

Research on Dynamic Salary and Employees' Creativity in Multinational Companies Under "the Belt and Road"

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Abstract- The party's 19th congress further clarifies the company's strategy for going out of the country and "One Belt and One Road" strategy put forward to providing financial support for the enterprise to expand foreign markets. It is an opportunity to develop internationalization road for the economic transition of Chinese companies. Since its accession to the world trade organization, China's participation in the world economy and trade has been deepening. In 2015, the "One Belt and One Road" strategic thinking has brought more Chinese companies onto the international stage, and multinational companies has become an important factor for the smooth development of China's "going global" enterprises. The transformation of creativity into technology, products and services is the process of value creation, and the level of creativity determines the growth of the enterprise. At the same time, creativity improves entrepreneurial performance. This paper takes multinational companies as the research object, based on the existing literature on creativity, dynamic salary and self-efficiency of creativity, and investigates the internal relationship among the three variables.

Keywords: creativity, creativity self-efficiency, dynamic salary

I. INTRODUCTION

In the process of production and operation, multinational companies have become internationalized. Their production and operation scope exceed the limitation of national regions and carry out in different cultural backgrounds and social environments. Chinese multinational companies have a good momentum of economic development and become the main driving force to promote the overall development of Chinese economy. China has made famous achievements, but this

rapid development relies heavily on abundant social and natural resources to some extent, but this way is not sustainable. Only by innovating management mode and changing backward development mode can multinational corporations survive in the future.

With the acceleration of the process of global internationalization, more and more domestic enterprises go abroad for substantial international operations, and a large number of foreign enterprises also enter the Chinese market for investment. With the vigorous development of international economy and trade, domestic and international competition among countries all over the world has become increasingly fierce.

Creativity is a starting point to innovation. Since economist Schumpeter was first proposed the concept of innovation in his book, innovation becomes a hot subject of academic research for promoting economic and social development [1]. Many scholars connect creativity with the development of enterprise and discovery the relationship between the creativity of enterprise and the development of enterprise through some theories [2]. For research of creative behavior, it is not enough only to research entirety form single aspects, all factors effected the enterprise development shall be researched as a whole. The employee is foundation of the enterprise development. It is very important to improve the creativity of employee and companies by creativity. The multinational companies will develop only the employee using their subjective creativity to improve creativity and innovation ability [3].

Dynamic salary, as an incentive strategy for employees

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within an enterprise, relates to the personal efforts of employees with their income, and arouses the enthusiasm of employees to work hard to achieve their goals to a greater extent. Because of this, many enterprises use dynamic salary as a means to stimulate employees' creativity [4]. Multinational companies are faced with severe challenges from various aspects. Therefore, many enterprises try to improve the creativity of employees by adopting dynamic salary system, so as to enhance the competitiveness of enterprises.

II. LITERATURE REVIEW

A. Review of Creativity

As early as the beginning of the last century, scholars began to explore the role of creativity, but more standardized research began in the middle of the last century. Early studies focused on individual psychological research. As management scholars introduced experimental conclusions into the field of business management, research perspectives gradually diversified. Creativity is the innovation of related technologies, commodities, ideas and links [5]. For this kind of innovation, multiple departments must work together. As creativity comes to be seen as a particular result, it is often redefined as a practical concept or procedure. Individual creativity is influenced by other people's attitudes, behaviors, and social norms. Creativity means an idea produced in the process by the employee with novelty and usefulness for products, process or service [6]. However, until now, the world of creativity has not an accepted definition. Organizational creativity is not a simple addition of individual creativity. It emphasizes that in organizational context, creativity facilitates the smooth process of idea generation, evaluation and screening through whole-person thinking. Team creativity is the process in which members form new and unique ideas and select the best solution through mutual communication and learning.

