

Research:

ANALYSIS OF QUALITY OF WORKLIFE (QWL) IMPLEMENTATION AGAINST JOB SATISFACTION AND COMMITMENT OF THE EMPLOYEES.

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Abstract. Increased productivity needs being in line with the increase in employee performance. To be able to improve employee performance, companies must create working conditions that offer incentives for employees to satisfy them with the system running in the company(????). The purpose application of Quality of Work Life (QWL) in an enterprise is to improve employee satisfaction on the job(???). Employee job satisfaction is one important aspect to consider in efforts to improve the human resources quality of an enterprise. Employees who have high job satisfaction, will generally have a high commitment to the company. High employee commitment will give beneficial contribution to the company to increase productivity of both employees and companies. This study aims to analyze the effect of the QWL application on job satisfaction and employee commitment as well as analyzing the effect of job satisfaction on employee commitment. The study is conducted by giving questionnaire to 120 employees SBU (Strategic Business Unit) 1 PT. PGN, which is present in three areas, namely Hosbun, Bogor and Jakarta East. Hypothesis testing method using the model Structural Equation Model (SEM) with PLS. The results of the analysis indicate that the application of QWL hypothesis has no effect on job satisfaction of employees. Application of QWL and job satisfaction significantly influence employee commitment. The better implementation of QWL and the higher levels of job satisfaction will increase employee commitment to the company.

Keywords : Quality of work life, job satisfaction and employee commitment, SEM PLS

INTRODUCTION

Job satisfaction is one of the main factors to improve the productivity of a company. An employee who has obtained a high job satisfaction will have a high commitment to work for. Commitment of the employees is a very crucial factor for a company because it will contribute to develop either company's productivity or employee's productivity.

One of the objectives of the company to implement Quality of Work Life (QWL) is to develop the commitment and job satisfaction of the employees. QWL factors which has been utilized to measure an employee's job satisfaction and commitment are as follows; evolvment the employee's participation, career development, conflict / solving problems, communication, healtht and safety at work, good compensation, and being proud of the organization (Cascio, 2006).

PT Perusahaan Gas Negara (State Gas Limited Company) or PGN is a state own company (BUMN) which is dealing business in gas distribution and transmission. It has been selling its shares to public (go public). Mid of 2011 the complete aggregate net profit of 18 go public state own companies had increased 36.44 % comparing to 2010. In 2010 PGN recorded an increment of 17.7 % profit which is Rp 9.04 quintillion against 7.676 quintillion, it has explained the development of the companies.

Based on the aforementioned explanation, some variables to be analysis are as follows:

- (1) What factors are reflecting the implementation of QWL at PT PGN according to the employees' perception.
- (2) How good are the job satisfaction and commitment of the employees at PT PGN?
- (3) How is QWL implementation reflecting to the job satisfaction and commitment of the employees at PT PGN?

Indah Kusuma Hayati: Analysis of Quality of Worklife (QWL) Implementation Against Job Satisfaction and Commitment of the Employees

THEORY AND HYPOTHESIS

1. Quality of Work Life (QWL)

According to Cascio (2006), there could be two point of views. First, QWL is a group of existency and objectives of an organization (ex. Job enrichment, internal promotion policy, democracy supervision, employees' participation and good work condition). Second, QWL is the employees' perception such as safety and security which is relatively they are satisfied as they get the opportunity to improve and develop.

According to Cascio (2006) there are nine indicators within QWL implementations, (1) Employees' participation, (2) Solving Problem, (3) Communication, (4) Health at work, (5) Safety at work, (6) Security at work, (7) Good payment, (8) Pride and (9) Career Path. Picture 1, showing a slight picture of QWL indicators. (Cascio, 2006).

2. Job Satisfaction.

Davis et al (1994) defined a job satisfaction is an accumulation of happiness and unhappiness of the employees where a job satisfaction itself is coming up from their willingness, needs, experiences which is expected to get from the job. Job satisfaction is the equilibrium of hope and payment, hence, job satisfaction is related to the fairness and motivation.

