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The mediating role of work engagement in the relationship between organizational identification and employee creativity

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Abstract - The creative industry is a sector that continues to grow and requires employee creativity. The object of this research is the millennial generation who work in the creative sector. This study aims to determine the effect of organizational identification on employee creativity with work engagement as a mediation. This type of research is quantitative research. The data processing technique uses Partial Least Square (PLS). This study uses a purposive sampling technique, by setting certain criteria. This study uses 194 millennial workers who have worked at least 1 year in the creative industry as respondents. The results show that organizational identification has a significant effect on employee creativity, and organizational identification has a significant effect on work engagement in the millennial generation in the creative industry. On the other hand, work engagement has a significant effect on employee creativity and organizational identification has a significant effect on employee creativity in the millennial generation in the creative industry with work engagement as a mediation.

Keywords – Organizational identification, work engagement, employee creativity

I. INTRODUCTION

The creative industry has contributed a lot to Indonesia [1]. In 2019 there was an increase of Rp. 100 trillion per year and will continue to increase. Indonesia's creative economy contributed 7.38% to Gross Domestic Product (GDP) in 2015 [2]. The creative industry is an industry that includes the process of increasing added value resulting from the exploitation of intellectual property in the form of creativity, expertise, and individual talent into a product to increase the welfare of the implementers and the people involved. Creativity is important elements of business in the creative industry, to survive organizations must develop sustainability and maintain a competitive position in the market by increasing the creativity of their employees [3].

In the creative industry, companies must have broad-minded employees with creative ideas. Employees in the millennial generation have an open mindset about new things, are confident to get opportunities and challenges, and will find it easier to express innovative behavior than the previous generation [4]. The characteristics of millennial employees and their creative performance contribute to the company's ability to act innovatively

in the [5]. These millennial generation employees are considered the main workforce that brings effectiveness and innovation to the workplace [6]. Millennial generation employees tend to be more sought after and prioritized. Employee creativity has been treated as important for organizational survival and competition.

The millennial generation itself tends to apply creativity in the world of work. This generation does not only work not to meet personal or family needs. They are very techno-minded and interact more using technology in communicating and working. The importance of creativity at the employee level is vital for all types of organizations today, where the ability of employees in terms of creative thinking is the main source of organizational success [7]. Good management of organizational creativity will increase competitive advantage and company performance. The existence of new thoughts and ideas, new problem solving, simplification of procedures and processes make company activities more optimal [8].

Companies in the creative industry need innovation to develop companies so that they require employee creativity. Innovation does not only include the generation of new ideas, but also their implementation [9]. With so many benefits generated from employee creativity, organizations will reward their employees for creativity that contributes to innovative ideas, services and products [10]. Employees of the millennial generation play an important role in helping organizations achieve innovation and competitive advantage [11].

Creativity and the need to involve employees in creative behavior are important for companies engaged in creative industries [12]. Creativity refers to the generation of new ideas that encourage the development of new products or services or modify existing ones according to market needs [13]. Creativity is considered as something related to cognitive and behavioral processes that are applied when trying to generate new ideas where this capacity can help solve problems while innovation involves applying or turning new ideas into concrete actions [14]. The creativity possessed by each employee helps an organization in realizing its goals. Employees belonging to the millennial generation play an important role in helping organizations achieve innovation and competitive advantage [11].

One way to achieve and increase employee creativity is to increase employee identification with the company.

This will provide motivation for employees to take action and work innovatively [5]. Organizational Identification is a condition of employees' psychological attachment so that they identify themselves with the organization [15]. Organizational identification represents employees' willingness to define themselves as part of their organization [16]. Basically, organizational identification includes two aspects, namely a sense of belonging to the organization and employee awareness of their role in the organization [17]. Thus, organizational identification has a role in building the social identity of organizational members when they are in the work environment or even when members are interacting with the community in their personal lives.

Organizational identification represents the extent to which individuals feel part of and identify with the values and goals of the organization [18]. This alignment enables employees to take innovative actions in developing the company. If in the organization employees have a strong attachment and identification will help employees optimize their work functions better [19]. Organizational identification of an organization will have an impact on the realization of work engagement in employees [20]. If members of the organization identify themselves with the organization, there will be enthusiasm, dedication, and being able to absorb into [21]. Employees who identify with the organization will feel the social support they feel from the leader and the organization they work for. When employees feel the company's support for achieving work targets, employees can be better involved in their work. Work engagement is one of the things that affects work success. If employees feel strong and enthusiastic at work, then they will thrive in their work [22]

Employees who are engaged in a job and focus on the given task will be more intense at work, pay more attention to responsibilities, and are more emotionally connected to the assigned task [23]. That way, employees are fully absorbed in their work so that they can advance the goals and quality of the organization [21]. Employees who have an attachment to the organization are usually full of energy, are actively involved in their work roles (dedication), and are happy to concentrate or are interested in their work [24]. This engagement causes employees to identify themselves psychologically with their work so that they understand that their work is important for themselves and the organization [25]

From several studies that have been conducted to examine employee creativity in various creative industry companies, it is very rare to find research that identifies the effect of organizational identification on employee creativity. Several studies conducted explains that employee creativity is not influenced by organizational identification variables but by other variables [25],[26].

