The Effect of Performance Assessment, Leader Positive Feedback, and Job Autonomy on Innovative Behavior

Andri Kusmayadi¹, Maria Kristina²

^{1,2} Faculty of Economics and Business, Universitas Esa Unggul, Indonesia andri.kusmayadi@esaunggul.ac.id, Sitanggang1501@gmail.com

Abstract

Innovative employee behaviour in a company is due to employees who always develop their ideas at work as a positive reflection for other employees to produce good performance so that company goals can be achieved. The purpose of this study was to determine the effect of performance appraisal, positive feedback from leaders, and job autonomy on innovative behaviour. This study used Structural Equation Modeling analysis using a sample of 160 employees in the personnel, marketing, finance and accounting divisions at a three-wheel cement distributor. Data were analyzed using Lisrel software. The results showed that innovative behaviour could be influenced by performance appraisals, positive feedback from leaders, and job autonomy. Therefore, this study has several important managerial implications for superiors, whether adequate performance appraisal, positive feedback given by the leader, or given job autonomy will increase the innovative behaviour of employees. It is suggested that organizations need to pay attention to work autonomy which is an essential factor in improving employee appraisal. Researchers can further replicate the model in different contexts to verify its model's applicability.

Keywords

performance appraisal; leader's positive feedback; job autonomy; innovative behavior



I. Introduction

Competitive business competition and very advanced technological developments make companies increase their existing competitiveness to survive in an era of intense competition (Etikariena, 2020). The company also realizes that success is not easy to achieve if employees cannot create new ideas in their work (Ratnasari & Wulansari, 2019), so employees must have innovative behaviour at work as an essential factor in determining the organization's competitive advantage (Gottman et al., 2016). The critical factor for a business facing intense competition is an organization that can generate innovation (Sari & Palupiningdyah, 2020) so that both company leaders and employees can implement innovative performance behaviours to achieve organizational goals (Ranihusna et al., 2021). Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). The success of leadership is partly determined by the ability of leaders to develop their organizational culture. (Arif, 2019).

Jaworski & Kohli (1991) say when employees do their jobs correctly and produce high performance, they get positive feedback from leaders. The development of new ideas by employees is also encouraged because of the motivation from the organization as positive feedback from the leader (Steelman et al., 2004). Therefore, the positive interaction of leaders and employees in completing work can improve the creative abilities of employees.

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Positive feedback from the leader increases employee awareness that there must be an increase in job autonomy at work, and ultimately innovative behaviour also increases (Lee et al., 2021). So that the creative behaviour of employees in developing their ideas helps companies achieve organizational goals, thereby increasing the performance appraisal of employees (Canet-Giner et al., 2020).

Previous research conducted by Canet-Giner et al. (2020) proves that there is a relationship between Performance Appraisal and Innovative Behavior where innovation outcomes in organizations increase due to the contribution of Performance Appraisal and other Practices. Cianci et al. (2010) stated that positive feedback affects the results of learning objectives of performance and work assignments. At the same time, the results of psychometric research, Miller et al. (1999), explained if the work Autonomy scale was reliable and valid. And then Battistelli et al. (2013) stated that there is a positive relationship between job feedback and task autonomy on innovative work behaviour changes.

Research conducted by Canet-Giner et al. (2020) only focuses on performance appraisal variables compared to previous innovative behaviour. However, for further research, the creative behaviour research variable will be developed by examining the relationship between the leader's positive feedback variable and job autonomy simultaneously because nothing has been done before (Spreitzer, 1996; Miller et al., 1999; Battistelli et al., 2013) as an additional variable.

Based on this explanation, the goal that we want to achieve in this study is to determine the effect of the relationship between Innovative Behavior and Performance Appraisal, positive leader feedback and job autonomy on employees of the Semen Tiga Roda Distributor Company in the Jababeka area which have different characteristics in dealing with business competition.

II. Review of Literature

Dusterhoff et al. (2014) explain that performance appraisal is a management strategy that connects employee competencies and behaviours with strategic goals for the organization or company. According to Kinyili & Nzioki (2020), Performance appraisal is an individual achievement assessment for comparison with others. According to Canet-Giner et al. (2020), performance appraisal is a process where managers find accurate information about employee behaviour at work. Measuring the talent possessed by employees in completing their work can be done with performance appraisals (Paulo, 2019). Ahmad (2010) explained that performance appraisal is a process designed to evaluate employees, so that performance improvement occurs.

III. Research Method

In this study, the population is employees in the personnel, marketing, finance and accounting divisions with sample criteria in the Human Resources section who have become permanent employees. The time of study was carried out from July to August 2022. This study used a deductive research approach. Data was collected by distributing online questionnaires using a google form to the employees of Tiga Roda cement distributor in Jabodetabek, as many as 30 people to do a pretest.

