

WORK ENGAGEMENT IN SMES: DOES WORK SPIRITUALITY PLAY A ROLE AS A MEDIATING VARIABLE?

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Keywords :

Abstract

Job Crafting, Social Skills, Work Spirituality, Work Engagement, MSMEs

This study aims to determine the effect of job crafting and social skills on work engagement with work spirituality as an intervening variable for MSME employees in Kebumen Regency. The population in this study were all MSME actors in Kebumen Regency. The sampling technique was based on the slovin formula and the results obtained were 71 employees. Data collection techniques by distributing questionnaires. The analysis used is validity test, reliability test, classic assumption test, hypothesis test, Sobel test, and path analysis. The data processing tool used is SPSS for Windows version 25.0. The results of this study indicate that social skills and job crafting have a positive effect on work spirituality, social skills have a positive effect on work engagement. However, the results of this study could not prove the effect of job crafting on work spirituality, and did not find a role for work spirituality as a mediation.

INTRODUCTION

One of the main factors driving economic growth in many countries is to support and encourage increased performance of SMEs. Small and medium scale companies need active support from the government in the form of relational relations between similar sectors or other sectors with more advanced business scales, so that value-based transactions occur, to improve their competence and performance (Mason & Brown, 2013) . The SME business segment includes a very important and vital part in creating accelerated economic growth in Indonesia. Small and medium business enterprises have become one of the needs of Indonesia's economic progress plan, apart from the survival of the SME segment amidst the turbulent phenomenon of the global economic crisis in 1998, it has been proven that *Volume* 8 *No.1 Februari* 2023 92 http://dx.doi.org/10.30736%2Fjpim.v1i2.28

SMEs are more able to survive than others business segment businesses (Wulansari & Kurniawan, 2017).

According to research conducted by Gallup in Indonesia, nearly 77 percent of employees work under normative conditions or work as transactional obligations. In other words, working only to earn monthly income without any employee engagement (Gallup 2013). The results of a poll also conducted by Gallup on businesses in the United States, found that there are production losses of \$ 300 billion per year experienced by companies as a result of low employee engagement in work (Gallup 2005). Another impact that also arises from low work engagement is the negative effect of work inflicted on the physical health of employees both psychologically and medically, such as stress, frustration, irritation and anger. Where these unhealthy conditions make the working atmosphere unpleasant, not challenging, and not interesting.

Competitive and competitive human resources, work engagement is needed in a company. Kahn (1990) in Lu at al. (2014) was the first to mention the concept of work engagement. work engagement refers to "the simultaneous work and expression of one's preferences in accomplishing the task or promoting one's self, connecting and working for others, expressing oneself physically (physically, cognitively, and emotionally) and being active" (Kahn, 1990).

There are several things that influence the occurrence of work engagement in a company, the first is job crafting. job crafting is defined as changing the boundaries and conditions of job assignments and work relationships and the meaning of work (Tims and Bakker, 2010:3). Job crafting is also needed by companies to find out how much skill their employees have, and can be applied to their jobs or in matters outside of work.

The effect of job crafting on work engagement is proven through research conducted by Chien – Yu Chena et al. (2014) at 25 international hotels in Taiwan, both job crafting and positively related to work engagement. The same opinion was conveyed in research conducted by Tims et al. (2014) at several universities in the Netherlands, namely job crafting has a positive influence on work engagement.

In accordance with the research by Tims, Derks, and Bakker (2016) shows that the existence of job crafting in employees can improve social relations which make employees more proactive so that meaningfulness is achieved at work. This research will empirically test the assumption of Wrzesniewski and Dutton (2001) that job crafting is a proactive strategy to make work more meaningful. Employees who proactively modify their jobs can optimize the personal-work fit. The consequence is that their work experience becomes meaningful (Tims, Derks, & Bakker, 2016). On the other hand, job crafting is influenced directly and interactively by social skills to interact effectively and influence others in the workplace (Sekiguchi et al., 2017).

