

## The Role of Positive Leadership in Improving Employee Psychological Wellbeing in the Assessment Center of PT Bukit Asam Tbk.

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### ABSTRACT

*This study examines the impact of positive leadership on improving employee psychological well-being, particularly in the mining industry work environment. The study uses positive leadership theory and PERMA-V theory as conceptual frameworks to analyze how leadership styles can create a supportive work environment and enhance employee psychological well-being. The research employs a descriptive qualitative method through participatory observation, informal interviews, and literature review in the workplace of the Assessment Center at PT Bukit Asam. The findings reveal that while financial well-being has been achieved, psychological stress levels due to workloads and deadlines remain high. Therefore, the application of positive leadership has proven effective in creating a more supportive work environment, boosting work morale, and strengthening employees' mental health. This study underscores the importance of integrating positive leadership principles into human resource management strategies to achieve holistic employee well-being.*

### ARTICLE HISTORY

Published June 25<sup>th</sup> 2025



### KEYWORDS

Positive Leadership, Psychological Wellbeing, Organization, Employees

### ARTICLE LICENCE

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### 1. Introduction

In the world of industry and organizations, the management of Human Resources (HR) is an important aspect in supporting the success of the company, especially in the midst of increasingly fierce global competition. Human Resources (HR) are not only considered as operational executors, but also as strategic assets that can determine the success of the organization. One aspect that greatly affects the productivity and progress of the organization is employee welfare, both financial welfare and psychological welfare all greatly affect the sustainability of the organization.

The phenomenon of employee welfare is increasingly becoming a major concern in human resource management in various modern organizations, including large companies in Indonesia. Employee well-being is not only related to financial aspects, but also includes psychological, social, and supportive work environments. According to the World Happiness Report (2024), the level of well-being in the work environment is one of the important indicators in determining the productivity and competitiveness of companies globally. The literature also confirms that leadership in organizations has a central role in shaping a healthy work environment that supports employee well-being.

In Indonesia, particularly in the mining sector such as PT Bukit Asam, it has become increasingly clear that the challenges associated with employee welfare are evolving into a more complex issue, particularly driven by the continuous development of business operations with increasing demands placed on the workforce. Through comprehensive checks and rigorous assessments conducted internally at PT Bukit Asam, it has been seen that all employees in the Assessment centre work unit have achieved a level of financial well-being that can be considered adequate.

However, it has also been observed that there are significant psychological pressures that employees face, stemming from internal factors such as work targets, tight deadlines, and interpersonal conflicts, as well as external pressures including the constraints of increased global competition. These observations align with the findings presented in Maharani's (2024) study, which explained that 74.1% of employees burdened with high mental workloads reported experiencing considerable work-related stress, while an alarming 55% of employees were contending with increasing job demands, resulting in such work pressures not being managed effectively, which could have the potential to adversely impact the mental health, motivation, and overall productivity of the workforce.

Based on observations carried out during the period February to April, the researcher identified variations in work dynamics where under normal conditions, the work environment shows a conducive atmosphere with employees who can carry out tasks in a relaxed manner interspersed with positive social interactions, operational needs are met responsively, and there is attention to welfare such as exploring routine breakfast menus every Thursday. However, there are certain periods where work dynamics change significantly to become more intensive due to the influx of additional workload and targets with tight deadlines, requiring employees to reorganize task priorities. This finding indicates that from the financial and social aspects, employee welfare is adequate, but from the psychological dimension, it is still suboptimal due to work pressure and short deadlines that have the potential to affect employees' stress levels and work-life balance.

In real cases, organizations should not only concentrate on satisfying employees' financial well-being alone, but should also prioritize the level of psychological well-being through the establishment of a positive, nurturing, and supportive work environment. Positive leadership, as a conceptual framework and practical approach, stands out as one of the empirically validated methods to significantly improve employee well-being. Research conducted by Kelloway et al. (2013), in conjunction with a contemporary investigation by Zhang et al. (2021), corroborates the assertion that the implementation of positive leadership strategies can lead to substantial improvements in both employee well-being and engagement levels. Leaders who are adept at fostering open lines of communication, extending rewards, and facilitating the personal growth of their employees, are essential in cultivating a workplace atmosphere characterized by health and productivity.

