

## **EMPLOYEE INNOVATION PERFORMANCE AT PT. CENDANA TEKNIKA UTAMA MALANG**

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### **ABSTRACT**

This study explores factors influencing employee innovation performance at PT. Cendana Teknika Utama Malang. Using a qualitative descriptive approach, data were collected through in-depth interviews, observation, and document analysis to examine how organizational culture, leadership support, employee motivation, skills, and creativity affect innovative behaviors. Findings reveal that supportive leadership, a culture that encourages creativity, and continuous skill development significantly enhance employee innovation performance. Challenges were observed in limited resources, risk-averse culture, and inconsistent innovation incentives. This research provides practical recommendations for fostering innovation and sustaining competitive advantage.

**Keywords:** innovation performance, employee creativity, organizational culture

### **INTRODUCTION**

Innovation has become an essential driver of organizational success, particularly for companies operating in fast-paced and competitive industries such as manufacturing and technology. In today's globalized economy, organizations must constantly evolve to maintain market relevance and respond to changing consumer demands, technological advancements, and competitive pressures. For companies like PT. Cendana Teknika Utama Malang, employee innovation performance plays a crucial role in maintaining a competitive edge. Employee innovation performance refers to the ability of employees to generate, propose, and implement novel ideas that improve products, processes, or services. It includes creativity, problem-solving skills, and the ability to contribute to the continuous improvement of the organization. In a rapidly evolving industrial landscape, fostering an innovative culture is crucial not only to sustain growth but also to enable the company to lead within its sector.

Leadership is one of the most significant determinants of employee innovation performance. The way leaders interact with their teams, provide feedback, and allocate resources can either stimulate or hinder innovation. Transformational leadership, which emphasizes support, vision, and inspiration, has been shown to significantly enhance creative thinking and innovation behaviors among employees. Transformational leaders empower their teams by providing autonomy, encouraging risk-taking, and fostering a sense of ownership in the innovation process. For PT. Cendana Teknika Utama Malang, the quality of leadership across various departments is crucial to fostering innovation. However, challenges arise from authoritarian leadership styles in some teams, which stifle creative freedom and discourage employees from experimenting with new ideas. Authoritarian leadership often fosters a culture of compliance rather than creativity, where employees are reluctant to challenge established practices. To address this issue, it is essential for PT. Cendana Teknika Utama Malang to promote a leadership culture that encourages innovation by training and developing leaders who inspire creativity

and provide constructive feedback. This will help unlock the creative potential of employees, which is essential for achieving long-term organizational success.

The organizational culture of a company significantly influences employee behaviors, including their willingness to engage in innovation. A culture that values openness, collaboration, and knowledge-sharing encourages employees to propose new ideas, challenge conventional thinking, and contribute to continuous improvement. In such an environment, employees feel supported and are more likely to take risks and experiment with new solutions. At PT. Cendana Teknik Utama Malang, fostering an innovative culture is not a straightforward task. Some departments benefit from a more open and collaborative environment, while others operate within rigid hierarchies where innovation is viewed with skepticism. Employees in these more traditional settings may feel constrained by hierarchical structures that limit their ability to voice opinions or propose novel solutions. This cultural divide within the organization creates disparities in innovation outcomes. For PT. Cendana Teknik Utama Malang to succeed in fostering a company-wide culture of innovation, it must create an environment that values creativity, idea-sharing, and cross-functional collaboration. Overcoming cultural resistance to change is essential for making innovation a core aspect of the company's operations. Leaders must actively work to break down silos, promote cross-departmental collaboration, and create a work culture where employees feel empowered to suggest and implement new ideas.

Motivation is another key factor influencing employee innovation performance. Employees who are intrinsically motivated by the challenges and opportunities to learn and grow tend to show greater creativity, commitment, and resilience when pursuing innovative solutions. Intrinsic motivation is fueled by a sense of personal achievement, intellectual stimulation, and the desire to make a meaningful contribution to the organization. At PT. Cendana Teknik Utama Malang, fostering intrinsic motivation through challenging tasks and providing employees with opportunities for personal growth can greatly enhance innovation performance. Additionally, extrinsic motivators, such as recognition, career advancement, and monetary rewards, further encourage innovative behaviors. However, despite the importance of motivation, PT. Cendana Teknik Utama Malang currently faces challenges in providing consistent recognition and rewards for innovative efforts. Employees in some departments feel that their contributions to innovation are not adequately acknowledged, which results in reduced motivation and diminished efforts to pursue new ideas. The company must establish more structured recognition systems that not only reward innovative ideas but also celebrate small victories that contribute to the larger innovation strategy. Ensuring that all employees feel valued for their contributions is crucial for creating an environment conducive to innovation.

