

The Impact of Work Engagement on Workforce Agility with Psychological Empowerment as A Moderator: A Study on State Civil Servant in Organization X

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ABSTRACT

Purpose: The objective of this study is to investigate the impact of work engagement and psychological empowerment as moderator variables on workforce agility in the State Civil Apparatus of organisation X.

Design/methodology/approach: This study is quantitative and uses the Moderation Regression Analysis (MRA) technique with the SPSS 23 application. The measuring instruments used are the Workforce Agility Scale (Sherehiy, 2008) to measure workforce agility, the Psychological Empowerment Scale (Spreitzer, 1995) to measure psychological empowerment, and the UWES-17 (Schaufeli & Bakker, 2004) to measure work engagement.

Findings: The findings of the study reveal a significant positive relationship between work engagement and workforce agility. Psychological empowerment can have a positive effect on the regression value as a moderator.

Research limitations/implications: To enhance and optimize research results, additional methods are required to obtain in-depth information. Future research should conduct interviews with relevant parties to ensure and strengthen the phenomenon under study.

Paper type: Research paper

Keyword: Digital Transformation, Workforce Agility, Psychological Empowerment, Work Engagement, ASN

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I. INTRODUCTION

The Indonesian government, through the Ministry of Communication and Information, is making efforts to accelerate digital transformation in response to its acceleration. One of these efforts is the preparation of the Digital Indonesia 2024 Roadmap (KOMINFO, 2021). According to the technocratic draft of the National Medium-Term Development Plan (RPJMN), the digital economy's contribution was assumed to be 3.17% in 2020 and is expected to increase to 4.66% in 2024. The predicted GDP growth for information and telecommunications in 2020 is between 7.12% and 7.54%. The target for GDP growth in 2024 is between 7.54% and 8.78%. The targeted value of e-commerce transactions in 2020 is Rp260 trillion, which is expected to increase to Rp600 trillion in 2024. The targeted value of e-commerce transactions in 2020 is Rp260 trillion, which is expected to increase to Rp600 trillion in 2024. The plan aims to improve Indonesia's Ease of Doing Business (EoDB) ranking to 40 in 2020. The Ministry of Communication and Information has tasked Organization X with formulating and implementing policies for managing informatics applications. The Ministry is responsible for implementing policies to ensure the successful realization of the digital transformation roadmap.

Organization X is facilitating digital transformation in Indonesia through four priority programs: internet infrastructure, technology development policies, development of digital talent, and acceleration of primary legislation and international relations. The language used is clear, objective, and value-neutral, with a formal register and precise word choice. The text adheres to conventional structure and formatting features, including consistent citation and footnote style. The sentences and paragraphs create a logical flow of information with causal connections between statements. The text is free from grammatical errors, spelling mistakes, and

punctuation errors. No changes in content have been made. Organization X implements policies related to the four pillars of the digital literacy program: digital skills, digital safety, digital culture, and digital ethics. These policies aim to develop digital talent. According to the Head of the Personnel and Organization Bureau at the Secretariat General of the Ministry of Communication and Information, the four pillars of digital literacy are currently encouraging ASNs to adopt a more open-minded and open-hearted approach, enabling them to become problem solvers within their work units. This shift in mindset aims to transform the current work culture from reactive to proactive, promoting agility over sluggishness (KOMINFO, 2022). Therefore, for ASN to be effective in organization X, it is important to be adaptable to environmental changes and the current digital acceleration.

Agility is a concept that occurs at various levels in organizations. It is categorized into organizational agility, team agility, and individual agility, all of which contribute to keeping pace with dynamic environments (Pulakos et al., 2019). The emphasis on employee and individual agility has become an attribute of sustainable and competitive organizations simultaneously (Munteanu et al., 2020). Individual agility, also known as workforce agility, is a management strategy that enables companies to respond quickly and effectively to emerging threats and opportunities in a competitive and volatile business environment (Tessarini & Saltorato, 2021). Workforce agility is a multidimensional approach that belongs to the domain of organizational and manufacturing agility. Workforce agility is a complex topic studied mainly in the field of operations management, with a focus on the plant level (Qin & Nembhard, 2015). It refers to the combination of talents, abilities, skills, and knowledge that enable companies to proactively, responsively, and resiliently perform the tasks required to achieve organizational success while adapting to various environmental changes (Ganemi & Chalabi, 2021). Sya & Mangundjaya (2020) state that agile employees are trained to be flexible and adapt quickly.

