

# The Effect of Leadership Empowerment, Psychological Capital, and Job Meaningfulness with Job Satisfaction as a Mediation Variable on the Performance of SOE Bank Employees in Makassar City

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## Abstract

*This study aims to analyze the influence of Leadership Empowerment, Psychological Capital and Work Meaningfulness on performance mediated by Job Satisfaction. The research was conducted at a state-owned bank in Makassar City and involved 290 samples. The sample of this study was taken using the Hair Technique whose distribution was carried out proportionally. The data was analyzed using a Structural Equation Model (SEM) with the SmartPLS4 analysis tool. The results of the study prove that Leadership Empowerment has an effect on Performance, Psychological Capital has an effect on Performance, Work Meaningfulness has an effect on Performance, Leadership Empowerment has an effect on Job Satisfaction, Psychological Capital has no effect on Job Satisfaction, Work Meaningfulness has an effect on Job Satisfaction, Job Satisfaction has an effect on Performance, Leadership Empowerment has an effect on Performance through Job Satisfaction, Psychological Capital has no effect on Performance through Job Satisfaction, and Work Meaningfulness has an effect on Performance through Job Satisfaction. Job Satisfaction is able to mediate Leadership Empowerment and Work Meaningfulness and its implications for Performance improvement, but Job Satisfaction cannot mediate Psychological Capital in Performance improvement.*

**Keywords:** *Leadership Empowerment, Psychological Capital, Job Meaningfulness, Job Satisfaction, Performance.*

## Introduction

The study of leadership empowerment, psychological capital, and work meaningfulness is crucial for understanding their collective impact on employee performance. Leadership empowerment involves the delegation of authority, autonomy, and decision-making power to employees, which can enhance their sense of ownership and motivation. When leaders empower their employees, it fosters an environment where individuals feel valued and capable, leading to improved job satisfaction and, ultimately, better performance.

Psychological capital, comprising self-efficacy, optimism, hope, and resilience, plays a significant role in shaping employee behavior and attitudes. Employees with high psychological capital are more likely to approach challenges with confidence, maintain a positive outlook, and persist in the face of difficulties. This positive mental state can enhance their job satisfaction and performance, as they are better equipped to handle workplace demands and contribute meaningfully to organizational goals.

Work meaningfulness, or the extent to which employees find their work significant and purposeful, is another key factor influencing performance. When employees perceive their work as meaningful, they are more engaged, motivated, and committed to their tasks. This sense of purpose can drive them to excel in their roles, leading to higher levels of job satisfaction and overall performance. Job satisfaction acts as a crucial intervening variable in this study, connecting leadership empowerment, psychological capital, and work meaningfulness to employee performance. Employees who are satisfied with their jobs are more likely to be productive, creative, and committed to their work. As a mediating factor, job satisfaction helps to explain how the positive effects of leadership empowerment, psychological capital, and work meaningfulness translate into enhanced employee performance.

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In the theory of Human Resource Management (HRM), Employees are widely recognized as an important force that is able to encourage companies to grow, so it is not surprising that their performance is the determinant of the success or failure of a business (Macke & Genari, 2019). Not only does this help recruit, retain, and develop top talent, but by helping staff to grow in their roles and responsibilities, companies can build a path to future leaders. All contribute to long-term success. Performance management requires processes and systems designed to develop, manage, and evaluate the level of performance and contribution of employees to the organization. Performance appraisals are often useful for understanding and tracking employee performance, where they represent only one component of a larger performance management system. Therefore, the term "performance management" carries the connotation of continuous appraisal and feedback, whereas "performance appraisal" is often used to describe a separate, one-time performance evaluation event (DeCenzo, Robbins, & Verhulst, 2015).

One of the factors that affect employee performance is job satisfaction. Job satisfaction is one of the most important factors to get optimal work results. When employees feel satisfaction in work, there is an optimal effort to complete their work tasks with all their abilities. Research by Saharuddin, Mus, Latief, and Budiandriani (2020) showed that there was an effect of job satisfaction on performance. Likewise, the research of Saban, Basalamah, Gani, and Rahman (2020) showed an influence (0.073,  $p=0.024$ ). Rahman, Ramly, Hamzah, and Alam (2017) also found that there is an effect of job satisfaction on employee performance.

Several factors have a crucial influence on employee performance achievements, among these factors are the facts that show that Leadership Empowerment, Psychological Capital, Job Meaningfulness, Performance and Job Satisfaction to support the improvement of Employee work performance. (Rego et al., 2017). (Heled et al., 2016). (Rabenu, E. (2017). Avolio et al. (2004) in Sesen et al. (2019) believes that psychological capital not only encourages employees to commit to carrying out their own duties but also promotes positive behaviors, such as: doing additional work. Work balance will greatly affect the perception of an employee towards the meaning of the work itself, the higher a person's interpretation of their work, the higher they will be motivated and engaged with the organization. According to Steger, Dik, and Duffy (2012) Steger, et al. (2012).

