes a positive relationship between competence and employee creativity. Based on result of multiple regression analysis, competence is influence on employee creativity. The result of competence on employees of BNI Main Branch Office Manado seemed to positively approve that their competence, and confidence of their job will influence to their creativity. Meanwhile another previous research by Zhang and Bartol (2010) said psychological empowerment in variable competence is influence to employee creativity by helping from the leader to empowering then the employee will gain confidence; emphasize the importance of employees work. So, the researcher suggests the managers should placed the employee in right division according to their competence because when the employees who are competence in do their job makes them have a self-efficacy which is increased individual motivation to pursue unique or original ideas then lead to creative outcomes and also to involved in adapting organizations so the employees can respond to rapidly changing environments.

Fourth, this research found that meaning is influence on employee creativity. Webster (2006) as a previous research also proved that meaning is important influence to employee creativity because employee is expected to be satisfied as long as the employee considers the work as meaningful. Based on result of multiple regression analysis, meaning is influence on employee creativity. The employees of BNI Main Branch Office Manado obviously will give best result when they have purpose, responsibility, and enjoying with their job of feel that they job is meaningful to themselves. This is mean that the employee have a purpose to company, and proactive in executing their job responsibilities because they can see their influence in their work environment in meaningful ways. Researcher claimed meaningful is really important because individuals will increase their concentration, initiative and resiliency toward work tasks, engage in initiating behaviors with greater levels of effort, persistence, commitment, involvement, flexibility, creativity, motivation and self regulation when they feel that the job is meaningful to themselves. So it is highly recommended that the managers should hired the employee that really want to work because of their passion in that job so when the employees working they will not have pressure otherwise employees are enjoyable in doing their job and will influence to the work outcomes.

CONCLUSION AND RECOMMENDATION

Conclusion

There are five constructive findings that can be concluded from overall result in this research, which are listed as follow:

1. Psychological empowerment namely impact, choice, competence, and meaning are influence on employee creativity in BNI Main Branch Office Manado simultaneously.
2. Impact is influence on employee creativity in BNI Main Branch Office Manado.
3. Choice is influence on employee creativity BNI Main Branch Office Manado.
4. Competence is influence on employee creativity BNI Main Branch Office Manado.
5. Meaning is influence on employee creativity BNI Main Branch Office Manado.

Recommendation

The result and conclusion of the research, the recommendations given are as follow:

1. To the future researcher, it is suggested that the future researcher should consider reinvestigating the influence of psychological empowerment on employee creativity in order to enhance the human resource.
2. To the company, it is recommended to empowering or motivates the employees, giving privacy to employees in how to do their work by giving choice to choose the method of working, placed the employee in right division according to their competence, and hired the employee that really want to work because of their passion.

REFERENCES

- Amabile Teresa M., January 5, 1996. Creative and Innovation in Organization. Harvard Business School. Available on: <http://www.hbs.edu/faculty/Pages/item.aspx?num=13672>. Retrieved on May 5th, 2014 Pp.1-15.
- Amabile Teresa M., Regina Conti, Heather Coon, Jeffrey Lazenby, Michael Herron., October, 1996. Assessing the Work Environment for Creativity. *The Academy of Management Journal*. Available on: <http://people.wku.edu/richard.miller/amabile.pdf>. Retrieved on May 5th Pp. 1154-1184.
- Azlin Ayob, Siti Rohaida Mohamed Zainal., 2011. The Role of Psychological Empowerment on Employees Creativity: the Development of Conceptual Framework. *Journal of International Conference on Economics, Business and Management IACSIT Press*, Singapore. Vol.22, available on: <http://www.ijmos.net/wp-content/uploads/2013/09/Ahmadi-et-al.pdf>. Retrieved on May 3rd, 2014 Pp.118-122.

- Bank Negara Indonesia, 2014. Kantor Cabang Utama Manado. Available on: www.bni.co.id. Retrieved on May 7th, 2014.
- Beer, M., Spector, B., Lawrence, P.R., Mills, D.Q., Walton, R.E., 1984. *A conceptual overview of HRM Managing human assets*. Free Press, New York.
- Fatemeh Zaersabet, Jafar Ahangaran, and Mehrdad Goudarzvand Chegini., 2013. Empowerment And Leadership Style With New Approach In Organizations. *Arabian Journal of Business and Management Review*. Vol 3. Available on: www.arabianjbm.com/pdfs/OM_VOL_3.../10.pdf. Retrieved on May 4th 2014 Pp.88-93
- John J. Kao., 1989. *Entrepreneurship, Creativity, and Organization*. Library of Cataloging-in-Publication Data. Harvard Business School Publishing Division.
- Levine David M., David F. Stephan, Timothy C. Krehbiel, and Mark L. Berenson., 2011. *Statistics For Managers Using Microsoft Excel Sixth Edition*. Pearson Inc., publishing as Prentice Hall, New Jersey.
- Sekaran Uma and Roger Bougie., 2009. *Research Method for Business A skill Building Approach Fifth Edition*. John Wiley & Sons Ltd, United Kingdom.
- Snell, S. and George Bohlander., 2010. *Principles of Human Resource Management 15th Edition*. South-Western Cengage Learning, Canada.
- Spreitzer Gretchen., 1995. Psychological Empowerment In The Workplace: Dimensions, Measurement, and Validation. *Academy of Management Journal*. Vol.38 No. 5, available on: <http://webuser.bus.umich.edu/spreitze/Pdfs/PsychEmpowerment.pdf>. Retrieved on May 5th, 2014 Pp.1442-1465.
- Spreitzer, Gretchen and Robert E. Quinn., February 1999. "The Road To Empowerment: Seven Questions Every Leader Should Consider". *Organization Dynamic*. Available on: <http://webuser.bus.umich.edu/spreitze/Pdfs/7%20questions%20org%20dynam.pdf>. Retrieved on May 5th, 2014 Pp.37-49.
- Spreitzer Gretchen., March 26, 2008. Taking Stock: A Review of More Than Twenty Years of Research on Empowerment at Work". *Barling: Organizational Behavior*. Available on: <http://webuser.bus.umich.edu/spreitze/Pdfs/handbook%20of%20ob%20empowerment.pdf>. Retrieved on May 5th, 2014 Pp.54-72.
- Webster Carly., 2006. An Empirical Analysis of the Relationships between the Interactive Use of Performance Measurement Systems, Creativity and Performance: The Intervening Role of Psychological Empowerment. *Article Department of Accounting and Finance Monash University*. Available on: <https://research.mbs.ac.uk/.../0/.../CarlyWebster.pdf>. Retrieved on May 3rd, 2014, Pp.1-34.
- Zhang Xiaomeng and Kathryn M. Bartol., 2010. Linking Empowering Leadership And Employee Creativity: The Influence Of Psychological Empowerment, Intrinsic Motivation, And Creative Process Engagement. *The Academy of Management Journal*. Available on: <http://www.buec.udel.edu/beckert/BUAD%20870%2012F/Presentation%204%20Empowerment.pdf>. Retrieved on May 3rd, 2014, Pp.107-128.