

## The Effect of Empowering Leadership on Happiness at Work Using Job Crafting as a Mediation Variable on Bank Pengkreditan Rakyat (BPR) Profidana Paramitra Employess

Bonafida Isma Fajrunnikmah <sup>1)</sup>; Ninik Probosari <sup>2)</sup>

<sup>1)</sup> bonafida.isma@gmail.com, Management, Faculty of Economics and Business, UPN “Veteran” Yogyakarta, Indonesia

<sup>2)</sup> ninik.probosari@upnyk.ac.id, Management, Faculty of Economics and Business, UPN “Veteran” Yogyakarta, Indonesia

<p><b>Article Information:</b></p> <hr/> <p><b>Keywords:</b>  <i>Empowering Leadership;              Happiness at Work;              Job Crafting;</i></p> <hr/> <p><b>Article History:</b>                  Received : November 22, 2022                  Revised : December 10, 2023                  Accepted : December 18, 2023</p> <hr/> <p><b>Cite This Article:</b>  <i>Fajrunnikmah, B., &amp; Probosari, N. (2024). The Effect of Empowering Leadership on Happiness at Work Using Job Crafting as a Mediation Variable on Bank Pengkreditan Rakyat (BPR) Profidana Paramitra Employess. Indikator: Jurnal Ilmiah Manajemen dan Bisnis, 8(1), 53-61. doi:http://dx.doi.org/10.22441/indikator.v8i1.24304</i></p>	<p><b>Abstract</b></p> <hr/> <p><i>This study aims to determine and analyze the effect of Empowering Leadership on Happiness at Work Using Job Crafting as a Mediation Variable on Bank Pengkreditan Rakyat (BPR) Profidana Paramitra Employess in Bantul, DIY. This type of research is quantitative research. The population of this study were all permanent employees of 44 employees with saturated sampling (census), the majority aged 21 to 32 of 22 employees (50%), female sex of 27 employees (61.4%), had studied There are 40 employees (90.9%) with undergraduate degree, and 36 employees (81.8%) have worked for 1-11 years for 1-11 years. The data analysis method uses the Structural Equation Model (SEM) method with the help of SmartPLS 3.0 software. The results of this study state that there is a significant positive effect of empowering leadership on happiness at work. There is a significant positive effect of empowering leadership on job crafting. There is a significant positive effect of empowering leadership on happiness at work which is mediated by job crafting.</i></p>
--	--

### INTRODUCTION

Happiness will bring work productivity in an organization. Now many organizations are paying attention to the comfort of covering the happiness of their employees, because work happiness will give many contributions, both for organizations and individuals. As stated by Fisher (2010), employees will feel happy when they trust the people at work, are proud of their work, and the people they work with bring a sense of comfort. This is also in line with what Jones (2013) said, that happiness at work is strongly and constantly related to employee productivity which is empowered by superior leadership.

Empowering leadership is a leader who can understand the motivation and behavior of employees, shows leaders who have an interested and caring attitude towards their employees, communicates effectively, and can also provide inspiration to their employees (Jones, 2013).

Employees who are trained in a work environment that is empowered by their leaders, usually they will have a proactive sense of looking for opportunities to learn new things or seek innovation in carrying out their responsibilities (Tims et al., 2013). This proactive work behavior that is beneficial to employees in this case can be said to be job crafting.

In this study, the authors chose the object of research at the Profidana Paramitra People's Credit Bank (BPR), which is located at Jalan Prof. Dr. Wirjono Projodikoro, South Ringroad, Dongkelan, Panggunharjo, Sewon District, Bantul Regency, Special Region of Yogyakarta. BPR Profidana Paramitra is a financial institution which was established on September 15, 1989 with deed number 74 and amendment deed number 41 dated October 15, 1989.

