

CHAPTER I

INTRODUCTION

A. Research Problem

Changes becomes an issue that will always face by every organization. The rapid change of social environment and the advance of technological movement cause the organization need to adapt quickly with the situation. Organizations must have high resilience in adjusting to an extremely changing business environment (Palupi, 2020). Organization also must own strategic decision to achieve sustainability. According to Moghimi and Subramaniam (2012) organization need to introduce more innovation in their business to be successful and survive in facing challenging and dynamic working environment. By having the innovation, organization will have more opportunity to be sustainable.

By the end of year 2019, there was an unexpected phenomenon that changes social activity to all people around the world. The world society was surprised by the emergence of dangerous virus named Corona Virus Disease 2019 (Covid19). First appeared in Wuhan Province, Republic of China, the virus has been spread quickly and out of control. It makes World Health Organization (WHO) classified this virus as a pandemic. Noted until August 2020, the virus did not disappear yet from the world. The situation forces the stake holder must find the solution. As a result, certain policy has been taken to reduce the spread of virus both in individual level and organizational level. In individual level, it is compulsory to wear mask everywhere, keep the distance among others, and wash the hand after doing activity. While in organizational level, it is

compulsory to reduce the number of people in the same place. Most organization are implementing work from home as a policy to reduce the number of people in the office. Covid-19 not only challenge most people to fight against it, but also change human behavior since the beginning. This phenomenon appears unexpectedly and give significant change to almost all activity.

One of institution that received a significant influence of pandemic Covid-19 is university. University is not allowed to conduct lecture in the class during this situation to reduce the risk of virus spread. Based on Press Release number 137/sipres/A6/VI/2020 by Ministry of Education and Culture Republic of Indonesia, learning method for higher education in all zone must be conducted online for theoretical courses. Both lecturer and student can access the class from home. Not only class activity, all activity that include a group of people also not allowed to be conducted inside the university. The activity such as graduation ceremony, student admission test in class, conference, and so on must be delayed due to the situation. It is a new challenge for the university to face unexpected rapid change that just happening. University must be able to survive and keep its quality even in undesirable moment.

Although the ability of organization to sustain and innovate a competitive advantage might be determined by various factor, innovation is often rooted in the creative ideas of individual employees (George, 2001). Creativity has been considered as the most critical contribution that employee can give today based on practical perspective (Joo and Bennet III, 2018). According to Thiruvankadam and Kumar (2018) the first step for creating innovation is by

having creative idea, which leads to the new program's achievement, tangible product, and intangible services successfully. Creative employees are expected to provide creative notion to improve their performance and organization performance. They can also help an organization or company to compete in the market with strong competitiveness and long last time and exist in the market (Palupi, 2020). Thus, it is important for organization to have creative employee to enhance innovation and sustainability that are useful for organization to compete globally.

Considering innovation as a key to enhance sustainability of organization, university must own creative lecturer to create creative innovation. George and Zhou (2001) defined Creativity as a starting point of innovation which is the result of novel and useful ideas productions. In accordance with Amabile (2012) who defined creativity as an open-ended task solution which produced by a novel and appropriate response, solution, or product. Many of organizations have used some effort to generate innovation and creativity by involving employees in decision making process, paying attention to employees' opinion, or recruiting and staffing personnel with creative characteristic (Moghimi and Subramaniam, 2012). Moreover, they added that a lot more step is required to achieve organizational creativity and innovation. In their research, Moghimi and Subramaniam (2012) used organizational climate to provide suitable environment for creativity and innovation. The result indicate that three organizational climate components significantly predict employee's creative behavior such as resource, mission clarity, and leaders' support. Based on the

limitation of its result, other factor or variables can also be included in the study since creative behavior can be encourage by many different aspects of working environment. Therefore, working environment has a role to encourage creative behavior in organization.

The emergence of Covid-19 has been changing the work environment. The work environment become more flexible due to the digitalization of work for on almost all sector including in the university. Since the work from home has been applying, online activity such as video conference, virtual meeting, and online learning become some common activity in the daily life. As a result, lecturer has more possibility to arrange their work more flexible. According to Deshwal (2015) flexible work arrangement refers to working model that different with regular working model which include changes on the hour of employee work, the required duration of work, or the place of work. In accordance with Carlson et al., (2010) who defined flexible work arrangement as a formal policy that applied by resource management or informal arrangement regarding with flexibility in a company which means choosing place and time for work, both formal or informal, that facilitated employee on how long (time flexibility), when (timing flexibility), and where (Place Flexibility). Therefore, the policy of work-from home during pandemic gives opportunity for the lecturers to applying flexible work arrangement.

