

CHAPTER I

INTRODUCTION

A. Research Background

In the ever-evolving dynamics of modern business, organizations are not only measured from a financial perspective, but also by the quality of the relationship between the organization and employees. An in-depth understanding of the key role of Perceived Organizational Support in shaping a productive and sustainable work environment is becoming increasingly important. Perceived Organizational Support encompasses a range of initiatives and policies designed to provide assistance, direction and facilities to employees, both in the context of their work and personal lives. Since the introduction of Perceived Organizational Support theory (Eisenberger et al., 1986), the understanding of the importance of positive relationships between organizations and employees has continued to grow.

Perceived Organizational Support is not just a form of practical assistance, but also includes social, emotional, and career aspects. Recognition of the value of employees as strategic assets in achieving organizational goals has encouraged organizations to build a solid foundation of support. Perceived Organizational Support is a series of actions and policies implemented by an organization to provide assistance, facilities, and a supportive environment to employees in order to achieve common goals. This support covers various aspects, both in the context of work and employees' personal lives (Subrahmanian et al., 2014).

According to (Chuang et al., 2023), Perceived Organizational Support is described as a belief from employees that the organization values their contributions and cares about their welfare. Perceived Organizational Support is an important concept

in the management literature because it Perceived Organizational Support provides an explanation of the relationship between organizational treatment, attitudes, and behaviors of employees toward their jobs and organizations, and employee behavior towards their work and organization. (Neck et al., 2019) said that Perceived Organizational Support is an effort to reward, reward, and reward employees for their work and organization. Perceived Organizational Support is an effort to reward, attention, and expectations to employees where Perceived Organizational Support can be used to see employee expectations that the organization will see employees' expectations that the organization will provide sympathetic understanding and material assistance to deal with stressful situations at work or at home, which will help the need for emotional support. help with the need for emotional support.

This research explores the nexus between Perceived Organizational Support, employee creativity, and the mediating role of proactive personality. Perceived Organizational Support encompasses a spectrum of mechanisms, policies, and initiatives designed to enhance employees' well-being, job satisfaction, and overall work experiences. This study posits that a supportive organizational environment can significantly influence an employee's creative potential.

In the dynamic landscape of contemporary organizations, fostering employee creativity has become a crucial element for sustainable growth and competitive advantage. Recognizing the multifaceted nature of creativity and its impact on innovation, organizations are increasingly turning their attention towards understanding the intricate interplay of individual traits and environmental factors that contribute to creative outcomes in the workplace. According to (Torrance, 1981) creativity is the process of an individual's ability to understand gaps or obstacles in his life, formulate new hypotheses and communicate the results, and wherever possible modify and test

the hypotheses that have been formulated (Si et al., 2023). Employee creativity is a valuable asset for organizations in today's competitive business environment. Creativity in the workplace enables employees to generate new ideas, solve complex problems, and innovate processes and products (Palupi, 2020). It leads to increased productivity, improved employee morale, and can give organizations a competitive edge. Several factors influence employee creativity, including organizational culture, leadership style, and the work environment. Organizations that encourage risk-taking, reward creativity, and provide opportunities for collaboration and knowledge sharing are more likely to have creative employees (Gonlepa et al., 2023). In order to harness the full potential of employee creativity, organizations must invest in training and development programs that focus on enhancing creativity skills. By providing employees with the tools and resources they need to be creative, organizations can unlock innovation and drive growth.

According to (DuBrin, 2014) the proactive personality of individuals has gained prominence as a key psychological factor influencing their behavior and responses within organizational settings. Proactive individuals exhibit a propensity for taking initiative, anticipating and actively addressing challenges, and engaging in activities beyond their prescribed roles. This thesis seeks to unravel the role of proactive personality as a potential mediator through which Perceived Organizational Support impacts employee creativity. Proactive personality is a term used in psychology to describe individuals who are actively and energetically engaged in shaping their environment and taking initiative to effect positive change (Wang et al., 2021). People with proactive personalities are characterized by their strong drive to achieve their goals, their ability to anticipate and take advantage of opportunities, and their willingness to take risks and confront challenges.

