



THE EFFECT OF PUBLIC SERVICE MOTIVATION AND LOVE OF MONEY ON EMPLOYEE INNOVATIVE WORK BEHAVIOR

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ABSTRACT

This study aims to examine the impact of public service motivation and love of money on innovative work behavior on work units at the Directorate General of Taxation, Ministry of Finance of the Republic of Indonesia. The research strategy for this study is a quantitative method with a survey as a data collection tool. The data sampling method is non-probability sampling with purposive sampling technique. The sample size is 254 respondents. Respondents are those who have status as Civil Servants in the Directorate General of Taxation and the minimum work period is 2 years. Data analysis using Partial Least Square - Structural Equation Model (PLS-SEM). The results of this study indicate that public service motivation and love of money have a positive effect on innovative work behavior.

1. INTRODUCTION

1.1. Background

Innovation is a factor that is needed by an organization to quickly adapt to changes that occur in the world economy and gain competitive advantage (Bos-Nehles, Renkema, & Janssen, 2017). Susanto (2020) states that identical innovation is carried out by organizations in the private sector, but innovation is something important to do in the public sector. This was done as a response to challenges from society (De Vries, Bekkers, & Tummers, 2015). Innovative employee behavior is the key to successful innovation in an organization. Therefore, innovative work behavior is associated with job satisfaction which raises public service motivation and love of money in public sector organizations. According to Susanto (2020), Indonesia is a developing country, make people work in the public sector to meet their basic needs rather than social needs. Love of money is an extrinsic motivation for individuals who work in the public sector, so that it has a positive influence on public service motivation for individuals and public sector organizations (Vogel & Kroll, 2016).

During the COVID-19 pandemic, the government is required to continue providing public services effectively even though the implementation of Work From Home (WFH) for State Civil Apparatus (ASN) is still in effect. The service process that is carried out face-to-face is changed to an information technology-based service system through online. Leaders are expected to be able to create creativity and innovation to continue to exist and be productive in carrying out bureaucratic activities so that the service process is not disrupted (LAN, 2021). The challenge faced by the current government system is the VUCA (Volatility, Uncertainty Complexity, Ambiguity) challenge that requires leaders in every government organization to be responsive in adapting to very fast environmental changes.

One of the public sector organizations that gives freedom to its employees to develop creativity and innovate is the Directorate General of Taxation (DGT). As a government agency engaged in the field of taxation, excellent service is an important value possessed by the organization as a commitment to society. With innovation, many activities carried out by employees in carrying out their daily work become effective and efficient. In addition, employees are also given the freedom to express ideas in being creative to make something interesting so that it is easier for the public to understand information about taxation and receive services in the field of taxation. With this creativity, it motivates employees to provide the best service for the people of Indonesia.

According to Rainey (1982), there are a number of comparative studies between employees working in the public and private sectors which show that public sector employees are driven less by monetary rewards, but more by intrinsic rewards.

Salaries and benefits motivate some people to excel in public sector jobs. Perry & Wise (1990) consider the emphasis on the opportunity to serve. As a motivation in providing the best service to the community, tax officials are given different allowances from government employees in other agencies (Dirhantoro, 2020). This allowance, known as remuneration, is a form of reward and punishment for all tax officials to optimize tax revenue because the government has high expectations of state revenue from Taxation (Tempo.Co, 2015). The burden of high-risk tax officials has forced the government to provide other policies. The provision of employee performance allowances for the Directorate General of Taxation (DGT) is regulated based on the Presidential Regulation of the Republic of Indonesia No.37/2015 concerning Employee Performance Allowances within the Directorate General of Taxation. With this provision, it is hoped that employees will be motivated to improve their performance in order to achieve the mandated state revenue target. make the government provide other policies. The provision of employee performance allowances for the Directorate General of Taxation (DGT) is regulated based on the Presidential Regulation (Perpres) of the Republic of Indonesia Number 37 of 2015 (No.37/2015) concerning Employee Performance Allowances within the Directorate General of Taxation. With this provision, it is hoped that employees will be motivated to improve their performance in order to achieve the mandated state revenue target. make the government provide other policies. The provision of employee performance allowances for the Directorate General of Taxation (DGT) is regulated based on the Presidential Regulation of the Republic of Indonesia Number 37 of 2015 (No.37/2015) concerning Employee Performance Allowances within the Directorate General of Taxation. With this provision, it is hoped that employees will be motivated to improve their performance in order to achieve the mandated state revenue target.