Tien, Hsu, and Hsing's (2020) research suggests that improving workforce agility can motivate employees to expand their knowledge and skills beyond their current expertise, facilitating collaboration and encouraging innovative thinking. Franco and Landini (2022) found that firms with higher labor agility are more likely to innovate due to the effective exchange of information and experience between employees. Although employees are recognized as an important source of competitiveness and a key driver of agility and change (Holbeche, 2018; Munteanu et al., 2020), workforce agility is still one of the least studied aspects to date (Harsch & Festing, 2020; Muduli & Pandya, 2018; Storme et al., 2020). The absence of systematic reviews on labor agility is a clear indication of the lack of research in this area.

Work engagement is crucial for organizations as it affects various aspects of work performance and culture. Engaged employees tend to have better working relationships and provide better service to customers. Research has also shown a significant positive correlation between work engagement and workforce agility. When employees are highly engaged, they tend to be more motivated, resulting in increased workforce agility (Natapoera & Mangundjaya, 2020; Fitradilla, 2022). Additionally, a study has shown that work engagement mediates the relationship between workforce agility and adaptive performance (Saptarini & Mustika, 2023). Therefore, work engagement is crucial in influencing workforce agility and overall organizational performance. Improving employee work engagement can contribute to enhancing workforce agility in organizations.

To maintain agility in Organization X, a psychological program should be planned for employees to feel empowered by the organization. Psychological empowerment aims to enable employees to feel empowered and capable of completing their work effectively, allowing them to better respond to customer needs and adapt to today's complex and changing environment (Nadhira & Mangundjaya, 2020). The psychological empowerment variable is crucial in promoting workforce agility (Muduli, 2016). Muduli and Pandya (2018) stated that workforce agility is influenced by the dimension of psychological empowerment known as self-determination. This dimension suggests that individuals who feel empowered by the organization are more motivated to exhibit proactive, adaptive, and resilient behavior. Psychological empowerment can influence employees in their decision-making and problem-solving, providing insight and new knowledge in the workplace (Maan et al., 2020). Empowered employees can easily exchange ideas and express their opinions (Newman et al., 2017).

Organisation X is a public service bureaucratic organization under the Ministry of Communication and Information Technology. According to Farel (1966), bureaucracy is a hierarchical structure that involves differentiation and competence. The hierarchy refers to the positions within the organization that result in differences in duties and authority between members. The differentiation being discussed is the variance in duties and authority among members of a bureaucratic organization in achieving goals. If the bureaucratic structure is not conducive to existing policies, it can render resources ineffective and hinder organizational agility. This study aimed to determine whether enhancing psychological empowerment and work engagement can impact workforce agility in Organization X.

II. METHODS

This study employed a non-experimental quantitative methodology. The Workforce Agility Scale (Sherehiy, 2008), comprising 39 questions, was used to measure workforce agility. Psychological empowerment was measured using the Psychological Empowerment Scale (Spreitzer, 1995), which consists of 12 questions. The study measured work engagement variables using the UWES-17 (Schaufeli & Bakker, 2004), which comprised 17 questions. A pilot test of the measuring instrument was conducted before data collection. Four invalid items were identified on the Workforce Agility Scale measuring instrument during analysis. Consequently, the research questionnaire comprised 64 questions. The Moderation Regression Analysis (MRA) technique was used with SPSS version 23 software to test the research model. The purpose of this analysis was to determine whether the psychological empowerment variable, as a moderator, could increase or decrease the influence of work engagement on workforce agility.

Data collection took place between July 3, 2022, and July 20, 2022, through an online questionnaire distributed via WhatsApp broadcast messages. The study population consisted of 447 employees of ASN in organization X. Sample size calculation was performed using the Slovin technique, as described by Sugiyono (2011). Using this formula, the sample of respondents in this study was adjusted to 211 people from all the total ASN employees in organization X. However, after data collection was carried out, only 122 respondents were obtained, which did not meet Slovin's calculations. Therefore, other calculations were used to determine whether the sample data obtained could represent the population or not. The researchers employed McClave's formula for standard deviation (standard error).

