



## **EFFECT OF QUALITY OF WORK LIFE ON PERFORMANCE EMPLOYEES WITH VARIABLES WORK COMMITMENTS INTERVENING IN MILLENNIAL GENERATION EMPLOYEES IN PT PELABUHAN INDONESIA II (PERSERO) HEAD OFFICE**

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### **ABSTRACT**

*This study aims to analyze the influence of quality of work life on employee performance with work commitment as an intervening variable on employees of the millennial generation of PT head office. Port of Indonesia II (Persero). Determination of samples using Probability Sampling method with 160 respondents and analyzed using Structural Equation Model Partial Least Square (SEM PLS) analysis method. The results of the study showed that 1) the quality of work life has a positive and significant effect on employee performance, indicating that if the quality of work life in employees of the millennial generation of PT Pelabuhan Indonesia II (Persero) the better the employee performance will increase, 2) the quality of work life will have a positive and significant effect on work commitment, indicating that if the Quality of Work Life in employees of the millennial generation of PT Pelabuhan Indonesia II (Persero) the better then the employee's work commitment will increase, 3) work commitments have a positive and significant effect on employee performance, indicating that if the Work Commitment to millennial employees of PT Pelabuhan Indonesia II (Persero) is getting better then the Employee Performance will increase, and 4) the quality of work life on employee performance through work commitment has a positive and significant influence, showing an increase in the Work Commitment of millennial employees of PT Pelabuhan Indonesia II (Persero) able to mediate the influence of Quality of Work Life on Employee Performance.*

**Keywords:** *quality of work life, work commitment, employee performance*

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## **INTRODUCTION**

The Ministry of BUMN is making programs for the millennial generation so that this generation can become the successor to BUMN that are fluent in technology and have innovative and creative thoughts so that BUMN can be sustainable for the next 100 years. One of the BUMNs that is actively mobilizing millennial generation employees to develop and innovate is PT Pelabuhan Indonesia II (Persero) (PT Pelindo II).

According to the demographics of PT Pelindo II employees, in 2018 the company had a total of 2581 organic employees. Of the total employees, 277 employees (10%) are included in the millennial category. From this data, it can be concluded that Pelindo millennials must develop faster to replace their retiring seniors.

PT Pelindo II faces various internal challenges, one of which is the performance of the employees. The performance management implemented by PT Pelindo II has not been very successful in increasing employee enthusiasm to provide better results for the organization. This can be seen from the results of the performance of PT Pelindo II, indeed every year employee performance shows an increase but the results are very small, and there is stagnation from 2018 to 2019. Millennial generation, namely employees born in 1983-1995 in 2018 and 2019 have a level average performance of 7.6.

The problem that often arises in an organization is how to produce employees who have optimal performance and high work productivity. According to Lumbantoruan (2015) explains that the quality of work life has a significant effect on performance. Every improvement in the quality of work life will increase performance and vice versa. In order to support employee performance so that it continues to the maximum, it is important for the company to maintain the quality of work life of its employees. By paying attention to the quality of work life will increase the results of employee performance much better.

The concept of quality of work life basically expresses the importance of the value of respect for humans in the work environment so that this concept becomes the main basis for the management of a company to improve the quality of work life in the company. If the quality of work life in a company is well manifested, it will play an important role in creating Organizational Commitment in the company's employees. The results of the research by Pristiwati and Sunuharyo (2014) obtained a significant value so that it can be concluded that the variable organizational commitment has a significant effect on employee performance. So with a high organizational commitment from employees can affect employee performance to be good too.

The results of research by Afrian (2017) say that there is a significant influence between the quality of work life on organizational commitment to employees. Thus an organization can carry out its activities properly so as to achieve organizational goals. In addition, employee commitment implies more than just passive loyalty but implies an active relationship between employees and the company.

By looking at and paying attention to the descriptions that have been stated above, it is deemed necessary to conduct research on the Effect of Quality of Work Life on Employee Performance through Work Commitment to employees of the millennial generation of PT Pelindo II.