The aforementioned furthermore has been explained by Luthans (2006) in his book Organisation behavior regarding the details of the dimensions to create job satisfaction, as follows:

- a. Job itself where the job gives an attractive job, opportunity to learn, opportunity to get a responsibility and the development of the employees.
- b. Salary, is a multidimension factors in job satisfaction where the payment received is acceptable comparing to other persons within the organization.
- c. Career path / promotion. A positive work environment and an opportunity to develop intellectually and to enlarge the basic skills are more important than the promotion chance itself.
- d. Supervising. There are two kinds of supervising styles that could affect the job satisfaction. First: employees oriented, measured by using the rank of how close personal attraction and attention to the employees given by their superior, such as giving some advises and helps them, good communication and evaluation the employees' work. Second; participation atmosphere or intervention to make a decision which is influencing the employees' work. In general both dimensions are affecting the job satisfaction of the employees.
- e. Cooperative peers is a simple variable affecting a job satisfaction of an employee individually. Good team work is a supporting variable which is giving comfort, advises, help the employee individually. Team work needs good interpersonal relationship to complete the job.

3. Commitment of the employee

Robbins (2003) defined commitment is a state where people individually are taking side an organization either their objectives or willingness to stay within. An employee who has a high commitment for the company is usually having a high spirit, responsibility to perform a task given and will always protect and think to evolve the company as much as possible.

Meyer and Allen (1997) and Suhendi (2010) defined three components of commitment withing an organization, as follows:

- a. Affective commitment, related to the emotional relationship within the members of an organization, identification of the organization and involvement of the member in the activity of the organization.
- b. Continuance commitment, related to the awareness of the members of the organization who believes that they will get a lot of disadvantages to leave the organization.
- c. Normative commitment, bounded to stay continuously in an organization. Members of the organization who have such a bounded feeling will stay within an organization for good because they think that they should have to be within the organization.

4. Hypotheses development

- Hypothesis 1 : An impact has occurred when implementing the QWL against job satisfaction.
- Hypothesis 2 : An impact has occurred when implementing QWL against the commitment of the employees.
- Hypothesis 3 : An impact of job satisfaction has occurred against the commitment of the employees.

METHODOLOGY

Population for this research are the employees of SBU 1 PT PGN, Bogor, Banten and Hosbu (Jakarta). Sampling for SEM and PLS analysis method is 30 – 100. Total sampling is 100 samples at 3 area of SBU1 which is stated using proporsional sampling (Table 1), as follows:

$$n_i = \frac{n}{N} \times N_i$$

Note:

- n_i = Total of the samples per group of the employees at each area.
 n = Total of the samples
 N = Total of the population of the employees at 3 area of SBU1 PT PGN Tbk.
 N_i = Total of the population of the employees SBU 1 PT PGN Tbk at every area.

Table 1.
Proportion of the total of samples based on the research area.

Number	Area	Total of population	Total of sample	Total collected respondents.
1	Hosbu	143	52	65
2	Bogor	60	22	23
3	Banten	71	26	32
	Total	274	100	120

