

## Quality of Work Life on Employee Performance with Organizational Commitments as a Mediation Variable (Empirical Study at Rafting Service Company in Bali, Indonesia)

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**ABSTRACT :** Employee performance has a very important role in an organization and also the quality, quantity of an employee in carrying out a given task. Employee performance is strongly influenced by several factors, either from outside or from within the company. This study aims to analyze the influence of the quality of work life on employee performance with organizational commitment as a mediating variable. This research was conducted at MY Adventure Bali with a sample size of 62 employees using a saturated sample. Data collection was carried out by distributing questionnaires. The data analysis technique used is Path Analysis and Sobel Test. The quality of work life has a positive and significant effect on employee performance, the quality of work life has a positive and significant effect on organizational commitment, organizational commitment has a positive and significant effect on employee performance, organizational commitment is a mediating variable of the influence between the quality of work life on employee performance.

**KEYWORDS:** *Quality of Work Life, Organizational Commitment, Employee Performance*

### I. INTRODUCTION

Every company wants their business to run smoothly according to plan with minimal costs but high profits. And also getting it all is not easy because the process requires the role of several resources, namely quality human resources, both in terms of performance, quality of work life and separate organizational commitment. The organization is formed as a container for a group of individuals to achieve predetermined goals. Organizations in carrying out their operations to process inputs into outputs in the form of goods or services require the most important element, namely human resources. Human resources are the most valuable and most important assets or assets owned by an organization or company, because the success of the organization is determined by the human element. Nowadays companies are increasingly aware of the importance of retaining employees as a very important resource for the organization. Employees also have certain thoughts, feelings and desires (Pertwi & Supartha, 2021). Therefore, organizations need to create conditions where they can encourage and encourage employees to develop and improve their abilities and skills optimally in order to provide good results so that company goals are achieved.

Employee performance has a very important role in an organization. Performance is the quality and quantity of an employee in carrying out the tasks assigned (Diamantidis & Chatzoglou, 2019). Akbar (2017) states that performance is the main asset for a company to be able to maintain its existence in the industrial world. Phenomena that have occurred several times during the work process at MY Adventure Bali, such as complaints from consumers regarding service to consumers, there are still employees who do not follow SOPs, and employees at MY Adventure Bali often show poor performance.

Based on the annual employee evaluation results in 2020, it was on a scale of 70 out of 100. Based on the results of interviews with 10 employees and company owners at MY Adventure Bali, it is indicated that the lack of quality of work life is due to not being given job safety responsibilities, competency development employees have not been well realized, and there is no appreciation from the organization when employees contribute maximally in achieving company targets.

To get a good performance, several factors are needed, including a good quality of work life (Mily Velayudhan & Yameni, 2017). Relating to the quality of work life on employee performance. The existence of a good quality of work life can also foster the desire to stay and survive in the company. Organizational commitment is an emotional bond between employees and the organization that arises because of trust, a willingness to achieve a goal and a desire to maintain membership as part of the organization and this is what makes employees stay in an organization (Daniel, 2019). Commitment has an important role, especially in a person's performance at work, this is due to a commitment that becomes a reference and encouragement that

makes them more responsible for their obligations (Nazir & Islam, 2017). Hakim (2020) revealed that with high organizational commitment, a person will be proud to be a member of the company and work optimally.

However, there are some research gaps where Parveen (2019) found that not all organizational commitment aspects have a significant effect on employee performance. Meanwhile, Eliyana et al. (2019) state that organizational commitment has a significant effect on employee performance. Tripathy (2017) found that there was no significant influence between the quality of work life on employee performance. However, Asharini et al. (2018) indicated that the quality of work life had no effect on employee performance.

## II. HYPOTHESIS DEVELOPMENT

The theoretical foundation of this research is based on the theory of social exchange. This theory explains when the leader knows what each employee needs in order to achieve maximum performance. When organizations take care of employees, there are social exchange relationships that promise to improve performance. The belief about the quality of work life is one of the best methods to attract and retain competent employees and to get better performance in an organization. Nugraheni (2018) and Rusu (2016) the quality of work life can affect employee performance.

### H1: The quality of work life has a positive and significant effect on the employee performance

Kaunang (2017) show that the quality of work life has a positive and significant effect on organizational commitment at PT Hasjrat Abadi, Manado Branch. Akar (2018), Batvandi & Ghazavi (2017) states that the quality of work life has a significant effect on organizational commitment.