From the pre-survey conducted, the condition of happiness at work for BPR Profidana Paramitra employees tends to answer the "Achievement" indicator which is still low. On other indicators choosing "Physical Work Environment" as much as 13.6%; choosing "Positive Relations with Superiors and Colleagues" as much as 9.1%; choosing "Health" as much as 9.1%; and chose "Compensation" as much as 9.1%. Employees of a company with a banking background found that high salaries and adequate office facilities did not guarantee employees happiness in carrying out their work. From this phenomenon, employees not only because of the salary that makes them feel happy, but there are other factors such as their relationship with superiors and co-workers, achievement at work, work environment, and their personal health as stated by Wulandari and Widyastuti (2010), that this is evidenced by the fact that there are also employees who are lazy to come on time, during working hours some employees prefer to be in the kitchen to talk to each other, drink coffee, or smoke.

It is felt that the company lacks a sense of empowering leadership in team leaders which results in implementing employee job achievements. At the end of the year, the training and development of employees at the end of the year decreased because the employees had many demands to complete the number of reports that had to be completed and pursued the lack of achievement targets, so the employees focused on work. According to interviews, each team leader has a great responsibility so that his subordinates achieve the target, but not all leaders understand the difference in handling differences in age and current conditions that demand technological literacy in order to compete with other financial institution companies in marketing their products.

The problem is with job crafting, the main tasks of bank employees are considered to be very tiring from 07.30 to 17.00, but outside working hours they have to take care of the interests of customers who sometimes can only be found outside of working hours, while this does not count as getting additional incentives of course, they must continue to serve their customers outside office hours. In addition, it is not easy to voluntarily get replacement colleagues who can replace work assignments, because the bank is in accordance with their respective fields and has human resources employed.

High empowering leadership is very important to create happiness at work, especially with the instilled element of job crafting in the company. Based on the phenomena and background that has been described, the researcher is interested in researching " The Effect of Empowering Leadership on Happiness at Work Using Job Crafting as a Mediation Variable on Bank Pengkreditan Rakyat (BPR) Profidana Paramitra Emploeyss ".

## **LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **Empowering Leadership**

Empowering leadership, namely wise leadership and empowering their subordinates and making wise choices to achieve organizational goals, and their subordinates will see things of behavior and hear motivation from their leaders, and not only that, empowering leaders will care about their employees (Moore and Bazerman, 2022: 146). According to Khan and Worldwide in Pratiwi (2020: 26) it is also stated that indicators of empowering leadership that are integrated and effective consist of six stages, namely: desire, trust, confidence, credibility, accountability, and communication.

### **Happiness at Work**

According to Pryce-Jones (2010), happiness at work is a thought that allows action to maximize performance and achieve the potential that applies to individuals, teams, or organizations. The happiness at work indicator is explained by research conducted by

Wulandari & Widyastuti, (2010), they found several factors that make employees happy at work, namely: positive relationships with others, achievement, physical work environment, compensation, and health.

Therefore we suggest the following hypothesis:

H1: Empowering Leadership has a positive and significant effect on Happiness at Work for BPR Profidana Paramitra employees in Bantul, Special Region of Yogyakarta.

**Job Crafting**

Wardani (2021: 3) says that job crafting is work behavior carried out by employees to make changes to work patterns with the aim of developing the resources they have. Job crafting indicators according to Tims et al. (2012), if employees can be considered proactive job crafting if they have four job crafting competencies, namely increasing structural job resources, decreasing hindering job demands, increasing social job resources, and increasing challenging job demands.

Therefore we suggest the following hypothesis:

H2: Empowering Leadership has a positive and significant effect on Job Crafting for BPR Profidana Paramitra employees in Bantul, Special Region of Yogyakarta.

H3: Empowering Leadership has a positive and significant effect on Happiness at Work mediated by Job Crafting for BPR Profidana Paramitra employees in Bantul, Special Region of Yogyakarta.

**RESEARCH METHOD**

This research was conducted using quantitative methods. According to the Sugiyono method (2019). Quantitative can be interpreted as a study method based on the philosophy of positivism, which is used to examine certain populations or samples, data collection uses study instruments, data analysis is quantitative/statistical in nature with the aim of testing established hypotheses.

