
THE INFLUENCE OF PSYCHOLOGICAL SAFETY, TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE ENGAGEMENT OF THE COMPANY THROUGH THE MEANING OF WORK

Ika Prihartati¹, Ervin Agung Priambodo², Anandha Budiantoro³

Universitas Tanri Abeng, Jakarta, Indonesia

ika.prihartatiads@gmail.com¹, ervin_apriambodo@yahoo.co.id², anandha.budiantoro@tau.ac.id³

ABSTRACT

The success of organizational goals can be achieved effectively when supported by employees who have a deep commitment to the organization. Strong Employee Engagement will drive motivation, enhance productivity, foster harmonious relationships, and provide significant benefits to both parties. This research aims to understand and analyze the influence of psychological safety and transformational leadership on employee engagement through work meaning. The research methodology used a quantitative descriptive approach. Data collection was done through a questionnaire that assessed employee behaviors in the workplace, their interpretations, and interactions as leaders or subordinates in the organizational context. This study was conducted at PT Bio Farma (Persero) in Bandung, involving 253 respondents. Path analysis was used to evaluate hypotheses based on data collected from a 46-statement questionnaire. The results of this research indicate that good Psychological Safety, effective Transformational Leadership, and the presence of meaning in work (Work Meaning) play crucial roles in enhancing Employee Engagement at PT Bio Farma. Specifically, Psychological Safety and Work Meaning have the most significant direct impact on the level of employee engagement, each accounting for 65% and 60%, respectively. The findings of this research have important implications for companies looking to enhance employee engagement by focusing on psychological safety and promoting a transformational leadership style that facilitates meaningful work for employees.

Keywords: psychological safety, transformational Leadership, meaning of work, employee engagement.

Corresponding Author: Ika Prihartati

E-mail: ika.prihartatiads@gmail.com



INTRODUCTION

The current disruption barrier for organizations in the present era of technological development is velocity, which compels organizations to adapt and change business models to remain competitive and relevant. Employees as a capital asset for the company refers to the view that employees are a valuable resource that contributes to the success of the Organization. According to research, this approach is based on the belief that people are not only costs to be handled but also the primary source of creativity, innovation, and competitiveness (Becker, 2018).

Bio Farma is a state-owned corporation that manufactures life science goods to increase the quality of life for the nation, the state, and the world. Of course, employee involvement is critical to attaining organizational objectives. Bio Farma was designated as the holding company in the midst of holding the pharmaceutical business, and this is a challenging matter in managing human resources; in addition to business demands and merging four holding entities, this is a challenge.

The stress measurement findings for 2021-2022 show an increase in stress levels from an average of 14,656 to 15,745. This stress evaluation focuses on items that cause distress reactions rather than employees' stress reactions in response to workplace demands. The second phenomenon is related to employee disciplinary reports in 2022, stating that the lateness rate reaches 36%; employee attendance awareness is also illustrated by the presence of employees who do not take attendance as much as 13%, with the reason consisting of two possibilities, the first being that the employee forgot to take attendance, or the employee is not aware of taking attendance. Another phenomenon is that employee turnover and leave without pay have increased in the last five years, even though the percentage is only 0.1%; in comparison, nearly no one has resigned or taken leave in the previous ten years. Another phenomenon is the presence of complaint report data related to employee utilization, work productivity, job inequality, demotivation tendencies, team distrust, or behaviour leaving the workplace; this reflects other symptoms related to indications of employee engagement that should be investigated.

The phenomena above are likely influenced by factors such as the economic situation and post-pandemic adaptation to COVID-19, the implementation of holdingization in which business demands change and new policies are implemented, and other factors that require further investigation. According to research, this phenomenon can be associated with indications of a decrease in employee energy and mental resilience while working (vigour), a decrease in participation, a sense of employee enthusiasm in work (dedication), and a decrease in concentration or pleasure in work (absorption), and they are dimensions of Employee Engagement (Juliantara et al., 2020).