Social skills are defined as a person's ability to effectively read, understand, and control social interactions (Ferris et al., 2001; Norton & Hope, 2001; Witt & Ferris, 2003). Social skills represent a person's ability to adapt behavior to situational demands to effectively influence and control the responses of others (Sekiguchi et al., 2017; Witt & Ferris, 2003). Social skills can predict a person's performance and success in various jobs (Baron & Markman, 2003; Baron & Tang, 2009; Ferris et al., 2001; Hochwarter et al., 2006). In addition, social skills which are part of a person's competence have an influence on work engagement (Pranazira & Sukmawati, 2017). Basically, employees with good social skills can interact and negotiate effectively with others to get feedback on their work, so companies can acquire more qualified human resources (Ferris et al., 2001; Sekiguchi et al., 2017; Witt & Ferris, 2003).

The development of spirituality in the workplace is one of the potential components in forming a sense of attachment and community of employees to the organization (Karakas 2010). The level of internalization of spiritual needs encourages a person to search for meaning about the work he is doing, why and for what the individual does the work (Krishnakumar & Neck 2002).

Employee engagement can also grow after employees are satisfied

(Abraham 2012). Because employees who are relatively satisfied with their jobs will be more committed and attached to the organization (Mathis & Jackson 2011). Employee engagement is also very much needed in Small and Medium Enterprises (SMEs). Given the importance of the role of SMEs in the economic sector in Indonesia, in the form of accelerating the distribution of economic growth through providing business and employment opportunities, increasing people's income, and playing a role in increasing foreign exchange earnings and strengthening the structure of the national economy (Hubeis 2011). So that SMEs are required to have high competitiveness and must improve themselves through increased performance and productivity. However, the fast employee turn over rate, which ranges from 0-3 years, is an obstacle for SMEs to increase the competitiveness and performance of the company.

Wingerden et al., (2018) explained that work engagement can occur when employees proactively seek challenges, involve experience and motivate by producing an effective problem solving in completing work. Setyawati (2019) explained that work engagement refers to the attachment of workers to the work being done, by employing them to be able to express themselves emotionally, physically and cognitively while they are working. This is what a worker likes in carrying out his work so that it can encourage connections to work, active, personal (emotional, physical, and cognitive), as well as other people. Albana (2018) states that work engagement is measured through three indicators namely vigor, dedication, absorption.

Spirituality in work is defined as a framework of organizational cultural values that encourages employees' transcendent experiences through the work process, facilitating their feelings of connection with others while giving them feelings of completeness and happiness (Giacalone & Jurkiewicz, 2005). Neck and Milliman (in Litzsey, 2003) argue that spirituality in work is about expressing one's self-will to seek meaning and purpose in life and is a process of enlivening a set of personal values that one holds dearly. Based on the definition from Giacalone and Jurkiewicz (in Paloutzian & Park, 2005) above, there are four components of spirituality at

work. First, individual values, including virtue, generativity, humanity, integrity, fairness, mutuality, acceptance, respect, responsibility and trust. Second, transcendent experience, which is about how the individual feels he is making changes through service to others, and by doing so the individual feels meaning and purpose in his life. Third, a sense of connectedness, includes feelings of being understood and valued that are obtained through social interaction and also through membership. Fourth, feeling complete and happy, the individual feels that his work can make him feel connected to something bigger and something that is important for his personal life and also brings happiness to himself. Spirituality in work will produce positive things for employees and the company. Litzsey (2003) argues that integrating spirituality in the workplace will make employees feel meaning and a sense of purpose in their lives. Not only does it make employees feel whole as individuals but it also provides benefits to the company in terms of profit, high morale and reduced employee absenteeism.

Job crafting is the skill of employees who can redesign their jobs on their own initiative, with or without management involvement to balance job demands and resources with their personal abilities or needs (Tims, Bakker & Derks 2012). Job crafting in the initial study of Wrzesniewski and Dutton (2001), is defined as a proactive process of employees in changing mental boundaries to define the physical, emotional, cognitive and relational scope of a job. This understanding develops with attention to the element of personal preference as the main determinant of changes shown by employees. Berg, et al (2010) further simplified the definition of job crafting as an effort to change the boundaries of a job, in line with individual preferences, skills and abilities. Petrou, Demerouti and Schaufeli (2015) define job crafting as the initiative and willingness of employees to reconstruct aspects of their work, with the aim of improving their working conditions. This is done by exploring sources of information (asking superiors or colleagues for advice), seeking challenges (asking for more responsibility), and reducing demands (removing the emotional, mental, or physical pressure or demands from work). Baker and Daniels (2013),

proposed a simpler definition, explaining job crafting as an effort based on employee initiative to change perceptions of work, job characteristics, and work relationships, in ways that are beneficial to the employees themselves. Practically, job crafting is defined as an effort to change work boundaries, work relationships and the meaning of work for the benefit or convenience of the employees themselves (Kanten, 2014).

