

The Role of Work Engagement Mediates the Influence of Authentic Leadership on Employee Creativity in PT. Aura Bali Craft

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ABSTRACT : Pt. Aura Bali Craft is one of the companies included in the creative industries sector in Bali. Pt. Aura Bali Craft is located at Jalan Raya Dalung No. 95, Dalung, North Kuta, Badung, Bali. The company is engaged in handicrafts made of stone, glass, ceramic, and fiber. This research was conducted on employees of PT. Aura Bali Craft. The purpose of this research is to find out the role of work involvement in mediating the influence of authentic leadership on employee creativity at PT Aura Bali Craft. The samples used in this study were 36 people, using saturated sampling techniques. Data collection is obtained from the results of the dissemination of questionnaires directly to employees of PT Aura Bali Craft. The data analysis in this study uses path analysis. The results showed that authentic leadership had a significant positive effect on work engagement. Authentic leadership has a significant positive effect on employee creativity. Work engagement has a significant positive effect on employee creativity. Work engagement has a positive and significant effect as a variable that is able to mediate the influence of authentic leadership on employee creativity.

KEYWORDS : *Authentic leadership, Job engagement, Employee Creativity*

I. INTRODUCTION

Organizations must find the optimal approach to meet employee needs in order to encourage employee creativity (Carmeli et al., 2010). The Company should maintain creative human resources, which will be able to create a positive work atmosphere for the sake of the organization (Susriani et al., 2019). The level of competitive excellence of a company requires an innovation approach in the form of employee creativity (Suasana and Ekawati, 2018). Factors that affect employee creativity are internal factors and external factors, internal factors are embedded in the employees themselves while external factors come from outside influences namely leader support and peer support (Mustika, 2017).

This research was conducted on PT. Aura Bali Craft is located at Jalan Raya Dalung No. 95, Dalung, North Kuta, Badung, Bali. The company is engaged in handicrafts made of stone, glass, ceramic, and fiber. Based on the results of a pre-survey conducted to nine employees of PT Aura Bali Craft related to employee creativity, it can be explained that out of nine people there are seven respondents who are able to show authenticity (originality) when working with a percentage of 77.78 percent, while two respondents have not been able to show authenticity (originality) when working with a percentage of 22, 22 percent. Three respondents were prepared to take risks when performing new ideas in doing work with a percentage of 33.33 percent, while six respondents were not ready to take risks when triggering new ideas in doing work with a percentage of 66, 67 percent. Two respondents were able to find new uses of existing equipment with a percentage of 22, 22 percent, while seven respondents were unable to find new uses of existing equipment with a percentage of 77, 78 percent. Three respondents were able to solve existing problems while working with a percentage of 33.33 percent, while six respondents were unable to solve existing problems while working with a percentage of 66, 67 percent. Four respondents were able to take new measures when working with a percentage of 44, 44 percent, while five respondents were unable to take new measures when working with a percentage of 55, 56 percent. Six respondents were able to identify the opportunities in a product with a percentage of 66, 67 percent, while three respondents were not able to identify the opportunities in a product with a percentage of 33,33 percent. Two respondents were able to come up with a unique idea that could be applied with respect to work with a percentage of 22, 22 percent, while seven respondents were not able to come up with a unique idea that could be applied with respect to work with a percentage of 77. 78 percent. Based on the results of pre-survey conducted related to karywan creativity at PT Aura Bali Craft there are 42.86 percent who agree and 57.14 percent who disagree, it can be concluded that the creativity of PT employees. Aura Bali Craft looks still

not maximal.

PT Aura Bali Craft continues to strive to produce innovative products. To produce products that inivatif required creativity from employees. PT Aura Bali Craft still has constraints related to employee creativity, where employees rely solely on product design ordered by consumers, some employees tend to be reluctant to think of new ideas to create innovative products. Based on the pre-research results of interviews with Managing Director of PT Aura Bali Craft, employees work to produce products according to the design of consumers so as to cause the production of new products. The insanity of new products is also due to the lack of imaginative employees in creating new ideas to produce new products. Products produced by employees are mostly new products designed by consumers themselves, which can affect the amount of production of new products within the company.