This research was conducted to analyze the effect of public service motivation and love of money on innovative work behavior. Public service motivation as a motivation that exists within a person to provide services to the community so as to create job satisfaction. In addition, to improve service, an employee behaves innovatively. In addition, a high salary also provides another motivation for an employee to continue to improve his performance. With the existence of a grading system, it provides different views so that employees continue to perform well. Therefore, the focus on research is to continue the recommendations from previous research from Susanto (2020) which was conducted on local government employees. The research was conducted to determine the effect of public service motivation, love of money, and innovative work behavior of central government employees, especially employees at the Directorate General of

Taxation work unit. For this reason, researchers hope that this research can make a positive contribution to employees in the public sector.

2. THEORETICAL FRAMEWORK

2.1. Public Service Motivation

Public service motivation comes from motives that are only owned by civil servants which are different from private employees (Perry & Wise, 1990). Work done in the public sector is often seen as a calling, an obligation rather than working (Perry, 1996). This motivation is supported by a person's desire to give the best of his performance for the general public, community, and social environment (B. C. Liu & Tang, 2011). Jacobson (2011) states that public service motivation is a specific branch of research on motivation which provides a basis for understanding motivation, provides an overview of the nature of incentives and mechanisms for evaluating employee behavior in the public sector.

2.2. Love of Money

In Li-Ping Tang et al. (2002) stated by Smith (1937) that money is a trading instrument and a measuring tool for a value. Money is an important factor for everyone in everyday life (T. L.-P. Tang, Tillery, Lazarevski, & Luna-Arocas, 2004). In addition, money also plays an important role for a person and society (Liu et al., 2015). Rubenstein (1981) in Tang (1992) states that in the United States, a person is said to achieve success as measured by how much money and income he earns. According to Gupta & Shaw (1998), money is used as a motivator for some people, and a hygiene factor for others (Herzberg, 1987).

According to Yamauchi & Templer (1982) there is a psychological meaning for money as a sense of security, savings (retention), and self-esteem (power-prestige). Love Of Money (LOM) was introduced by Thomas Li-Ping Tang in 1992 as a psychological variable. According to Tang (2008), Love of Money is an individual's behavior towards money and one's desire for money. There is a significant increase in one's attitudes toward money and related attitudes and beliefs at work (Furnham & Argyle, 1998; Mitchell & Mickel, 1999). Therefore a scale of behavior towards money was created. Tang (1992) made the Money Ethic Scale (MES), then Tang & Chiu (2003) developed it into the Love of Money Scale (LOMS). From a recent study, LOMS consisted of nine items and three factor scales used by Liu & Tang (2011). The three LOMS factors include factor rich, factor motivator, and factor importance.

2.3. Innovative Work Behavior

Janssen (2000) in Bos-Nehles et al. (2017) stated that innovative work behavior is a creation that has a purpose, the introduction of innovative ideas, and the application of new ideas in work roles, groups or organizations that can provide benefits for group or

organizational performance. Kanter (1988) defines innovative work behavior as the creation and adoption of useful ideas and how to implement them. According to Janssen (2000), this is behavior outside of the routine habits of an employee. Therefore, to achieve effective and efficient goals an organization does not only depend on rules but requires individual action to do something innovative. Therefore, the organization has an interest in the ability of each of its members to be able to adapt to new conditions and situations so that innovative behavior must be improved and realized so that an organization can develop and compete with other organizations. According to Yuan & Woodman (2002) the concept of innovative behavior is an intentional introduction or application of a new idea, process, product, or procedure in their role at work, work unit, or organization.

