The Mediating Effect Of Growth Mindset In The Relationship Of Innovative Culture And Employee Engagement In Malaysian 4- And 5-Star Hotels

Irza Hanie Abu Samah, Abdul Shukor Shamsuddin, Intan Maizura Abd Rashid & Mohammad Harith Amlus

Abstract: Employee engagement influence the productivity level of employees, which consequently affecting organizational performance. Employee engagement in hotel sector is significant for organization to determine the image, brand and potential. Serving customers is the most crucial thing in services industry, which is doing that requires employee to fully engage in their job. Research on employee engagement in services sector becomes a major concern especially in finding most significant factor that could influence employee engagement. However, there is still lacking in the relationship especially understanding the intervening factor of the relationship. This research proves that the element of employee growth mindset is important for employee engagement apart from other organizational factors. This research contributes to the findings that the element of employee growth mindset is important towards employee engagement which the relationship of growth mindset as mediator was scarce in the field of human resource. Finally, this study warrants future research in expanding the relationship between employee engagement study in hotel sector.

1. INTRODUCTION

Employee engagement is the element to empower and boost employee productivity for the sake of performance. Employee engagement is the essence for organization to survive in the future. According to the data AON Hewitt, employee engagement level in Malaysia fluctuates and in the year of 2017 the level of engagement shows 59 percent which considers as the lowest level compared to the neighboring country. Even though in 2018, the engagement level had increased to 63 percent; however, it does not show any stability and guarantee that the number will not fall again. There a various factor that can influence on employee engagement, however, research in engagement study were trying to fill the gap since then, and the definition of engagement is still vague and need more understanding as it evolves through times.[1], [2]. Besides, the level of employee engagement can be determined by the organizational factor and individual factor. Previous researches had shown organization’s factors such as human resource practices, culture, and co-worker would influence employee engagement [3]–[5]. However, research on individual factors on employee engagement was scarce as many of the researches were trying to identify external factors instead of internal factors of employee itself. Therefore, this study stress that the element of personal resources does contribute to employee engagement. In relating to this, it shed light that the employee engagement study needs further exploration, and the objective of this study is to see the mediating effect of growth mindset in the relationship of innovative culture and employee engagement.

2 LITERATURE REVIEW

2.1 Employee Engagement

Various definition of employee engagement has been brought up by scholars in the area of human resources. The study of employee engagement was started by [6] in identifying the psychological meaningfulness, safety and availability connected to the working environment which then justifies employee contribution, commitment and immersion in the job. Meanwhile, most cited definition of employee engagement is [7] explain employee engagement as vigor, dedication and absorption. This definition of employee engagement explains that employee is vigorously working with full energy, immersion in the job and enthusiastic. Since then, the definition of employee engagement has been evolved to suit the context of studies. It makes that research on employee engagement is still relevant, considering that global business is changing, and adapting with situation is a must for every employee in organization. Therefore employee engagement is needed to be studied especially in the services sector where it is the most volatility industry [8]. Meanwhile adding up to the organizational factors that can influence employee engagement such as human resource practices, leadership, communication, organizational culture, teammates [3], [9], [10], however, there were lack of study involve on personal resources towards employee engagement [3], [5], [11]. Meanwhile, research on organizational factor shows it effect on employee engagement, but factor of innovativeness needs a redefinition in recent research [12][13] especially in engagement study as it the needs of employees is keep evolve.

2.2 Innovative Culture

Culture is norm, values and artifact [14]. Culture works as a unification tool in an organization, and it helps organization to instill one goal in every employee’s heart. Innovation is activities to improve process, structure, or technique that is new to state of the art and is intended to further organizational goals [15]. An innovative culture is improvement activities implemented by the employee in the organization following one goal, vision and mission. The need to study innovative culture in the engagement study as previous research has shown its influence on employee engagement, plus the concept of innovative behaviour needs a redefinition by the context of study[16], which in this case is in hotel sector.
Innovative culture explains more on the norms and values of an employee at all levels in the organization. Previous studies on culture have shown significant effect on employee engagement [17][18], [19]. The importance of innovative culture in recent trends is that the business approaching industrial revolution 4.0, which requires new behaviour and culture adjustment at the workplace in order to adapt to the new business environment. The only constant changes, this pushes the organization and its people to adapt to changes and technological advancement. Innovative culture in this study is innovative vision and innovative support. It means that employees adhere and uphold the vision of the organization and support for any improvement activities for organization. With this, it helps employee to focus more thus lead to employee engagement.

2.3 Growth Mindset
A growth mindset becomes a crucial element for individual self-development. People who have a growth mindset believe that they can achieve anything. If they fail it is a learning and improvement process. Growth mindset is the dominant element that existed within individual which act as a hidden potential for employee to growth. Growth mindset in this study works a mediating variable because of the definition of a growth mindset in this study is that ability to learn and improve. Previous study mention that the element of a mindset can influence on employee engagement[20]. Meanwhile studies among school children prove that growth mindset will influence better of student engagement [21], [22]. Furthermore, regardless of a factor such as organizational factor, environment and external factor, if the individual have the growth mindset it will increase the chance of engagement to happen [20]. With evidence that shows the importance of a growth mindset can increase employee engagement therefore this study stands with argument that growth mindset a mediator.