The census was used in this study, which is a sampling technique when all members of the population are used as samples (Sugiyono, 2019: 134). The number of BPR Profidana Paramitra employees in Bantul, Special Region of Yogyakarta, is relatively small, so this research uses a census technique. Respondents in this study were all total employees of BPR Profidana Paramitra in Bantul, Special Region of Yogyakarta, totaling 44 employees.

The scale measurement used in this study uses a Likert Scale. According to Sugiyono (2019) the Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena.

**Table 1. Definition Operational Variable**

Variable	Definition Variable	Indicator
Empowering Leadership (X)	Empowering leadership, namely wise leadership and empowering their subordinates and making wise choices to achieve organizational goals, and their subordinates will see things of behavior and hear motivation from their leaders, and not only that,	1. Desire 2. Trust 3. Confidence 4. Credibility 5. Accountability 6. Communication. (Khan dan Worldwide dalam Pratiwi, 2020: 26)

	empowering leaders will care about their employees (Moore dan Bazerman, 2022: 146).	
Happiness at Work (Y)	Happiness at work is a thought that allows action to maximize performance and achieve the potential that applies to individuals, teams or organizations (Pryce-Jones, 2010).	<ol style="list-style-type: none"> <li>1. Positive relationships with other people</li> <li>2. Achievements</li> <li>3. Physical work environment, compensation</li> <li>4. Health (Wulandari &amp; Widyastuti, 2010)</li> </ol>
Job Crafting (Z)	Job crafting is work behavior carried out by employees to make changes to work patterns with the aim of developing the resources they have (Wardani, 2021: 3).	<ol style="list-style-type: none"> <li>1. Increasing structural job resources</li> <li>2. Decreasing hindering job demands</li> <li>3. Increasing social job resources</li> <li>4. Increasing challenging job demands. (Tims et al., 2012)</li> </ol>

## RESULT AND DISCUSSION

### Characteristics Respondents

Table 2. Characteristics of Respondents

No	Characteristic	Category	Frequency	Percentage
1	Age	21-32	22	50%
		33-44	16	36,4%
		45-56	6	13,6%
<b>Total</b>			<b>44</b>	<b>100%</b>
2	Gender	Men	17	38,6%
		Women	27	61,4%
<b>Total</b>			<b>44</b>	<b>100%</b>
3	Education	SMA	3	6,8%
		S1	40	90,9%
		S2	1	2,3%
<b>Total</b>			<b>44</b>	<b>100%</b>
4	Length of Work	1-11 years	36	81,8%
		12-22 years	6	13,6%
		23-33 years	2	4,5%
<b>Total</b>			<b>44</b>	<b>100%</b>

Based on Table 2 in on, respondents aged 21 to 32 years were 22 people (50.0%), respondents aged 33 to 44 years were 16 people (36.4%), respondents aged 45 to 56 years were 6 people (6.0%). This shows that the majority of BPR Profidana Paramitra respondents are aged between 21 to 32 years. So it can be concluded that employees who excel at BPR Profidana Paramitra are employees who are over 21 years old. There were 17 male respondents (38.6%) and 27

female respondents (61.4%). This shows that the majority of respondents at BPR Profidana Paramitra are female. Respondents with the last education level of SMA were 3 people (6.8%), respondents with the last education level S1 were 40 people (90.9%), and respondents with the last education level S2 were 1 person (2.3%). This shows that the majority of respondents at BPR Profidana Paramitra are S1 graduates. Respondents who had worked for 1- 11 years were 36 people (81.8%); 6 respondents who have worked for 12-22 years (13.6%); and respondents who have worked for 23-33 years as many as 2 people (4.5%). This shows that the majority of employees at BPR Profidana Paramitra have a working period of 1-11 years.

**Measurement Model and Indicator Validity**

**Table 3. Average Variance Extracted (AVE)**

	Average Variance Extracted (AVE)	Explanation
<b>Empowering Leadership (X)</b>	0,668	Valid
<b>Happiness at Work (Y)</b>	0,671	Valid
<b>Job Crafting (Z)</b>	0,672	Valid

Based on the AVE test, it is known that the AVE value of each variable has a value of > 0.5. AVE value > 0.5 which proves that each variable can be said to be valid.