According to Wingerden & Stoep (2017), employees who consider their work meaningful are more engaged in their work than those who consider their work meaningless. Work attachment is a consequence of the meaning of work, because work means lighting a fire in every employee which leads to a higher level of work attachment (Mulyati, 2020). (Bhardwaj, Mishra & Jain, 2020).

Leadership empowerment, psychological capital, and work meaningfulness are critical factors that can significantly influence employee performance, with job satisfaction acting as a mediating factor. When leaders empower their employees, they enhance feelings of autonomy and value, leading to increased motivation and engagement. Psychological capital, which includes traits like optimism, resilience, and self-efficacy, equips employees to approach their tasks with confidence and persistence, further boosting their performance. Additionally, when employees find their work meaningful, they are more likely to be committed and enthusiastic about their roles. Job satisfaction serves as a key link, translating these positive influences into improved performance. Employees who are satisfied with their jobs tend to be more productive, innovative, and dedicated, making job satisfaction a crucial mediator in the relationship between leadership empowerment, psychological capital, work meaningfulness, and work performance.

## Literature Review

### *Leadership Empowerment*

According to Justin and Pearce (2010) in Jefri and Daud (2016), leadership empowerment is a type of leadership that involves various powers with employees to develop their self-control and encourage greater self-direction. Leadership empowerment refers to the process of various powers and allocating more autonomy and responsibility to its followers through a specific set of behaviors that require increased work meaningfulness (Cheong et al., 2016).

Amundsen and Martinsen (2014) identified the key characteristics of empowering leader behavior: (1) delegating, (2) having subordinates encourage to take initiative, (3) focusing on goals, (4) providing support, (5) inspiring, (6) coordinating, (7) setting an example, and (8) guiding. Leaders who empower cannot just give authority to their subordinates and then stop playing a role and are relatively passive to their subordinates, they also play an active role in motivating and developing the potential of their subordinates are also expected to show their subordinates that they are indeed actively taking part in realizing the organization's goals, as well as ensuring that they do what they are instructed to do.

According to Amundsen and Martinsen (2014), leadership empowerment is a process carried out to influence subordinates through the division of power, support and motivation with the aim of promoting the experience that exists in employees about the ability to work independently within the boundaries of strategy and goals of an organization as a whole. Leadership empowerment can be measured by two dimensions, namely autonomy support and development support. Empowerment carried out by the leader is the process of influencing subordinates through the division of power, motivational support, and development support with the intention of promoting his experience of independence, motivation, and the ability to work independently within the boundaries of the organization's overall goals and strategies.

According to Arizqi and Fachrunnisa (2017), empowerment carried out by leaders is a style of leadership that highlights the importance of work, provides participation in decision-making, and conveys confidence that performance will be high. According to Kim et al., (2018), empowerment carried out by leaders is a broad concept that includes more than just participation in decision-making and allowing subordinates to take responsibility for part of their work.

### *Psychological Capital*

Psychological Capital is a new construct in psychology. Starting from one branch of psychology, namely positive psychology, Luthans, Youssef and Avolio (2007) discovered a new concept, namely psychological capital. Psychological Capital views phenomena that occur in the scientific world of psychology through the perspective of positive psychology. The term psychological capital first appeared in 2007. Many scientific researchers have not yet conceptualized psychological capital. The scientific researchers who conceptualized psychological capital for the first time were Luthans, Youssef, and Avolio. Therefore, the definition of psychological capital in this study uses a concept made by Luthans, Youssef, and Avolio (2007).

Luthans, Youssef, and Avolio (2007) explain the characteristics of psychological capital. The first characteristic is that members have the confidence to take on and be placed in a position that requires effort and are confident of succeeding in completing challenging tasks. The second characteristic is to make positive attributions about success now and in the future. The third characteristic is perseverance in order to achieve goals and direct the way to achieve the success of a goal. The fourth characteristic is to maintain and bounce back when hit by problems and difficulties even to achieve success.

Furthermore, Luthans, Youssef, and Avolio (2007), explained that psychological capital is a higher order of construction consisting of four aspects of construction. The four aspects of construction that will further become the dimensions of psychological capital are self-efficacy, optimism, hope, and resilience. The definition of psychological capital is a state of positive psychology that develops and is characterized by several things (Luthans, Youssef, & Avolio, 2007). Good psychological capital can be a mediator between leadership behavior and performance, creative and innovative work behavior of leaders and employees (Zubair & Kamal, 2017). This shows that Psychological Capital can help a person's behavior at work in order to achieve organizational goals. The behavior of a Leader in managing his Employees is greatly influenced by the Psychological Capital he has (Sesen et al., 2019), therefore Psychological Capital is an important capital that Leaders and subordinates need to have to be able to increase their commitment and performance (Hsu et al., 2019).