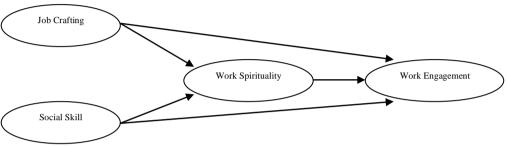


Figure 1. Empirical Model

Based on the empirical model above, the research hypothesis can be formulated as follows:

H1: Job crafting has a positive effect on work spirituality
H2: Social skills has a positive effect on work spirituality
H3: Job crafting has a positive effect on work engagement
H4: Social skills has a positive effect on work engagement
H5: work spirituality has a positive effect on work engagement

RESEARCH METHOD

The objects of this research are job crafting, social skills, as independent variables, and work spirituality and work engagement as the dependent variables. The subjects and population of this study were 250 MSME actors in Kebumen Regency. The sampling method used in this study is the side probability method. In this case, the research sample was SMEs in Kebumen Regency, totaling 71 people. Data analysis techniques include data quality tests (validity & reliability tests), classic assumption tests (multicollinearity test, heteroscedasticity test, & normality test),

hypothesis testing (partial t test), coefficient of determination, correlation analysis, and path analysis using SPSS 25.00.

RESULT AND DISCUSSION

Validity and Reliability Test

An instrument is said to be valid, if it is able to measure what is desired and reveal data from the variables studied appropriately. The method used is item analysis, where each value in each statement item is for a variable using the Pearson Correlation formula. The minimum requirement to be considered valid is the value of r count > from the value of r table. then obtained r table = 0.2287 from 71 respondents. The results of the validity test for all variables of job crafting, social skills, work spirituality and work engagement are declared valid.

Table 1. Reliability Test Result

Variables	Cronbach's Alpha	P-Value	Result
Job crafting	0,712	0,60	Reliable
Social skill	0,677	0,60	Reliable
Work spirituality	0,690	0,60	Reliable
Work engagement	0,706	0,60	Reliable

Source: Primary Data Processed (2022)

Multicollinearity Test

Table 2. Structural	Multicollinearity Test I

Variables	Collinierity	Statistic	
	Tolerance	VIF	
Job crafting	.936	1.068	
Social skill	.936	1.068	
	Job crafting	ToleranceJob crafting.936	

Source: Primary Data Processed (2022)

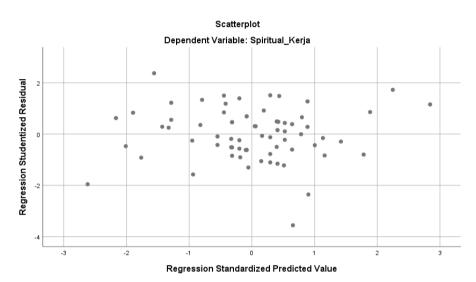
No	Variables	Collinierity Statistic	
		Tolerance	VIF
1	Job crafting	.924	1.082
2	Social skill	.824	1.214
3	Work spirituality	.845	1.183

Source: Primary Data Processed (2022)

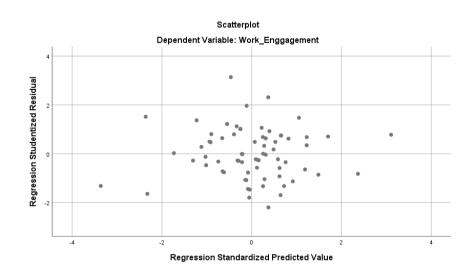
Based on Table 2 and Table 3 it can be seen that the tolerance value is above 0.10 and the VIF is below the number 10 so that the regression model does not have multicollinearity.

Heteroscedasticity Test

This test was conducted to test whether in a regression model there is an inequality of variance and residuals from one observation to another.