## **LITERATURE REVIEW**

### **Employee performance**

The definition of performance according to Moehariono (2012) performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and mission of the organization as outlined in the strategic planning of an organization. Gibson, Ivancevich (1994) argue that the notion of performance refers to the level of success in carrying out tasks and the ability to achieve predetermined goals. Performance is declared good and successful if the desired goals can be achieved properly. Both

of these opinions can be interpreted that the employee's performance is assessed based on the completion of the assigned task if the results of the work are carried out properly, the employee's performance is good.

It can be synthesized that the performance of employees is the result of work carried out by someone in an organization in order to achieve the desired goals of an organization and minimize losses by giving tasks with clear instructions so that the effectiveness of the work of tasks occurs besides being seen from how the process of completing tasks uses the skills and experience possessed and the time required to complete the task. Based on the opinion of the experts above, it can be concluded that performance is the willingness of a person or group of people to carry out an activity and perfect it according to their responsibilities with the expected results.

### **Quality of Work Life (QWL)**

The source of the job is one of the extrinsic factors that employees get when they are at work. The quality of work life or Quality of Work Life (QWL) according to Dessler (2003) means a situation where employees can meet their important needs by working in the organization and the ability to do so depends on whether there is fair and supportive treatment and opportunities for every employee to appreciate himself.

In contrast to Dessler, according to Cascio (2003) the quality of work life is the level of employee participation, career development, conflict resolution, communication, health, work continuity, safe environment and fair compensation which can be operationalized through financial compensation, career management or employee advancement. structuring the work environment, designing job characteristics and leadership practices.

Synthesized from all the definitions above that the quality of work life is a company management effort that pays attention to the circumstances in which the company can meet the needs of employees in order to make employees feel at home and survive in the company.

### **Work Commitment**

Robbins, Meyer and Smith in Munawaroh et al (2015) have a point of view, which states that Organizational Commitment is defined as a strong willingness to become a member in a particular organization and throw away opportunities to change workplaces.

Sunarto (2005) defines commitment as love and loyalty which consists of the union with the goals and values of the company, the desire to remain in the organization and the willingness to work hard on behalf of the organization. Organizational commitment encourages employees to keep their jobs and show the results they should.

The results of the conclusions from all of the above definitions can be synthesized by researchers that work commitment is an employee who has a strong desire, feeling and attitude to become a member of the organization. Staying persistent and willing to try hard by showing the nature of loyalty to the organization, with a feeling of really working for the benefit of the organization.

### **Research Hypothesis**

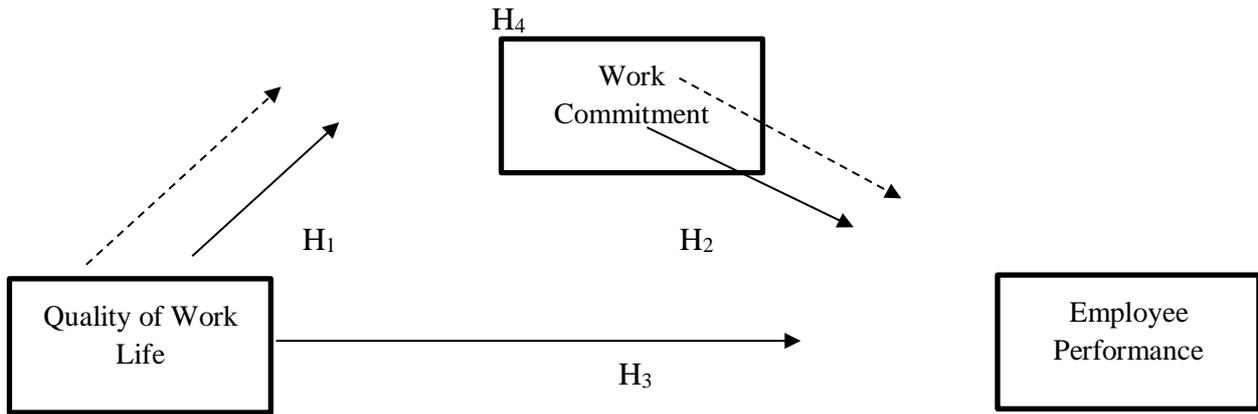
Hypothesis 1: The quality of work life has a positive direct influence on work commitment.