Analysis method and Data Analysis

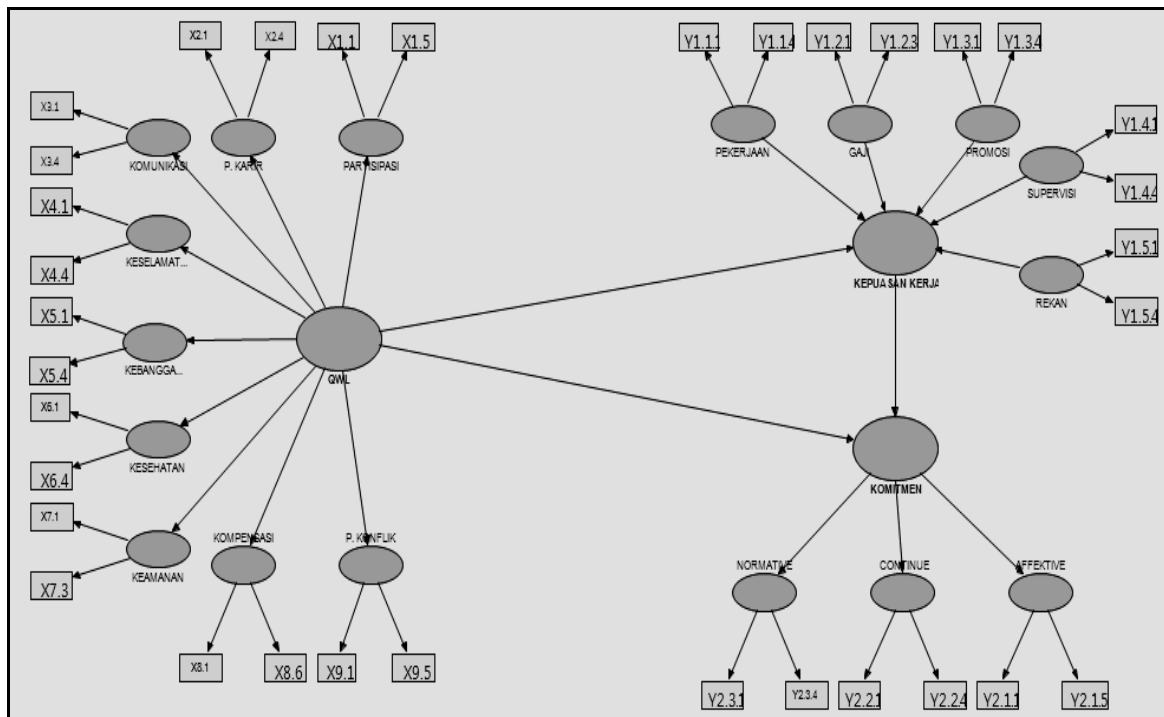
.Analysis regarding the impact of QWL implementation against the employees job satisfaction and commitment to the company using Structural Equation Model (SEM) and PLS. Wold (1985) and Ghazali (2008) mentioned PLS is a strong powerful analysis method as it is not using a lot of assumptions. This research has been using second order confirmatory factors analysis (2ndCFA). Second order factors analysis is factors analysis where matrix correlation of common factors itself has been analyzed to obtain the second level factors. Latent constructs has been using two constructs which is first order construct and second order construct. (table 2 in further page) showing second order construct, first order construct and its indicators. Picture 2 showing model of equation structural research.

Tabel 2.
Second Order Construct, First Oder Construct and Research Indicators.

Konstruk Second Order	Konstruk First Order	Reflektif
1. Quality of Work Life (X) Variabel. Eksogen	Employee participation (X1)	X1.1 Solving problem
		X1.2 team work spirit
		X1.3 Education supports employee participation.
		X1.4 obtain trust from the tram
		X1.5 Effort to learn new things
	Developing career (X2)	X2.1 Skill and knowledge enrichment
		X2.2 Implementing job performance system.
		X2.3 Employees work hard for promotion