Source: Primary Data Processed (2022) Figure 2. Structural Equation Heteroscedasticity Test I



Source: Primary Data Processed (2022)

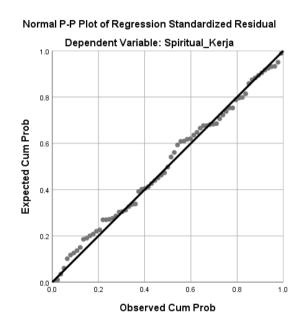
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Figure 3. Structural Equation Heteroscedasticity Test II

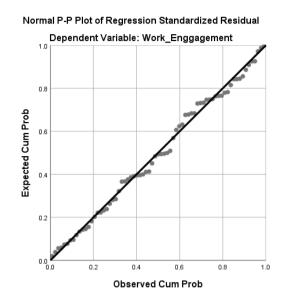
Based on the figures above, it shows that there is no specific pattern such as the dots that form a certain regular pattern (widening, narrowing), there is no clear pattern so it can be concluded that the regression model in this study did not occur heteroscedasticity.

Normality Test

To test whether a data is normally distributed or not, it can be determined by using a normal plot graph.



Source: Primary Data Processed (2022) Figure 4. Structural Equation Normality Test I



Source: Primary Data Processed (2022) Figure 5. Structural Equation Normality Test II

Based on the figures above (Normal P.P Plot of Standardized Residual) it is known that the data spreads around the diagonal line and follows the direction of the diagonal line, so the regression model meets the research assumptions.

t-Test

The partial test (t-test) is used to test the partial significance of the effect of the independent variables on the mediating variable and the dependent variable

Model		Coefficients		Standardized Coefficients	Т	C!-
	Model	В	Std. Error	Beta	1	Sig.
	(Constant)	24.556	3.588		6.844	.000
1	Job Crafting	.151	.159	.110	.952	.344
	Social Skill	.320	.105	.351	3.049	.003

Table 4. Structural Equation t-test I

a. Dependent Variable : Work Spirituality Source: Primary Data Processed (2022)

Based on the results of the regression analysis in the table above, it can be seen that:

- 1. Job crafting has a t-count value of 0.952 < t table 2.021 with a significance level of $0.344 > of \alpha = 0.05$, which means that job crafting has no effect on work spirituality.
- 2. Social skills has a t-count of 3,049 > t table of 2,021 with a significance level of $0.003 < of \alpha = 0.05$, which means that social skills have a positive and significant effect on work spirituality.

Model		Unstandardized Coefficients		Standardized			
				Coefficients	Т	Sig.	
		В	Std.	Beta	L	Sig.	
			Error				
	(Constant)	15.616	4.575		3.413	.001	
1	Job Crafting	.478	.157	.318	3.048	.003	
1	Social Skill	.279	.110	.282	2.546	.013	
	Work Spirituality	.202	.119	.186	1.701	.094	

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a. Dependent Variable: Work engagement Source: Primary Data Processed (2022)

Based on the results of the regression analysis in the table above, it can be seen that:

- 1. Job crafting has a t count of 3.048 > t table of 2.021 with a significance level of $0.003 < of \alpha = 0.05$, which means that job crafting has an effect on work engagement.
- 2. Social skills have a t count of 2.546 > t table of 2.021 with a significance level of $0.013 < of \alpha = 0.05$, which means that self-efficacy has a significant effect on work engagement.
- 3. Work spirituality has a t value of 1.701 < t table 2.021 with a significant level of $0.094 > of \alpha = 0.05$, which means that work spirituality has no effect on work engagement.

Analysis of the Coefficient of Determination

Table 6. Structural Equation Determination Coefficient Test I

Model	R	R Square	R Square	of the Estimate
1	.394	.155	.130	3.08146

Source: Primary Data Processed (2022)

Based on the table above, the Adjusted R square value of 0.130 means that the contribution of the job crafting and social skills variables to work spirituality for MSMEs in Kebumen is 13.0%, while the remaining (100-13.0) = 87.0% is influenced by other variables outside the models.

Tabel 7. Structural Equation Determination Coefficient Test II

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569	.324	.294	3.02338

Source: Primary Data Processed (2022)

Based on the table above, the Adjusted R square value is 0.294, meaning that the contribution of job crafting and work spirituality variables to work engagement is 29.4%, while the remaining (100-29.4) = 70.6% is influenced by other variables outside the model.

