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Osaka University
Perceived Competence, Autonomy, and Subjective Happiness: The Mediating Role of Job Crafting

Jie Li†

Abstract

Drawing from cognitive evaluation theory, I develop a theoretical framework that delineates the process by which employees’ perceived competence and autonomy enhance their subjective happiness. To examine the research model, I conducted an online survey with 307 employees in China. The results show that employees’ subjective happiness is influenced by both individual (competence) and situational (autonomy) factors. Moreover, the positive effects of perceived competence and autonomy on subjective happiness are mediated by job crafting, which serves as a positive life event in the workplace. These findings provide insights about the proactive role of employees in the pursuit of happiness. Implications and future research directions are discussed.

JEL Classifications: M10, M12, M54

Keywords: perceived competence; perceived autonomy; job crafting; subjective happiness

1. Introduction

Pursuing high-quality work life has become employees’ major concern since it reflects their self-evaluation in the workplace (Van Laar, Edwards, & Easton, 2007). Meanwhile, scientists suggest that whether a person lives happily is an essential indicator of his or her life quality. Happiness is one of the most important goals people strive for. Lyubomirsky and Lepper (1999) found that most people consider happiness at least once each day. It is not surprising that the media frequently conducts random street surveys to ask people “Are you happy?” (Wang, 2012). Our society is also interested in people’s happiness because it results in various positive outcomes at the country level (Diener, 2000). Therefore, subjective happiness—one’s overall evaluation and enjoyment of life—has received tremendous interest from academic researchers, policy makers, and the general public (Lenderking, 2005; Lyubomirsky & Tucker, 1998).

Subjective happiness refers to a generalized judgment in which people compare the quality of their life with their own self-imposed standard (Diener, 2000; Lyubomirsky & Tucker, 1998). Happy

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workers always perceive a high-quality life both emotionally and cognitively. Prior research has shown that happiness has numerous desirable outcomes, such as creativity, high productivity, job satisfaction, energy, mental health, and organizational citizenship behavior (Frey & Stutzer, 2002; Grant, Christianson, & Price, 2007; Lyubomirsky, Sheldon, & Schkade, 2005; Lyubomirsky & Tucker, 1998; Staw, Sutton, & Pelled, 1994). Accordingly, scholars attempt to identify who are happy and how to make people happier. Research has found a lot of predictors of subjective happiness, including personality traits, attitudes, demographic factors, life events, health, mood, and work-family interactions (Diener, 2000; Extremera, Salguero, & Fernández-Berrocal, 2011; Headey & Wearing, 1989; Lyubomirsky et al., 2005; Zhang, Siu, Hu, & Zhang, 2014).

Despite the extensive knowledge on the antecedents of subjective happiness, several issues remain open for further investigation. For example, most research treats people’s subjective happiness as a dispositional variable but neglects how it is influenced by organizational factors (Diener, 2000). Therefore, we still know little about how to make employees happier at the workplace, that is, how to boost their enjoyment of work life. This is an important research gap because most people spend about half of their waking time (eight hours) in the workplace. Work is also our major consideration in our daily life (Grant & Parker, 2009). Therefore, organizations need to understand how to enhance employees’ happiness.

In this article, I propose a theoretical framework to examine how to promote employees’ subjective happiness. Specifically, I argue that individual differences (i.e., perceived competence) and situational factors (i.e., perceived autonomy) can induce employees to craft their jobs, which in turn, enhances their subjective happiness. Because I use a subjectivist definition of happiness, employees’ happiness relies on their perceptions of work context and themselves (Elizur & Shye, 1990; Lyubomirsky & Lepper, 1999). Those who perceive a high level of autonomy and competence have more freedom in their work. In addition, they have greater confidence to meet personal goals or cope effectively with job tasks. Because they experience more positive emotions at work, those employees are more likely to be happier (Karademas, 2006; Sheldon, Kasser, Houser-Marko, Jones, & Turban, 2005). Moreover, I consider job crafting mediates the effects of perceived competence and autonomy on subjective happiness. Job crafting refers to “the physical and cognitive changes individuals make in the task or relational boundaries of their work” (Wrzesniewski & Dutton, 2001: 179). Employees with a high level of autonomy and competence are more likely to act proactively and take initiatives to craft their jobs, which makes them perceive meaningfulness and significance at work. Such feelings about their quality of work life ultimately increase employees’ subjective happiness.

