The Influence of Leadership that Supports Autonomy on Work engagement and Employee Welfare with Job Crafting as a Mediator: a study on Gen-Y Public Sector Employees in Indonesia

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Abstract. Characteristics of Generation Y (Gen Y), often referred to as the millennial generation. A fast, independent, and flexible generation tends to be at odds with the style of working in today's public sector organizations, particularly the public sector under government. This can be a new challenge, especially for the top management of the organization. This study aims to explore the influence of autonomy support leadership on the work attachment and employee well-being of Gen Y employees and the mediating effect of job crafting on public sector organizations in Indonesia. Data was collected through a survey of Gen-Y employees (27 – 42 years old) from the Education, Health, and Finance sectors in Surakarta, Indonesia using random sampling techniques. Structure Equation Model (SEM) analysis has been carried out and the results show that autonomy support leadership affects job crafting by 30.

Keywords: Influence of Leadership**,** Supports Autonomy, Employee Welfare.

1 Introduction

According to the National Population and Family Planning Board (BKKBN), Indonesia experienced a demographic bonus in the 2020-2030 range. This demographic bonus period will open up a window of opportunity that can be used to achieve considerable economic benefits, which is around 2019-2024 when the ratio dependence reaches the lowest value as seen in Figure 1 [1]. Generation Y (Gen Y) or can also be called the Millennial Generation, namely the population with a range of birth years from 1981 to 1996 [2], is a generation that plays a major role in this demographic bonus era.

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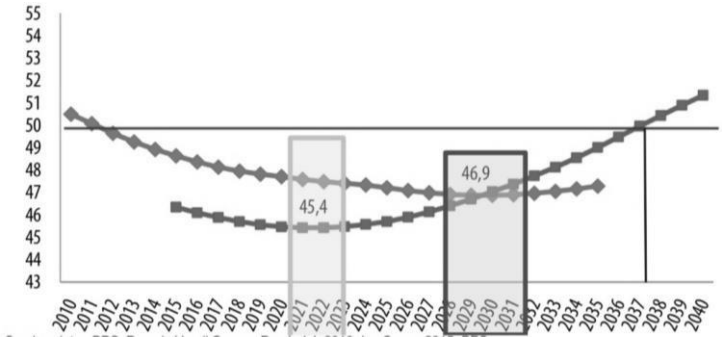

Fig. 1. Indonesia's dependency ratio 2010-2040 [1]

Based on the National Economic Survey (Susenas) of the Central Statistics Agency (BPS) in 2017, the number of Gen Y reached around 88 million people or 33.75 percent of the total population in Indonesia, the highest number when compared to the veteran, baby boom, X, and Z generations. BPS National Labor Force Survey (Sakernas) data in the same year also revealed that 67.24 percent or about two-thirds of the Gen Y population is in the labor force [3]. The entry of Gen Y in the world of Indonesian labor is expected to become a productive, competitive workforce, respond to rapid changes in the era of digitalization and industrial revolution 5.0 today and in the future, and bring transformation from many sides.

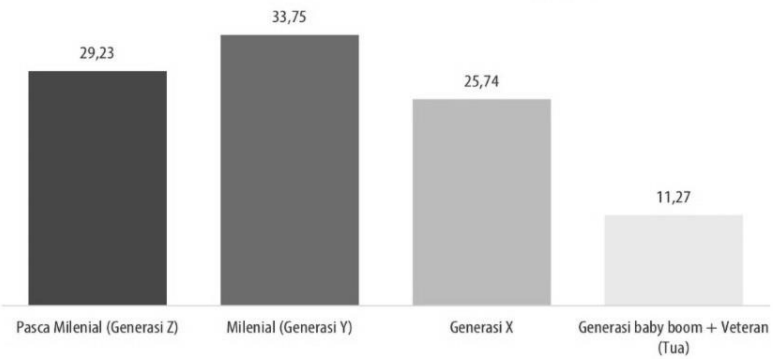

Fig. 2. Distribution of population groups by generation [1]

This is a new challenge in the world of work, especially in organizations with conventional managerial systems. The fast, independent, and flexible work-loving nature of Gen Y tends to be the opposite of working styles in public sector organizations, especially the public sector under government rules [4]. With the characteristics of Gen Y who are idealistic, dynamic, and like challenges, this generation tends to feel free in making their choices so they are not afraid to leave work. They enjoy and look for new jobs that are considered to provide better comfort and benefits [5]. This raises

issues that need to be further understood related to job attachment to Gen Y employees in the public sector.