3. RESEARCH METHOD

Perry & Wise (1990) define public service motivation as the fundamental thing of an individual to respond to motives that are the main thing of public sector organizations. With various definitions of public service motivation can be defined as the desire of an employee to always prioritize the interests of society and place community interests above personal interests so that community welfare is achieved (Susanto, 2020). With intrinsic motivation, employees who have Public Service Motivation will behave innovatively as a form of service to the community, because the community's interests are more than anything else and there is a certain satisfaction if they can provide good service to the community (Gagne & Deci, 2005). Besides that, Employees who have public service motivation will work with innovative behavior because their priority is to provide services to the community as part of their values and beliefs (Vandenabeele, 2007), so they enjoy what they do. In addition, the motivation for this public service can be influenced by three things expressed by Kanter (2013), including mastery, membership, and meaning. First, mastery means that an organization gives employees the flexibility to be able to improve or deepen the skills they already have. Second, membership means that an organization treats employees like family so that employees feel the same fate. Third,

H₁: Public Service Motivation has a positive effect on Innovative Work Behavior

Money plays an important role for everyone and society (Liu et al., 2015). Money is considered by some people as something that is meaningful to their lives, and for others, money is seen as a symbol (Susanto, 2020). According to Liu & Tang (2011) and Hsieh (2018), research in public sector organizations on the love of money is important as a way to know or understand a person's attitudes and behavior. Another study argues that the love of money can increase innovative work behavior. Eisenberger (1992) states that rewards can improve employee performance, and

emphasizes that rewards given to employees are part of performance and motivate workers to do the work they expect. According to Eisenberger & Rhoades (2001) suggests that rewards will increase creative performance. Given this, it is suspected that the love of money will have a positive effect on innovative work behavior. Employees who have a positive attitude towards money will see money from a positive perspective.

H2: Love of Money has a positive effect on Innovative Work Behavior

The research method used is a quantitative method. The data collection method is through a survey by distributing questionnaires containing structured statements given to employees in the work unit of the Directorate General of Taxation, Ministry of Finance of the Republic of Indonesia, especially employees in the work unit, namely the Tax Service Office (KPP) under the Special Jakarta DJP Regional Office. Sampling by non-probability sampling and the method of determining the sample in the form of purposive sampling. The size of the research sample is at least 170 respondents. The criteria set for the respondents in this study were employees with the status of Civil Servants (PNS) who had a minimum of 2 years working experience at the Directorate General of Taxation.

This data collection process was carried out in the period July 21, 2021 to August 2, 2021. The number of questionnaires collected was 260 respondents and only 254 respondents could be analyzed. The data analysis method in this study uses the Partial Least Square Structural Equation Model (PLS-SEM) with the analysis tool, namely the SmartPLS application version 3.0

4. RESEARCH RESULT

The profile of respondents in this study consisted of gender, marital status, last education, income, age, work unit, years of service, position, and class. Based on each respondent's demographic characteristics, this study had the most respondents, namely male sex is 174 respondents (68.5%), married status is 205 respondents (80.7%), ages between 36-45 is 99 respondents (39%), final education level D-4 or S-1 is 188 respondents (46.5%), income in the range of Rp. 10,000,001 to Rp. 20,000,000 totaling 101 respondents (39.8%), and past work for more than 10 years with a total of 176 respondents (69.3%). For the majority of positions dominated by Functional Tax Auditor/Appraisals is 95 respondents (37,4%) and majority of work class in III/a-III/d is 143 respondents (56,3%).

Table 1 Hypothesis Testing Results

Construct	IWB	
	<i>β and p-values</i>	
H1: PSM → IWB	0.624*** (<i>p.s</i> = 0.000)	
H2: LOM → IWB	0.10* (<i>p.s</i> = 0.050)	
<i>R</i> ²	0.412	
Control Variables		
Gender	-0.084† (<i>p.s</i> = 0.280)	
Years of service	-0.086† (<i>p.s</i> = 0.562)	
Education	0.131† (<i>p.s</i> = 0.1910)	
Status	0.027† (<i>p.s</i> = 0.796)	
Age	0.154† (<i>p.s</i> = 0.221)	

Construct	IWB	
	t-value	
H1: PSM → IWB	13,910	Significant
H2: LOM → IWB	1,930	Significant
<i>R</i> ²	0.412	
Control Variables		
Gender	1,081	Not significant
Years of service	0.579	Not significant
Education	1.309	Not significant
Status	0.259	Not significant
Age	1.224	Not significant

Source: Data processed by SmartPLS 3.0.