Employee skills are foundational to successful innovation. Employees who possess both technical expertise and creative thinking skills are best equipped to generate feasible and impactful innovations. In industries such as manufacturing, technical proficiency is crucial for developing products and improving processes, while creative problem-solving helps in adapting to unforeseen challenges and finding novel ways to improve efficiency and effectiveness. At PT. Cendana Teknik Utama Malang, there is a need for continuous skill development to ensure employees stay current with emerging technologies and industry trends. While some departments provide ample training opportunities, others lag in offering sufficient resources for skill enhancement. As a result, gaps in employee competencies can hinder innovation efforts, particularly in

areas requiring specialized knowledge or advanced problem-solving skills. The company needs to invest more in comprehensive training programs that provide employees with both technical skills and the tools necessary to foster creativity and innovative thinking. Regular skill development initiatives should be integrated into the organizational strategy to ensure that employees at all levels are equipped to drive innovation forward.

Collaboration and teamwork are also integral to the innovation process. Cross-functional teams bring together individuals with diverse backgrounds, experiences, and expertise, enabling the creation of innovative solutions that a single person or a single department might not achieve. Teamwork facilitates the exchange of ideas, encourages different perspectives, and leads to more comprehensive solutions. However, PT. Cendana Teknika Utama Malang faces challenges in creating opportunities for cross-departmental collaboration. Some departments work in isolation, limiting their ability to engage in collaborative problem-solving and idea generation. To overcome these challenges, PT. Cendana Teknika Utama Malang must foster a culture of collaboration, breaking down silos and creating opportunities for employees across different functions to work together. Cross-functional teams should be encouraged to collaborate on projects that require innovative solutions, and management should facilitate the creation of platforms where employees can share their ideas and learn from each other. This approach will enhance the company's innovation capabilities by leveraging the diverse skill sets and knowledge of employees across the organization.

Effective communication is essential to supporting innovation. Open communication channels allow employees to share their ideas, receive feedback, and engage in collaborative discussions that refine and improve their ideas. Unfortunately, communication barriers can exist, whether due to departmental silos, hierarchical structures, or ineffective feedback mechanisms. At PT. Cendana Teknika Utama Malang, employees sometimes report difficulties in expressing their ideas or receiving timely feedback from supervisors. This lack of open communication results in frustration and disengagement, hindering the flow of innovative ideas. To address this issue, the company must improve communication systems, ensuring that employees at all levels have the opportunity to share ideas and receive feedback. Management should encourage open discussions and create platforms for ideas exchange that encourage innovation across the organization.

Finally, resources and infrastructure play a crucial role in employee innovation performance. Having access to the right tools, technology, and financial support is critical for turning creative ideas into tangible products, services, or processes. Employees often need resources such as advanced technology, research facilities, and time for experimentation to develop innovative solutions. At PT. Cendana Teknika Utama Malang, there are occasional constraints on resources, particularly in departments that are not allocated sufficient budgets or access to cutting-edge tools. Limited resources can stifle innovation and reduce employees' motivation to pursue creative ideas. The company must prioritize the allocation of resources for innovation projects, ensuring that employees have the necessary tools to experiment, prototype, and implement their ideas. In addition, management should foster a culture that supports experimentation, where employees are given the freedom to explore new ideas and solutions without fear of failure.

In conclusion, employee innovation performance at PT. Cendana Teknika Utama Malang is shaped by a complex interplay of leadership, organizational culture,

motivation, skills, collaboration, communication, and resources. Although the company has made progress in fostering innovation, significant challenges remain in aligning leadership styles, improving communication, and ensuring consistent resource allocation. By addressing these challenges and fostering an environment that values creativity, collaboration, and continuous improvement, PT. Cendana Teknika Utama Malang can enhance its innovation capacity and solidify its position as a leader in the manufacturing sector. Investing in leadership development, organizational culture change, and employee skill enhancement will be crucial steps in driving sustained innovation and achieving long-term success in an increasingly competitive industry.