Hypothesis 2: Work commitment has a positive direct effect on employee performance

Hypothesis 3: The quality of work life has a positive direct effect on employee performance.

Hypothesis 4: The quality of work life has a positive indirect effect on employee performance through work commitment.

Based on the formulation of the hypotheses that have been described, the conceptual framework of the research can be described as follows:



**Picture 1. Research Model**

**RESEARCH METHOD**

The research will be conducted at the Head Office of PT Pelabuhan Indonesia II (Persero) with a population of 318 and limiting the age included in the millennial generation, namely employees born around 1982-1996. According to Hair, et al (2010), if the sample size is too large it will be difficult to get a suitable model, and it is suggested that an appropriate sample size is between 100-200 respondents so that an interpretation estimate can be used with the Structural Equation Model (SEM). For that the number of samples will be determined based on the results of the minimum sample calculation. The determination of the minimum sample size for SEM according to Hair et al (2010) is the number of indicators multiplied by 5. Based on these guidelines, the maximum sample size for this study is 32 indicators x 5 = 160 respondents. In this study, data analysis used was validity test, rehabilitation test and hypothesis testing using SEM-PLS on 3 (three) variables.

**RESULT AND DISCUSSION**

**Data Testing Results**

**Validity test**

An indicator is declared valid if the measurement of the loading factor is above 0.70 so that if there is a loading factor below 0.70 it will be dropped from the model (Ghozali, 2014). Validity testing for reflective indicators uses a correlation between the item scores and the construct scores. Measurements with reflective indicators indicate a change in an indicator in a construct if other indicators of the same construct change (or are removed from the model).

**Table 1  
Loading Factor Value**

| Quality Work of Life |       | Work Commitment |       | Employee Performance |       |
|----------------------|-------|-----------------|-------|----------------------|-------|
| QWL1                 | 0.876 | KO1             | 0.896 | KK1                  | 0.796 |
| QWL2                 | 0.872 | KO2             | 0.899 | KK2                  | 0.931 |
| QWL3                 | 0.870 | KO3             | 0.893 | KK3                  | 0.879 |
| QWL4                 | 0.882 | KO4             | 0.899 | KK4                  | 0.878 |
| QWL5                 | 0.875 | KO5             | 0.882 | KK5                  | 0.869 |
| QWL6                 | 0.888 | KO6             | 0.898 | KK6                  | 0.878 |
| QWL7                 | 0.874 |                 |       | KK7                  | 0.883 |
| QWL8                 | 0.870 |                 |       | KK8                  | 0.885 |
| QWL9                 | 0.877 |                 |       | KK9                  | 0.847 |
| QWL10                | 0.898 |                 |       | KK10                 | 0.916 |
| QWL11                | 0.893 |                 |       |                      |       |

|       |       |
|-------|-------|
| QWL12 | 0.881 |
| QWL13 | 0.903 |
| QWL14 | 0.904 |
| QWL15 | 0.927 |
| QWL16 | 0.897 |

Based on Table 1, it can be seen that all indicators are valid. This is because several indicators have been eliminated with a loading factor value below 0.70 (Ghozali, 2014). In addition to seeing the value of loading factors, convergent validity can also be assessed by looking at the average variance extracted (AVE) value.