**Table 4. Composite Reliability**

	Composite Reliability	Explanation
<b>Empowering Leadership (X)</b>	0,963	Reliable
<b>Happiness At Work (Y)</b>	0,953	Reliable
<b>Job Crafting (Z)</b>	0,942	Reliable

Based on the results of the reliability test, it can be seen that the composite reliability value is > 0.7, proving that each variable can be said to be reliable.

**Structural Models (Inner Model)**

**Table 5. R-Square**

	R-Square	R-Square Adjusted
<b>Happiness at Work (Y)</b>	0,936	0,933
<b>Job Crafting (Z)</b>	0,866	0,862

The R<sup>2</sup> result of more than 0.75 for the endogenous latent variable in the structural model indicates the effect of the independent variable on the dependent variable is included in the strong category.

**Table 6. Q-Square**

Variable	Q-Square
<b>Happiness at Work (Y)</b>	0,604
<b>Job Crafting (Z)</b>	0,563

Q-Square results with values > 0 for endogenous variables means that the model has a predictive relevance value.

**Hypothesis Test**

**Table 7. Result of Path Coefficient or Direct Effect**

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV)	P Values	Explanation
<b>Empowering Leadership (X) -&gt; Happiness At Work (Y)</b>	0,449	0,437	0,125	3,586	0,000	Ho was rejected
<b>Empowering Leadership (X) -&gt; Job Crafting (Z)</b>	0,930	0,931	0,022	41,838	0,000	Ho was rejected

Based on the calculation results in Table 7, it is known that the hypothesis testing for each latent variable is shown as follows:

- a. H1: There is a significant positive effect of empowering leadership on happiness at work  
 Hypothesis 1 shows that there is a significant positive effect of the empowering leadership variable on happiness at work for BPR Profidana Paramitra employees. This is evidenced by the value of the t-statistic which is greater than the t-table ( $3.586 > 1.690$ ). The p value is  $0.000 < 0.05$ . In addition, an original sample value of 0.449 was obtained, which means that it has a positive relationship. Based on this it can be stated that hypothesis 1 is accepted.
- b. H2: There is a significant positive effect of empowering leadership on job crafting.  
 Hypothesis 2 shows that there is a significant positive effect of the empowering leadership variable on job crafting in BPR Profidana Paramitra employees. This is evidenced by the value of the t-statistic which is greater than the t-table ( $41.838 > 1.690$ ). The p value is  $0.000 < 0.05$ . In addition, an original sample value of 0.930 was obtained, which means that it has a positive relationship. Based on this it can be stated that hypothesis 2 is accepted.

**Table 8. Specific Indirect Effect or Specific Indirect Effect**

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Explanation
<i>Empowering Leadership (X) -&gt; Job Crafting (Z) -&gt; Happiness At Work (Y)</i>	0,498	0,509	0,117	4,273	0,000	Ho was rejected

Pada Tabel 8 dapat ditarik kesimpulan hipotesis sebagai berikut:

- a. H3: There is a significant positive effect of empowering leadership on happiness at work mediated by job crafting

Hypothesis 3 shows that there is a significant positive effect of the empowering leadership variable on happiness at work mediated by job crafting for BPR Profidana Paramitra employees. This is evidenced by the value of the t-statistic which is greater than the t-table ( $4.273 > 1.690$ ). The p value is  $0.000 < 0.05$ . In addition, an original sample value of 0.498 was obtained, which means that it has a positive relationship. It can be concluded that by increasing the understanding of empowering leadership carried out by BPR Profidana Paramitra employees, job crafting will also be obtained and will have an impact on increasing happiness at work. So, the job crafting variable is able to partially and significantly mediate between empowering leadership and happiness at work. So based on these results it can be stated that hypothesis 3 in this study is accepted.