According to Peterson et al (2011), Psychological Capital is the basic capacity of an individual which is important to provide self-motivation, cognitive processes, willingness to struggle and show good performance at work. According to Gohel, 2012 (in Nafei, 2015) psychological capital is a personal trait

that contributes to individual productivity. Psychological capital is the application of positive human resource strength and psychological capacity that can be measured, developed, and managed effectively for performance improvement in the workplace. Avolio (in Luthans et al, 2007) explains that psychological capital can be used to improve competence in achieving profits and company success. Psychological capital is considered to offer a dynamic potential and is able to develop over time.

### *Work Meaningfulness*

The concept of meaningful work is not new as in Maslow's motivation theory, which argues that individuals will continue to look for meaningful work until they reach a state of self-actualization. Charovsky (2003) in Baklaieva (2016) who first introduced the concept of the meaning of work defines it as the way we express the meaning and purpose of our lives through work activities that are most of the time spent there. Work meaningfulness can also be said to be a positive psychological state that makes people feel that they are making a positive, important, and useful contribution to a useful purpose through the implementation of their work (Albrecht, 2013). The meaning of work determines how a person balances his activities at work with his or her personal life, not on the importance of work when a person receives a salary (Grama and Todericiu, 2017).

Individuals will derive meaning from the work they do, as long as they feel that the work gives them an identity, an opportunity to use a variety of skills, and allows them to have a certain autonomy and control (Osborne and Hammoud, 2017). Therefore, the meaning of work arises when a person can demonstrate their personality, goals, and motivations in the right context (Lysova et al., 2019). Work meaning is a necessary condition to obtain employee work attachment because it makes employees produce a sense of individual ownership of their work which then leads to a psychological experience of work meaning for employees.

The meaning of work can be interpreted as a person's impression of their work which provides a role as a higher goalkeeper and in a more specific context is interpreted as a soul calling or "calling" (Mulyati, 2020). Meanwhile, according to Bailey & Madden (in Grama & Todericiu, 2017) define the meaning of work as something that is within a person when they feel an authentic connection between their work and their life purpose. While in general, the meaning of work is defined by Chalofsky in Grama & Todericiu, (2017) as something related to a person's ideals and ambitions in doing work so that whatever is done at work can give the essence of satisfaction also to our lives and a person brings a positive contribution from what he does in his work (Bailey et al., 2017). So from some of these definitions, it is concluded that the meaning of work is a soul call related to the purpose and value of a person's life in doing a job.

According to Hall, D. T., Feldman, E., & Kim, N. (2013) stated that meaningful work at least consists of positive meaning in work which in this aspect captures the feeling that individuals value their work as important and meaningful, meaning making through work which in this aspect can help individuals deepen their understanding of themselves, facilitate their personal growth so that this aspect helps capture the wider life context of one's work, Greater Good Motivations is an aspect that contains and reflects the commonly held idea that work is most meaningful if it has a wider impact and benefit on others. Therefore, providing a meaningful work environment must be a joint effort between employees and employers.

Some solutions to make work meaningful based on several literature are:

redesigning work to increase skill variation (Bakker and Albrecht, 2018), as well as developing task significance and improving task identification (Lysova et al., 2019), (2) improving the standards of the recruitment and selection process to ensure better fit between individuals and organizations, (3) adopting appropriate leadership styles to influence work meaningfulness (Bakker and Albrecht, 2018)).

### *Job Satisfaction*

Job satisfaction is an employee's attitude towards work related to the work situation, cooperation between employees, rewards received at work, and matters related to physical and psychological factors. This attitude

towards work is the result of a number of individual specific attitudes towards factors in work, individual self-adjustment, and individual social relationships outside of work so as to give rise to an individual's general attitude towards the work he faces.

Everyone in an organization always expects something beneficial or beneficial for them, this can have an impact on the level of satisfaction experienced in their work environment and then can affect their behavior in working every day. Badriyah (2015) stated that job satisfaction is the attitude or feeling of employees towards pleasant or unpleasant aspects of work that are in accordance with the assessment of each worker.

According to Robbins (2017) "stating job satisfaction is a general attitude towards a person's work that shows the difference between the amount of appreciation a worker receives and the amount they believe they should receive". Meanwhile, to increase job satisfaction, it is necessary to pay attention to the design of a job because it is the job that connects workers with the organization. It is the work that must be done that is the causal factor why an organization needs workers. Work must be able to increase productivity and job satisfaction. Meanwhile, the Literature Review shows job satisfaction. In general, job satisfaction concerns a person's attitude towards their work. Satisfaction is not tangible, but can be realized in a result of work. Job satisfaction is individual where each individual has a different level of satisfaction according to the value system that applies to him.

According to Martoyo (2015), job satisfaction is intended as an emotional state of employees where there is or is not a meeting point between the value of employee work services from the company/organization and the level of service value that is indeed desired by the employee concerned. In carrying out their work, it is impossible for every individual employee not to have needs, such as the need for a sense of security, support from colleagues, attention and support from superiors, a comfortable workplace, and others. If these needs can be met, the individual will be satisfied, but on the other hand, if his needs cannot be met, he will be disappointed. Employee job satisfaction is an employee's attitude towards their work which can affect an employee's performance. Therefore, employee job satisfaction is one of the aspect that is a concern in human resource management practices.