On the other hand, the employee creativity variable can be supported by a mediating variable, namely, work engagement. The novelty in this study looks at previous research [9] that researched employee creativity. The research did not examine the millennial generation, which is a generation that has innovative ideas. One other research regarding employee creativity does not directly see how the millennial generation's creativity is in the creative industry.

This study was conducted among the millennial generation who work in the creative industry sector. This study aims to examine the effect of organizational identification on employee creativity, and the effect of organizational identification on work engagement. Furthermore, the focus of this research is to analyze the effect of work engagement on employee creativity. On the other hand, the purpose of this study will also examine the work engagement variable as a variable that mediates the effect of organizational identification on employee creativity.

II. METHODOLOGY

This type of research is quantitative research with a causal quantitative approach. Causal quantitative research is research conducted to investigate possible cause and effect relationships between research variables. Next, the researcher measured and tested the hypothesis by examining the sample using statistical analysis of the research data.

This study uses a non-probability sampling method, namely the purposive sampling technique. Respondents in this study have criteria for employees who come from the millennial generation which spans the year of birth in 1982 to 2002 and work in creative industry companies and work at least 1 year at the company. The population of this research is millennial generation employees in the creative sector. The population size of this study is unknown. Determination of the sample size in this study using the Lemeshow formula, with a minimum number of 96 respondents. This study used a sample of 194 respondents.

The calculation of respondents is below :

$$N = \frac{z^2(1-p)}{d^2}$$

n = respondents

z = standard value = 1.96

p = maximal estimation

d = sampling error = 10%

Based on the above formula, the results of the calculation of the number of samples show a minimum of 96.04 samples. This study uses 194 respondents to get the data.

This study used a questionnaire to determine or obtain the responses of the respondents. Questionnaires were distributed to the respondents according to the criteria for determining the respondents. In this study, a questionnaire sent to the respondents by providing a Google Form link. In the questionnaire, initially it will explain the purpose of distributing the questionnaire, then an explanation of guaranteeing the confidentiality of respondent data, filling in data from respondents, as well as statements of each research variable that will be filled in using a rating scale.

This study uses Partial Least Square (PLS) analysis which is a component or variant-based structural equation model which will be carried out using the help of data processing applications Smart PLS version 3.0. PLS is a technique for analyzing data for structural models by performing testing the relationship between latent variables or variables that cannot be measured either directly and measuring the validity of the manifest variables (indicators) of each variant-based variable [27]

The variables in this study are: organizational identification, employee creativity, and work engagement. Organizational identification is a psychological engagement between individuals and organizations in which individuals feel a deep affective and cognitive bond and define themselves with the organization as a social entity [18]. Measurement of organizational identification using indicators: mutual belonging among members of the employees, feeling happy about the success of the organization, feeling concerned about the image of the organization [30]

Creativity is a process of employees to find useful new solutions to meet challenges and solve work problems to achieve organizational goals [8]. This study uses four indicators for measuring employee creativity which consist of: critical thinking, risk taking behavior, creative work processes, and problem-solving.

Work engagement is the willingness of employees to work harder, trust the organization, and try to help the success of the organization. Work engagement can be measured using three indicators, namely as follows: vigor, absorption, and dedication. Vigor is energy is the enthusiasm and energy of employees at work, Absorption is passion and enthusiasm and pleasant emotions at work. Dedication is the focus and attention of employees in working emotionally, energy and time.

III. RESULTS

The data analysis process is carried out in several stages. The first stage is the outer model test. In the outer model test, the researcher uses convergent validity, discriminant validity, and reliability tests. The second stage is the inner model test, by identifying the R square value and

predictive relevance. After the two-stage data, then proceed to hypothesis testing.