Konstruk Second Order	Konstruk First Order	Reflektif
2. Job satisfaction (Y1) Var. Endogen	Communication (X3)	X2.4 Promotion opportunity
		X3.1 Cooperative peers
		X3.2 Peers good relationship
		X3.3 Superior always asks for information
	Safety at work (X4)	X3.4 Superior helps subordinate at work.
		X4.1 Work Safety Committee
		X4.2 Work safety facilities
		X4.3 K3LL program
	Be proud o (X5)	X4.4 Work Safety procedure
		X5.1 Company identity
		X5.2 Company Social Care program
		X5.3 Company image
	Health at work (X6)	X5.4 CSR program of the company
		X6.1 Health facility
		X6.2 Recfeation program
		X6.3 Counseling program
	Safety at work (X7)	X6.4 Advantages of counseling program
		X7.1 Being fired afraidness
		X7.2 Permanent worker termination
		X7.3 Pension program
	Acceptable compensation (X8)	X8.1 Salary system based on job performance
		X8.2 Salary supporting cost of living
		X8.3 benefit system
		X8.4 Incentive system
		X8.5 Bonus system
		X8.6 Bureaucracy of compensation claim administration.
	Solving problem/conflict (X9)	X9.1 Open Internal conflict solution
		X9.2 Open external conflict solution
		X9.3 Complaint handling process
		X9.4 Worker Union roles
		X9.5 Win solution solving problem
	JOB (Y1.1)	Y1.1.1 Interesting job
		Y1.1.2 Opportunity to learn new things
		Y1.1.3 Job Responsibility Level
		Y1.1.4 Self development in work
	Salary(Y1.2)	Y1.2.1 Salary satisfaction
		Y1.2.2 Benefit satisfaction
		Y1.2.3 Salary and benetits are better than other competitor
	Promotion opportunity (Y1.3)	Y1.3.1 Job performance satisfaction
		Y1.3.2 Career path guideline
		Y1.3.3 Career promotion opportunity
Y1.3.4 Salary incfement opportunity		
Supervision (Y1.4)	Y1.4.1 Supervisor memberikan dukungan Supervisor gives ssupport	
	Y1.4.2 Supervisor gives motivation	
	Y1.4.3 gives freedom to make a decision	
	Y1.4.4 Supervisor is always honest and fair	
Peers (Y1.5)	Y1.5.1 Satisfied with team work	
	Y1.5.2 Satisfied with the peers	
	Y1.5.3 Peers are cooperative	
	Y1.5.4 Peers are always supporting	
3. employee commitment (Y2) Var. Endogen	Affective commitment (Y2.1)	Y2.1.1 Company is a big deal for the employee
		Y2.1.2 Company's problem is employee's problem
		Y2.1.3 Employee is very proud of the company/
		Y2.1.4 Employee feels like a part of the family of company.
		Y2.1.5 Employee is eager to spend the rest of his/her career in the company.
	Continual commitment (Y2.2)	Y2.2.1 is afraid of not having the same job if he/she quits from the company.
Y2.2.2 many troubles will happen if an employee quits from the		

Konstruk Second Order	Konstruk First Order	Reflektif
		company.
		Y2.2.3 It is a big loss for an employee to quit from the company.
		Y2.2.4 Working for the company is a willingness and need of the employee.
	Normatif commitment (Y2.3)	Y2.3.1 Employee should have to be loyal for the company
		Y2.3.2 the main reason to continue working in the company is loyalty
		Y2.3.3 Being loyal to the company is a wise one.
		Y2.3.4 Moving to other company is non ethical attitude..