### *Employee Job Performance*

The company can develop is the desire of every individual in the company, so it is hoped that with this development the company will be able to compete and follow the progress of the times. Therefore, the goals expected by the company can be achieved well. Optimal and stable performance, is not something that is a coincidence. Of course, employees have gone through the stages of good performance management and maximum effort to achieve it. Because performance management is a process of planning, organizing, implementing and controlling performance achievement and is communicated continuously by leadership to employees, between direct employees and their superiors.

In simple terms, performance can be interpreted as the results achieved by an employee during a certain period of time in a certain field of work. The definition of performance is often equated with work achievement, namely the actual achievement achieved by employees. Performance according to Daft in (Bukit, Malusa, Rahmat 2017) "Performance is the organization ability to attain its goals to by using resources in an efficient and affective manner." That organizations also have a big role in supporting the success of their employees' performance, by optimizing their human resources effectively and efficiently.

The role of employee performance is very important in an organization, this has a great influence on the overall performance of the organization. According to Supriyono in Binarto and Daryanto (2017) stated that performance is a result achieved by a person in carrying out the tasks given to him which is based on skills, experience and ability as well as time.

Meanwhile, according to Robbins and Judge (2017) employee performance can be seen in 3 criteria, namely: (1.) Individual task results. Assessing the results of employee tasks can be done on a business entity that has set performance standards according to the type of work, which is assessed based on a certain period of time. If employees can achieve the specified standards, it means that the results of their tasks are good



2. Behaviour. The company certainly consists of many employees, both subordinates and superiors, and can be said to be a work group that has its own and different behaviors, an employee is required to have good and correct behavior according to their respective jobs. 3. Nature or characteristics. The characteristics or traits of employees generally last for a long time and remain all the time, but changes and interventions from the company such as holding training will affect performance in several ways.

According to Hamali (2016), "Performance is the output produced by the functions or indicators of a job or a profession in a certain time". Edison et.al (2017), "Performance is the HSIL of a process that refers to and is measured over a certain period of time based on predetermined provisions and agreements. While Bastian in Fahmi (2016) states that "performance is an overview of the level of achievement in the implementation of an activity or program/policy in realizing the goals, goals, missions and visions of the organization contained in the formulation of an organization's strategic planning". Performance is the result of work or work achievements produced by employees as seen from the work and profession they have achieved. Performance is the implementation of the plan that has been prepared. Performance implementation is carried out by human resources who have abilities and competencies. How an organization values and treats its human resources will affect its attitude and behavior in carrying out performance.

### *Hypothesis Development*

H1: Leadership empowerment affects employee job performance. Leadership empowerment is associated with providing employees with autonomy, resources, and decision-making authority, which can enhance their intrinsic motivation and sense of ownership over their work. Research suggests that when employees feel empowered, they are more likely to take initiative, innovate, and perform at higher levels. Empowered employees often have a stronger commitment to their tasks and a greater sense of responsibility, which directly contributes to improved job performance.

H2: Psychological capital affects employee job performance. Psychological capital, comprising self-efficacy, optimism, hope, and resilience, is a key predictor of employee performance. Employees with high psychological capital are better equipped to handle challenges, remain optimistic about their work outcomes, and persist in achieving their goals. The positive psychological state created by high psychological capital drives individuals to perform better, as they are more confident in their abilities and more resilient in the face of setbacks.

H3: Work Meaningfulness affect job performance. Work meaningfulness refers to the extent to which employees find their tasks significant and aligned with their values. When employees perceive their work as meaningful, they are more likely to be intrinsically motivated, engaged, and committed to their roles. Research suggests that employees who see purpose in their work are more likely to invest effort and creativity, leading to improved job performance. The sense of fulfillment derived from meaningful work drives employees to excel, as they are not just working for external rewards but for personal satisfaction and purpose.

H4: Leadership empowerment affects job satisfaction. When employees are empowered by their leaders, they experience a greater sense of control and influence over their work environment, which can lead to higher job satisfaction. Empowerment fosters a supportive and trusting work environment where employees feel valued and appreciated. This increased job satisfaction stems from the sense of fulfillment and purpose that comes with having a say in decisions that affect their work, leading to a more positive overall work experience.

H5: Psychological capital affects job satisfaction. Employees with higher levels of psychological capital are more likely to experience job satisfaction because they approach their work with a positive mindset. Psychological capital helps employees navigate challenges with resilience and optimism, reducing stress and increasing their overall contentment with their job. The confidence and hope inherent in psychological capital contribute to a more fulfilling work experience, making employees more satisfied with their roles.

H6: Work Meaningfulness affects Job Satisfaction. Work meaningfulness is a critical determinant of job satisfaction. Employees who find their work meaningful experience greater psychological fulfillment and are more likely to feel satisfied with their jobs. Meaningful work enhances a sense of purpose, leading to positive emotions and a stronger connection to one's role. This intrinsic satisfaction reduces feelings of burnout and increases overall contentment with the job, thereby fostering higher levels of job satisfaction. Employees who see their work as meaningful are more likely to enjoy their tasks and feel proud of their contributions.