The success of an organization in the innovation process in the form of employee creativity is influenced by the role of leaders (Aditya and Ardana, 2016). Employee creativity can be influenced by authentic leadership or authentic leadership (Rashid et al., 2019). Wang et al. (2014) states that authentic leadership can be demonstrated by the leader's self-awareness, openness, and clarity of behavior, authentic leadership exerts a variety of positive influences on attitudes, behaviors, and performance from subordinates.

Based on the results of a pre-survey conducted to nine employees of PT Aura Bali Craft related to authentic leadership, it can be explained that out of nine respondents there were three respondents stating their leader was looking for feedback to improve interaction with others with a percentage of 33, 33 percent, while six respondents answered disagreeing with the percentage of 66, 67 percent. Three respondents said their leaders knew exactly how others viewed their leader's abilities at 33.33 percent, while six respondents disagreed with 66, 67 percent. Two respondents said their leader always asked for an in-depth opinion to correct his leadership by a percentage of 22, 22 percent, while seven respondents answered disagreeing with the percentage of 77, 78 percent. Five respondents said their leaders always listened to opinions from different points of view before drawing conclusions with a percentage of 55, 56 percent, while four respondents answered disagreeing with the percentage of 44, 44 percent. Six respondents said their leader admitted mistakes when making a mistake with a percentage of 66, 67 percent, while three respondents answered no with a percentage of 33, 33 percent. Seven respondents said their leader showed consistent personal confidence through his actions with a percentage of 77, 78 percent, while two respondents expressed disprove of the percentage of 22, 22 percent. Six respondents said their leader made the decision by strongly considering moral values with a percentage of 66, 67 percent, while three respondents disagreed with the percentage of 33, 33 percent.

Pre-survey results of nine employees of PT. Aura Bali Craft related to authentic leadership there are 48, 61 percent who express agree and 51, 39 percent who disagree can be stated that on PT. Aura Bali Craft applies authentic leadership, but not yet masimal. The results of the pre-survey show authentic leadership implemented by PT. Aura Bali Craft influences employee creativity, this is supported by previous research conducted by Rego et al. (2012), Peterson et al. (2012), Rashid et al. (2019), Semedo et al. (2016), and Zubair and Kamal (2015) stating that authentic leadership has a positive effect on employee creativity.

Another variable that can affect employee creativity is work engagement (Demerouti et al., 2015). Rahati et al. (2015) stated that work engagement is an internalization related to positive values related to how important it is to work together between people in the organization. Based on the results of a pre-survey conducted to nine employees of PT Aura Bali Craft related to work engagement, it can be explained that out of nine people there was one respondent stating the response given to a job according to what was expected with a percentage of 11, 11 percent, while eight respondents answered disagreeing with the percentage of 88, 89 percent. Seven respondents responded directly to each job assigned with a percentage of 77.78 percent, while two respondents said they disagreed with 22 percent, 22 percent. Eight respondents had a sense of responsibility for the assigned job with a percentage of 88, 89 percent, while one person answered disagreeing with the percentage of 11, 11 percent. One respondent felt uns calm when the job was not completed with a percentage of 11, 11 percent, while eight respondents answered disagreeing with the percentage of 88, 89 percent. Based on the results of the pre-survey conducted, related to work engagement there were 47, 22 percent who agreed and 52, 78 percent who disagreed, from the pre-survey results can be concluded that PT. Aura Bali Craft implements work involvement, but not yet masimal, work involvement in PT. Aura Bali Craft has an effect on employee creativity. The pre-survey results were supported by research conducted by Demerouti et al. (2015), Bakker and Xanthopoulou (2013), as well as Mubarak and Noor (2018) who stated that work involvement has a positive effect on employee creativity.

II. LITERATURE REVIEW AND HYPHOTHESES DEVELOPMENT

Previous research conducted by Penger and Cerne (2014) in the study found authentic leadership had a significant positive effect on work engagement. Puguh and Prasanti research (2016) states that authentic leadership has a significant positive influence on work engagement. Similar research by Mubarak and Noor (2018), and Paradise (2018). authentic leadership has a significant positive effect on job engagement, an

authentic leader can keep his employees more engaged in their work. Therefore, the following hypothesis is obtained.