Overall, this article contributes to the literature in several ways. First, it provides further evidence on the importance of perceived competence and autonomy. The present study found that people’s perceived competence and autonomy enhance their subjective happiness by fulfilling psychological needs (Gagné & Deci, 2005). Second, I propose a more fine-grained process on how the individual and situational determinants (i.e., perceived competence and autonomy) influence employees’ subjective happiness. Specifically, I argue that perceived competence and autonomy motivate employees to craft their jobs, which serve as positive life events to influence their subjective happiness (Lyubomirsky
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The results also contribute to job crafting literature by demonstrating its effect on happiness. Finally, this article extends our understanding of positive psychology. Although most research focuses on happiness as a dispositional factor that employees bring to the workplace, I provide empirical evidences on how organizations can make employees happier.

2. Theory and Hypotheses

Since subjective happiness reflects one’s cognitive evaluation on the quality of life as a whole, it should be related to one’s perception of both himself or herself and the surrounding environment (Lyubomirsky & Tucker, 1998). I propose that subjective happiness is influenced by both individual and contextual factors. In other words, subjective happiness is a cognitive evaluation based on the workplace context and people themselves. According to cognitive evaluation theory (Deci & Ryan, 1985), I propose a theoretical model that incorporates employees’ feelings of competence and autonomy to predict their subjective happiness. Employees with more personal competence and job autonomy will perceive a higher level of control and meaningfulness in their jobs, which induce more vitality and positive mood and finally result in subjective happiness. Further, I argue that employees’ job crafting behavior, serving as a positive life event, mediates the effects of their perceived competence and autonomy on subjective happiness (Lyubomirsky & Tucker, 1998).

2.1 Perceived Competence, Autonomy, and Job Crafting

Perceived competence, which is synonymous with self-efficacy, refers to personal beliefs in one’s capability to successfully perform certain activities with appropriate skills (Gist & Mitchell, 1992; Spreitzer, 1995). Derived from the agentic perspective, it reflects people’s expectations of their abilities in meeting task demands and achieving desired outcomes (Bandura, 1982; Bandura & Schunk, 1981). Therefore, perceived competence regulates people’s emotions, motivations, and actual actions (Bandura, 1977). Converging evidence suggests that perceived competence influences a number of human functioning, such as stress, mental health, subjective well-being, job satisfaction, and learning (Bandura, 1982; Karademas, 2006; Wood & Locke, 1987).

Employees differ in the beliefs about their competence and their chances of successfully fulfilling their job responsibilities. Compared with people with a low level of perceived competence, those with a high level of perceived competence believe that they can take control over their job tasks and organizational demands (Gist & Mitchell, 1992). These employees can also better deal with challenging assignments and goals for improvement, thus bringing about positive changes (Bandura, 1982; Crant, 2000). Therefore, employees high in perceived competence are more likely to take initiative and proactively make changes in their jobs. As a critical form of proactive behavior, job crafting focuses on the improvement in one’s job, which requires employees to sculpt the task, relational, and cognitive boundaries of their jobs (Berg, Wrzesniewski, & Dutton, 2010). To engage in job crafting, employees need enough confidence in their competence and skills to redesign their jobs and clarify the boundaries of such redesigning. Thus, it is reasonable to predict that those with a high
level of perceived competence are more likely to perform job crafting to modify their job components and work roles.

*Hypothesis 1: Perceived competence is positively related to job crafting.*

Job crafting is a complex process that cannot be adequately explained by only individual or situational influence (Wrzesniewski & Dutton, 2001). Individuals, jobs, and the work context are embedded with one another in the workplace. Besides employees’ perceived competence, the work context also affects their job crafting behavior (Berg et al., 2010; Wrzesniewski, LoBuglio, Dutton, & Berg, 2013). Prior research has noticed the critical role of job characteristics in affecting employees’ work behavior (Morgeson, Delaney-Klinger, & Hemingway, 2005), among which autonomy is considered as an antecedent of job crafting. Perceived autonomy refers to the extent to which job provides substantial freedom, independence, and discretion to employees in carrying out work-related activities (Hackman & Oldham, 1976; Kulik, Oldham, & Hackman, 1987). It reflects employees’ opportunities over work decisions, such as timing and work procedures. I argue perceived autonomy positively relates to employees’ job crafting behavior based on cognitive evaluation theory.