3 RESEARCH METHODOLOGY
A quantitative method was applied in this research. The item was adopted and adapted by past researches. For employee engagement, UWES-17 [23] was used, Growth mindset items were adapted from Learning Organization Questionnaire [24] and innovative culture by [25]. Cluster sampling was used in this study to collect data, as the four and 5-star hotel in Malaysia is scattered and using a survey questionnaire was appropriate in this circumstance. Within two months distribution of link survey, 249 were responded within the time frame. The unit of analysis is individual employee especially frontline employees. Frontline employees are the heart of organization in giving the best services towards customers. SPSS and PLS 3.0 was used to analyze the data.

4 RESULTS AND FINDINGS

4.1 Demographic profile of respondents:
The demographic profile of respondents shows the 249 respondent which 43% were male and 57% male. 24 % shows the age of 36 and above and the rest were 35 years old and below. Next is the descriptive statistic of the variables refer table 1.

4.2 Descriptive statistic

<table>
<thead>
<tr>
<th>Table 1: Descriptive statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Employee Engagement</td>
</tr>
<tr>
<td>Innovative Culture</td>
</tr>
<tr>
<td>Growth Mindset</td>
</tr>
</tbody>
</table>

The level of growth mindset (M=4.236, SD±0.487) indicates highest level compared to the employee engagement (M=3.898, SD±0.518) and innovative culture (M=4.883, SD±0.623). This explain that employees in 4- and 5-star hotel does have potential to grow because they have the confidence to believe that they can adapt, learn and grow. This element is crucial as it helps to anchor the motivation of employee to improve in the organization. Meanwhile, employee engagement and innovative culture shows that employee in 4- and 5- star hotel are at the beginning of the acceptance level. Meaning that employees are slightly engage and have little agreement on the perception of innovative culture in the organization.

4.3 Measurement and Structural Model
Measurement model is used to determine the relationship between the latent variables and their measures. In fulfilling the analysis, factor loading, composite reliability and average variance extracted were measure and must pass criterion level. The factor loading for all indicators are above 0.7, andAVE are above 0.5 and composite reliability at the acceptance level which within the range of 0.7-0.9. All the requirements had passed, this research proceed with the path coefficient analysis in table 2.

<table>
<thead>
<tr>
<th>Table 2: Path coefficient table</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>GM→EE</td>
</tr>
<tr>
<td>IC→EE</td>
</tr>
<tr>
<td>IC→GM</td>
</tr>
</tbody>
</table>

Significant at p<0.05, t-value ≥ 1.649

Table 2 explain the path coefficient analysis on the relationship of the variable. The result shows that innovative culture does not have significant relationship with employee engagement. meanwhile growth mindset has and effect towards employee engagement and innovative culture also does effect on growth mindset. Even though the direct relationship of innovative culture and engagement does not show any significant relationship however, this paper proceed with mediation test as in the table 3.

<table>
<thead>
<tr>
<th>Table 3: Mediation analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>IC→GM→EE</td>
</tr>
</tbody>
</table>

Significant at p<0.05, t-value ≥ 1.649
The bootstrapping analysis confirm that there is indirect effect of growth mindset in the relationship of innovative culture and employee engagement (β=1.6549). even though, tale 2 indicate there is no direct effect of innovative culture and employee engagement, but with the presence of growth mindset it strengthens the relationship. This proves that in hotel sector especially in 4- and 5-star hotel, the element of a growth mindset is needed to enhance employee engagement. Even though the culture of organization is not strong and cohesion, but with the presence of personal resource of a growth mindset it elevated employee’s motivation and engagement regardless of organizational factor. The result of this research proves the importance of a growth mindset as a personal resource which contribute towards the employee engagement. Most research were study on the effect of organization and external environment towards employee engagement with little considering on individual factor (personal resource). This research proves that growth mindset is important towards employee engagement as it enhance the relationship between organizational factor (innovative culture) and employee engagement.

5 CONCLUSION
Growth mindset has shown its potential and benefits towards employee engagement in organization. This research has showed the potential of a growth mindset as a tool for individual improvement in terms on motivation and engagement, however, there are some limitations of this study, first this study were using nonprobability sampling, and second because of limited time, the region that covers the data collection were only at the city center. therefore this research warrant a future study in changing the sampling techniques, and expanding the scope in hospitality industry. Meanwhile, the element of a growth mindset is needed especially in the hotel sector, because hoteliers are dealing with customers from all over the world which need fast responds, able to solve problem in a shorter time and requires creativity. For instance, a customer was asking the frontline employee something that out of his/her job scope, but as a services employee, hoteliers without fail need to responds fast, efficient and accurately, therefore requires a domain of a growth mindset in them. This research also shows that the element of a growth mindset is very crucial in hospitality industry, which it promotes to suggestion on human resource managers to improve on training and development where to instill and improves employee mindset. Finally, this research contributes towards engagement studies where it highlighted the personal resource element are crucial in engagement study.

REFERENCES