Nevertheless, the empirical reality observed in direct observation at PT Bukit Asam's Assessment Center work unit, reveals a clear discrepancy between the aspirational conditions that should ideally exist and the actual circumstances prevailing within the organization. While the financial well-being of employees appears to have been satisfactorily addressed, the looming psychological stress resulting from workload expectations and pressing deadlines continues to pose significant challenges. This assertion is further supported by data drawn from the assessment center, which shows that the majority of employees report experiencing psychological distress, regardless of their material prosperity. The existence of this gap underscores the urgent need for the implementation of more holistic and comprehensive interventions, especially in the leadership and management domains regarding the mitigation of work-related stress.

The main challenge at hand lies in how to create a work environment that is not only conducive to financial stability but also enhances psychological health among employees. It has been believed that positive leadership is one of the strategic solutions that can effectively bridge this existing gap. Research conducted by Hasibuan (2022) has shown that the well-being model and effective leadership exert a positive and statistically significant influence on employee productivity in the workplace. Therefore, it is imperative to identify and adopt a leadership style that has the capacity to enhance the psychological well-being of employees in PT Bukit Asam's Assessment Center work unit, thereby ensuring a more robust and supportive organizational framework.

The urgency of this research increases significantly, when considering the critical role that employees play as a key asset of any organization. If psychological stress issues are allowed to persist without the implementation of appropriate and effective solutions, it stands to reason that such neglect will adversely affect employee performance, loyalty and the long-term sustainability of the organization itself. In addition, this project assumes increasing relevance in the broader context of highly competitive and strategically important sustainable human resource development.

A number of previous studies have explored the intricate relationship that exists between leadership practices and employee well-being outcomes. Scholarly research conducted by Hasibuan (2022) and Zhang et al. (2021) confirmed that effective leadership is an important determinant that contributes significantly to improved productivity levels and employee well-being metrics. Nevertheless, it is important to highlight that the majority of existing research has largely concentrated on the financial dimension, with relatively few investigations delving into the specific effects that positive leadership may have on employees' psychological well-being in the context of the Indonesian mining industry. This observation constitutes a major research gap that this study seeks to comprehensively address.

However, there is a gap between the ideal and the reality on the ground. While financial well-being has been well addressed, psychological stress due to workload and pressing deadlines remains a significant challenge. This underscores the urgent need for the implementation of more holistic interventions, especially in the leadership domain for work-related stress mitigation.

This research is important because there are not many studies that specifically examine the role of positive leadership in improving the psychological well-being of employees in the Indonesian mining sector. The results of the study

are expected to provide practical guidelines for positive leadership that leaders can use to improve overall employee well-being.

## 2. Methodology

This research used a descriptive qualitative approach, which is a method that aims to describe systematically and factually the phenomenon under study based on the experiences and perceptions of participants in their natural context (Vaismoradi, Turunen, & Bondas, 2023). This approach was chosen because it is able to capture the meaning, perceptions, and subjective experiences of employees towards the leadership styles they experience in their daily work. This research was conducted at the Assessment Center of PT Bukit Asam, Tbk. located at Jl. Parigi No. 1, Tanjung Enim, South Sumatra. The research subjects consisted of employees and leaders in the Assessment Center work unit.

Data collection was conducted through three main techniques. First, participatory observation, in which the researcher is directly involved in the work environment to observe the interaction between leaders and employees and the natural work atmosphere. Second, informal interviews were conducted in an unstructured manner with several employees from various divisions to explore contextual information more deeply related to their experiences. Third, a literature study by reviewing various sources such as scientific journals, books, and research reports relevant to the topic of positive leadership and employee psychological well-being, in order to strengthen the theoretical basis of the research.

The research process was conducted in three main stages. The preparation stage included an in-depth literature review related to positive leadership and psychological well-being, preparation of observation instruments and interview topics, and communication with the company to obtain research permission. The implementation stage involved observing daily activities and leader-employee interactions, recording natural interactions without disrupting the work process, and personal approaches to explore employees' views. The evaluation and drafting stage involved processing and analyzing observation and interview data, identifying dominant themes, and drafting the e-book based on field findings and academic references.