H1: Authentic Leadership has a significant positive effect on work engagement.

Previous research conducted by Rego et al. (2012) suggested that authentic leadership has a significant positive effect on employee creativity. Authentic leadership has a significant positive effect on employee creativity (Peterson et al., 2012). Authentic leadership has a positive and significant effect on employee creativity which increases self-efficacy, optimism, resilience, and employee expectations that ultimately increase employee creativity (Rashid et al., 2019). Similar research by Semedo et al. (2016), Zubair and Kamal (2015) revealed the influence of authentic leadership on employee creativity and found that authentic leadership is positive and significant to employee creativity. Therefore, the following hypothesis is obtained.

H2: Authentic leadership has a significant positive effect on employee creativity

According to Demerouti et al. (2015) stated that work involvement has a positive effect on creativity among employees in the Netherlands. Bakker and Xanthopoulou's research (2013) stated that the involvement of work had a significant positive effect on karywan creativity in the study between principals and teachers. Research conducted by Mubarak and Noor (2018) suggests that work involvement has a significant positive effect on employee creativity. Therefore, the following hypothesis is obtained.

H3: work involvement has a significant positive effect on karywan creativity.

Mubarak and Noor (2018) stated that employees are more creative under authentic leadership because they feel much more engaged under the supervision of authentic leadership. Vinarski-Peretz and Carmeli (2011) assert that encouraging mental situations that include work engagement plays an important role in improving employee creativity. Chaudhary and Panda (2018) suggest authentic leadership influences employee creativity through job engagement. Therefore, the research hypothesis is as follows.

H4: Work engagement mediates the relationship between authentic leadership and employee creativity.

III. METHODS

This research was conducted at PT Aura Bali Craft which is located at Jalan Raya Dalung No. 95, Dalung, North Kuta, Badung, Bali 80351. The research objects in this study are employee creativity (Y), work engagement (M), and authentic leadership (X) at PT Aura Bali Craft.

Indicators measuring employee creativity in this study were adopted from research used by Gong et al. (2009) consisting of: 1) Originality, 2) Courage to take risks against new ideas, 3) Discover new functions of existing equipment, 4) Problem solving, 5) Always try new things, 6) Identify opportunities for a product, and 7) Generate unique ideas.

The measurement indicators of work engagement in this study were adopted from research used by Govender and Parumasur (2010) consisting of 4 indicators namely: 1) Response to work, 2) Behavior involved in work, 3) Sense of responsibility for work, and 5) Feelings about unresolved work.

The measurement of authentic leadership levels in this study was adopted from research used by Walumbwa et al. (2008), which consists of: 1) Seeking feedback to improve interaction with others, leaders who can elicit reactions in interacting with others, 2) Know exactly how others see his ability, 3) Ask for an in-depth opinion to correct his current leadership role, 4) Listen carefully to opinions from different points of view before drawing conclusions, 5) Say exactly what it means, 6) Admit wrongdoing when he makes a mistake, 7) Show personal beliefs consistently through his actions, and 8) Make decisions with great consideration of moral values.

The population in this study was 36 employees of PT Aura Bali Craft. In this study, we used a saturated sampling method, resulting in a sample count of 36 employees of PT. Aura Bali Craft. The method of data collection is done by disseminating questionnaires measured on a likert scale of 5 points. The data analysis techniques used consist of testing research instruments (validity test and reliability test), descriptive statistical analysis, then to answer the hypothesis used path analysis and sobel analysis.

IV. RESULTS AND DISCUSSION

The majority of respondents in the study were 20 men with a percentage of 56 percent, and the remaining 44 percent as many as 16 were female, which is because more jobs in the company require male workers. The study was dominated by respondents aged 20-29 who were 16 with a percentage of 44 percent. The age of 20-29 dominates because it is a productive working age, in addition it tends to have more creative ideas than vulnerable over the age of 29. The last education respondents were mostly high school graduates who were as many as 20 people with a percentage of 56 percent. The last education of respondents was mostly high school graduates because someone who has attended high school is assumed to have a good understanding and ability to complete a job.