H7: Job satisfaction affects employee job performance. Job satisfaction is a well-established predictor of job performance. Satisfied employees are more likely to be engaged, motivated, and committed to their work, which naturally leads to higher performance. When employees are content with their job, they are more likely to put in extra effort, show initiative, and maintain high productivity levels. The positive emotions associated with job satisfaction also reduce turnover intentions and absenteeism, further enhancing performance.

H8: Leadership empowerment affects employee job performance through job satisfaction. Leadership empowerment not only directly impacts job performance but also does so indirectly through job satisfaction. Empowered employees who are satisfied with their jobs are more likely to channel that satisfaction into higher performance. The sense of value and autonomy provided by empowerment increases job satisfaction, which in turn motivates employees to perform better. Job satisfaction thus acts as a mediating variable, linking leadership empowerment to enhanced job performance.

H9: Psychological capital affects employee job performance through job satisfaction. Psychological capital influences job performance both directly and indirectly via job satisfaction. Employees with high psychological capital tend to be more satisfied with their jobs due to their positive outlook, confidence, and resilience. This job satisfaction, in turn, enhances their performance by fostering greater engagement, motivation, and commitment. As a mediator, job satisfaction explains how the positive effects of psychological capital translate into improved job performance.

H10: Work meaningfulness affect job performance through jaob satisfaction. Work meaningfulness not only directly impacts job performance but also does so indirectly through job satisfaction. When employees find their work meaningful, they are more likely to be satisfied with their jobs, which in turn enhances their performance. Job satisfaction serves as a mediator that translates the positive effects of work meaningfulness into increased motivation, commitment, and productivity. The emotional and psychological fulfillment that comes from meaningful work boosts job satisfaction, leading to a higher level of employee performance. Thus, job satisfaction explains how the significance employees attach to their work ultimately improves their performance.

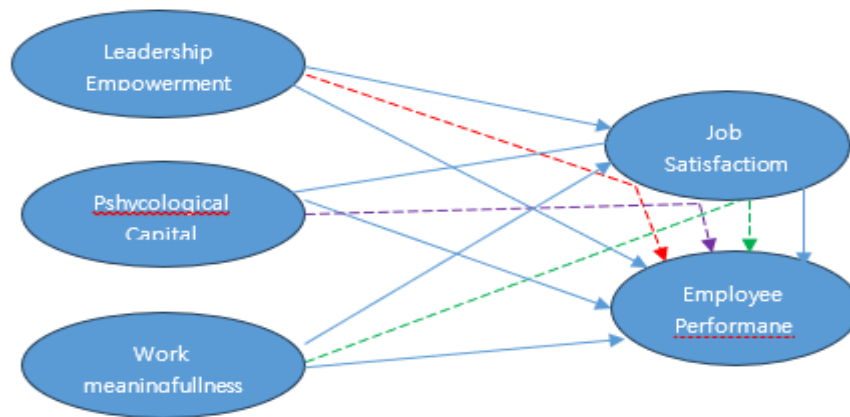


Figure 1. Research Conceptual Framework

### Research Design

This study uses a survey method. The survey was conducted to collect primary data directly from the respondents through a questionnaire prepared to obtain responses to the variables used in this study. The dependent variable of this study employee job performance . This study uses three independent variables, namely: leadership empowerment, psychological capital and work meaningfulness also using job satisfaction as an intervening variable

### Research Variables and Indicators

These variables are defined and measured according to the indicators set by taking into account the main reference sources used in this study. The building of research questioner structur as illustrated in table 1 as follow :

Table 1: Research Questionnaire Structure Guide

Variable	Item Questionnaire	Major References
Leadership empowerment	Delegation of authority	LE1
	Accountability	LE2
	Directing in the taking of the decision	LE3
	Share Information	LE4
	Skill Development	LE5
	Training for creative performance	LE6
Phsicological Capital	Self-efficacy	PC1
	Optimism	PC2
	Hope	PC3
	Resilience	PC4
Work Meaningfulness	Integrity with self	WM1
	Unity with others	WM2
	Expressing full potential	WM3
	Service others	WM4
Job Satisfaction	Wages	JS1
	Promotion	JS2
	Supervision	JS3



Variable	Item Questionnaire	Major References
	Operating Procedur	JS4
	Nature of work	JS5
Employee Performance	Quality of Work	EP1
	Working Quantity	EP2
	Timeliness	EP3
	Effectiveness of the use of human resources	EP4
	Employee independence	EP5
	Employee commitment	EP6

### Samples

The sample of this study is employees at four government-owned banks in Makassar City which are taken proportionally, the size of the research sample is determined according to the Hair method with this method the research sample is determined from the results of multiplication of the number of all indicators multiplied by 10, the number of indicators in this study is 29 so the sample used in this study is as many as 290 samples which represent proportionally from four government banks which is the object of this study

