# PSYCHOLOGICAL CAPITAL AS MEDIATION BETWEEN FAMILY SUPPORT AND CREATIVE BEHAVIOR IN HANDICRAFT SECTOR SMEs

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### **ABSTRACT**

Creativity is important for organizational health in today's economy, as it encourages creative behaviour. The purpose of this paper is to explain the gap of empirical research results and offer alternative solutions to overcome the inconsistency of the relationship between psychological capital and creative behaviour. This paper examines how psychological capital with hope, self-efficacy, resiliency, and optimism mediate the relationship between family support and creative behaviour. This study was conducted on 125 handicraft sector SMEs which includes three districts in Indonesia namely Banyumas, Banjarnegara and Purbalinga. The main purpose of this study is to analyse how family support, mediated with psychological capital, can improve creative behaviour. Quantitative and simple random sampling approach uses questionnaires to collect data from the SMEs sector consisting of SMEs owners. Structural Equation Modelling (SEM) is used as a method of analysis. The results of data analysis show that creative behaviour can be increased by family support through psychological capital mediation.

**Keywords**: Psychological Capital, Family Support, Creative Behaviour.

# **INTRODUCTION**

In a dynamically changing and unpredictable environment, creativity becomes a key factor for business and organizational success (Sirková et al., 2014). This research begins with the problem of empirical contradictions in research on psychological capital in relation to creative behaviour. Studies conducted by previous researchers to prove that the role of psychological capital in creative behaviours is derived from various findings, so interesting to do further development. Some of the research findings have proved strong relationship between both psychological capital and creative behavior (Sweetman et al., 2011; Rego et al., 2012; Luthans et al., 2011; Walumbwa et al., 2010), while other research findings do not support the relationship between psychological capital and creative behaviour (Michael et al., 2011; Gupta, 2012; Huang and Luthans, 2014). Research gaps still require family support through relationships built on psychological capital that will ultimately affect creative behaviours. The problem is very important to investigate because it is useful for human resource development related to creative behaviours in order to obtain and maintain competitive advantage. This research is expected to explain the cause or the contradiction of creativity research and to explain psychological capital on creative behaviour in Micro, Small, Medium scale, that is Small and Medium Enterprises (SMEs) in Banyumas, Banjarnegara and Purbalingga.

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This paper is structured as follows. First, the relevant literature on creative behaviour, psychological capital and family support. Four hypotheses regarding how psychological capital expected to mediate the relationship between family support and creative behavior. Then, the sample, variables, and results are explained. Finally, the results and limitations of the study are discussed.

# THEORETICAL DEVELOPMENT AND THE FORMULATION OF HYPOTHESES

# Relationship between Psychological Capital and Creative Behaviour

Creativity and innovativeness were significant for both innovative (Zarefard et al. 2017). Traditionally, most studies on creative behaviour focus on personal characteristics, such as personality, and cognitive abilities in some creative individuals (Feist, 1998; McCrae and Costa, 1997; Tierney et al., 1999). Attention has moved from the focus of the creative individual to the contextual outlook and then towards the integrative view (Sternberg and Lubart, 1999; Zhou and Shalley, 2003). In this study the factors discussed include individual factors such as creative behaviour and psychological capital as well as contextual factors that include social support. Simonton (2009) defines creativity as a generation of ideas that are: (a) original and (b) adaptive. Creativity is often conceptualized and measured along the dimensions of creative people, creative processes, and creative products or outcomes (Peterson & Seligman, 2004; Simonton, 2009).

Zhou and Ren (2012) suggest that intrinsic factors can trigger creativity in the workplace as well as "task context", including work complexity, feedback, goals, creativity expectations, autonomy, and wisdom, time, and stress. While extrinsic factors that stimulate creativity are called "social contexts", including leadership and supervision, the influence of colleagues, family, friends, social networks, cultural influences, adequate resources, rewards, and incentives. Although there are many interests in positive psychology, among others, the task of facilitators and social mechanisms can facilitate creativity (Zhou and Ren, 2012) and even the impact of PsyCap (Rego et al., 2012; Sweetman et al., 2011), this positive mechanism can be seen more as a moderator and/or mediation than the process as a development (Gupta and Singh, 2014).