## **RESEARCH METHOD**

This study employs a qualitative descriptive design to explore employee innovation performance and its determinants. Qualitative research is suitable for capturing detailed perceptions, behaviors, and experiences related to innovation in the workplace (Creswell, 2021).

Data collection used semi-structured interviews, observation, and document analysis. Interviews were conducted with managers, team leaders, and employees to identify factors affecting innovation performance, including leadership support, motivation, skills, organizational culture, and resources. Open-ended questions allowed participants to provide detailed insights and examples.

Observation was carried out to assess workplace interactions, idea-sharing behaviors, and team collaboration. Observations helped validate interview findings by capturing real-time innovation practices.

Document analysis included reviewing HR policies, innovation programs, training records, performance appraisals, and internal memos. This method provided additional evidence to triangulate the data and ensure reliability.

Data analysis followed Miles & Huberman's (2020) interactive model, including data reduction, data display, and conclusion drawing. Coding included open coding to identify themes, axial coding to examine relationships between factors, and selective coding to highlight key determinants of innovation performance. Triangulation of multiple data sources enhanced the study's validity and credibility.

## **Results and Discussion**

The study's findings highlight several key factors that significantly influence employee innovation performance at PT. Cendana Teknika Utama Malang. These factors include leadership style, organizational culture, employee motivation, technical skills, teamwork, communication effectiveness, resources, and risk tolerance. The findings were gathered through qualitative methods including interviews, surveys, and observational data from employees, supervisors, and managers across various departments. These results are analyzed to identify the strengths and weaknesses in the company's innovation processes and provide actionable recommendations for enhancing overall performance.

### **Leadership and Its Influence on Innovation**

One of the most prominent findings of this study is the crucial role that leadership plays in shaping employee innovation performance at PT. Cendana Teknika Utama Malang. Transformational leadership, which emphasizes vision, support, empowerment, and inspiration, was consistently associated with higher levels of

creativity, initiative, and engagement from employees. Leaders who encouraged innovation and allowed their teams the freedom to experiment with new ideas reported a greater number of successful innovations. These leaders were described as approachable, providing consistent feedback and fostering an environment that embraced learning and risk-taking. Employees working under transformational leaders felt more empowered to propose new ideas, test their creativity, and take ownership of their work, resulting in higher levels of innovation performance.

However, a contrasting leadership style—authoritarian leadership—was observed in some departments, which had a negative effect on innovation. Employees in these departments expressed frustration with the lack of autonomy, as they were unable to make decisions independently. They reported that ideas were often overlooked or dismissed without adequate consideration. The fear of failure, coupled with the rigid decision-making process, resulted in a lack of motivation to think creatively and engage in innovation. This finding aligns with the research by Santoso et al. (2022), which highlights that authoritarian leadership stifles creativity and reduces employees' willingness to take risks or offer innovative solutions.

To foster a more innovative environment, it is crucial for PT. Cendana Teknika Utama Malang to promote transformational leadership at all levels of management. Providing leadership training and development programs aimed at enhancing supportive leadership practices will encourage managers to support their employees' creative efforts and empower them to take initiative.

### **Organizational Culture as a Driver of Innovation**

The organizational culture at PT. Cendana Teknika Utama Malang was found to be another key determinant of innovation performance. Departments that cultivated a culture of openness, collaboration, and learning experienced higher levels of creativity and innovative output. Employees in these departments were encouraged to share their ideas freely, collaborate with colleagues, and experiment with new solutions. This culture helped to create an environment in which innovation was seen as a valuable and integral part of the company's operations.

However, in departments where the culture was more traditional, hierarchical, and less focused on collaboration, employees showed reluctance to propose new ideas. These departments were marked by a top-down approach to decision-making, where only a few senior individuals held the authority to suggest or implement new ideas. As a result, employees felt excluded from the innovation process, which led to lower levels of engagement and creativity. These findings align with Hidayat & Nugroho's (2022) research on the importance of organizational culture in fostering creativity and innovation.

The company needs to foster a more inclusive culture that encourages idea-sharing and cross-departmental collaboration. Regular brainstorming sessions, interdepartmental workshops, and reward systems for idea generation can help to nurture a culture of continuous improvement and innovation.

### **Motivation as a Catalyst for Innovation**

The study confirmed that employee motivation is a key factor influencing innovation performance. Both intrinsic and extrinsic motivation played critical roles in driving employees to contribute to innovative efforts. Employees who were intrinsically motivated—those driven by personal interest in problem-solving and the desire for

personal growth—reported higher levels of creativity and persistence in developing new ideas. They were eager to experiment, learn, and take calculated risks to improve existing processes and products.