### Reability Test

The reliability test was carried out to prove the accuracy, consistency and accuracy of the instrument in measuring construction (Ghozali, 2014). Reliability test is carried out using the Composite Reliability and Cronbach's Alpha tests by looking at all latent variable values that have a Composite Reliability value or Cronbachs Alpha  $\geq 0.7$ , it can be concluded that the construct has good reliability or the questionnaire used as a tool in this study is reliable or consistent .

**Table 3**  
**Reliability Test Results**

| Construct            | Cronbach's Alpha | Composite Reliability | Information |
|----------------------|------------------|-----------------------|-------------|
| Employee Performance | 0.966            | 0.971                 | Reliabel    |
| Work Commitment      | 0.950            | 0.960                 | Reliabel    |
| Quality of Work Life | 0.982            | 0.983                 | Reliabel    |

Table 3 shows that the results of the Composite Reliability test show that all latent variable values have a Composite Reliability value  $\geq 0.7$ . And the results of Cronbach's Alpha test also show that all latent variable values have a Cronbach's Alpha value  $\geq 0.7$ . From these results, it can be concluded that the construct has good reliability or that the questionnaire used as a tool in this research has been reliable or consistent.

### Hyphothesis Testing

T-Statistic (bootstrapping) is used to see the significance value between constructs. Hair et al. (2017) suggest performing a bootstrapping procedure with a re-sample value of 5,000. The limit for rejecting and accepting the proposed hypothesis is  $\pm 1.96$ , which if the t-statistic value is in the range of -1.96 and 1.96 then the hypothesis will be rejected or in other words, accept the null hypothesis (H0).

**Table 4**  
**Hypothesis Test Results**

|   | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ((O/STDEV)) | P-Values |
|---|---------------------|-----------------|----------------------------|--------------------------|----------|
| Quality of Work Life → Work Commitment      | 0.959               | 0.958           | 0.007                      | 129.445                  | 0.000    |
| Work Commitment → Employee Performance      | 0.303               | 0.256           | 0.025                      | 2.612                    | 0.002    |
| Quality of Work Life → Employee Performance | 0.888               | 0.886           | 0.063                      | 14.133                   | 0.000    |

|   |       |       |       |         |       |
|---|-------|-------|-------|---------|-------|
| Quality of Work Life → Work Commitment → Employee Performance | 0.988 | 0.987 | 0.007 | 322.439 | 0.000 |
|---|-------|-------|-------|---------|-------|

## **Discussion**

### **Direct Effect of Quality of Work Life on Work Commitment**

The results showed that the quality of work life has a positive and significant direct effect on work commitment. The original sample value generated is positive (+) of 0.959 which indicates that if the quality of work life at PT Pelabuhan Indonesia II (Persero) is getting better, the employee's work commitment will increase. The t statistical value is  $129,445 \geq 1.96$  so that the quality of work life is directly able to increase work commitment significantly. So that the hypothesis H1 in this study is accepted. This shows that a good quality of work life will increase the work commitment of millennial employees of PT Pelabuhan Indonesia II (Persero).

The quality of work life is a level at which members of an organization are able to satisfy their main personal needs through their experience in doing work at the organization (Robbins, 2015). So that the quality of work life is what will determine how a company can retain prospective employees. Employees who are truly empowered in decision making are more committed to the company. The results of this study are in line with previous research conducted by Afrian et al (2017) and Lumbantoruan (2015) that the Quality of Work Life has a positive and significant effect on Work Commitment.

### **Direct Effect of Work Commitment on Employee Performance**

The results showed that work commitment has a positive and significant direct effect on employee performance. The resulting original sample value is positive (+) of 0.303 which indicates that if the Work Commitment at PT Pelabuhan Indonesia II (Persero) is getting better, the Employee Performance will increase. The t statistical value is  $2,612 \geq 1.96$  so that direct work commitment can significantly improve employee performance. So that the H2 hypothesis in this study is declared Accepted. This shows that good employee work commitment will improve the performance of millennial employees of PT Pelabuhan Indonesia II (Persero).