Flexible work arrangement has been considered by a lot of organization as family-friendly policy (Shagvaliyeva and Yazdanifard, 2014). Shagvaliyeva and Yazdanifard (2014) also added that the implementation of flexible work-

arrangement facilitates employees more convenience to plan their work. Its benefit gives more opportunity for the employee to have work-life balance. According to Greenhouse et al., work-life balance refers to “the extent to which an individual is equally engaged in – and equally satisfied with – his or her work role and family role”. Kim (2014) viewed that the employee practice of work-life balance in the workplace leads employees to consider responsibilities to contribute to organization and this experience is the result of organizational effort for the employees’ well-being. With the work-life balance, employees can have a personal’s ability to meet commitments to work and family, including the duties and activities of the other non-work (Parkers and Langford, 2008). Thus, the implementation of flexible work arrangement can give more benefit than convenience planning in arranging work.

The study of work setting and policy in the workplace is still interesting. Several studies indicated that work-setting and policy has significantly influence many outcomes within the company (Dutcher, 2017; Capnary et al., 2018; Mustajab et al., 2020). Work creativity is one of the ever-growing important outcomes in organizational studies so that organizations are attempted to build creativity of work (Palupi, 2020). Moreover, the concept of creativity has interested both practitioners and scholars in management and organizational psychology topics (Joo and Bennet, 2018). Researcher viewed pandemic covid-19 which changed the work setting and policy become more flexible will be an interesting factor that might influence creative behavior of employee specifically to the lecturer in university area.

Universitas Muhammadiyah Yogyakarta (UMY) is one of the biggest private university in Indonesia who get an impact from pandemic covid-19. In response to the pandemic covid-19 situation, UMY has been applying several actions to reduce the spread of its virus such as implementing virtual learning and improve health protocol in university area. Due to the massive implementation of virtual learning, lecturers of UMY can be more flexible in conducting learning process. Although the policy gives some convenience in arranging the lecturers work, this is also become a challenge for the lecturers to face a significant change on learning process. Lecturer must be able to act creatively so that student can get better understanding in accepting material given. In addition, besides being a learner for university student, some lecturers also have other responsibility in university/faculty structure. It is important for those who have its responsibility to find creative solution in facing significant change during pandemic covid-19. Pandemic covid-19 become a current challenge for university development.

Based on the explanation above, it concluded that creativity has been consider as an important factor in facing change in organizations. Pandemic covid-19 has changed the working style of lecturer at UMY become more flexible. By this reason, researcher is interested to explore the influence of flexible work arrangement during pandemic covid-19 toward creative behavior on lecturer of UMY. Previous research stated that the implementation flexible work arrangement gives a positive influence on work-life balance (Shagvaliyeva and Yazdanifard, 2014; Capnary, 2018). However, there has been no research

that specifically proved the influence of flexible work arrangement toward creative behavior. Thus, researcher will bring this research with the title: **“Flexible Work Arrangement and Its Influence on Creative Behavior During Covid-19 Outbreaks: Mediating Role of Work-Life Balance (Study on Lecturer at Universitas Muhammadiyah Yogyakarta)”**

B. Formulation of Problem

To provide a reference for this research to be carried out properly, there needs to be a formula of problems made based on the background that has been described before. Based on the description above, the problems that can be raised in this study are:

1. Does flexible work arrangement have a positive influence on creative behavior?
2. Does work-life balance mediate the influence between flexible work arrangement and creative behavior.

C. Research Purpose

From the formulation above, it can be described the purpose of the research as follows:

1. To test, identify, and analyze the influence of flexible work arrangement creative behavior.
2. To test, identify, and analyze the influence of work-life balance as mediating variable between flexible work arrangement and creative behavior.

D. Benefit of Research

1. Theoretical Benefit

This research is expected to contribute scientific studies and diversity of literature on creative behavior in individuals which influenced by flexible work arrangement with work-life balance as mediator variable.

This research is also expected to complete previous referenced studies.

2. Practical Benefit

This research is expected to be a reference to dissecting the influence of flexible work arrangement on creative behavior in individuals with work-life balance as mediator variable. Especially for college lecturers.

3. Benefit for Researcher

This research comes as a means of self-development and graduation requirement to pursue a bachelor's degree. Thus, it is expected to provide positive experience and learning to create competent scholar in academic field.