Work engagement, or widely mentioned in the literature as work engagement, has the opposite meaning to burnout. Work attachment is defined as passion, dedication, and work absorption, which is a positive and satisfying employee affective and motivational state of mind that occurs in the workplace [6]. Employees who have this attachment will be encouraged to strive to achieve challenging goals and achieve success. Work attachment reflects the energy employees bring to the workplace, where they not only feel excited, but also feel enthusiastic about using their energy at work [7]. This sense of attachment gives rise to the desire of employees to work hard, be involved in the organization, and feel happy with their duties, which at first was expected to also improve employee welfare [8].

Several previous studies have addressed the causal factors that influence job attachment in employees in various companies. One factor that is considered to play a role is job crafting, which is defined as changes made by employees on their own initiative with all their resources and urges to achieve and / or optimize their personal goals [9]. Job crafting is also known to be related to employee welfare because it relates to meeting the psychological needs of employees which include autonomy, attachment, and needs. The previous theory states that when the three basic psychological needs are met, the growth, function, environmental coherence, and well-being of employees will be optimal (Self-Determination Theory (SDT)) [10]. Job crafting involves more autonomy which can encourage employees to feel more responsible for their performance, and consequently employees will be more motivated to put effort into every task they perform [9].

Based on the explanation above, it reveals the influence of autonomy broadly on meeting one's psychological needs and its impact on work craft, work attachment, and employee welfare, so it becomes very important for management.

tops or leaders to support autonomy in employees. Leadership that supports autonomy has been widely researched as having a positive influence on all three factors, but little research has focused on Gen Y employees in the public sector.

For this reason, we try to explore further through this research related to the influence of leadership that encourages autonomy on the work attachment and welfare of Gen Y employees in public sector organizations in Indonesia by looking also at the mediating effect of job crafting to improve work attachment and welfare of Gen Y employees in the Indonesian Public sector.

2 Theoretical Review

2.1 *Job Making* and Leadership that Supports Autonomy

Job creation describes the process by which employees take an active role in initiating a change in their approach to work. The original conceptual model of Job Crafting from Wrzesniewski and Dutton (2001) [11] includes three strategies: task, relational, and cognitive crafting. Task crafting involves initiating changes to the number or type of activities a person performs. Relational crafting involves applying expertise about

who interacts at work, or how a person does it. Cognitive crafting, on the other hand, involves changing how a person 'sees' their work, with a view to changing how the tasks or relationships that make up work are perceived.

Leader autonomy support refers to a group of behaviors interpersonal leaders who cultivate motivational resources in employees, thereby facilitating self-defeating behavior [12]. A leader who supports autonomy will give workers a sense of choice and opportunity for input, encourage more free behavior and own initiative, take steps to acknowledge perspective workers, communicate in an informative way, and minimize the use of external controls, such as real ones.

2.2 *Job creation*, Work Attachment, and Employee Welfare

Given the importance of employee well-being for desired work-related jobs, it's no wonder that managers are increasingly interested in ways to improve the well-being of their employees. The Theory of Self-Determination [13,14], a general theory of motivation in humans, have yielded substantial scientific insight into how this can be achieved.