High commitment can encourage employees to work well. Organizational commitment shows a person's belief and support and loyalty to the values and goals the organization wants to achieve. A strong organizational commitment will cause individuals to strive to achieve organizational goals, think positively and strive to do the best for the organization. The results of this study are in line with previous research conducted by Munandar & Fuady (2017) and Sapitri (2016) which show that work commitment has a positive and significant effect on employee performance.

### **Direct Effect of Quality of Work Life on Employee Performance**

The results showed that the quality of work life has a positive and significant direct effect on employee performance. The resulting original sample value is positive (+) of 0.888 which indicates that if the quality of work life at PT Pelabuhan Indonesia II (Persero) is getting better, the employee performance will increase. The t statistic value is  $14,133 \geq 1.96$  so that the quality of work life can directly improve employee performance significantly. So that the hypothesis H3 in this study is declared Accepted. This shows that good work quality will directly improve the performance of millennial employees of PT Pelabuhan Indonesia II (Persero).

According to Robbins (2015) in the theory of organizational behavior, it is said that the quality of work life conditions make managers provide opportunities for employees to design their work about what is needed in producing a product or service so that they can work effectively. so that by providing the higher quality of work life for employees, the employee's performance will

increase. The results of this study are in line with previous research conducted by Ramadhuan (2016) and Munandar & Fuady (2017) showing that the Quality of Work Life has a positive and significant effect on Employee Performance.

### **Indirect Effect of Quality of Work Life on Employee Performance through Work Commitment**

The results showed that there was an indirect effect of the Quality of Work Life on Employee Performance through Work Commitment positively and significantly. The resulting original sample value is positive (+) of 0.988 which indicates an increase in Work Commitment of PT Pelabuhan Indonesia II (Persero) is able to mediate the influence of the Quality of Work Life on Employee Performance. The t statistical value is  $322,439 \geq 1.96$  so that the quality of work life indirectly affects employee performance through work commitment. So that the hypothesis H4 in this study is declared Accepted. This shows that good work quality will improve the performance of millennial employees of PT Pelabuhan Indonesia II (Persero) through good work commitment.

Based on the analysis that has been done, it proves that organizational commitment is a factor that is able to mediate the relationship between the quality of work life and employee performance. For this reason, organizations must increasingly understand the importance of retaining employees as a very important resource for the company. The results of this study are in line with previous research conducted by Ramadhuan, (2015) and Asharini & Irham (2018) that there is an indirect effect of the Quality of Work Life on Employee Performance through Work Commitment in a positive and significant manner.

## **CONCLUSION**

Based on results of the study, this indicates that the quality of work life has a direct effect on employee performance. This shows that if the quality of work life is better, the performance of employees will be increasing in the millennial employees of PT Pelabuhan Indonesia II (Persero). The quality of work life has a direct effect on work commitments. This shows that if the quality of work life is better then the employee's work commitment will be increased in the millennial employees of PT Pelabuhan Indonesia II (Persero). The work commitment has a direct effect on employee performance. This shows that if the work commitment is better, the performance of employees will increase in the millennial employees of PT Pelabuhan Indonesia II (Persero). There is an indirect influence of quality of work life on employee performance through work commitments. Therefore, increased work commitment is able to mediate the influence of quality of work life on the performance of millennial employees of PT Pelabuhan Indonesia II (Persero).

### **Recommendation**

Suggestions for PT Pelabuhan Indonesia II (Persero) be able to increase employee involvement in the company. This is based on the lowest answer on the descriptive analysis of the quality of work life variables. In addition, it is recommended that PT Pelabuhan Indonesia II (Persero) be able to increase work commitment so that employees feel that they are an important part of the company. This is based on the lowest answer in the descriptive analysis of work commitment variables. Employees feel part of the organization when they participate in making decisions regarding the future of the company. It is suggested that further research can use other variables to test their effects on employee performance such as Leadership Style, Self Efficacy, and others.

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