Picture 1
Structural Equation Model

RESULT AND EXPLANATION

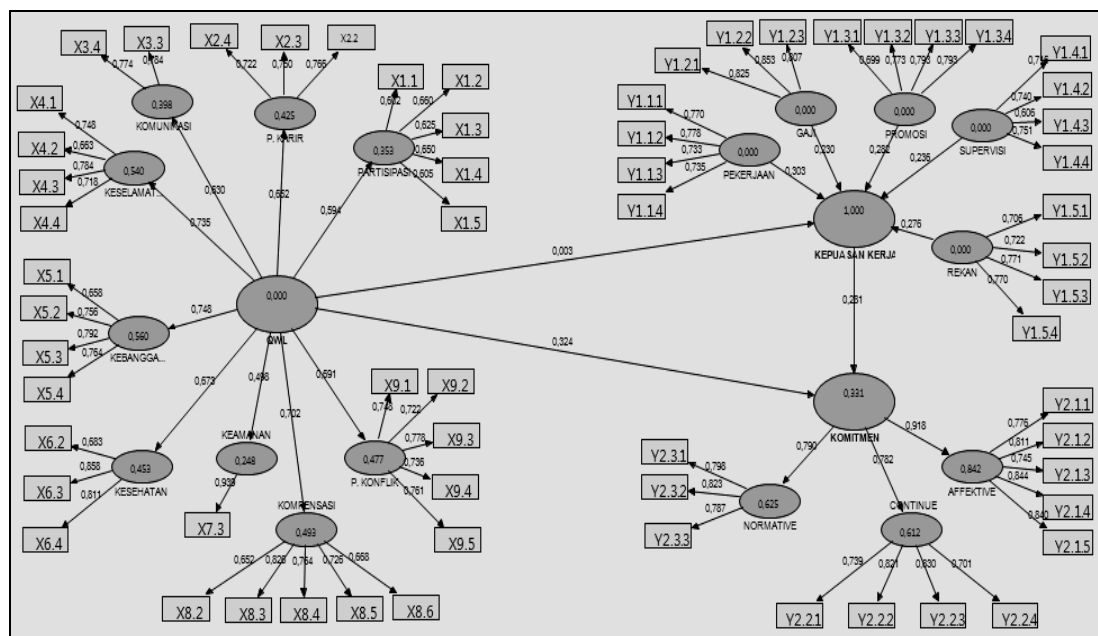
Applicable construct being used in this research is a multidimension one. Multidimension construct has two construct, first order construct and second order construct. First order construct is a confirming variable of the second order one which is the main variable to examine. Second order construct is covering the implementation of Quality of Work Life (QWL), job satisfaction and commitment of the employee which is furthermore to be confirmed by some of the first order constructs that has been confirmed by several indicators (picture 1, on the following page).

A proper examination model is applied against the outer model and inner model. The evaluation of outer model is performed to evaluate the correlation between the indicator and first order construct. And the evaluation of inner model is conducted to evaluate the correlation between first order construct and second order construct as well as to evaluate the intercorrelation of second order construct itself.

1. Outer model evaluation of first order latent construct and its indicators.

Outer-model evaluation has been applied to the first order construct which had been reflected by its indicators. This research explains that the correlation between first order construct and its indicators is reflective correlation. There are 17 first order constructs and 71 indicators. According to Ghazaly (2008) evaluation of outer model reflection has been

performed based on three (3) criteria, convergent validity, discriminant validity and composite reliability. At the beginning of the outer model evaluation, it explains that there are some indicators which are not in compliance with the aforementioned criteria. Eight (8) indicators are rejected because of non-compliance with the criteria of convergent validity. After rejecting those indicators then a re-evaluation has been performed. Picture 2. Showing a model of variable intercorrelation after rejecting them. Table 3 showing the results of the criteria evaluation.



Picture 2.
 Model of the QWL Implementation Impacting Job Satisfaction and Commitment of the Employees After Rejecting Eight (8) Indicators.
 (Source: Primary Data Done by Smart (PLS,2011).

Tabel 3.
 Result of the Criteria Evaluation and Outer Model Standard Value

criteria	standard	QWL	Job satisfaction	Employee commitment	Note
Converge validity	Loading > 0.60	7 indicators against 39 indicators have loading value And X8.1 (rejected)	19 indicators accepted	1 indicator against 13 indicators has loading valuewhich is Y.2.3.4 rejected.	Strong correlation between first order construct and its indicators
Discriminat validity	Correlation latent SK variable > other latent variables.	accepted	accepted	accepted	Correlation between the indicators and first order construct is valid.
Composite reliability (ρ_c)	$\rho_c > 0,6$	accepted	accepted	accepted	Outer model is stable and internal indicator consistency is good.

2. Evaluation of Inner Model.

This research has two 'endogen' constructs, job satisfaction construct and commitment construct, but 'exogen' construct is QWL.