Given the evidence supporting the importance of autonomy, basketball, and competence for well-being, researchers have previously begun to explore ways in which these fundamental needs can be fostered in a variety of places, including in the workplace. Job crafting [11], defined as "the physical and cognitive changes individuals make to the tasks or relational constraints of their jobs", is a method by which employees can create a better fit between themselves and the demands of their job. By engaging in job creation, employees can essentially reshape their work in such a way that it becomes more attuned to their motivations for work, as well as individual skills and preferences them. This process affects the nature of the work itself, including the demands experienced on the job as well as the sense of personal efficacy to meet those demands. With job crafting, employees can tailor their existing work to better align with their needs, values, and skill sets, resulting in more internalized motivation for their work and thus creating a more enjoyable, engaging, and meaningful work experience [11].

Employment agreements are positively related to job resource objectives, and can promote growth, learning, and development [15]. Demerouti, et al. [15] conducted research on JD-R theory (Job Demand – Resource) and stated that job demands such as working hours or time pressures can lead to burnout, whereas lack of job resources such as feedback, social support, participation in decision making will lead to non-compliance.

3 Research Methods

The data collection of this study was carried out by survey method. Data collected from public sector employees in Indonesia using random sampling techniques. The targeted respondents were public sector employees in Indonesia in the age range of 27 – 42 years according to the definition of the Gen Y category in literature. The survey

is boldly disseminated in the form of a Googleform to be filled directly by respondents who meet the criteria.

The survey contains questionnaires that represent each variable, namely questionnaires that measure leadership that supports autonomy, job crafting, job engagement, and employee well-being. Items were taken from questionnaires that had previously been validated and adjusted to the objectives of this study. Researchers used measurements of six items adapted from the Work Climate Question List to measure leadership that supports autonomy [16]. The questionnaire was measured on a 5-point Likert scale: "1" means "Strongly Disagree" and "5" means "Totally agree".

For employee welfare, the World Health Organization Well-Being Index (WHO-5) is used which contains 5 items, and for job crafting it is measured with a 15-item Job Crafting Questionnaire [17] which represent different types of job crafting behavior. Respondents' answers to the WHO-5 and JCQ questionnaires were assessed using the frequency with which they performed each of these behaviors on a 6-point scale (1=almost never, 6=very often). Work engagement was measured using 9 items from the Utrecht Work Engagement Scale [6]. The questionnaire as a whole consisted of three subscales consisting of 3 items each, namely the Vigor subscale which measures employees' energy levels at work (example: "At work, I feel full of energy"), the Dedication subscale which measures.

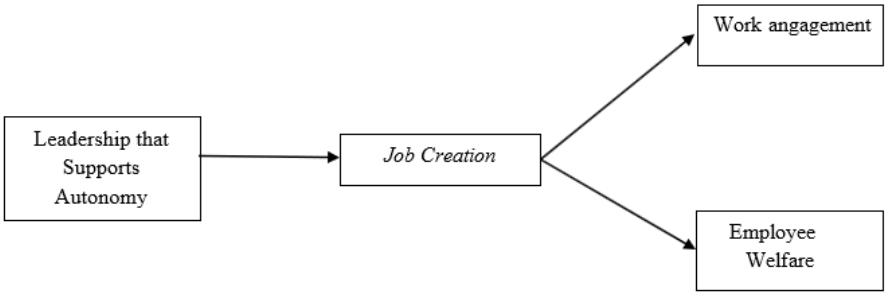

Fig. 3. Loading Concept

Employee engagement and enthusiasm towards their work (example: "I'm passionate about my job"), and the Absorption subscale which measures employees' preoccupation with their work (example: "I'm immersed in my job"). Respondents' answers to UWES are measured on a 7-point scale (1=never, 7=always). The total items in the questionnaire were 37 amendments, making it the minimum total sample of the study this is as many as 175 respondents [18].

Analytical methods in this study include descriptive analysis, validity tests, reliability tests, and hypothesis tests that will be assisted using the Smart PLS program 4. Descriptive analysis includes respondents' characteristics, namely age, gender, length of service in the public sector, employment status, and education level. Next Confirmation factor analysis (CFA) is performed to verify the structural factors of a set of observed variables and the analysis of the Structure Equation Model (SEM) used for

Identify effect relationships between variables, which are classified into direct or indirect relationships.