**Table 2: Respondent Demography**

Attributes	Item	F	%
Gender	Men	121	42%
	Women	169	58%
Age (Years)	22 – 25 years	78	27%
	26 – 29 years	112	39%
	30 – 33 years	45	15%
	34 – 37 yaers	35	12%
	38 – 41 years	12	4%
	>41 years	8	3%
Education	High School	2	0,7%
	Diploma	12	4,1%
	Under Graduate	231	79,7%
	Graduate	45	15,5%
	Doctoral Degree	0	0%
Work Experience	1 – 3 years	100	34,5%
	4 – 6 years	100	34,5%
	7 – 9 years	39	13,4%
	10 – 12 yaers	37	12,8%
	13 – 15 years	14	4,8%

From table 2, it can be seen that this study was dominated by female respondent as many as 169 people or 58%. The respondents' age, dominated by respondents aged between 26-29 years, there were 112 people or 39%. Meanwhile, in terms of educational level, it is dominated by responden who educated in under graduate level as much as 231 people or 79,7%. In term of work experience the data shows it dominated by employee who has been work 1- 6 years experience as much as 200 employee or 69%

### Measurement

The first stage in assessing the quality of the data is to analyze the study data using confirmatory factor analysis, or CFA, which aims to ascertain the data's validity and reliability. The three primary uses of CFA in psychometric evaluation research are the assessment of construct validity, comparison of response

patterns, and comparison of rival models (Alavi et al., 2020). In this study, the validity test was conducted using a validity construct analysis, and the reliability test was conducted using Cronbach Alfa and Composite Reliability. The following are the primary requirements for the reliability test: a low degree of dependability is indicated by an Alpha coefficient less than 0.60. However, when the Alpha coefficient approaches 1.00 or is more than 0.60. It can be characterized as having good reliability. In terms of construct validity study, the loading factor value should be monitored; if it is greater than 0.6, the construct is deemed valid.

Smart partial least square (PLS) was used to perform the data analysis, going through two steps of calculation. First, an algorithm analysis is performed to determine how feasible various sizes are on validity and reliability (AVE, Cronbach alpha, and Critical Ratio) aspects.

To guarantee the quality of all data, algorithm analysis is crucial. In this process, data that does not match the criteria is eliminated and reanalyzed; after all data is determined to fit the criteria, additional analysis can be performed. The significance of the influences between the variables examined in this study is ascertained via bootstrapping analysis in the second section, which enables the study's hypotheses to be addressed.

## Result & Discussion

### *Statistics Test Results*

There were two phases to the PLS smart software data analysis process. The first step is algorithm analysis, which assesses the quality of the research data, particularly the findings of the validity and reliability analysis and the variance of inflation factors (VIF) value. The second step is bootstrapping analysis, which evaluates the study's significance and provides an answer to the research question.

The loading factor value was used to perform the construct validity test. Data that satisfies the necessary requirements—that is, the loading factor standard with a value of  $(\lambda) > 0.7$ —is considered good data. The algorithm analysis results show that all of the loading factors generated are at values above 0.7, indicating the quality of the data that satisfies the requirements for further analysis in this study. The algorithm analysis results are displayed as follows in Figure 2:

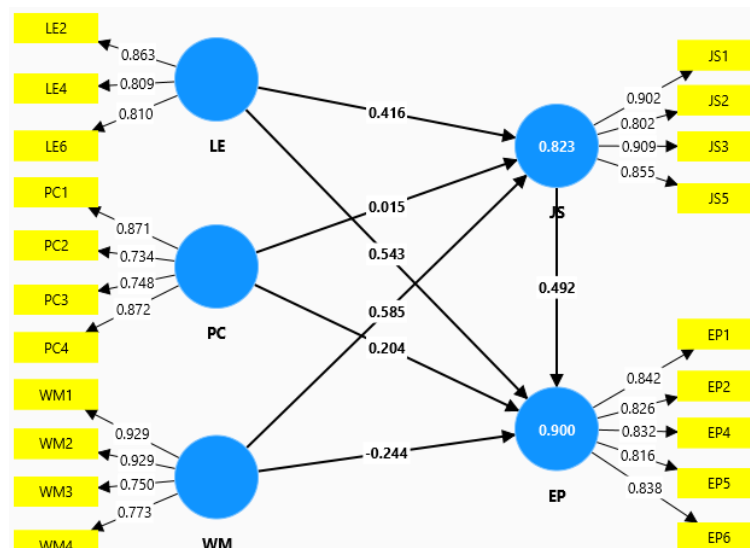


Figure 2: Algorithm Analysis

In Algorithm Analysis, the important thing that will be known is that the loading factor value in the calculation of Smart-PLS loading factor is considered qualified if it is  $< 0.7$  as can be seen in table 2. Above, the entire loading factor value has a value of  $< 0.7$  so that all indicators in this study can be forwarded for analysis in further analysis