## CONCLUSION

This research finds that:

1. Empowering leadership has a positive and significant effect on happiness at work for BPR Profidana Paramitra employees in Bantul, Special Region of Yogyakarta.
2. Empowering leadership has a positive and significant effect on job crafting for BPR Profidana Paramitra employees in Bantul, Special Region of Yogyakarta.
3. Empowering leadership has a positive and significant effect on happiness at work mediated by job crafting for BPR Profidana Paramitra employees in Bantul, Special Region of Yogyakarta.

## REFERENCE

- Abdullah, A. G. K., Ling, Y.-L., & Peng, C. S. (2016). An Exploratory Analysis of Happiness at Workplace from Malaysian Teachers Perspective Using Performance-Welfare Model. *International Journal of Asian Social Science*, 6(6), 340–346. <https://doi.org/10.18488/journal.1/2016.6.6/1.6.340.346>

- Alexandra, M., & Theola, D. (2016). Analisa Pengaruh Empowering Leadership terhadap Team Performance Management dengan Team Cohesion sebagai Variabel Intervening di Hachi-Hachi Surabaya. *Jurnal Hospitality Dan Manajemen Jasa*, 15(2), 1–23.
- Amundsen, S., & Martinsen, Ø. L. (2015). Linking Empowering Leadership to Job Satisfaction, Work Effort, and Creativity: The Role of Self-Leadership and Psychological Empowerment. *Journal of Leadership and Organizational Studies*, 22(3), 304–323. <https://doi.org/10.1177/1548051814565819>
- Angela, & Sudibjo, N. (2020). “Menakar Kemampuan Empowering Leadership, Job Crafting, Dan Work Engagement Dalam Memengaruhi Komitmen Organisasi.” *Jurnal Ilmiah Pendidikan Dan Pembelajaran*, 4(3), 442–454.
- Ayasrah. (2008). *Leadership, control and administrative communication*. Amman, Jordan: Dar Alhamid for Publication
- Bell, C., & Njoli, N. (2016). The role of big five factors on predicting job crafting propensities amongst administrative employees in a South African tertiary institution. *SA Journal of Human Resource Management*, 15(February). <https://doi.org/10.4102/sajhrm.v14i1.702>
- Berg, Justin M., et al. “What Is Job Crafting and Why Does It Matter.” *Retrieved Form the Website of Positive Organizational Scholarship on April*, vol. 15, 2008, p. 2011..
- Berg, J. M., Dutton, J. E., & Wrzesniewski, A. (2013). Job Crafting and Meaningful Work. In B. J. Dik, Z. S. Byrne, & M. F. Steger (Eds.), *Purpose and Meaning in the Workplace* (pp. 81-104). Washington DC: American Psychological Association. <https://doi.org/10.1037/14183-005>
- E Cunha MP, Rego A, D'Oliveira T. Organizational spiritualities: An ideology-based typology. *Business and Society*. 2006 Jun 1;45(2):211-234. <https://doi.org/10.1177/0007650306286737>
- Esteves, T., & Pereira Lopes, M. (2017). Leading to crafting. The relation between leadership perception and nurses' job crafting. *Western Journal of Nursing Research*, 39, 763–783. doi: 10.1177/0193945916659507
- Fisher, C. D. (2010). Happiness at Work. *International Journal of Management Reviews*, 12(4), 384–412. <https://doi.org/10.1111/j.1468-2370.2009.00270.x>
- Ghadi, M. Y., & Almanaga'h, K. S. (2020). The role of job crafting in the relationship between empowering leadership and happiness at work: An empirical analysis. *Business: Theory and Practice*, 21(1), 244–251. <https://doi.org/10.3846/btp.2020.11109>
- Ghozali, Imam dan Hengky Latan (2015). *Partial Least Squares Konsep Teknik dan Aplikasi dengan Program Smart PLS 3.0*. Semarang: Universitas Diponegoro Semarang.
- Grant, A.M. and Parker, S.K. (2009) Redesigning Work Design Theories: The Rise of Relational and Proactive Perspectives. *The Academy of Management Annals*, 3, 317-375. <https://doi.org/10.5465/19416520903047327>
- Jones, D. L. (2013). *Empowering Leadership* (1 ed.). Frederiksberg: Ventus Publishing ApS.
- Kim, M., Beehr, T. A., & Prewett, M. S. (2018). Employee Responses to Empowering Leadership: A Meta-Analysis. *Journal of Leadership and Organizational Studies*, 25(3), 257–276. <https://doi.org/10.1177/1548051817750538>
- Kismono, G., Rosari, R., & Suprihanto, J. (2014). Faktor-faktor demografik (Jenis kelamin, usia, status pernikahan, dukungan domestik) penentu konflik pekerjaan dan keluarga dan intensi keluar karyawan: Studi pada industri perbankan Indonesia. *Jurnal Siasat Bisnis*, 17(2), 208–224. <https://doi.org/10.20885/jsb.vol17.iss2.art6>
- Marliya, L. (2015). *Pengaruh perceived organizational justice, optimism, usia dan tingkat pendidikan terhadap happiness at work pada karyawan pt. mega finance tangerang*. Diakses: 12 Februari 2023. Skripsi yang tidak dipublish. Institusi UIN Syarif Hidayatullah Jakarta.