To craft jobs beyond the formal job descriptions, employees need to assess the boundaries of such crafting behavior and the opportunities of success (Tims, Bakker, & Derks, 2012; Wrzesniewski & Dutton, 2001). Researchers have noted that a high level of job autonomy is a signal that the focal employee is trusted by the organization and the employee can take control over his or her job (Frese, Kring, Soose, & Zempel, 1996; Petrou, Demerouti, Peeters, Schaufeli, & Hetland, 2012). A high degree of job autonomy also gives the employees more freedom to develop the strategy to go beyond their customary job requirements. Therefore, these employees may engage in job crafting. Moreover, perceived autonomy may enhance employees’ role-breadth self-efficacy, encouraging them to carry out a wider range of job tasks and redefine their roles to a broader extent with confidence (Petrou et al., 2012; Tims & Bakker, 2010; Wrzesniewski & Dutton, 2001). On the other hand, low job autonomy limits employees’ chance to redesign job tasks, interact with people, and optimize their work goals. Thus I predict:

*Hypothesis 2: Perceived autonomy is positively related to job crafting.*

### 2.2 Job Crafting and Subjective Happiness

Employees are typically assigned customized job tasks and they are expected to finish these stipulated tasks to a satisfactory level (Kulik et al., 1987; Wrzesniewski et al., 2013). However, the fast-changing environment requires employees to actively modify their jobs, which is a bottom-up job redesign intervention (Tims et al., 2012). Individuals may craft their jobs in three ways, that is, they can alter the task (e.g., work schedules and procedures), relational (e.g., interactions with others), and cognitive (e.g., meaning and significance of one’s job) boundaries of their jobs. By crafting their jobs, employees independently modify their jobs to better fit their needs, passions, and preferences (Berg et al., 2010; Wrzesniewski & Dutton, 2001). Therefore, job crafting results in positive employee outcomes, including job satisfaction, engagement, positive affectivity, resilience, affective commitment, and productivity (Bakker, 2010; Berg, Dutton, & Wrzesniewski, 2013; Ghitulescu, 2007;
Tims et al., 2012; Tims, Bakker, & Derks, 2013; Wrzesniewski et al., 2013).

Job crafting involves a process by which employees optimize the balance among themselves, their jobs, and the workplace. By independently shaping their job components to meet their own preferences, employees will perceive control over the workplace, and they will have feelings of growth satisfaction (Tims et al., 2013). At the same time, crafting makes the job itself more suitable and satisfactory for the employees and improves employees’ relationships with others (Ghitulescu, 2007; Wrzesniewski et al., 2013). Consequently, they will regard their jobs as more interesting and enjoyable and feel a sense of accomplishment. These feelings and affects are also important determinants of subjective happiness (Staw et al., 1994; Tims et al., 2013). Thus, I expect employees who craft their jobs are more likely to experience subjective happiness.

**Hypothesis 3:** Job crafting is positively related to subjective happiness.

### 2.3 Mediating Role of Job Crafting

As noted earlier, existing research has demonstrated the relationship between perceived competence, autonomy, and individual subjective happiness. Competence or autonomy represents one aspect of people’s success in their life, thus competence and autonomy are important precursors of subjective happiness (Pinquart & Sörensen, 2000; Sheldon et al., 2005). Individuals with greater competence and autonomy will also perceive that they can manage and control their work life, thus have higher subjective happiness (Lyubomirsky et al., 2005). However, research has not yet examined the underlying mechanism that mediates these relationships and overlooked the proactive role of employees. In this article, the theoretical framework posits the mediating effect of job crafting. Subjective happiness means one’s positive assessment of his or her life with good feelings (Lyubomirsky & Tucker, 1998; Pinquart & Sörensen, 2000). To some extent, individuals make their evaluations of well-being based on their feelings of recent life events (Csikszentmihalyi & Hunter, 2003). By crafting their jobs, employees perceive their jobs as interesting, significant, and meaningful. Therefore, job crafting serves as a positive life event in the process that individuals pursue happiness.

**Hypothesis 4:** Job crafting mediates the relationships between both a) perceived competence and subjective happiness, and b) perceived autonomy and subjective happiness.

### 3. Method

#### 3.1 Participants and Procedures

Data used in this study were collected through an online survey. I posted the survey through social media websites in China. This method has been widely used and is reliable and effective to collect data (Meyerson & Tryon, 2003). All the respondents were employed full-time at the time of the survey and lived in China. Participation was voluntary and anonymous. The consent page assured them that the data would be used only for research purpose. Those who completed the consent form could approach the online survey comprising of perceived competence, perceived autonomy, job crafting, and subjective happiness. In addition, I collected data on participants’ gender, age, education, and
organizational tenure.