Correlation Analysis

		Job crafting	Social skill	Work spirituality
Job	Pearson Correlation	1	.564**	.476**
crafting	Sig. (2-tailed)		.000	.001
	Ν	42	42	42
Social skill	Pearson Correlation	.564**	1	.508**
	Sig. (2-tailed)	.000		.001
	Ν	42	42	42
Work	Pearson Correlation	.476**	.508**	1
spirituality	Sig. (2-tailed)	.001	.001	
	Ν	42	42	42

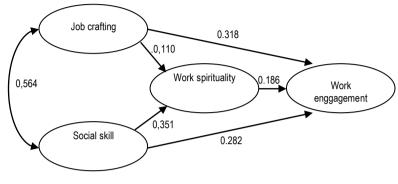
Table 8. Correlation Analysis

Source: Primary Data Processed (2022)

The correlation number between job crafting variables and social skills is 0.564, meaning that the correlation between variables is quite strong, the correlation number between social skills and work spirituality is 0.508, meaning the correlation between variables is quite strong.

Path Analysis Diagram

Path diagrams are used to help conceptualize problems or test complex hypotheses and also to determine the direct and indirect effects of the independent variables on the dependent variable.



Source: Primary Data Processed (2022) Figure 6. Path Analysis Diagram

Based on the path analysis diagram above, it can be explained that the job crafting variable has an effect of 0.110 on the work engagement variable, the social skills variable has an effect of 0.351 on the work spirituality variable, the job crafting variable has an effect of 0.318 on the work engagement variable, the social skills variable has an effect of 0.282 on work engagement, the variable of work spirituality is 0.186 to work engagement.

The Effect of Job Crafting on Work Spirituality

The first hypothesis test was conducted to determine the effect of job crafting on work spirituality. Based on the results of the t test, it was obtained t_count of $0.952 < t_table$ of 2.021 with a significance level of 0.334 > 0.05. This explains that job crafting has no effect on work spirituality, so the H1 hypothesis is rejected. This means that job crafting carried out by SMEs has not been able to increase work spirituality.

The Effec t of Social Skills on Work Spirituality

Based on the analysis and discussion it is proven that the social skills hypothesis has a positive and significant influence on work spirituality because the t_count value is $3.049 > t_table$ is 2.021 with a significance level of 0.003 < 0.05, so the H2 hypothesis is accepted. This means that social skills have a significant effect on work spirituality. This explains that

the social skills possessed by MSME actors are able to provide an increase in work spirituality.

The Effect of Job Crafting on Work Engagement

Based on the analysis and discussion it is proven that the job crafting hypothesis has an effect on work engagement because the t_count value is $4.048 > t_{table}$ is 2.021 with a significance level of 0.003 <0.05, so the H3 hypothesis is accepted. This means that job crafting affects work engagement. This explains that job crafting owned by MSME actors can contribute to an increase in work engagement.

The Effect of Social Skills on Work Engagement

Based on the analysis and discussion above, it is proven that the Social Skills hypothesis has a positive and significant effect on work engagement because the t_count value is $2.546 > t_table$ is 2.021 with a significance value of 0.013 <0.05, so the H4 hypothesis is accepted. This means that the social skills possessed by MSME actors are able to increase work engagement.

The Effect of Work Spirituality on Work Engagement.

Based on the analysis and discussion above, it is proven that the hypothesis of work spirituality has no effect on work engagement, because the t_count value is $1,701 < t_{table}$ is 2.021 with a significance value of 0.094 > 0.05, so the H5 hypothesis is rejected. This means that work spirituality does not affect work engagement.

CONCLUSION

Based on the results of the analysis and discussion, the conclusions that can be drawn are: 1.) Job Crafting is a variable that has no effect on the spirituality of the work of SMEs in Kebumen; 2.)Social Skill is a variable that has a positive and significant influence on the work spirituality of MSMEs in Kebumen; 3.) Job Crafting influences the work engagement of SMEs in Kebumen; 4.) Social Skill is a variable that has a significant effect

on the work engagement of MSME actors in Kebumen; 5.) Work spirituality is a variable that has no effect on the work engagement of SMEs in Kebumen.

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