Table 1. Demographic Data

<i>Demographic Data</i>		<i>Frequency</i>	<i>Percentage (%)</i>
<i>Gender</i>	<i>Men</i>	76	62.3
	<i>Women</i>	46	37.7
<i>Year Of Birth</i>	<i>Gen X</i>	59	48.4
	<i>Gen Y</i>	48	39.3
	<i>Gen Z</i>	15	12.3
<i>Last Education</i>	<i>High School</i>	2	1.6
	<i>Diploma III</i>	8	6.6
	<i>Bachelor</i>	77	63.1
	<i>Magister</i>	34	27.9
	<i>Doctoral</i>	1	0.8
<i>Employment Status</i>	<i>PNS</i>	90	73.8
	<i>PPPK</i>	32	26.2
<i>Length of Service</i>	<i><5 year</i>	30	24.6

>5 year

92

75.4

Table 1 presents the demographic information of respondents from organization X. The study participants are State Civil Apparatus (ASN) who work in organization X. ASN is divided into two categories: PNS and PK. PNS are Indonesian citizens who meet specific requirements and are appointed as permanent ASN employees by civil service officials to occupy government positions. Meanwhile, Government Employees with Work Agreements (PPPK) are Indonesian citizens who meet certain requirements and are appointed based on a work agreement for a certain period to carry out government duties. Table 1 shows that out of 122 respondents, 90 were civil servants and 32 were PPPK employees.

III. RESULTS AND DISCUSSION

Before conducting the MRA analysis, a regression test was performed on work engagement and workforce agility. Table 2 shows that the coefficient of determination (R^2) is 0.357, indicating that 35.7% of work engagement variables affect workforce agility.

Table 2. Test Results: Coefficient of Determination of Work Engagement on Workforce Agility

<i>R</i>	R^2	<i>Sig.</i>
0,597	0,357	0,000

Based on Table 3, the MRA analysis test was conducted by adding the psychological empowerment variable as a moderating variable. The result of the R^2 coefficient is 0.592 or 59.2%, indicating an increase in the value of influence after adding the psychological empowerment variable as a moderating variable.

Table 3. Test Results: Coefficient of Determination of Work Engagement and Psychological Empowerment as Moderating Variables on Workforce Agility

<i>R</i>	R^2	<i>Sig.</i>
0,769	0,592	0,000

Organizations face numerous challenges in a highly dynamic and unpredictable environment. To remain competitive and drive employee performance, companies must demonstrate a significant level of agility. Agile employees are flexible and adaptable when faced with new activities or policies provided by the organization. Organizations that enhance workforce agility enable employees to modify their capacities and capabilities, thereby promoting innovation within the organization. Work engagement, which refers to positive and satisfying feelings related to work, plays a crucial role in strengthening employee agility within the organization. The study shows that work engagement has a 35.7% impact on workforce agility. Natapoera and Mangundjaya (2020) explain that work engagement has a positive influence on workforce agility. The MRA test showed a positive increase to 59.2%. According to Shah et al (2017), employees who experience positive psychological empowerment are better able to respond to customer needs and adapt to a complex and changing environment. Some studies suggest that psychological empowerment has a positive effect on work engagement. Meng & Sun (2019) found a positive relationship between psychological empowerment and work engagement, which in turn affects organizational performance.

Improving workforce agility is crucial for creating an agile organization. Organizations depend more on their employees' ability to create an agile organization than on technology. This is because employees with workforce

agility can help the organization achieve its goals through innovation and improved strategic capabilities. Employees who possess good workforce agility exhibit a positive attitude towards self-development and can readily adapt to changes within the organization, as well as new ideas and technologies. Additionally, they are capable of producing innovative solutions and are accountable for their work. These attributes can significantly enhance organizational performance, enabling the organization to remain competitive and thrive in unstable conditions.

IV. CONCLUSION

According to the study's findings, work engagement has a 35.7% influence on workforce agility. This influence increases by 59.2% when moderated by psychological empowerment. Work engagement refers to employees' positive feelings towards their work, which can enhance motivation. Psychological empowerment can moderate work engagement, which enables employees to innovate in their work.

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