Extrinsic motivators such as recognition, incentives, and career advancement opportunities were also important in stimulating innovation. Employees who felt their contributions were recognized, whether through praise or rewards, were more likely to continue engaging in the innovation process. Conversely, employees who felt their efforts went unnoticed or unrewarded experienced frustration and were less motivated to contribute innovative solutions. This aligns with the work of Wijaya & Suryanto (2022), which emphasizes the significant impact of both intrinsic and extrinsic motivators on employee performance and creativity.

At PT. Cendana Teknika Utama Malang, it is essential to develop a balanced approach to motivation by fostering both intrinsic interest in innovation and extrinsic rewards for innovative behavior. Creating a formal recognition program and providing career growth opportunities for employees who contribute innovative ideas will help maintain motivation and sustain long-term innovation efforts.

### **Skills and Competencies: The Foundation of Innovation**

Employee skills and competencies are foundational to innovation, as employees who possess technical expertise, problem-solving abilities, and creativity are better positioned to generate and implement new ideas. The study found that employees with advanced technical skills were able to identify inefficiencies, propose solutions, and implement innovative changes more effectively. However, there were gaps in technical skill development across various departments, especially in areas requiring advanced problem-solving and creative thinking. Employees in some departments reported limited access to training and development programs, which hindered their ability to fully contribute to innovation efforts.

To enhance innovation performance, PT. Cendana Teknika Utama Malang must invest in continuous skills development. This includes providing ongoing technical training, as well as workshops focused on creative thinking and problem-solving skills. Offering employees opportunities to upgrade their skills will not only enhance their individual innovation performance but also contribute to the company's overall innovation capacity.

### **Collaboration and Teamwork: Enhancing Collective Innovation**

The study revealed that collaboration and teamwork are essential components of employee innovation performance. Cross-functional teams were found to be particularly effective at generating innovative ideas because they brought together diverse perspectives and expertise. Employees working in teams were able to combine their knowledge, challenge each other's ideas, and collaborate to develop innovative solutions. In contrast, employees working in isolated environments or within siloed departments were less likely to engage in innovation, as they lacked access to the diverse ideas and knowledge necessary for creative problem-solving.

PT. Cendana Teknika Utama Malang should place more emphasis on creating cross-functional teams that encourage the sharing of ideas and problem-solving across departmental lines. By fostering teamwork and collaboration, the company can harness the collective intelligence of its workforce, driving greater innovation and improving overall productivity.

### **Communication: Facilitating Innovation through Transparency**

Effective communication was another critical factor identified in the study. Employees who had access to clear and open communication channels were more likely to engage in innovation, as they could freely share their ideas, receive feedback, and refine their proposals. Communication barriers, on the other hand, stifled creativity, as employees were unsure whether their ideas would be heard or considered. In departments where communication was hierarchical and top-down, employees felt excluded from the decision-making process, leading to disengagement and a reluctance to contribute innovative ideas.

To foster an environment of open communication, PT. Cendana Teknika Utama Malang must establish transparent channels for idea sharing. Regular feedback sessions, open forums for idea exchange, and employee suggestion programs can facilitate communication between employees and management, ensuring that innovation is encouraged and supported at all levels.

### **Resources and Infrastructure: Supporting Innovation**

Finally, the study found that resources and infrastructure are vital to turning innovative ideas into actionable solutions. Employees who had access to state-of-the-art technology, adequate time for experimentation, and financial support were more likely to produce innovative ideas. However, in departments where resources were limited, employees faced constraints that hindered their ability to implement new ideas effectively. These limitations created frustration and diminished motivation to innovate.

To address these challenges, PT. Cendana Teknika Utama Malang should prioritize the allocation of resources for innovation-related initiatives. This includes investing in advanced technology, providing dedicated time for employees to engage in creative projects, and ensuring that innovation efforts are supported by appropriate financial backing.

### **Conclusion**

Employee innovation performance at PT. Cendana Teknika Utama Malang is determined by a combination of personal, organizational, and environmental factors. Supportive leadership, a culture of collaboration, intrinsic and extrinsic motivation, skill development, effective communication, resource availability, and appropriate risk tolerance are critical for fostering innovation.

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