For data measurement, this study uses a Likert scale of 1-5. Where in this study, a score of one means strongly disagree (STS), a score of two means disagree (TS), a score of

three means between agreeing and disagree (N), a score of four means agree (S), and a score of five means strongly agree (SS). The measurement of the leader's positive feedback variable adopted from Jaworski & Kohli (1991) consists of 4 questions, the job autonomy variable adopted from Gözükara & olakoğlu (2016) consists of 3 questions, the innovative behaviour variable adopted from SCOTT & BRUCE (1994) consists of 6 questions and the performance appraisal variable adopted from Kinyili & Nzioki (2020) consists of 3 queries. Thus the total measurement is 16 questions, which can be seen in appendix 2, and the questionnaire can be seen in appendix 3.

Furthermore, sampling follows the Lisrell SEM. Namely, the number of questionnaires is at least ten times (Hair et al. 2018) multiplied by the number of questionnaire statements 16 statements, so the number of samples taken in this study is (16x10) 160 respondents. According to Hair et al. (2018) (SEM), Lisrell is a multivariate statistical analysis technique that combines aspects of multiple regression (which aims to test the dependent relationship) and factor analysis (which presents the concepts of unmeasured factors with many variables) that can be used to estimate a series of conditional relationships that influence each other simultaneously. Furthermore, to test the validity of this study using confirmatory factor analysis using Kaiser-Meyer-Olkin (KMO) and Measure of Sampling Adequacy (MSA) measurements based on data processed from the pretest results, factor analysis was carried out. The acceptable KMO value is above the minimum value of 0.5, and the MSA value for anti-image correlation is 0.5. This means that factor analysis is valid. This reliability test uses Cronbach's Alpha measurement. This means that the closer Cronbach's Alpha value is to number 1 (one), the better (Hair et al., 2014).

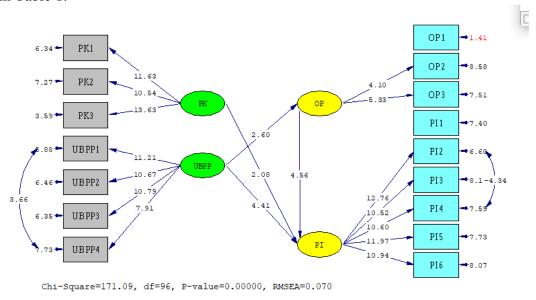
IV. Result and Discussion

Respondents from the research results are employees in the personnel, marketing, finance and accounting divisions with the sample criteria in the Human Resources section who have become permanent employees. Based on the results of the distribution of questionnaires that have been carried out online using google forms. Respondents collected were 160. The respondents comprised 92 men (58%) and 68 women (42%). The position status of the department has the most personnel, as many as 46 people (28.7%), in second place is the Marketing department with as many as 41 people (25.6%), the Finance and Accounting Department with 45 people (28.1%) and the Other Department 28 people (17.5). With a tenure of 1-4 years for as many as 57 people (35.6%), 5-7 years for as many as 42 people (26.3%), 8-10 years for as many as 40 people (25%) and >10 years as many as 21 people (13,1). The demographic data of the respondents can be found in Appendix 4.

According to the recommendations of Hair et al. (2014), the measurement of construct validity can be accepted and declared valid because most of the indicators in each variable have a loading factor of more than 0.50. There is no indication that it has a loading factor below 0.50. From the calculation results of construct reliability (CR) and variable extracted (VE), it can be said that it meets the overall requirements, which are under Hair et al. (2014) that the value of construct reliability must meet the reliability requirements with CR above 0.60 and VE value above 0.50 namely performance appraisal (CR = 0.71; VE = 0.67), positive feedback from the leader (CR = 0, 72 VE=0.75), job autonomy (CR=0.75; VE=0.53), and innovative behaviour (CR=0.92; VE=0.74). About the complete validity and reliability test in Appendix 5.

Based on the analysis of the suitability test, all variables showed a good match, including X2/pdf = 1.78.; degree of freedom = 96; Chi-Square = 171.19; RMSEA = 0.070;

ECVI = 1.58; AIC = 251.09; CAIC = 414.10; NFI = 0.94; Critical N = 115.06 and GFI = 0.88. Based on the results of the analysis, it can be seen that there is a goodness of fit for this model. Complete data can be seen in Appendix 8, and the results are as described in the PATH diagram in Figure 2, and a hypothesis testing model can be presented as shown in Table 1.



Source: Lisrel 2022 processed data
Figure 1. Results of the T-Value Path Diagram.