Employee engagement is a behaviour exhibited by employees or persons during their work in which these individuals are committed to their work and company by contributing to presenting themselves fully with a sense of duty to achieve organizational goals (Muis et al., 2018). Engage is defined by a sense of pride, passion, satisfaction, and actively inventing to advance in the firm (Patro, 2013).

Psychological safety is one aspect of the strategy to increase employee engagement (Retnowati et al., 2023). The condition in which individuals or employees feel psychologically safe in their environment to express opinions, convey ideas, be themselves, and interact openly without feeling threatened, intimidated, afraid of punishment, afraid of persecution, being wrong, or experiencing other negative sentiments (Rahmat, 2021).

Leadership is one of several factors that exist and is a significant factor in encouraging employee engagement (Firm, 2012). Transformational Leadership is a leadership style that promotes transformation, has charisma, conveys vision, motivates or encourages followers to finish work swiftly, and makes necessary innovations or changes for the good of the Organization.

The fact is that every employee has goals and fundamental reasons for working. Meaning of work is an individual's attitude or perspective toward work, where the individual interprets his work as something that is his belief or belief about work, whether as a means to earn money or needs only, looking for a career or a particular position, or developing self-potential to the highest meaning, where work is interpreted as something bigger than just money, whose impact is beneficial or suitable for the public (Anshori, 2013).

To achieve practical organizational goals, the management of employees as a company asset is viewed as very important, where the psychological aspects of workplace safety and transformational Leadership are factors in employee behaviour toward their Organization (Saputro, 2021). In contrast, internal factors of employees as individuals view the meaning of work in the context of a relationship with employee engagement.

According to research, every Organization and leader strives to promote employee engagement, which significantly impacts organizational productivity and performance (Manmeet Kaur & Poh, 2022). Employees who experience psychological safety exhibit excellent behaviour in offering their voices or thoughts. Ultimately, these employees' voices promote their jobs on their own, reflecting the employee's attachment to the Organization (Ge, 2020). Other previous researchers showed a positive direct effect of Psychological Safety on Employee Engagement (Platania et al., 2022). Transformational Leadership has a direct positive relationship with Employee Engagement (Thanh & Quang, 2022), (Mat et al., 2019). Other findings show that Transformational Leadership significantly influences Employee Engagement mediated by Psychological Safety (Xu et al., 2022), and Transformational Leadership significantly influences Employee Engagement mediated by the Meaning of Work (Handayani & Pitoyo, 2018).

From the phenomenon, literature review, and previous research findings, my empirical evidence suggests the existence of both direct and indirect positive influences of Psychological Safety and Transformational Leadership on Employee Engagement, mediated by the Meaning of Work. Based on the background mentioned above, the objective of this research is to understand and analyze the influence of psychological safety and transformational leadership on employee engagement through work meaning. Therefore, the benefits of this research are to provide insights to PT Bio Farma regarding the factors that affect employee engagement. Additionally, this research can help leaders and managers at PT Bio Farma understand the importance of transformational leadership and psychological safety in motivating employees. Furthermore, this study contributes to academic knowledge by exploring the relationships between psychological safety, transformational leadership, work meaning, and employee engagement.

METHOD

This study uses a quantitative approach where descriptive analysis is used to describe the data as it is and then processed using statistical techniques. Questionnaires were distributed online for 14 working days to PT Bio Farma (Persero) employees, consisting of 4 representative sections for each variable studied with a total of 46 questions. Respondents were asked to answer by actual behaviour conditions at work, which were presented with five alternative answers for each list of questions asked. The results of the responses obtained were 253 employees from PT Bio Farma (Persero) Bandung Area.

The data obtained is checked for reliability, validity and normal distribution. If it meets the requirements, we can use the analysis technique. In this study, I used path analysis, where technical analysis examines the direct and indirect effects of the variables to hypothesize the effect of the treatment on these variables through the SPSS program.