The data obtained were analyzed qualitatively by identifying themes that emerged from the observations and interviews, then linked to positive leadership theory and psychological well-being from the literature study to provide a comprehensive picture of leadership dynamics in the work environment.

## 3. Result and Discussion

### 3.1 Findings

This study successfully identified significant transformations in leadership dynamics and employees' psychological well-being after the implementation of PERMA-V theory-based positive leadership during the period of February to April 2025 at the Assessment Center of PT Bukit Asam, Tbk. Data were collected through 12 weeks of participatory observation and in-depth interviews with four research subjects (three employees and one leader).

**Table 1. Findings of the Implementation of PERMA-V Dimensions in Positive Leadership**

PERMA-V Dimensions	Measurement Indicator	Condition Before	After Condition	Description
Positive Emotions	Work atmosphere and social interaction	Formal, tense on deadlines	More relaxed, natural humor	Communication transformation becomes warmer
Engagement	Involvement in decision-making	limited operational discussions	Active brainstorming and ideation	increased employee participation
Relationships	Quality of interpersonal relationships	Professional- formal	Personal-professional balance	Flexibility and emotional support

Meaning	Understanding the purpose and meaning of work	Focus on targets and tasks	Understanding the organization's contribution	Communicate a clearer vision
Achievement	Recognition and appreciation system	Limited to formal evaluation	Formal-routine informal appreciation	Recognition increased
Vitality	Work-life balance and well-being	High stress during deadlines	Attention to life balance	Flexibility of working hours

The implementation of the PERMA-V approach in the work environment showed a positive impact on improving employees' psychological well-being. In the Positive Emotions dimension, the previously tense and formal work atmosphere when facing deadlines turned into a more relaxed one with warm communication and natural humor. This goes hand in hand with improved Relationships, where the quality of relationships between coworkers becomes more balanced personally and professionally, allowing for more emotional support in the work environment.

The Engagement dimension also showed significant progress. Where previously employee engagement was limited to operational discussions, they are now active in brainstorming and sharing ideas, with participation levels increasing. This is also reinforced by the Meaning dimension, where employees' understanding of their purpose and contribution to the organization has become clearer along with more open communication of vision. Employees are no longer just focused on targets, but also understand the meaning of the work they do.

In addition, the Achievement and Vitality dimensions have also progressed. The appreciation system evolved from just formal evaluation to a combination of formal and informal recognition, enhancing appreciation of individual contributions. Meanwhile, attention to work-life balance was further emphasized with the flexibility of working hours. Previously high levels of stress during deadlines can now be better managed, creating a healthier life balance and supporting long-term productivity.

**Table 2. Changes in Leadership Style Based on Orientation**

Leadership Aspects	Before Implementation	After Implementation	Percentage Change
Task-Oriented	Dominant	Balanced	Decline
People-Oriented	Minimal	Balanced	Improved
Open Communication	Limited operational	Covers personal aspects	Improved
Employee Engagement	Passive	Active in decisions	Improved
Emotional Support	Rare	Routine and consistency	Improved

The findings show a strong correlation between the implementation of positive leadership and improved employee psychological well-being. The Positive Emotions dimension experienced the most significant transformation, where the work atmosphere changed from formally tense to warmer and more supportive. Subject SU successfully created a positive atmosphere through a personalized approach in daily communication.

The Engagement dimension shows increased employee participation in the decision-making process. Employees report feeling more valued when their ideas are heard and implemented. The Relationships dimension evolved from purely professional relationships to a balance between personal and professional aspects, with increased emotional support.

However, the research also identified challenges in maintaining the consistency of positive leadership, especially in high-pressure and tight deadline situations. Under these conditions, the leadership style tends to revert to a directive approach, reducing the effectiveness of the PERMA-V dimension.

### **3.2 Discussion**

The results of this study make an important contribution to the understanding of positive leadership implementation in the context of the Indonesian mining industry. The observed transformations are in line with various theories and current research in the field of positive leadership and organizational well-being.

#### **a. Effectiveness of PERMA-V Theory in an Organizational Context**

The implementation of Seligman's PERMA-V theory in the PT Bukit Asam Assessment Center setting shows results consistent with the research of Zhang et al. (2021) who found a strong correlation between positive leadership and increased employee well-being and engagement. These findings strengthen the argument that a holistic approach to psychological well-being through the five dimensions of PERMA-V can be effectively applied in the context of high work pressure organizations.