4 Analysis and Discussion

Descriptive analysis was conducted to determine the characteristics of research respondents. This research questionnaire was distributed online (boldly) using the Google Form application. From the distribution of questionnaires that have been carried out, obtained 177 respondents filled out the questionnaire. Most of the respondents were female and came from the Education sector as presented in table 1.

Table 1. Characteristics of the subject of study

Parameter Gender	Sum	Be present
- Man	55	31,1%
- Woman	122	68,9%
- Field / Work Education	84	47,8%
- Health	69	38,8%
- Finance	24	13,5%

4.1 Validity and Reliability Test

Validity tests are used to measure the ability of a research instrument to measure the construct used. To obtain this, the validity test is focused on the validity of the content (content validity). Content validity indicates that the measured items are sufficient and representative in describing a concept (Sekaran et al., 2016). The validity test is performed using Smart PLS outer loading. In conducting this test, observations were made of Cronbach's alpha (CA), Composite Reliability (CR), and Average values

Variance Extracted(AVE) on each Indicators. Smart PLS requires every indicator to have a minimum value 0.70. However, according to Hair et al. (2016), indicators that have values between 0.40 and 0.70 can be said to be valid if the indicators meet the minimum requirements of CR and AVE [18].

The validity test is carried out by looking at the Outer Loading value of the data processing results. Based on the test results presented in Table 2, it can be seen that the Outer Loading value ranges from 0.417 – 0.918, where the results meet the validity requirements, as said by Hair et al. (2016).

Furthermore, reliability tests can be carried out by looking at CR, AVE, and CA values [19]. An item is considered reliable in representing a variable if it meets the criteria of CR > 0.7, AVE > 0.5, and CA > 0.6. The results of reliability tests in this study can be seen in Table 3 which shows that the results of CR, CA, and AVE values of all variables are greater than required. This indicates that all variables pass the Reality test.

Table 2. Validity of test results

Variables and indicators	Load
Job Crafting	
JC1	0,677
JC10	0,772
JC11	0,555
JC12	0,639
JC13	0,470
JC14	0,606
JC15	0,424
JC2	0,578
JC3	0,595
JC4	0,417
JC5	0,611
JC6	0,668
JC7	0,643
JC8	0,633
JC9	0,743
Work blessing	
KK1	0,838
KK2	0,849
KK3	0,876
KK4	0,851
KK5	0,689
KK6	0,842
KK7	0,811
KK8	0,860
KK9	0,614
Employee Welfare	
KW1	0,870
KW2	0,861
KW3	0,918
KW4	0,910
KW5	0,829
Leadership Supporting Autonomy	
PAS1	0,684
PAS2	0,858
PAS3	0,798
PAS4	0,809
PAS5	0,863
PAS6	0,855

Table 3. Reliability test results

Variable	CA	CR	CR(rho_c)	AVE
JC	0,876	0,878	0,942	0,890
KK	0,926	0,927	0,944	0,772
KW	0,939	0,943	0,950	0,732
EXACTLY	0,899	0,904	0,925	0,712

Description: CR: composite reliability, AVE: average variance extracted; CA: alpha cronbach; JC: Job creation; KK: work blessing; KW: Employee welfare; PAS: Leadership that Supports Autonomy

4.2 Deep Model Analysis

Evaluation of the structural model (inner model) is carried out to ensure that the structural model built is sturdy and accurate. The first stage of analysis carried out in the evaluation of structural models is seen from the Coefficient of Determination (R2). Based on the data processing that has been done, the R-Square value can be seen in table 4, where the Job Crafting variable has a value of 0.308 (30.8%). This means that leadership variables that support autonomy affect job crafting by 30.8%, and the rest are influenced by other variables.