Furthermore, the good of fit of this research model can be seen from the value of the values: Validity, AVE value, Composite Reliability value and Cronbach alpha value. Data reliability analysis is carried out by looking at the Cronbach alpha value, the data is considered to have good reliability if the calculation results show the Cronbach alpha value above 0.6 from the results of the analysis that has been carried out. Reliability is also seen from the value of composite reliability. This research data shows that all composite reliability values are above the value of 0.7. From the results of validity and reliability test, all indicators in this study are declared valid and reliable in general the data quality test is presenting in table 3 that described the good of fit test of the data

Cronbach alpha value: If the computation results indicate a Cronbach alpha value more than 0.6 based on the analysis that has been done, the data is thought to have strong dependability. The value of composite reliability also demonstrates reliability. Based on the research results, it can be observed that all composite reliability values are more than 0.7. Based on the outcomes of the validity and reliability tests, all of the study's indicators are deemed to be valid and reliable overall. Table 3 presents the data quality test findings and details the data's good of fit test. as follows :

**Table 3: The Good of Fit Model**

Variable	Items	Validity	Cronbach Alfa	Composite Reliability	AVE
Leadership Empowerment	LE2	0,863	0,770	0,771	0,685
	LE4	0,804			
	LE6	0,810			
Pshicological Capital	PC1	0,871	0,824	0,852	0,654
	PC2	0,734			
	PC3	0,748			
	PC4	0,872			
Work Meaningfulness	WM1	0,929	0,868	0,885	0,722
	WM2	0,929			
	WM3	0,750			
	WM4	0,773			
Job Satisfaction	JS1	0,902	0,890	0,896	0,754
	JS2	0,802			
	JS3	0,909			
	JS5	0,855			
Employee Performance	EP1	0,842	0,888	0,889	0,691
	EP2	0,826			
	EP4	0,832			
	EP5	0,816			
	EP6	0,838			

If the Variant Inflation Factor (VIF) number is less than 10, it is said to have no multicollinearity problem. The VIF value is used to assess whether there is a multicollinearity problem. According to the study's

findings, the greatest VIF value of the research data is 6,169, which is much less than 10, indicating that multicollinearity is not an issue for this study. the VIF data detail displayed in Table 3

**Table 4: Variance Inflation Factors (VIF)**

Item	VIF
LE2	1,807
LE4	1,486
LE6	1,570
PC1	2,164
PC2	1,421
PC3	1,721
PC4	2,419
WM1	2,832
WM2	2,832
WM3	1,660
WM4	1,727
JS1	3,061
JS2	1,847
JS3	3,236
JS5	2,274
EP1	2,965
EP2	3,075
EP4	6,087
EP5	2,074
EP6	6,169

### *Hypothesis Result*

- *Direct Effect*

The results of direct effect hypothesis testing for each of the latent variable relationships presented in Table 4 show that leadership empowerment has significant effect on employee performance (sig. p-value  $0,000 < 0,05$ . means hypothesis H1=Accepted). Psychological Capital has positif and significant effect on employee performance (sig. p-value  $0,000 < 0,05$ . means hypothesis H2=Accepted). Work meaningfulness has negative and significant effect on employee performance (sig.p-value  $0,000 < 0,05$ , means hypothesis H3 =Accepted). Leadership empowerment has a positive and significant effect on job satisfaction (sig. p-value  $0,000 < 0,05$ . means hypothesis H4=accepted). Psychological capital has no significant effect on job satisfaction (sig. p-value  $0,755 > 0,05$  means hypothesis H5=Rejected). Work meaningfulness has significant effect on job satisfaction (sig. p-value  $0,000 < 0,05$  means hypothesis H6=Accepted). Job satisfaction has significant effect on employee performance (sig. p-value  $0,000 < 0,05$  means hypothesis H7=Accepted). Thus this study proves that there are 5 (five) significant direct influences and 1 (one) insignificant direct influence

**Table 5: Hypothesis Result (Direct Effect)**

Variables Effect	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
LE → EP	0,543	0,544	0,050	10,973	0,000
PC → EP	0,204	0,204	0,041	4,945	0,000
WM → EP	-0,244	-0,242	0,052	4,657	0,000
LE → JS	0,416	0,416	0,039	10,569	0,000

PC → JS	0,015	0,016	0,049	0,312	0,755
WM → JS	0,585	0,585	0,040	14,475	0,000
JS → EP	0,492	0,490	0,065	7,622	0,000

### Indirect Effect

The results of indirect effect hypothesis testing for each of the latent variable relationships presented in Table 6 show that leadership empowerment has significant effect on employee performance through job satisfaction (sig. p-value  $0,000 < 0,05$ . means hypothesis H8= Accepted. Psychological capital has no significant effect on employee performance through job satisfaction (sig. p-value  $0,756 > 0,05$ . means hypothesis H9=Rejected). Work meaningfulness has positif and significant effect on employee performance through job satisfaction (sig. p-value  $0,000 < 0,05$ . means hypothesis H10=Accepted)