Note: Estimated significance; ****p* < 0.001, ***p* < 0.01, **p* < 0.05. †*p* > 0.05

PSM = Public Service Motivation; LOM = Love of Money; IWB = Innovative Work Behavior

The Positive Influence of Public Service Motivation on Employee Innovative Work Behavior

Table 1 shows that there is a positive influence between public service motivation on innovative work behavior ($\beta = 0.624$ and $p < 0.001$). Therefore, the motivation for public service performed by civil servants at the Directorate General of Taxation positively influences innovative work behavior.

According to Perry & Wise (1990) motivation for public service is fundamental for an individual to respond to motives that are the main thing in public sector organizations. Susanto (2020) also reveals that public service motivation is the desire within an employee to always prioritize community interests over personal interests so that community welfare is achieved. According to Gagne & Deci (2005:331) intrinsic motivation in the form of public service motivation will behave innovatively as a form of service to the community. This is because employees consider

the interests of the community more than anything and provide a sense of satisfaction if they can provide good service to the community. Vandenberg (2007) states that employees who have public service motivation will work with innovative behavior because services provided to the community are a form of priority and become part of their values and beliefs.

The results of this study explain that the motivation of public service employees in the government environment, especially employees of the Directorate General of Taxation, increases innovative work behavior as satisfaction within employees in providing services to the community. This is in line with research by Eisenberger & Shanock (2013) that creativity encourages intrinsic motivation within employees so as to provide satisfaction at work. Furthermore, it also supports the research of Zhou et al. (2011) which states that the existence of intrinsic motivation increases innovative work behavior. Kanter (2013) states that in an organization there are also three things that can improve the innovative performance of employees, including mastery, membership, and meaning.

The Positive Effect of Love of Money on Employee Innovative Work Behavior

Table 1 shows that there is a positive influence between the love of money on innovative work behavior ($\beta = 0.10$ and $p < 0.050$). Therefore, extrinsic motivation in the form of love of money owned by state civil servants at the Directorate General of Taxation positively influences innovative work behavior.

According to some researchers Liu et al. (2015), Mitchell & Mickel (1999), Yamauchi & Templer (1982), money plays an important role for every person or society. In addition, money is also a significant factor in motivating employees (Liu et al., 2015). Yamauchi & Templer (1982) also revealed that money has a psychological role in terms of security, savings and self-esteem. Eisenberger (1992) states that the existence of rewards can improve employee performance, and emphasizes that rewards given to an employee are part of performance and motivate workers to do the work they expect. Therefore, the love of money will have a positive effect on innovative work behavior.

Results on this study explains that monetary rewards given to employees increase innovative work behavior. This is in line with research by Eisenberger & Rhoades (2001) explaining that rewards will increase creative and innovative performance. In addition, money is used as a motivator for employees to perform better.

5. CONCLUSION

The results showed that intrinsic motivation in the form of public service motivation proved to have an influence on employee innovative work behavior. This study proves that there is a positive and significant influence on public service motivation on employee

innovative work behavior. Extrinsic motivation in the form of love of money is proven to have an influence on employee innovative work behavior. This study proves that there is a positive and significant influence of the love of money on employee innovative work behavior.

This study provides theoretical implications that support the opinion of Perry and Wise (1990) regarding the motivation of public service. Then the previous research conducted by Vandenberg (2007) which stated that employees who have public service motivation will carry out innovative work behavior as a form of service to the community which is a priority for their work. With this action, it will provide employee job satisfaction (Amabile, 1998). In addition, the implications are practical for public sector organizations that the existence of public service motivation influences employees to behave innovatively. In addition, extrinsic motivation in the form of love of money encourages employees to behave innovatively. Therefore, leaders within the Directorate General of Taxation consider policies to encourage employees to be more innovative. Leaders can encourage employees who have an advantage in knowledge to be able to share knowledge with other employees so that they can enrich knowledge.

The limitation of this study is that the sampling of respondents was only carried out in work units within the DGT Jakarta Special Regional Office. It is hoped that for future research researchers can consider a wider scope so that results that better describe the condition of employees in public sector organizations, especially at the Directorate General of Taxation, are obtained. In addition, to further deepen the analysis, an interview process can be carried out with several respondents.

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