Research by (Alikaj et al., 2021) on proactive personality has shown that individuals with this trait are more likely to succeed in both their personal and professional lives. They are more likely to take on leadership roles, excel in their careers, and experience greater levels of job satisfaction. Additionally, proactive individuals are more likely to engage in positive behaviors, such as seeking out learning opportunities, building strong social networks, and actively pursuing personal growth and development. Overall, proactive personality is associated with increased levels of success, satisfaction, and well-being in various areas of life. This research provides valuable insights into the importance of taking initiative and harnessing one's proactive nature to achieve personal and professional success.

Existing research tends to focus on the direct influence of perceived organizational support on creativity or on the relationship between proactive personality and creativity. However, research that integrates the two factors to understand their combined influence on employee creativity is minimal, especially in a specific organizational context such as at Universitas Muhammadiyah Yogyakarta. As each organization has its own unique culture, values, and practices, research that looks at the relationship between perceived organizational support, proactive personality, and employee creativity in the specific context of Universitas Muhammadiyah Yogyakarta is particularly relevant. Factors such as university mission, leadership style, and organizational structure might influence the dynamics between perceived organizational support, proactive personality, and employee creativity.

The contemporary business environment demands not only adaptability but also an inherent ability to generate novel ideas and solutions. By examining the relationships between Perceived Organizational Support, proactive personality, and employee creativity, this research aims to contribute valuable insights to organizational

psychology and management practices. As organizations seek to unlock the innovative potential of their workforce, understanding the intricate dynamics at play becomes imperative for the development of strategies and interventions that effectively nurture and harness employee creativity. The research gap on Perceived Organizational Support, employee creativity and proactive personality is that often upper management does not pay enough attention to employee creativity and proactive personality. They focus more on achieving targets and less on individual needs and development. Some organizations still have a culture that is too formal and hierarchical, so employees find it difficult to come up with new ideas or innovate. This can hinder the development of employee creativity and proactivity. In addition, many studies tend to measure employee perceptions of organizational support for creativity without validating with data directly from the organization itself. This can create a gap between what employees perceive and the reality of the support provided by the organization. Research gaps can also arise from a lack of consideration of industry context and organization size. Support for creativity may mean different things in different industries or in large and small organizations. Existing research may not consider differences in leadership style or organizational culture that may influence employee perceptions of support for creativity. For example, does the organizational culture support risk-taking or failure. Based on the background and problems above, the researcher took the research title of The Effect of Perceived Organizational Support on Employee Creativity Via Proactive Personality at Universitas Muhammadiyah Yogyakarta.

B. Problem Formulation

1. Does perceived organizational support has a positive and significant effect on employee creativity?
2. Does perceived organizational support has a positive and significant effect on proactive personality?
3. Does proactive personality has a positive and significant effect on employee creativity?
4. Does proactive personality mediates the effect of perceived organizational support on employee creativity?

C. Research Purpose

1. To test whether there is an influence of perceived organizational support has a significant effect on employee creativity at Universitas Muhammadiyah Yogyakarta
2. To test whether there is an influence of perceived organizational support has a significant effect on Proactive Personality at Universitas Muhammadiyah Yogyakarta
3. To test whether there is an influence of proactive personality has a significant effect on employee creativity at Universitas Muhammadiyah Yogyakarta
4. To test whether there is an influence of proactive personality mediates the relationship between perceived organizational support and employee creativity at Universitas Muhammadiyah Yogyakarta

D. Benefits of Research

1. For Companies

With this research, it is hoped that it can provide valuable information regarding Perceived Organizational Support, employee creativity and proactive personality so that it is expected to help from strategic decision-making to creating a positive work environment, the insights gained from this research can have a positive impact on various aspects of organizational performance and contribute to long-term success.

2. For Academic

The results of this research are expected to be a reference for further research, especially in the field of human resources and provide information that can provide an overview for researchers related to Perceived Organizational Support, employee creativity and proactive personality.

3. For Researcher

The results of this research can be used as a source of information and new knowledge regarding the relationship between Perceived Organizational Support, employee creativity and proactive personality in an organization and can be used as an application of the theory that has been studied into actual conditions. By taking advantage of these opportunities, researchers can derive satisfaction from their scientific contributions, deepen their understanding of organizational dynamics, and positively impact the development of knowledge in the field.