Creativity is a process, from accumulating at primary stage to reflection and reconstructing at medium term and practice at final. Creativity is a kind of ability to create better new things than old ones to make up the characteristic that old one no have. That is an old and new things change. This is a process for society developing. By compared, it shows that the new things by created with characteristic are better than

old things. Creativity is the personal how to combine elements better and to create new relation [7]. Creativity is lock-in specific objective and collect undetermined to develop a product with the characteristics of novelty, suitable, social and personal value can be showed from this process. Research also proposes the similar view with other scholars about creativity, but he thinks the process is important. According to his view, the new things with certain applicability are creativity. Creativity is a combination of domain related skills, creativity related skills and task motivation. Domain-related skills refer to the basic qualities of individuals in related fields, which are essential basic knowledge and skills in creative activities. Creativity related skills are the type and characteristics of individual cognitive style, which affect the level of creative results [8]. Task motivation is personality factor, which means work motivation and attitude.

B. Review of dynamic salary

Salary is an important factor for work activity of employees and it is a major work for HRM. A better salary system not only stimulates the employee to work hard, it also makes employee know which work is important through different salary forms. Various salary systems can stimulate the employee to join the development of the enterprise. A common salary is not only the fixed salary, it also including extra reward or spiritual reward which make the employee feel psychological satisfactions and accomplishment except get the fixed salary. It also can encourage themselves develop with the enterprise. Salary is dynamical financial income. It can increase with the work age of employees and the contribution to the enterprise.

Some scholars propose some comment to dynamic salary. However, unify and certain concept is not given by them. In this paper, the dynamic salary is defined that use dynamic salary to encourage the employees activity according to needing. It is evaluated according to the contribution to the enterprise, benefit of enterprise and skilled for the employee to make them join the running of enterprise. One enterprise cannot develop without specific salary plan. For various enterprises should implement different salary strategic according to actual development. The salary strategy shall promote the activity of employee and realize the maximum efficiency of enterprise.

More than two factors with interaction can combine the system. Each factor is acting force to the system nature. To analysis the factors influence on the system, the first task is to correctly judge and classified those factors. In order to obtain needed function from the system, it will constantly change the system to make use. The function of system can take effect only the individual in internal work together. It is not allowed one individual to lose efficacy or leave unused. Otherwise, the efficiency of system is not simple lined by individual. The basic principles of system theory are conformability principle, order principle, interrelation and mutual effect.

C. Review of Creativity Self-efficiency

Bandura proposed the concept of Self-efficiency under understanding cognitive psychology and humanistic psychology [9]. Self-efficiency is whether the individual can truly judgment his capacity and show it under needed condition they think that the individual believe their own creativity and play it in the further work [10]. In nature, it means the employee to detect and accept the creativity. Bandura think when meet the difficulty, if they have confidence to conquer difficulty through themselves hard and thinking, they will conquer problems to resolve it. On the contrary, if no confidence to themselves and not believe their own capacity, they will lose heart and no power to conquer it. The employee shall be encouraged and relatively trained regularly by the company [11]. It is wise to make relative reward policy and organize some activities, to make them believe they can do the job.

Bandura and Locke propose the concept of Self-efficiency [12]. They think that due to complexity, uncertainty and risk of creative activities, Self- efficiency is a base of creative activities and it directly decide the efficiency and level of individual. When you think you have a higher creativity and believe you can do this work, even meet some difficulty or uncertain or risk result, you will face it with positive attitude and play a higher creativity [13].

In Self- efficiency development mode of Gist and Mitchell, they point out the form of self- efficiency includes individual and environment. On general condition, the individual will discuss the environment whether is in an advantageous condition or supply abundant resource during working which the reason they explain to efficiency is lower

or higher in future work and study. Yuan and Woodman think some new technology and methods are adopted by the company, because it has a higher advantage than previous technology and bring more benefit [14]. Self –efficiency is ability for employee to judge themselves correctly and shows the ability at the needed condition. The employee can correct understanding of their and evaluate them objectively. Under this premise, the self-efficiency will develop with the enterprise. When meet difficult, if they think they can get the expected results through work hard and thinking and reduce the risk for difficult appearing, they will overcome the difficulty and solve the problems. Creativity of self-efficiency is the employee to understand and accept of their creativity. By reading lots of literature, a great quantity example are shown that there are great influence to creativity if correctly know self –ability. However, no scholar’s research creativity self-efficiency is an intermediary between dynamic salary and creativity.