Psychological capital is a positive potential that exists within a person who can be judged and developed to produce something new or new arrangement that is defined by self-efficacy, hope, optimism, and reciliency (Luthan et al., 2015). Psychological capital can improve employee creativity; this can be seen from the results of research on psychological capital. Results of research indicating that psychological capital can cultivate creative behaviours such as Sweetman et al. (2011) and Rego et al. (2012a) found that PsyCap was positively associated with creative performance, and Luthans et al. (2011) found that PsyCap was positively associated with performance in problem solving and innovation. Walumbwa et al. (2010) found that leaders with good PsyCap were positively associated with PsyCap followers, which in turn were positively associated with follower performance. From the literature review and the results of previous research can be concluded that psychological capital associated with creative behaviour.

 $H_1$ : Psychological capital has a positive effect on creative behaviour.

# Relationship between Family Support and Psychological Capital

Pierce (Kail and Cavanaug, 2010) defines social support as a source of emotional, informational, or accompaniment provided by people around the individual to deal with everyday problems and crises in life. Social support in this study includes the support of family and friends. Family support is one form of informal social support among family members and can be referred to as central helping system (Canavan and Dolan, 2006). While Friedman (2010) states that family support is the attitude, acts of family acceptance of family members, in the form of informational support, assessment support, instrumental support and emotional support.

Researchers have stated that the social support provided by family members has a positive influence on the general health and well-being of workers (Beehr and McGrath, 1992; Cohen and Wills, 1985). While Adams et al. (1996) states that social support from the family is strongly related to general health and welfare. The family can affect one's intrapersonal characteristics and change one's social attitudes (Kwok, 2014). The encouragement and guidance of family members can help an individual overcome life's difficulties and have better functions, making him feel more motivated and positive in life (Adams et al., 1996), in addition to family support enhancing one's self-efficacy (Thompson et al., 2002; Ferry et al., 2000). Kwok et al. (2014) found that family support can have an effect on psychological capital. In line with the results of this study is Perrewe 'et al. (1999) study which also found that family conflict on work has a negative impact on the achievement of employee value.

 $H_2$ : Family support has a positive effect on psychological capital.

# Relationship between Family Support and Creative Behaviour

The study initially determined that employee conditions outside the department or organizational boundaries may affect individual responses in the workplace (Madjar et al., 2002). Recently, attention has focused on the social interaction of how formal and informal relationships with others are not necessarily directly linked to employee work for example; the family has an impact on creativity (Madjar et al., 2002; Perry-Smith and Shalley, 2003). Perry-Smith and Shalley also argue that the positions of individuals in their own networks, as well as connections beyond their own networks, can affect creativity.

While Zhou and Ren (2012) argue that intrinsic factors can trigger creativity in the workplace as well as "*task context*," including the complexity of work, feedback, goals, creativity expectations, autonomy and wisdom, time, and stress. While extrinsic factors that stimulate creativity are called "*social context*," including family support. Further Sen and Sharma (2013) find that the family aspect correlates with the creative actions achieved by its members.

This suggests that family support is related to creative behaviour, and family support can also create a positive environment needed for the development of psychological capital and this will contribute to creativity, so that psychological capital will be able to mediate the relationship between family support and creativity.

 $H_3$ : Family support has a positive effect on creative behaviour.

H<sub>4</sub>: Psychological capital acts as a mediating relationship between family support and creative behaviour.

Based on the research hypothesis, the empirical research model is projected on the following Model diagram proposed (Figure 1)

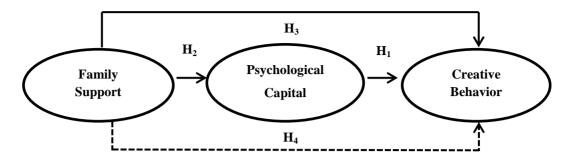


FIGURE 1
THE EMPIRICAL RESEARCH MODEL

This study examines the direct and indirect effects of family support on psychological capital and creative behaviour. Furthermore, this study also examines the mechanisms of family support as a determinant of psychological capital and creative behaviour. Much of the previous literature reveals the importance of family support, psychological capital and creative behaviour in large corporations. However, there is little evidence of the influence of family support and psychological capital on creative behaviour in Small and Medium Enterprises (SMEs). Therefore, we try to identify psychological capital as a key variable in improving the creative behaviour of SME business owners. In general, research models directly link family support to psychological capital and creative behaviour. In addition, family support is indirectly related to creative behavior through psychological capital.

#### **METHODS**

# **Data Collection and Sample Design**

This study aims to confirm the basic theoretical and empirical models developed based on theories related to family support, psychological capital and creative behaviour. Based on observations in the field undertaken, in 2017, the study found that respondents were registered with the SME Office of Banyumas, Banjarnegara and Purbalingga districts and were not fully selected as respondents. After the framework of the population with the criteria of SMEs craft sector that has the element of creativity and the respondent has a position as a leader or owner, so that the SME population of the handicraft sector is known so that sampling probability is used for the sampling method.