Based on the results of the analysis of authentic leadership influence on work engagement obtained a significance value of 0,000 with a positive regression coefficient value of 0.787. The significance value of 0.000 < 0.05 indicates that it is accepted. This result means that Authentic leadership has a positive and significant effect on the involvement of aryaawan PT's work. Aura Bali Craft, i.e. the better the implementation of authentic leadership then the more work involvement. Based on this, the authentic leadership hypothesis has a significant positive effect on the involvement of work in PT. Aura Bali Craft. The results of this study are in accordance with the research of Puguh and Prasanti (2016), Firdaus (2018), Mubarak and Noor (2018).

Based on the results of the analysis of authentic leadership influence on creativity employees obtained a significance value of 0.012 with a positive regression coefficient value of 0.376. The Significance value of 0.012 < of 0.05 indicates that H2 is accepted. This result means that authentic leadership has a positive and significant effect on the creativity of PT employees. Aura Bali Craft, because the leader who implements authentic leadership well will increase the creativity of employees. Based on this, the authentic leadership hypothesis has a significant positive effect on employee creativity can be received in PT. Aura Bali Craft. The results of this study are in accordance with the research rashid et al. (2019), Semedo et al. (2016), Zubair and Kamal (2015).

Based on the results of the analysis of the effect of work involvement on employee creativity obtained a significance value of 0.001 with a positive regression coefficient value of 0.536. The significance value of 0.001 < 0.05 indicates that H3 is accepted. Aura Bali Craft, because of the higher work involvement applied by employees, the results of this study are based on demerouti et al. (2015), Bakker and Xanthopoulou (2013), Mubarak and Noor (2018) calculation results show that the direct influence of authentic leadership on work engagement is 0.787. The direct effect of authentic leadership variables on employee creativity is 0.376. Direct influence of work engagement variables on employee creativity of 0.536. This means that employee creativity variables are more influenced by work engagement than authentic leadership. 0.421. So the total effect of authentic leadership variables on employee creativity through work engagement is 0.797. Based on indirect influence with the sobel test, obtaining a calculated Z value of 3.3511 > 1.96. This means that work engagement (M) is a variable that mediates authentic leadership (X) to employee creativity (Y) in PT. Aura Bali Craft or in other words authentic leadership has an indirect effect on employee creativity through work engagement. This research supports some of the results of previous research conducted by Mubarak and Noor (2018) suggesting that employees are more creative under the leadership of authentic leadership because they feel much more engaged under the supervision of authentic leadership. Vinarski-Peretz and Carmeli (2011) assert that encouraging mental situations that include work engagement plays an important role in improving employee creativity. Research conducted by Chaudhary and Panda (2018) suggests authentic leadership influences employee creativity through job engagement

V. CONCLUSION

Concluded this research is: 1) Authentic leadership has a significant positive effect on the involvement of work in PT. Aura Bali Craft; 2) Authentic leadership has a significant positive effect on employee creativity in PT. Aura Bali Craft; 3) Work involvement has a significant positive effect on karywan creativity in PT. Aura Bali Craft; and 4) Work engagement has a positive and significant effect as a variable that is able to mediate the influence of authentic leadership on employee creativity in PT. Aura Bali Craft.

Advice for Pt. Company Aura Bali Craft should pay more attention to karywan creativity especially on the ability of employees to take new steps when doing a job. In this case, the company should do more training on how to solve the problems in the company so that each employee is able to explain the factors causing the problem in doing a job, as well as more motivating employees to find alternative measures in doing a job. Then the leader at PT. Aura Bali Craft should be able to do even better in implementing authentic leadership. Company leaders should further improve interiation with employees, to discuss the problems employees are facing related to work, so that the company can provide input as well as motivation to employees so that a problem can be solved. The company also needs to motivate employees to have a sense of responsibility for a job assigned, so that employees think about the job and not ignore the work that has been assigned, so that employees can find innovative ways to get the job done.

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