Only those who finished all the questions could submit their responses to the database. The final sample was 307 respondents including 199 men and 108 women. The mean age was 30.81 (SD = 7.54). Among this sample, 89.9% of them held at least a college degree, and their average organizational tenure was 2.65 years (SD = 1.51).

3.2 Measures

All questionnaire items were originally written in English or Japanese. To ensure accuracy and clarity, I translated the items into Chinese following the back-translation procedures (Brislin, Lonner, & Thorndike, 1973). All items used 7-point Likert scales (1 = strongly disagree, 7 = strongly agree).

Perceived competence. I used Spreitzer’s (1995) three-item scale to measure participants’ perceived competence. One sample item was “I am confident about my ability to do my job.” The Cronbach’s alpha coefficient was .85.

Perceived autonomy. I assessed participants’ perceived autonomy by adapting Frese and colleagues’ (1996) four-item measure. One sample item was “I can plan and arrange my work on my own (e.g., calculate, which material/tools I need).” The Cronbach’s alpha coefficient was .87.

Job crafting. The participants indicated their job crafting behavior using Sekiguchi and colleagues’ (2012) twelve-item scale which consists task crafting, relational crafting, and cognitive crafting. Each dimension has four items. Sample items included “Change the content and/or procedure of my job to be more desirable” for task crafting, “Actively interact with people through my job” for relational crafting, and “Reframe my job as significant and meaningful” for cognitive crafting. The overall Cronbach’s alpha coefficient was .93.

Subjective happiness. Lyubomirsky and Lepper’s (1999) four-item measure was used to assess participants’ subjective happiness. One sample item was “In general, I consider myself a very happy person.” The Cronbach’s alpha coefficient was .77.

Control variables. To minimize the influence of other exogenous variables, I controlled the respondents’ gender (1 = male; 2 = female), age (in years), education, and organizational tenure (1 = less than 1 year; 2 = 2 ~ 3 years; 3 = 4 ~ 5 years; 4 = 6 ~ 9 years; and 5 = more than 10 years).

4. Results

4.1 Measurement Properties

Before testing the hypotheses, I used a series of confirmatory factor analyses (CFAs) to assess the properties of a four-factor measurement model (perceived competence, perceived autonomy, job crafting, and subjective happiness) (Anderson & Gerbing, 1988) via the package “lavaan” (Rosseel, 2012) in R environment (R Core Team, 2013). Since the job crafting scale consisted of 12 items, I parceled items under each dimension to form three indicators (Little, Cunningham, Shahar, & Widaman, 2002).

I compared the baseline model (M₁) with five alternative models: one null model (M₀); two models
designed to test whether perceived competence could be distinguished from perceived autonomy (M1) and job crafting (M4); one model testing whether perceived autonomy could be distinguished from job crafting (M3); and, finally, one model suggesting that four variables represent a single indicator (M5). Table 1 displays the results of CFAs. The proposed four-factor baseline model provided the best fit index ($\chi^2[71] = 196.01, p < .001; \text{CFI} = .95, \text{NNFI} = .95, \text{RMSEA} = .08$) compared with other alternative models. Therefore, the four constructs can be distinguished well.

### Table 1

**Confirmatory Factor Analyses of Measurement Models**

<table>
<thead>
<tr>
<th>Model Specifications</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\Delta \chi^2$</th>
<th>CFI</th>
<th>NNFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null model (M0)</td>
<td>2771.58</td>
<td>91</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Baseline 4-factor model (M1)</td>
<td>196.01</td>
<td>71</td>
<td>--</td>
<td>.95</td>
<td>.94</td>
<td>.08</td>
</tr>
<tr>
<td>Perceived competence and perceived autonomy combined (M2)</td>
<td>658.77</td>
<td>74</td>
<td>462.76$^*$</td>
<td>.78</td>
<td>.73</td>
<td>.16</td>
</tr>
<tr>
<td>Perceived competence and job crafting combined (M3)</td>
<td>412.72</td>
<td>74</td>
<td>216.71$^*$</td>
<td>.87</td>
<td>.85</td>
<td>.12</td>
</tr>
<tr>
<td>Perceived autonomy and job crafting combined (M4)</td>
<td>504.80</td>
<td>74</td>
<td>308.79$^*$</td>
<td>.84</td>
<td>.80</td>
<td>.14</td>
</tr>
<tr>
<td>Four construct represent a single dimension (M5)</td>
<td>1126.61</td>
<td>77</td>
<td>930.60$^*$</td>
<td>.61</td>
<td>.54</td>
<td>.21</td>
</tr>
</tbody>
</table>

*Notes. N = 307.*

$\Delta \chi^2$ is the change of $\chi^2$ compared with the baseline model.