Data collection is done in August, September and October 2017. Object Determination in this research is entrepreneur or owner of handicraft sector SMEs in three districts namely Banyumas, Banjarnegara and Purbalingga which consist of: 1) Batik Handicraft; 2) Bamboo Handicraft; 3) Ceramic Handicraft; and 4) Wooden handicraft with total sample is 125. The analysis technique used in this research is Structural Equation Modeling (SEM) with AMOS/Amos Graphics Program (Ferdinand, 2014).

Using SEM with AMOS software is predicted to analyse the desired findings in this study. The model has been formulated as seen in the drawing and the construction formulation indicator is by looking at the parameters of the findings with goodness of fit. The measurement model will produce convergent validity to test these indicators, whether valid or not in the measure. Validity, Discriminant validity to test the relationship between two constructs so that correlation numbers will be made to serve as guidance in treating constructs as independent or

dependent variables. The indirect effect of the independent variable on the dependent variable through the mediated variables tested using Sobel-test (Ghozali, 2016).

## **Measurement of Variables**

Measurements of variables, with scale bipolar adjectives 1-7, Questions adopted and adapted for creative behaviour (Vandeleur et al., 2001; Howard et al., 2008; Snider et al., 2016); psychological capital (Nurfaizal, 2016) and family support (Niven, 2012).

### RESULT AND DISCUSSION

Indicates that each variable indicator in this study has a Critical Ratio (CR) value is less than  $\pm$  2.58. Therefore, univariate variable indicator data proved to be normally distributed. The result of multivariate normality testing in the Critical Ratio (CR) column shows a value of 1.439 which is also less than 2.58. Thus, the multivariate variable data in this study also proved to be normal distribution. Multivariate outliers were evaluated on the basis of the comparison between the expensive hormone distance and the chi-square value of the table using df=26 (number of unobserved variables) and error rate=0.001 (26; 0.001=54.05). Based on these criteria, it can be seen that the highest value of the expensive mobilization distance is 43,088 is smaller than the value of chi-square table, so it can be stated that this research data proved free from multivariate outliers. The conclusion of the findings of normality data measurement of SEM model as a whole can be stated that all distributed data is normal. Outliers are observations or data that have unique characteristics that are visible unlike other data and appear in extreme data form, either for single or joint construction. Although outliers cannot be categorized as dangerous, they still have to be assessed in the context of analysis. Tests on multivariate abilities of outliers were done by observing the distance of the mahalanobis (Hair et al., 2010). The number of constructs in this study tested its reliability as much as 3 (three constructs). The findings of construct reliability value measurements, three constructs were greater than 0.7 and variance extracted for construction values of all constructs were also greater than 0.5. Thus it can be deduced that the indicator used in this study as an observation variable can explain the constructs that were formulated. The number of questionnaires processed was 125 and after processing the data with AMOS was 22.00. The amount of data has been met the requirements for data processing using Structural Equation Modelling (SEM) based on the minimum size of representative samples that can be processed with AMOS program as much as 100 samples (Ferdinand, 2014).

The model conformity test shows that the constructs in the research model fit (fit) with the research data. The summary of test results of goodness of fit can be seen in the following Table 1.

Table 1 SUMMARY OF CONFORMITY TEST RESULTS MODEL (GOODNESS OF FIT)			
Goodness of fit Index	Analysis Results	Cut of Value	Model Evaluation
Chi-Square (X <sup>2</sup> )	62.094	<164.694	Fit
Probability	0.980	>0.05	Fit
CMIN/DF	0.714	< 2.00	Fit
GFI	0.939	>0.90	Fit
AGFI	0.916	>0.90	Fit
TLI	1.041	>0.95	Fit
CFI	1.000	>0.95	Fit
RMSEA	0.000	< 0.08	Fit

Generally, the findings of the analysis support the hypothesis that the model of Research is in accordance with the data or in accordance with the data. The chi-square statistical index is used to compare the predicted covariance matrix with the observed covariance matrix. The unsignificant chi-square value indicates a good match. The research findings of the fitness model show that the relatively small chi-square value is  $X^2=62.094$ , smaller than 164.694. The probability value is 0.980, greater than recommended 0.05 and the value of chi-square/df is 0.714, smaller than 2.0. The statistical index for the fitness model value of RMSEA 0,000 findings by model is smaller than the 0.08 range. This indicates that the predicted failure model is small. The next model fitness index is an absolute fitting size in which the goodness of fit index value is 0.939 and an incremental match index that includes AGFI, TLI and CFI. The three indices are the number of indices that do not depend much on the sample size. The findings of the analysis show that the index values three sizes above 0.90 and indicate that the model is more appropriate. Examine the findings on hypothesis 1 which states that the psychological capital has a positive and significant influence on the proven creative behaviour. The findings of this study indicate that the higher the psychological capital the higher the creative behaviour. The findings of this study support the research of Sweetman et al. (2011); Rego et al. (2012) and Rawski (2011) suggesting that psychological capital can foster creative behaviour and positively related to performance in problem solving and innovation.