Outer Model Test

Convergent validity

Table 1 - Outer Loading Value

Variable	Indicator	Outer Loading	Result
Organizational Identification (OI)	OI01	0.828	Valid
	OI02	0.831	Valid
	OI03	0.813	Valid
	OI04	0.661	Valid
	OI05	0.662	Valid
Employee Creativity (EC)	EC01	0.798	Valid
	EC02	0.822	Valid
	EC03	0.741	Valid
	EC04	0.677	Valid
Work Engagement (WE)	WE01	0.841	Valid
	WE02	0.805	Valid
	WE03	0.808	Valid

Result of the study shows that all indicators are fulfill the requirement for outer loading value criteria.

Discriminant Validity

The table shows that the cross loading value of a construct when compared to other constructs has a greater value, so it can be stated that the indicators contained in this study are discriminantly valid.

Table 2 - DISCRIMINANT VALIDITY

Indikator	OI	EC	WE	Result
OI01	0,828	0,390	0,440	Valid
OI02	0,831	0,497	0,486	Valid
OI03	0,813	0,490	0,482	Valid
OI04	0,661	0,261	0,507	Valid
OI05	0,662	0,219	0,412	Valid
EC01	0,411	0,798	0,512	Valid
EC02	0,390	0,822	0,432	Valid
EC03	0,360	0,741	0,341	Valid
EC04	0,368	0,677	0,386	Valid
WE01	0,549	0,498	0,841	Valid
WE02	0,466	0,430	0,805	Valid
WE03	0,475	0,433	0,808	Valid

Reliability Test

A reliability test is a consistency test of a research construct which in this case the construct in question is a variable that is reflected in the indicators

Table 3 - RELIABILITY TEST

Variable	Composite Reliability	Result
OI	0.873	Reliable
EC	0.846	Reliable
WE	0.859	Reliable

The table shows that the composite reliability of each variable is more than 0.80, so all variables in this study are reliable.

Inner model test

R Square

Table 4 - R-SQUARE

Variable	R Square
EC	0,353
WE	0,372

The inner model test is done by looking at the value of the coefficient of determination (R-square). The R-square value is used to measure the level of variation of changes in the independent variable to the dependent variable. The higher the R-square value, the better the prediction model of the proposed research model

The table shows that employee creativity can be influenced by organizational identification and work engagement with an R-square value of 0.353. The R-square value of 0.353 means that the value of the employee creativity variable which is influenced by organizational identification and work engagement is 35.3% while the remaining 64.7% is explained by other variables not included in this study. Then work engagement variable that can be influenced by organizational identification has an R-square value of 0.372. The R-square value of 0.372 means the value that the work engagement variable can be directly influenced by organizational identification is 37.2%, where the remaining 62.8% is explained by other variables outside the model.

Table 5 - Specific Indirect Effect

Indirect Effect Hypothesis 4	Path Coefficient	T Statistics	P Values	Result
OI → WE → EC	0,242	4,109	0,000	Supported

Predictive Relevance

If the value of Q2 is greater than zero (0) this indicates that the model has predictive relevance, and if Q2 is less than zero (0) indicates that the model lacks predictive relevance (Ghozali, 2014).

$$Q^2 = 1 - (1 - R^2 Y | 1 - R^2 Z_1)$$

$$Q^2 = 1 - (1 - 0,353)(1 - 0,372)$$

$$Q^2 = 0,5937$$

Based on calculations, the value of Q2 in this study is 0.5937 or greater than 0 which means that the structural model designed to explain employee creativity in millennial generation workers in the creative industry is valid or relevant. It has predictive relevance.

Hypothesis testing

There are three hypothesis to test in this study. Hypothesis is examined by looking at the T-statistics obtained through the bootstrapping procedure. The significant level can be seen from the p-value <0.05 and the T-statistic significant value 1.96 [28].

Table 6 - Direct Effect

Hypothesis	Direct Effect	Path Coefficient	T Statistics	P Values	Result
H ₁	OI → EC	0,262	3,418	0,001	Supported
H ₂	OI → WE	0,610	13,555	0,000	Supported
H ₃	WE → EC	0,397	4,292	0,000	Supported

The results showed that the organizational identification has a significant effect on employee creativity because the p-value was 0.001 and the T-statistic value was 3.418, which means the p-value <0.05 and the T-statistic >1.96. So it can be concluded that H1 which reads "Organizational identification has an effect on employee creativity" in this study is accepted.

The results showed that organizational identification has a significant effect on work engagement because the p-value is 0.000 and the T-statistic value is 13.555, which means the p-value <0.05 and the T-statistic > 1.96. So it can be concluded that H2 which reads "Organizational identification has an effect on work engagement" in this study is accepted.

This study explains that work engagement has a significant effect on employee creativity because the p-value is 0.000 and the T-statistic is 4.292, which means the p-value is <0.05 and the T-statistic is >1.96. So it can be concluded that H3 which reads "Work engagement has an effect on employee creativity" in this study is accepted.