### H2: The quality of work life has a positive and significant effect on organizational commitment

Hendri (2019), Suharto & Hendri (2019), Ulabor & Bosede (2019), Ardiansyah & Afandi (2019), Paramita et al. (2020), Riana & Wirasedana (2016) state that there is a positive influence between organizational commitment on employee performance. Traiyotee et al. (2019) stated that in several organizational services, quality of work life has positive influence on organizational commitment.

### H3: Organizational commitment has a positive and significant effect on employee performance

Organizational commitment encourages employees to keep their jobs and show the results they should. Employees who have a high commitment to the company tend to show good quality, more totality in their work and low turnover rates for the company. The quality of work life on employee performance will have a greater or more positive effect if you include the variable organizational commitment as a mediating variable, in other words, if you want to improve performance through the quality of work life, you must first create or increase organizational commitment as a QWL instrument on employee performance. Asharini et al. (2018) proven that organizational commitment is a mediating variable between the quality of work life and employee performance.

### H4: Organizational commitment significantly mediates the influence of the quality of work life on the employees' performance

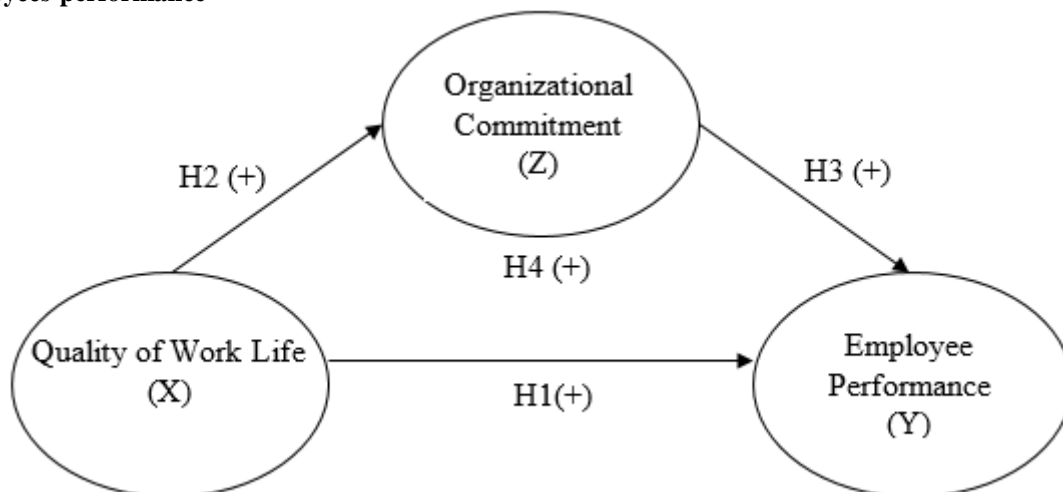


Fig. 1 Conceptual framework

## III. RESEARCH METHODS

### 3.1 Research Design

The research design used was quantitative research which specifically was associative causality. Population and sample are all employees at MY Adventure Bali (62 employees). The sampling technique in this research is saturated sampling technique. Data collection methods used were interviews and questionnaires. The analysis used in this research is path analysis.

### 3.2 Operational definition of the variable

#### 3.2.1 Employee performance

Employee performance is the result achieved by an employee in carrying out the duties and responsibilities assigned to him in order to realize the goals, objectives, vision and mission of the organization with indicators: a) Quality, b) Quantity, c) Knowledge and skills, d) Timeliness, e) Communication (Pradhan & Jena, 2017)

#### 3.2.2 Organizational commitment

Organizational commitment is the relationship of an employee with the organization or vice versa the desire of the organization to maintain and prosper its members in order to realize the goals that have been set. The indicators of organizational commitment are: a) Affective commitment, b) Continuance commitment, c) Normative commitment (Vito & Mekuri-Ndimele, 2020)

#### 3.2.3 Quality of work life

Quality of work life is also a process in which the organization responds to employee needs, so that employees feel safe, comfortable, at ease, and given the opportunity for employees to develop their potential in an organization. The indicators in measuring the quality of work life: a) Participation, b) Growth and development, c) Innovative reward systems, d) Work environment (Razak et al., 2016)

## IV. RESULTS AND DISCUSSION

**Table 1. Sub structural Path Analysis 1**

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.265	0.362		3.495	0.001
Quality of work life	0.635	0.104	0.619	6.105	0.000
R <sup>2</sup> : 0,383					

Table 1 indicate, The variable of quality of work life has a coefficient of 0.619 which means that the quality of work life has a positive influence on organizational commitment, this means that if the quality of work life increases then organizational commitment will increase by 0.619.