$p < .01.$

### 4.2 Hypothesis Testing

Table 2 reports the means, standard deviations, and zero-order correlations of the study variables.

### Table 2

**Descriptive Statistics and Correlations of All Study Variables**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Perceived competence</td>
<td>5.31</td>
<td>1.10</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Perceived autonomy</td>
<td>4.57</td>
<td>1.33</td>
<td>.42$^*$</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Job crafting</td>
<td>5.12</td>
<td>1.00</td>
<td>.66$^*$</td>
<td>.53$^*$</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Subjective happiness</td>
<td>4.54</td>
<td>1.22</td>
<td>.36$^*$</td>
<td>.39$^*$</td>
<td>.50$^*$</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gender</td>
<td>1.35</td>
<td>48</td>
<td>.01</td>
<td>.03</td>
<td>.02</td>
<td>.05</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Age</td>
<td>30.81</td>
<td>7.54</td>
<td>.08</td>
<td>.13$^*$</td>
<td>-.00</td>
<td>.03</td>
<td>-.05</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Education</td>
<td>4.60</td>
<td>95</td>
<td>.21$^*$</td>
<td>.15$^*$</td>
<td>.20$^*$</td>
<td>.11</td>
<td>-.16$^*$</td>
<td>.14$^*$</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>8. Organizational tenure</td>
<td>2.65</td>
<td>1.51</td>
<td>.18$^*$</td>
<td>.17$^*$</td>
<td>.02</td>
<td>.02</td>
<td>.03</td>
<td>.68$^*$</td>
<td>.06</td>
<td>--</td>
</tr>
</tbody>
</table>

*Notes. N = 307.*

Gender: 1 = male, 2 = female.
Organizational tenure: 1 = less than 1 year, 2 = 2 ~ 3 years, 3 = 4 ~ 5 years, 4 = 6 ~ 9 years, 5 = more than 10 years.

$p < .05.$ $^*$ $p < .01.$

I compare a series of structural models to test all the hypotheses (Table 3). The baseline model, Model 1, is a partial mediation model including paths from perceived competence and perceived autonomy to job crafting, path from job crafting to subjective happiness, and paths from perceived competence and perceived autonomy to subjective happiness. In Model 2, I omitted the direct path from perceived autonomy to subjective happiness. In Model 3, I omitted the direct path from perceived competence to subjective happiness. Model 4 is a full mediation model with the omission of two direct paths from perceived competence and perceived autonomy to subjective happiness. Model 5 represents that job crafting only mediates the effect of perceived competence on subjective happiness. Model 6 represents that job crafting only mediates the effect of perceived autonomy on
subjective happiness. In Model 7, I tested a model in which both perceived competence and perceived autonomy directly influence subjective happiness.

Results show that the baseline model provides the best fit to the data ($\chi^2 = 196.01$, $df = 71$). However, when I removed the direct path from perceived competence to subjective happiness in Model 3, although $\chi^2$ is increased ($\chi^2 = 197.22$, $df = 72$), the change is not significant ($\Delta \chi^2 = 1.21$). Thus, I selected Model 3 because it is more parsimonious. Job crafting fully mediates the effect of perceived competence on subjective happiness, and partially mediates the effect of perceived autonomy on subjective happiness.