Table 4. R-squared value

Variable	*R-square*	*R-square*
Job Creation	0,308	0,304
Welfare Employee	0,340	0,336
Work blessing	0,298	0,294

Table 5. Hypothesis test results

Hypothesis	Original sample (HI)	Sample average (M)	Standard deviation (STDEV)	Statistic T (|O/STDEV|)	P
JC -> KW	0,583	0,583	0,063	9.187	0.000
JC -> KK	0,546	0,549	0,058	9.350	0.000
PAS -> JC	0,555	0,554	0,070	7.941	0.000
PAS -> KW	0,323	0,325	0,065	4.954	0.000
PAS -> KK	0,303	0,306	0,061	4.985	0.000
PAS -> JC -> KK	0,303	0,306	0,061	4.985	0.000
PAS -> JC -> KW	0,323	0,325	0,065	4.954	0.000

Description: JC: Job crafting; KK: Work blessing; KW: Employee welfare; PAS: Leadership that Supports Autonomy

4.3 Hypothesis Testing

After assessing the inner model, the next thing is to evaluate the relationship between latent constructs as hypothesized in this study. Test the hypothesis in this study by looking at T-Statistics and p value. The hypothesis is accepted if the value of T-Statistics > 1.96 and p <0.05. By The results of the hypothesis test shown in Table 5, then all hypotheses are accepted because the T-Statistics value > 1.96 and the p value < 0.05. This means that all dependent, independent, and mediated variable relationships are significant.

5 Discussion

In particular, leaders can know proactivity when they maintain employee autonomy [10], that is, with a leadership model embodied by leader autonomy [20]. A leader who supports autonomy will give workers a sense of choice and opportunity to include, encourage more free behavior and self-initiative, take steps to acknowledge workers' perspectives, communicate in informative ways, and minimize the use of external controls, such as real ones. Rewards or sanctions, motivation for desired work behavior [20]. As a leadership style, autonomy gives rise to more job crafting behaviors because it frees employees from cognitive restraints on what can or should be done at work, thus encouraging more imaginative and potentially creative work behaviors that push the boundaries of work [10].

The scope of the Theory of Self-Determination suggests that human beings have three intrinsic psychological needs, autonomy, interconnectedness, and capacity, which when satisfied lead to optimal functioning, growth, environmental coherence, and well-being. Applied to the work context, autonomy refers to the feeling of controlling one's work environment and the feeling that one has will and choice, relatedness refers to the perception that one is capable of forming quality relationships at work, and competence refers to one's ability to experience a sense of accomplishment or mastery at work.

These three needs have been extensively researched, and there is substantial empirical evidence to support their importance to human development [14];

Several previous studies have found that job crafting allows individuals to strike a balance between the demands of their job and the personal resources they have to manage it (e.g., Tims et al. 2012, 2013a, b), which helps contain stress and increase engagement.

In line with the results of this study, a theoretical model researched by Slemp and Vella-Brodrick (2014) [17] found that job crafting predicts the satisfaction of psychological needs in the workplace, which is on maintaining well-being. These findings suggest that job creation can provide employees with an important avenue for improving their workplace well-being through the satisfaction of psychological needs.

Not only the demands of work and resources, psychological capital as well be a factor affecting work attachment. Psychological capital is a positive state of employees characterized by self-efficacy, optimism, hope, and resilience.The four dimensions of psychological capital will generate and direct individuals to take useful actions to motivate someone to work harder (vigor), feel that their work is meaningful and (dedication), and are fully willing to focus on completing their work conducted a study and revealed a predictor that also has a significant effect on work engagement, namely job crafting. Employees who show job crafting behavior will be more attached to their jobs,

6 Conclusions and Advice

This study on Gen-Y employees in Indonesia (Surakarta city, Central Java) in the public sector in the fields of education, health, and finance shows the influence of leadership styles that support autonomy on work attachment and employee welfare mediated by job crafting as a mediator. This research is limited to the Surakarta City area, Indonesia, so that further research can be carried out with a wider area coverage so that the results of the study can represent the general population.

It is interesting to know that the millennial generation in the world of work really hopes for changes in culture and work results at a macro level. There are still many work environments where the millennial generation exists but have not been researched on a massive scale. This is a challenge for future researchers.

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