- Moccia, S. (2016). Happiness at work. *Papeles Del Psicologo / Psychologist Papers*, 37(2), 143–151. <http://www.psychologistpapers.com/English/2699.pdf>.
- Moore, Don A., and Max H. Bazerman. *Decision Leadership: Empowering Others to Make Better Choices*. New Haven: Yale University Press, 2022.
- Netland, T.H. dan Powell, D.J. (2013). *The Routledge Companion to Lean. Management*, Routledge, Taylor& Francis Group, New York, NY.
- Pratiwi, V. (2020). Pengaruh Empowerment Terhadap Kinerja Karyawan dengan Teknologi Informasi dan Komunikasi sebagai Variabel Intervening pada PDAM Tirta Lestari Kabupaten Tuban. (Vol. 8, Issue 75). <https://doi.org/10.1016/j.jnc.2020.125798%0A>
- Pryce-Jones, J. (2010). Happiness at Work: maximizing your psychological capital for success. doi: 10.1002/9780470666845.
- Rahmi, F. (2019). Happiness at Workplace. *Proceeding of International Conference of Mental Health*, 32–40. <https://doi.org/10.32698/25255>
- Ranthy, F. D. D. (2012). Faktor-Faktor yang Berhubungan dengan Kelelahan Kerja pada Pramuniaga Ramayana Makassar Town Square Kota Makassar. *Skripsi. Makassar: UIN Alauddin*, 1–79. <http://repositori.uin-alauddin.ac.id/3221/1/Friesta.pdf>. Diakses: 12 Februari 2023. Skripsi yang tidak dipublish. Institusi UIN Alauddin Makassar.
- Robbins, S. P. & Judge, T. A. (2017). *Perilaku Organisasi, Organizational Behavior* (12th ed.). Jakarta: Penerbit Salemba Empat.
- Sugiyono (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung : Alfabet.
- Tims, M., Bakker, A. B., & Derks, D. (2012). Development and validation of the job crafting scale. *Journal of Vocational Behavior*, 80(1), 173–186. <https://doi.org/10.1016/j.jvb.2011.05.009>
- Tims, M., Bakker, A. B., & Derks, D. (2013). *The Impact of Job Crafting on Job Demands , Job Resources , and Well-Being The Impact of Job Crafting on Job Demands , Job Resources , and Well-Being*. July 2014. <https://doi.org/10.1037/a0032141>
- Tims, M., & Bakker, A. B. (2010). Job crafting: Towards a new model of individual job redesign. *SA Journal of Industrial Psychology*, 36(2). <https://doi.org/10.4102/sajip.v36i2.841>
- Uma Sekaran; Roger Bougie. (2017). Research Methods for Business: A Skill-Building Approach. *Leadership & Organization Development Journal*, 34(7), 700–701. <https://doi.org/10.1108/lodj-06-2013-0079>
- Wardani, I. et. a. (2021). *Job Crafting di Era New Normal*. Jakarta: Penerbit NEM.