Table 1. Model Hypothesis Test

Hypothesis	Hypothesis Statement	Score Value	Information
H1	Performance Appraisal Practices have a Positive Effect on Innovative Behavior	2,08	The data support the hypothesis
Н2	A leader's positive feedback will have a positive effect on innovative behaviour	4,41	The data support the hypothesis
Н3	Umpan balik positif pemimpin akan berpengaruh positif terhadap otonomi pekerjaan	2,60	The data support the hypothesis
Н4	Job autonomy positively mediates the relationship between Leader Positive Feedback and Innovative Behavior	4,56	The data support the hypothesis

Table 2. Indirect effect

Variable Relationship	Indirect effect
Positive leader feedback > Autonomy > Innovative behavior	2,37

The results of the hypothesis test in the table above show that all hypotheses have a positive and significant effect because the t-value shown is greater than 1.96. Then there is an indirect effect which shows the t-value > 1.96, so it can be concluded that there is a significant indirect effect. Complete information regarding SEM analysis in this study can be seen in appendix 5.

4.1 Discussion

This study intends to explain the influence and relationship between performance appraisal, positive feedback from leaders, job autonomy and innovative behaviour. In Figure 1 and Figure 2, it can be seen that the performance appraisal and positive feedback from the leader is the independent variable. In contrast, the job autonomy variable becomes the moderator variable between the independent variable and the dependent variable, namely innovative behaviour. Based on the calculations, this study found that job autonomy had a positive effect on the innovative behavior of Semen Tigaroda employees. The results of this study have proven that several previous studies conducted by Deci (2005); Ohly et al. (2006); and Bysted & Hansen (2015) which states that employees are well motivated and more active in innovative behavior when they have sufficient authority over their entire work. The innovative behavior of three-wheeled cement employees will develop if they are given authority over their work so that they can explore their work without fear of being controlled by superiors who are not in accordance with their abilities. This explains that the more the three-wheeled cement employees are given their authority over the work, the more the employee's performance will increase because they always behave innovatively while working. This is consistent with the study conducted by Battistelli et al. (2013) which states that one of the determinants of employees always behaves innovatively and has a positive relationship with job autonomy and followers with good feedback.

The performance appraisal variable has a positive effect on innovative behavior which is indicated by the results of the PK3 indicator where the strengths and weaknesses of employees in making decisions while working affect performance appraisals, with this statement it can be interpreted that three-wheel cement employees at work must be able to make good and correct decisions so that they remain in accordance work procedures that are made as a form of positive response to performance appraisals obtained from superiors. This indicates that the company needs to carry out an effective performance appraisal for each employee.

The leader's positive feedback variable has a positive effect on innovative behavior, this is in line with the results of UBPP1 where my supervisor gives positive feedback when my performance is good, with this statement it can be interpreted that the three-wheel cement employees will get positive feedback from the leader when the three-wheel cement employees do their job well. good and always improve its performance. This indicates that if the boss gives positive feedback from the leader to the employee as a form of appreciation, the employee will feel happy so that they can do their job more optimally.

The leader's positive feedback variable has a positive effect on job autonomy in line with the results of OP3 where I do work according to my own opinion, with this statement it can be interpreted that three-wheel cement employees have confidence in working if they are given the authority to complete their work according to their own wishes. This indicates that if the authority is given to the three-wheeled cement employee at work, it gives him the opportunity to explore his work so that he does not feel any restraint when completing the work that has become his responsibility.

The variable of job autonomy has a positive effect on innovative behavior which is in line with the results of PI2 where I often use creative ideas in my work, with this statement it can be interpreted that three-wheeled cement employees use their creative ideas in completing their work so that they are more efficient. This indicates that the creative ideas that employees have are an important factor in working so that they can help the company achieve its goals.

V. Conclusion

The results of the analysis of data processing above explain that performance appraisal, positive feedback from leaders, work autonomy together affect innovative behavior. So in the implementation, employees will be able to get effective performance appraisals, positive feedback from leaders when involved in company activities, the main thing in this research is that employees of Tiga Roda cement distributor company get the authority to complete work according to their own style so they can explore their work with the ideas they have. Related to the subject of this research, it can be concluded that Tiga Roda cement employees have high abilities in the company because they want to give the best and employees also with their work always vary indicating innovative behavior at work.

This study has several limitations which later for further research needs to be improved, some of the limitations are that the first research subject is a three-wheeled cement employee in several parts of the company so that this research is limited in terms of respondents and needs to expand the distribution to be more varied answers from respondents. Furthermore, the object of this research is a three-wheeled cement company so that it is necessary to expand research in other industries that can provide real benefits to research related to the variables in this study. The three variables of this research need to be developed, namely by adding variables related to performance appraisal because this research is related to innovative behavior, it is necessary to have further research such as ethical leadership so as to maintain the quality of employee performance appraisals that are more effective.

This research has managerial implications that must be improved by superiors, namely by increasing effective performance appraisals so that employees' trust in the company is maintained to improve their performance at work, both positive feedback given by the leader must be in accordance with the performance results obtained from employees. Third, with the authority given to employees while working, restrictions are needed so that employees do not act outside the standards that have been given, so work autonomy control is needed so as to avoid irresponsible freedom at work. The four innovative behaviors of employees in providing their ideas need to be considered in order to be able to compete with other business competitors as an employee strategy in achieving organizational goals.

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