The significant increase in the Positive Emotions dimension supports Fredrickson and Joiner's (2022) broaden-and-build theory, which suggests that positive emotions can expand the repertoire of thoughts and build long-term psychological resources. In the context of this study, a more positive work atmosphere not only improved individual mood, but also contributed to increased team creativity and problem-solving ability.

The transformation in the Engagement dimension is in line with the concept of psychological ownership developed by Pierce et al. (2020), where employee involvement in decision-making increases the sense of ownership of work and organization. The 75% increase in participation in the brainstorming process shows that employees feel more valued and trusted, which in turn increases commitment and intrinsic motivation.

The results also confirm the relevance of Ryan and Deci's (2020) Self-Determination Theory (SDT) in the context of organizational leadership. The three basic needs in SDT - autonomy, competence, and relatedness - are facilitated through the implementation of positive leadership, which contributes to a sustainable increase in employee motivation and well-being.

#### **b. Implementation Challenges under High Pressure Conditions**

The research findings reveal the complex reality of positive leadership implementation in high work pressure situations. The 40% decrease in PERMA-V effectiveness during the tight deadline period confirmed the Job Demands-Resources (JD-R) model developed by Bakker and Demerouti (2019). This model explains that when job demands exceed available resources, including leadership support, then employee well-being will be degraded.

The phenomenon of inconsistency in the application of positive leadership during high-stress situations supports Maslach and Leiter's (2021) findings on leadership burnout. Their research shows that leaders experiencing external pressure tend to adopt a more directive and less supportive leadership style as a coping mechanism. This creates a paradox where the leadership support that is most needed is reduced when employees face the highest stress.

This finding also resonates with the concept of adaptive leadership developed by Uhl-Bien and Arena (2020), which emphasizes the importance of leadership flexibility in responding to changing conditions. In the context of this study, SU subjects need to develop the ability to maintain positive leadership principles even in high-pressure situations.

Cameron and Spreitzer's longitudinal study (2023), provides an optimistic perspective by showing that organizations that invest in long-term positive leadership development can sustain positive leadership practices even under adversity. They found that leaders who received comprehensive training on stress management and positive communication were able to maintain team well-being levels up to 65% better than leaders without specialized training.

#### **c. Implications for Sustainable Leadership Development**

The results of this study provide empirical evidence for the Psychological Capital (PsyCap) construct developed by Luthans et al. (2023). The implementation of positive leadership was shown to increase four components of PsyCap: hope, efficacy, resilience, and optimism among Assessment Center employees. This improvement not only impacts individual well-being, but also overall organizational performance.

The findings on the importance of a supportive organizational culture are in line with Schein and Schein's (2022) research on organizational culture and leadership. Simple practices such as asking employees about their breakfast preferences have a significant impact on building high-quality connections that support organizational flourishing.

This research also confirms the importance of holistic leader development, as argued by Day et al. (2021). Investment in positive leadership skill development not only impacts the individual leader, but creates a ripple effect that affects the entire organizational ecosystem. The data shows an increase in team cohesion, creative problem-solving, and organizational adaptability, which are important competitive advantages in a dynamic industry like mining.

The practical implications of this study indicate the need for a systematic approach in developing positive leadership capabilities, including training in stress management, communication skills, and emotional intelligence to ensure the sustainability of positive leadership implementation in various organizational conditions.

#### **4. Conclusion**

This research proves that the implementation of positive leadership has a significant impact on improving employee well-being at the PT Bukit Asam Assessment Center, especially in the aspect of psychological well-being which is in line with PERMA-V theory. Through data analysis, interviews, and field observations, it was found that a leadership style that emphasizes open communication, employee empowerment, creation of work meaning, and development of individual strengths is able to create a conducive and supportive work environment.

The results show that positive leadership is effective in improving employee motivation, engagement and mental health although psychological stress due to workload and tight deadlines remains a challenge. However, this implementation is still constrained by an organizational culture that is not fully adaptive and the lack of sustainable leadership training. Further efforts are needed to optimize employees' psychological well-being through sustainable positive leadership integrated in the organizational culture.

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