III. RESEARCH PROPOSITION

A. The Direct Influence of dynamic salary system and employees' creativity

The external reward is implemented by the leader of company or management. Various payments of reward are adopted by the leader according to various types, such as the reward based on production efficiency, output and creativity. For each payment, can cause various suggest which influence to the creativity of individual. For former research, various conclusions are obtained because different research purpose and reward type. Recently years, some scholar start to refining and deepening the former research to further analysis the relationship between external reward and individual creativity, for example, investigating the payment frame of loss and profitability how to influence to individual creativity. In general, researchers think various reward type to individual creativity has different function.

At present, there is no any theory of the relationships between the dynamic salary and creativity of employee or empirical research. From the perspective of the employee, if stronger internal motivation exists, the employees are willing to take more and challenging work with great effort. The dynamic salary can arouse internal work motivation through external stimulation. Therefore, for self–creativity, the

employees express more confident of work which increase work enthusiasm during work. When the employee is stimulated by dynamic salary, they will think more methods to realize the goal and obtain more payment. According to above, this paper proposes the following hypothesis.

P1: Higher levels of dynamic salary system will be positively associated with better employee's creativity.

B. The Indirect Influence of Dynamic Salary System and Creativity Self-efficiency

Bandura proposed the concept of self-efficiency. Bandura proposed that due to complexity, uncertainty and risk of creative activities, Self-efficiency is a base of creative activities and it directly decide the efficiency and level of individual. [16] When you think you have a higher creativity and believe you can do this work, even meet some difficulty or uncertain or risk result, you will face it with positive attitude and play a higher creativity.

Creativity Self-efficiency is career capital for employee to improve themselves and the necessary means to constantly increase the salary. The employees can know the shortage of themselves through self-efficiency and development with enterprise. Realize the improvement and development of their salary and career meanwhile fight for the maximum benefit. Many scholars have researched the relationship between creativity self-efficiency and creativity in teaching fields, but from enterprise perspective, there is rare. In addition, some scholars research the creativity self-efficiency as an intermediary. Research finds creativity self-efficiency has a positive effect to creativity of employee. Self-efficiency is a base to carry out creativity. The employee evaluate themselves objective according to their ability and creativity by knowing and correcting the shortage, improve their innovation. When individual think they can do this task with higher creativity and achieve a good result, even meet some difficult or the result with uncertain and risk, they will solve it with active attitude and use higher creativity. According to above, this paper proposes the following hypothesis:

P2: The dynamic salary impact the creativity of employee through the intermediary function of creativity self-efficiency. Stronger stimulate to dynamic, more work hard for employee and more creativity.

C. The Intermediary Role of Creativity Self-efficiency

The impact of dynamic salary on the employee is obvious. When the employee is stimulated by the dynamic salary, to improve income, they will finish more work at the same time by thinking. Therefore, to improve work efficiency, the employee will think how to create work style where the creativity self-efficiency will impact. The individual, stimulated by dynamic salary, has stronger desire to study with interest and confident which can cause more creativity. According to existed theory and results, this paper propose the following hypothesis

P3: Creativity Self-efficiency mediates the relationship between dynamic salary system and employees' creativity such that high level dynamic salary system has a positive indirect effect on employees' creativity through creativity self-efficiency,

IV. DISCUSSION AND CONCLUSION

This paper shows that there is a certain relationship between flexible salary system and employees' creativity. Employees should strive to develop their own awareness of dynamic salary, develop their own career planning and set a goal for their future work. Employees need to improve their creativity and self-efficacy. Everyone is creative, should be good at discovering, to seriously think about the problem. Propositions drawn from our analyses can be summarized as follows: (1) Higher levels of dynamic salary system will be positively associated with better employee's creativity. (2) The dynamic salary impact the creativity of employee through the intermediary function of creativity self-efficiency. Stronger stimulate to dynamic, more work hard for employee and more creativity. (3) Creativity Self-efficiency mediates the relationship between dynamic salary system and employees' creativity such that high level dynamic salary system has a positive indirect effect on employees' creativity through creativity self-efficiency.

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