**Table.6 : Hypothesis Testing (Indirect Effect)**

Variables Effect	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
LE → JS → EP	0,205	0,204	0,034	5,975	0,000
PC → JS → EP	0,008	0,007	0,024	0,311	0,756
WM → JS → EP	0,288	0,287	0,043	6,695	0,000

### Discussion

Psychological capital (PsyCap), which includes qualities like hope, self-efficacy, resilience, and optimism, may not directly impact job satisfaction in certain contexts because satisfaction is influenced by a variety of other external factors. These factors can include work environment, management style, compensation, job role clarity, and interpersonal relationships at the workplace. Even with a high level of PsyCap, individuals may still feel dissatisfied if these external conditions are unfavorable.

Additionally, psychological capital focuses on an individual's internal mindset and personal growth, while job satisfaction is often linked to external rewards and recognition. Someone may have the inner strength to deal with challenges (high PsyCap) but still feel unappreciated or unrewarded, which could hinder their overall job satisfaction.

Moreover, PsyCap might help employees manage stress and challenges, but it does not necessarily ensure that they are happy with their job tasks, growth opportunities, or work-life balance. The structural and situational elements of the job often have a more direct influence on job satisfaction, regardless of an individual's psychological resources.

Psychological capital (PsyCap) may not directly influence employee performance through job satisfaction because these are distinct constructs with different mechanisms. While PsyCap represents personal qualities like resilience, hope, and self-efficacy that can empower individuals to overcome obstacles, job satisfaction is more about how content employees feel with their work environment, role, and organizational support. Even if employees possess high PsyCap, if they are dissatisfied with their job conditions, it might not lead to improved performance.

Job satisfaction typically reflects how employees perceive their work environment and the alignment between their job expectations and reality. On the other hand, PsyCap affects how employees cope with challenges, persist in difficult tasks, and stay motivated. An employee with high PsyCap might perform well even in an unsatisfying job because their inner resources allow them to push through, but their performance is driven more by personal traits than by satisfaction with their role.



Lastly, job satisfaction usually functions as a response to external factors like job design, management support, and organizational policies, whereas PsyCap is more intrinsic. Therefore, PsyCap might not lead to better performance through job satisfaction but rather through direct pathways such as personal motivation, perseverance, and goal-setting.

### *Practical Implication*

The practical implications of these findings suggest that organizations should prioritize leadership empowerment and the enhancement of psychological capital to boost employee performance. Empowering leadership not only directly improves performance but also enhances job satisfaction, which in turn has a positive impact on performance. Therefore, leaders who foster autonomy, provide support, and encourage employee decision-making can create an environment where employees feel more satisfied and perform better. Similarly, psychological capital, which includes resilience, optimism, and self-efficacy, directly boosts performance, reinforcing the importance of developing these traits in employees through training and support programs.

However, the results also indicate that psychological capital does not significantly influence job satisfaction, highlighting that while employees may possess positive psychological resources, satisfaction still largely depends on external work conditions. Furthermore, the study's finding that work meaningfulness negatively impacts performance suggests that placing too much emphasis on the intrinsic meaning of tasks may overwhelm employees and detract from their focus on performance outcomes. Therefore, organizations should balance fostering meaningful work with creating clear, achievable performance goals to maintain high employee engagement and output.

### *Theoretical Implication*

The theoretical implications of this research reinforce and expand existing leadership and psychological capital theories by showing the critical role leadership empowerment plays in enhancing employee performance, both directly and through job satisfaction. This confirms that leadership styles that promote autonomy and employee engagement significantly impact not only how satisfied employees feel but also their performance. Moreover, the study suggests that psychological capital, while essential for boosting performance, does not have the same effect on job satisfaction, highlighting a gap in current understanding about the relationship between individual psychological resources and satisfaction at work.

Another notable theoretical implication is the inverse relationship between work meaningfulness and employee performance, which contrasts with traditional beliefs that meaningful work universally enhances performance. This finding suggests a more nuanced perspective, where excessive focus on meaningfulness might overwhelm employees or lead to disengagement from performance-related goals. It also raises questions about the balance between intrinsic motivation (meaningfulness) and extrinsic outcomes (performance), offering opportunities for further research into how these elements interact in different work environments.

## **Conclusion**

The research concludes that leadership empowerment has a positive and significant effect on both employee performance and job satisfaction, highlighting the importance of empowering leadership in the workplace. Psychological capital positively impacts employee performance but does not significantly influence job satisfaction, suggesting that internal psychological resources may not directly translate to satisfaction with work conditions.

Work meaningfulness negatively affects employee performance but positively affects job satisfaction, indicating that while meaningful work contributes to job satisfaction, it may not always enhance performance. Finally, job satisfaction significantly improve employee performance, and leadership empowerment and work meaningfulness also indirectly enhance performance through job satisfaction. However, psychological capital does not have an indirect effect on performance via job satisfaction.

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