**Table 2. Sub structural Path Analysis 2**

variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.536	0.330		1.622	0.110
Quality of work life	0.273	0.110	0.261	2.480	0.016
Organizational commitment	0.595	0.107	0.583	5.538	0.000

Table 2 indicate, The variable quality of work life has a coefficient of 0.261 which means that the quality of work life has a positive influence on employee performance, this means that if the quality of work life increases, employee performance will increase by 0.261. Organizational commitment variable has a coefficient of 0.583 means organizational commitment has a positive influence on employee performance, this means that if organizational commitment increases, employee performance will increase by 0.583. In calculating the total coefficient of determination is 0.751, the conclusion is that 75.1% of employee performance variables at MY Adventure Bali are influenced by the quality of work life and organizational commitment, while the remaining 24.9% is influenced by other factors not included in the model

To test the significance of the indirect effect, the Z value of the ab coefficient is calculated by the following formula.

$$Z = \frac{ab}{\sqrt{b^2s_a^2 + a^2s_b^2 + s_a^2s_b^2}}$$

$$Z = \frac{0,619 \cdot 0,583}{\sqrt{(0,583^2 \cdot 0,104^2) + (0,619^2 \cdot 0,107^2) + (0,104^2 \cdot 0,107^2)}}$$

$$Z = \frac{0,361}{0,090}$$

$$Z = 3,388$$

#### 4.1 Quality of work life on employee performance

The quality of work life has a Beta value of 0.261 and a Sig value. amounting to 0.016 <0.05 where the quality of work life has a significant positive effect on employee performance, in other words the increasing quality of work life, the employee performance at MY Adventure Bali is increasing. So that **H1 is accepted**

#### 4.2 Quality of work life towards organizational commitment

The quality of work life has a Beta value of 0.619 and a Sig value. amounting to 0,000 <0.05 where the quality of work life has a significant positive effect on organizational commitment, in other words the increasing quality of work life at MY Adventure Bali, the increasing of organizational commitment to MY Adventure Bali. So that **H2 is accepted**.

#### 4.3 Organizational commitment to employee performance

Organizational commitment has a Beta value of 0.583 and a Sig. amounting to 0,000 <0.05 where organizational commitment has a significant positive effect on employee performance, in other words if organizational commitment increases, employee performance at MY Adventure Bali will increase even more. So **H3 is accepted**

#### 4.4 Quality of Work Life on Employee Performance with Mediation of Organizational Commitment

Based on the results of the Sobel test, it shows that the results of  $Z = 3,988 > 1.96$ , which means the variable quality of work life has a significant effect on employee performance by mediating organizational commitment, so that organizational commitment is the mediating variable of the influence between the quality of work life on employee performance at MY Adventure Bali, so that **H4 accepted**. Organizational commitment encourages employees to keep their jobs and show the results they should. Employees who have a high commitment to the company tend to show good quality, more totality in their work and lower turnover rates for the company. The quality of work life on employee performance will be increasingly influential or positive if you include the variable organizational commitment as a mediating variable, in other words, if you want to improve performance through the quality of work life, you must first create or increase organizational commitment as a QWL instrument on employee performance.

## V. CONCLUSION

### 5.1 Conclusion

The quality of work life has a positive and significant effect on employee performance. Quality of work life has a positive and significant effect on organizational commitment. Organizational commitment has a positive and significant effect on employee performance. Organizational commitment is a mediating variable for the influence of the quality of work life on employee performance.

### 5.2 Suggestions

Companies must provide a workplace to make employees feel comfortable at work and provide opportunities for employees to increase their organizational commitment by rewarding committed employees and improving employee performance.

### 5.3 Research Limitations

This research was carried out only within the scope of MY Adventure Baliso that these results cannot be generalized. The factors that influence employee performance are limited, while still many other factors can influence based on the available literature.

### 5.4 Further Research

For further research, it is expected to be able to add variables that can affect employee performance, as well as to be able to expand the scope of the research so that it provides a better view and can be implemented in general.

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