Table 3
Comparisons of Structural Equation Models

<table>
<thead>
<tr>
<th>Model Specifications</th>
<th>$\chi^2$</th>
<th>$df$</th>
<th>$\Delta \chi^2$</th>
<th>CFI</th>
<th>NNFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Competence+autonomy→job crafting→subjective happiness and competence+autonomy→subjective happiness</td>
<td>196.01</td>
<td>71</td>
<td>--</td>
<td>.95</td>
<td>.94</td>
<td>.08</td>
</tr>
<tr>
<td>2: Competence+autonomy→job crafting→subjective happiness and competence→subjective happiness</td>
<td>201.95</td>
<td>72</td>
<td>5.94*</td>
<td>.95</td>
<td>.94</td>
<td>.08</td>
</tr>
<tr>
<td>3: Competence+autonomy→job crafting→subjective happiness and autonomy→subjective happiness</td>
<td>197.22</td>
<td>72</td>
<td>1.21</td>
<td>.95</td>
<td>.94</td>
<td>.08</td>
</tr>
<tr>
<td>4: Competence+autonomy→job crafting→subjective happiness</td>
<td>203.44</td>
<td>73</td>
<td>7.43**</td>
<td>.95</td>
<td>.94</td>
<td>.08</td>
</tr>
<tr>
<td>5: Competence→job crafting→subjective happiness and autonomy→subjective happiness</td>
<td>237.82</td>
<td>73</td>
<td>41.81**</td>
<td>.94</td>
<td>.92</td>
<td>.09</td>
</tr>
<tr>
<td>6: Autonomy→job crafting→subjective happiness and competence→subjective happiness</td>
<td>291.06</td>
<td>73</td>
<td>95.05**</td>
<td>.92</td>
<td>.90</td>
<td>.10</td>
</tr>
<tr>
<td>7: Competence+autonomy→subjective happiness</td>
<td>231.07</td>
<td>72</td>
<td>35.06**</td>
<td>.94</td>
<td>.93</td>
<td>.09</td>
</tr>
</tbody>
</table>

$\Delta \chi^2$ is the change of $\chi^2$ compared with the baseline model.
* $p < .05$. ** $p < .01$.
* Baseline model.

Figure 1 demonstrates the path coefficients of the final selected model. The paths from both perceived competence to job crafting ($\beta = .40$, $p < .01$) and perceived autonomy to job crafting ($\beta = .24$, $p < .01$) are significant, in support of Hypothesis 1 and Hypothesis 2, respectively. The path from job crafting to subjective happiness is significant ($\beta = .83$, $p < .01$), supporting Hypothesis 3. The direct path from perceived autonomy to subjective happiness is also significant ($\beta = .19$, $p < .05$).
Therefore, the mediating effect of job crafting proposed in Hypothesis 4 is supported.

To further test Hypothesis 4, I adopted the boot-strapping approach to test the significance of the mediating role of job crafting in the hypothesized model (MacKinnon, Lockwood, & Williams, 2004). Table 4 demonstrates the indirect effects and their associated 95% confidence intervals. The direct effects of perceived competence and perceived autonomy on job crafting, job crafting on subjective happiness, and perceived autonomy on subjective happiness are all significant. The indirect effects of both perceived competence and perceive autonomy on subjective happiness through job crafting are also significant.

Table 4

<table>
<thead>
<tr>
<th>Direct and Indirect Effects and 95 % Confidence Intervals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated effect</td>
</tr>
<tr>
<td>Direct effects</td>
</tr>
<tr>
<td>Perceived competence→job crafting</td>
</tr>
<tr>
<td>Perceived autonomy→job crafting</td>
</tr>
<tr>
<td>Job crafting→subjective happiness</td>
</tr>
<tr>
<td>Perceived autonomy→subjective happiness</td>
</tr>
<tr>
<td>Indirect effects</td>
</tr>
<tr>
<td>Perceived competence→job crafting→subjective happiness</td>
</tr>
<tr>
<td>Perceived autonomy→job crafting→subjective happiness</td>
</tr>
</tbody>
</table>

* p < .05. ** p < .01.
a CI = confidence interval.

5. Discussion

Integrating the cognitive evaluation theory (Deci & Ryan, 1985) and the proactivity perspective (Parker & Collins, 2010), I develop a theoretical model to examine how employees’ perceived competence and autonomy influence their overall judgments of work-life quality. This article reveals that employees’ job crafting—their personal efforts to redesign their jobs—makes them happier. I conducted an online survey to collect data from 307 employees in China. In line with the predictions, the results show that employees with a high level of perceived competence and autonomy are more likely to be happier. Furthermore, job crafting mediates the effects of perceived competence and autonomy on subjective happiness.