Examine the findings on *hypothesis 2* which states that family support has a positive and significant influence on psychological capital proven. The findings of this study indicate that the greater the family support the higher the psychological capital. The findings of this study support the Thompson et al. (2002); Ferry et al. (2000); and Kwok et al. (2014) study that family support enhances one's self-efficacy and can have an effect on psychological capital. The encouragement and guidance of family members can help an individual overcome life's difficulties and have a better function, making him feel more motivated and positive in life (Adams et al., 1996).

Hypothesis 3 states that family support has a positive and significant influence on the proven creative behaviour. This means that higher family support is able to ensure an increasingly creative behaviour. Family support is one form of informal social support among family members (Canavan and Dolan, 2006). Thus, family support in SMEs can influence creative behaviour. The results of this study support previous research investigated by Neerja Sharma (2013).

Hypothesis 4 in this study is related to the indirect influence of family support on creative behaviour through psychologically capital mediation variables tested using Sobel-test. The result of the Sobel test calculation shows that the value of family support for creative behavior through psychological capital is 2.519 greater than the T-table value (1.984), thus, the fourth hypothesis is proved.

Zhou and Ren (2012) suggested that intrinsic factors can trigger creativity in the workplace as well as "task context," including the complexity of work, feedback, goals, creativity expectations, autonomy and wisdom, time and stress. While there are many interests in positive psychology, among others, the task of facilitators and the social mechanisms that can facilitate creativity (Zhou and Ren, 2012) and even the impact of PsyCap (Rego et al. 2012; Sweetman et al. 2011), this positive mechanism can be seen more as moderator and/or mediation than process as a development (Gupta and Singh, 2014). The results of research showing that psychological capital can cultivate creative behaviours. The study of Sweetman et al. (2011) and Rego et al. (2012) found that PsyCap was positively associated with creative performance; Luthans et al.

(2011) found that PsyCap was positively associated with performance in problem solving and innovation. Walumbwa et al. (2010) found that leaders with good PsyCap were positively associated with PsyCap followers, which in turn were positively associated with follower performance. Thus the psychological capital effect on creative behavior, with higher psychological capital will improve the creative behaviour of SME owners.

The managerial implications generated based on the findings of this study are the owners of Small and Medium Enterprises can focus on efforts to increase psychological capital in order to build creative behaviour. Psychological capital can be built by increasing hope, self-efficacy, resiliency, and optimism. Practically small and medium-sized business owners can optimize their psychological capital by doing market breakthroughs, improving quality, comparative study, sharing experiences with stakeholders, discussing with members, encouraging family members, consulting with UKM friends, consulting with consultants, asking for family opinions, learn from the experiences of other entrepreneurs, ask for help from friends, join the community, consult the government/PLUT, keep trying on their own, join various SME forums.

# LIMITATIONS & FUTURE RESEARCH

Although statistical analysis shows a significant and positive relationship between these variables, this study, like all studies, presents limitations. The measurement of creative psychological capital in this study does not consider the time horizon. The measurement of creative psychological capital in one span of time is not enough to reveal the factors that cause the gap. Future research needs to involve with a longitudinal approach or consider the time change in each stage of psychological capital occurrence and this study should be repeated in various contexts, and the results should be compared, in an effort to better understand the relationships and values for practitioners.

# **CONCLUSION**

The first research findings are the direct influence of family support on creative behaviour and can solve the gap between psychological capital and creative behaviour because it has a significant value of influence. The findings of this study indicate that family support has a significant effect on improving creative behaviour. It is in accordance with previous research that family support can improve creative behaviour. The second research finding is an indirect influence of family support on creative behaviour through psychological capital. The immediate impact on the first line between family support and creative behaviour is a significant outcome; the second path alternative has great potential in improving creative behaviour. This means that family support also has an indirect effect on creative behaviour through psychological capital. Thus it can be said that in order to support the family can and can improve creative behaviour, another thing that can be done, namely by increasing psychological capital.

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