RESULTS AND DISCUSSION

The overall results of the research information obtained from the 253 respondents show the classification of the average arithmetic rating category presented into a continuum line with a suitable category (range: 3.40 – 4.50): responses for the Psychological Safety variable where the total score is 14575, and the average value is 4.10, for the Transformational Leadership variable with a total overall score of 11810, and an average value of 3.87, for the Employee Engagement variable with an overall total score of 10493, and an average value of 4.13 and for the variable Meaning of Work with an overall total score of 9258, and an average value of 3.64.

Results of Path Analysis Path Model 1a. The influence of Psychological Safety and Transformational Leadership on the Meaning of Work can be seen in Table 1:

Table 1. Path Coefficient Model 1a

Variable	Coefficient path	t	value	Rsquare	1-R-Square
$X_1 \rightarrow X_3$	0.377	5.452	0.000	0.302	0.698
$X_2 \rightarrow X_3$	0.224	3.239	0.001		

Source: data processing, spss application

The total influence value (R-Square) or the contribution of the Psychological Safety and Transformational Leadership variables to the Meaning of Work is 0.302 or 30.2%. In contrast, the remainder, 69.8%, is the influence of other factors outside the two independent variables.

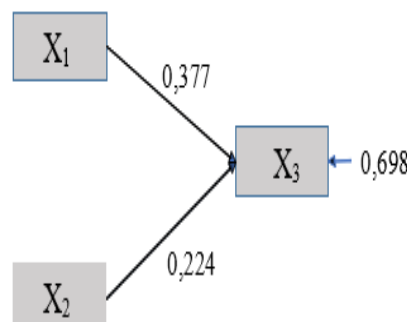


Figure 1. Path Diagram The Influence of Psychological Safety and Transformational Leadership on the Meaning of Work

From Figure 1, each variable's direct influence can be calculated (X_1) the Psychological Safety variable has a direct effect of 14.2%, and (X_2) the Transformational Leadership variable has a direct effect of 5% on the Meaning of the Work Variable.

Path Analysis Path Model 1b. The influence of Psychological Safety and Transformational Leadership on Employee Engagement can be seen in Table 2:

Table 2. Path Coefficient model 1b

Variable	Coefficient path	t	value	Rsquare	1-R-Square
$X_1 \rightarrow Y$	0.657	12.638	0.000	0.605	0.395
$X_2 \rightarrow Y$	0.170	3.279	0.001		

Source: data processing, spss application

Table 2 shows that the total value of influence (R-Square) or the contribution of the Psychological Safety and Transformational Leadership variables to employee engagement is 0.605

or 60.5%. In comparison, the remaining 39.5% is the influence of other factors outside the two independent variables.

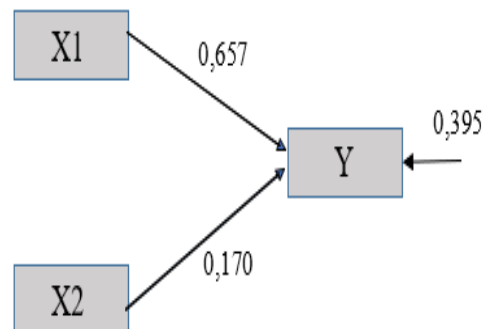


Figure 2. Path Diagram The Influence of Psychological Safety and Transformational Leadership on the Employee Engagement

Figure 2 shows that the (X₁) Psychological Safety variable has a direct effect of 43.2%, and the (X₂) Transformational Leadership variable has a direct effect of 2.9% on the Employee Engagement variable.

Path Analysis Path Model 2. The influence of the Meaning of Work on Employee Engagement can be seen in Table 3 :

Table 3. The Influence of Meaning of Work on the Employee Engagement

Variable	Coefficient path	t	p-value	R-Square	1-R-Square
X ₃ →Y	0.609	12.194	0.000	0.371	0.629

Source: data processing, spss application

Table 3 shows that the total influence (R-Square) or the contribution of the Meaning of Work variable on Employee Engagement is 0.371 or 37.1%. In comparison, the remaining 62.9% is the influence of other factors outside the independent variable.