5.1 Theoretical Implications

This article contributes to literature in several ways. First, it responds to Milyavskaya and colleague’s (2011) call for future research on how to enhance employees’ happiness. As I discussed earlier, situational and individual factors are important determinants of subjective happiness. I propose that both perceived competence and autonomy influence individuals’ subjective happiness. The results confirm the robustness of prior findings on the effects of competence and autonomy. These two predictors are critical because only when the employees are confident about their capabilities and perceive freedom and autonomy on their jobs, they can be motivated to perform better and more
satisfied and achieve a higher level of happiness (Lyubomirsky et al., 2005). The results exhibited in this article indicate that the effects of job characteristics and individual differences on employees’ happiness deserve more future attention.

In addition, the mediating effect of job crafting should be noticed. Prior research mainly focuses on what kinds of people are happy. Drawing from the notion of proactivity, I suggest that job crafting appears to be an effective means for employees to pursue their happiness (Tims et al., 2013). The results show that job crafting mediates the effects of perceived competence and autonomy on subjective happiness. This finding is important for the ever-changing business environment. Job crafting occurs at one’s prescribed job, so individuals can customize their jobs without the involvement of the management (Wrzesniewski & Dutton, 2001). Researchers should pay more attention to the proactive role employees take to intervene in their work life qualities, because the flattened organizational structure compels them to do so.

Finally, this article contributes to the literature on positive psychology by examining the determinants and processes that increase employees’ subjective happiness. Most people spend about half of their waking time on work, but most employees are unhappy during working hours. However, there is little research on happiness in organizations (Adams, 2013; Grant et al., 2007). Prior studies mainly focus on the issues of productivity and industrial innovation but neglects individuals’ subjective feelings about the quality of their work life. Happy workers are more likely to work harder, evaluate their environments more positively, solve problems at work more effectively, work with greater enthusiasm, and better balance their work-family boundaries (Csikszentmihalyi & Hunter, 2003; Grant et al., 2007; Lyubomirsky et al., 2005). Therefore, this article also provides important insights in exploring how to enhance individuals’ happiness in organizational settings.

5.2 Practical Implications

The findings have several implications for practice. Employees’ happiness is an important issue for organizations. Companies that successfully foster employees’ happiness and mental health are honored by many awards, such as the “100 Best Companies to Work For” (Grant et al., 2007). Still, most employees around the world are unhappy with their jobs (Adams, 2013). Many organizations do not provide favorable work environments to employees. I suggest that organizations should consider job autonomy as a critical determinant of subjective happiness because it gives individuals independence and freedom. Managers could empower their subordinates to motivate them craft their jobs and achieve a higher level of subjective happiness. Besides, managers can also enhance employees’ perceived competence by encouragement and praise, which serve as social persuasion in organizations (Bandura, 1977). Finally, I suggest that organizations can benefit from motivating employees to craft their jobs actively. That is, employees not only feel happy in a supportive context, but also pursue their happiness proactively.

5.3 Limitations and Future Research

There are several limitations to consider when applying the findings in the present study. First,
the data were collected using self-report instruments, which may introduce common method bias to the results (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). However, perceived competence and autonomy reflect individuals’ perception of their capabilities and the environment. Moreover, happiness is a “subjectivist” assessment of one’s quality of life (Lyubomirsky & Lepper, 1999). It is unreasonable for other people to observe the focal employee’s psychological states, perceptions, and judgments. Finally, job crafting behavior involves a deliberative cognition process (e.g., the cognitive crafting). Therefore, it is appropriate to capture data from the focal employee’s perspective.

In addition, since the data were collected from the same source, common method variance may artificially influence the results (Podsakoff et al., 2003). However, I conducted both procedural and statistical attempts, such as ensuring confidentiality and counterbalanced ordering. Moreover, I conducted a post-hoc Harman’s single-factor analysis (Harman, 1976). The results reveal no evidence of such concern.

Future research may extend the conceptual framework and findings in several ways. First, the data provide only limited support for causal inferences because I adopt the cross-sectional design. Researchers can adopt a longitudinal approach to confirm the proposed causal relationships. Longitudinal investigations could also strengthen the validity of the research findings. Second, scholars may include other situational and individual antecedents that account for critical variance in employees’ subjective happiness. For example, leadership style and individual trait optimism may be important antecedents of subjective happiness. Moreover, the partial mediation effect of job crafting between perceived autonomy and subjective happiness indicates that other factors may influence this relationship. Accumulating additional empirical findings regarding the antecedents and the underlying mechanisms of happiness will contribute to the literature in positive psychology. Finally, I collected data from one single sample in China. Future research can replicate this study with other cultural groups to strengthen the generalizability of the findings.

References


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