Organizational identification has a significant effect on employee creativity through work engagement because

the p-value is 0.000 and the T-statistic value is 4.109, which means the p-value is <0.05 and the T-statistic is >1.96 . It can be concluded that H4 which reads "Work engagement mediates organizational identification and employee creativity variables" in this study is accepted.

IV. DISCUSSION

This study found that organizational identification has an effect on employee creativity with a T-statistic value of more than 1.96, which is 3.418. This can be interpreted that the better the employee's organizational identification, the more employee creativity will increase. The results of this study also show that the feeling of happiness that arises in the hearts of millennial workers when the organization where they work achieves success contributes the most to increasing employee creativity.

Employee creativity is formed when millennial workers pay attention to the opinions of others about the organization they work for. By accepting suggestions, criticisms, and input from others regarding the organization they work for, millennial workers can increase their creativity to support the organization to be even better. When the organization develops for the better, there is a sense of happiness that arises in the hearts of millennial workers which encourages the increase in the creativity of millennial workers.

The results of this study are in line with the findings of a study [29] which states that organizational identification is one way to achieve employee creativity. The results of previous study [30] also found that when employees identify strongly with an organization, employees will feel safe so that they can develop employee creativity while working for organizational success. Research [31] also found that there is a positive and significant relationship between organizational identification and employee creativity.

This study found that organizational identification has a significant effect on work engagement with a T-statistic value of 13.555 or more than 1.96. This means that the better the employee's organizational identification, the higher the employee's work engagement. The happiness felt by millennial workers when the organization achieves success indicates that there is an emotional attachment between millennial workers and their organization. Millennial workers feel that the success achieved by the organization is their success so that the employee feels successful. The results of this study also support the previous research findings [18] that stated a positive and significant relationship between organizational identification and work engagement. The encouragement of organizational identification will create a high spirit of employee dedication so that employees take the initiative to do work outside of their responsibilities.

This study found that work engagement has an effect on employee creativity with a T-statistic value of more than 1.96, which is 4.292. This can be interpreted that the higher the level of employee work engagement, the higher the level of employee creativity of the employee. Millennial workers reflect their attachment to their work and the organization they work for by doing their jobs with passion and energy. The higher the enthusiasm of millennial workers at work, the higher the level of creativity of these workers will increase. The results of this study are in line with the research [32] which states that there is a positive and significant relationship between work engagement and employee creativity. Employees who feel connected to work will be more productive and innovative in completing work than expected. The results of this study also support the findings of Asif et al [11]. It explained that employee involvement is one of the factors of employee creativity and innovation in the workplace.

This study found that organizational identification on employee creativity through work engagement with a T-statistic value of more than 1.96 is 4.109. This can be interpreted that indirectly organizational identification or psychological linkages between employees and the organization can affect employee creativity through the emergence of employee involvement in work.

Millennial workers' creative ideas at work can increase if the worker feels that the success of the organization is his personal success as well as through the millennial worker's sense of enthusiasm and energy at work. The results of this study are in line with the findings of a research [3] which describes that organizational identification affects work engagement, work engagement affects employee creativity. The deeper the worker knows the organization where he works, the stronger the attachment of the worker to the job and the organization where he works. This strong sense of attachment will increase the creativity of workers because these workers see the goals of the organization as their goals and the success of the organization is the success of the workers.

V. CONCLUSION

Organizational identification has a significant effect on employee creativity in the millennial generation in the creative industry, while Organizational identification has a significant effect on work engagement. On the other hand, work engagement has a significant effect on employee creativity. Organizational identification has a significant effect on employee creativity in the millennial generation in the creative industry by mediating work engagement

Employees should create a sense of belonging between employees and the company so that organizational identification can increase where if a strong sense of

belonging is present in employees, then if other parties give any insults to the company, employees will feel sad because they feel part of the company. company and such insults were given to him as well. Companies can encourage employees to further increase their creativity to the maximum, such as by providing training if they are to have more creative ideas and make it easier to find and determine solutions to problems faced by the company. The company as a place to work should create a comfortable workplace atmosphere for employees and the company also needs to provide supporting facilities following the employee's job description. In this way, the work engagement variable will strongly mediate the effect of organizational identification on the employee creativity variable in the millennial generation in creative industry companies.

Further research can explore how employee creativity in companies in the creative industry is related to other variables that can increase creativity, such as the work environment and performance management systems that can make employees feel comfortable and happy so that their creativity will increase. Researchers can develop research objects in Generation Z who are starting to get involved in the organization. Comparisons between employees across generations will be able to contribute to increasing employee effectiveness in their work environment.

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