Figure 3. Path Diagram The Influence Meaning of Work on Employee Engagement

The Meaning of Work variable has a direct effect of 60% on Employee Engagement.

Because this study uses intervening variables to test mediating or intervening variables, it can be done with the Sobel Test (z) (Abu-Bader & Jones, 2021). This test tests the strength of the indirect influence of variables X₁ and X₂ on Y through X₃ so that it will be known whether a variable can intervene or influence the independent variable on the dependent variable (desired). Where the z value must be more than > 1.96, it can be concluded that the hypothesis is accepted.

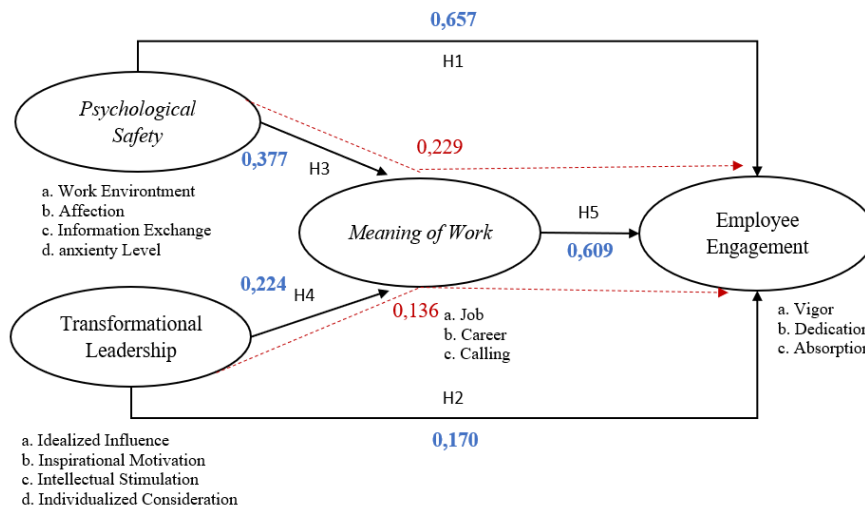


Figure 4. Framework

- H1: Psychological Safety directly affects Employee Engagement at PT Bio Farma (Persero). This is in line with the research of (Mat et al., 2019); (Platania et al., 2022) and (Ge, 2020).
- H2: Where transformational Leadership has a positive direct influence on employee engagement at PT bio Farma (Persero) is in line with research by (Manmeet Kaur & Poh 2022) (Xu et al., 2022), (Thanh & Quang, 2022), (Mat et al., 2019).
- H3: found that Psychological safety has a positive effect on employee engagement through the Meaning of Work, meaning that Meaning of Work can be a suitable medium of intervention in increasing Employee Engagement with similar opinions in research by (Handayani & Pitoyo, 2018).
- H4: found that Transformational Leadership positively affects employee engagement through the Meaning of Work. Transformational Leadership is one factor in employee behaviour towards the Organization, meaning that interference or better Employee Meaning of Work will increase Employee engagement (Zaw & Takahashi, 2022) (Handayani & Pitoyo, 2018).
- H5: found that Meaning of Work has a direct positive effect on Employee Engagement, in line with research (이영찬 & 단상청, 2018).

CONCLUSION

Thus, the results of this study provide empirical evidence that better Psychological Safety will increase Employee Engagement at PT Bio Farma (Persero), and better transformational Leadership will significantly affect efforts to increase employee engagement. Meaning of Work can be a suitable mediation for companies to condition the Psychological Safety of Employees or apply a Transformational leadership style to increase Employee Engagement. It has been proved that the better employees understand their work, the higher employee engagement with the Organization. Psychological Safety and Work Meaning have the highest direct influence on Employee Engagement at PT Bio Farma, with 65% and 60%, respectively.

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