1) Evaluation of Inner Model between second order construct and first order construct.

Inner model correlation in this research has two type, (1) second order construct which has been reflecting thru some first order constructs and (2) second order construct has been influenced by first order construct formatively. QWL construct and commitment of the employees have been reflected by first order construct, meanwhile, job satisfaction construct has been influenced by first order construct formatively. The following explanation is about inner model evaluation between first order construct and second order construct.

a. Second order QWL construct.

QWL has been reflected thru nine (9) first order constructs, as follows; being proud reflects the biggest correlation of 0.748 QWL loading value, followed by safety at work (0.735), compensation (0.702), solving conflict (0.691), healthy at work (0.673), career development (0.652), communication (0.630), employees' participation (0.594). Safety at work is first order construct showing its correlation 0.498 QWL loading value which is the lowest one.

Path analysis has explained that T statistic or Tcalculated resulting first order construct against QWL is > 1.96 (Ttable within 95% trustworthy). It means those 9 indicators are the reflection of QWL implementation which create the quality of work.

b. Second order construct is employee commitment.

Commitment of the employees has been reflected by three (3) first order constructs as follows; affective commitment has the biggest correlation which is 0.918 loading factor, normative commitment is 0.790 and continual commitment is 0.782.

Path analysis has been showing that T statistic or Tcalculated resulting first order construct against the employees' commitment is > 1.96 (T-table within 95% trustworthy). It explains that affective commitment, continual and normative commitments, are the indicators that are able to reflect the correlation which describes the employees' commitment level.

c. Second order construct is Job Satisfaction.

Job Satisfaction consists of five (5) first order constructs, employee, salary, promotion, supervision and peers. Those five constructs are formative variables against the second order construct. Path Coefficient Result of Analysis has described that work has the highest parameter coefficient influencing job satisfaction which is 0.303 compared with promotion, peers, supervision and salary. Salary itself is the lowest parameter to influence job satisfaction.

Path coefficient analysis has described that the aforementioned 5 first order constructs have influenced significantly against the changes of the employees' job satisfaction. It has been proved that T-calculated is > 1.96 (T-table)

2) Evaluation of inner model within second order constructs.

Evaluation of inner model within the second order constructs applying two ways, R-square evaluation of endogen construct comparing with T-calculated and T-table. Picture 3 shows that job satisfaction has not only been influenced by QWL implementation but has been influenced by employee, salary, promotion, supervision and peers. R-square of job satisfaction construct is 0.999 which explains that QWL implementation, work, salary, promotion, supervision and peers have contributed 99.9 % result against the changes of job satisfaction level.

Commitment of the employees has been influenced positively by the implementation of QWL and job satisfaction. R-square of the commitment of the employees is 0.3309, explaining that QWL implementation and job satisfaction has contributed 33.09 % against the changes of employees' commitment and the rest of 66.91% is influenced by other factors.

Hypothesis examination has been done using bootstrapping analysis of path coefficients by comparing the value of T-calculated with T-table. If T-calculated value is higher than T-table which is 1.96 then the hypothesis formulation is acceptable (Table 4).

Tabel 4.
 Analisis Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ((O/STERR))
Satisfaction -> commitment	0.2806	0.2771	0.1459	0.1459	1.9837
QWL -> satisfaction	0.0028	0.0038	0,0026	0.0026	1.0516
QWL -> commitment	0.3235	0.3267	0.1378	0.1378	2.4246

Source : Bootstraping smart PLS, 2011

Hypotesis 1 : QWL implementation has reflected significantly to job satisfaction.

Result of analysis has explained that QWL implementation has not affected to the job satisfaction since parameter coefficient is relatively low which is 0.0028. It has been confirmed by the result of analysis which is one hypothesis has been rejected since T-calculated 1.0516 < T-table 1.96. Quality increment due to the implementation of QWL in the company has not reflected a significant increment of job satisfaction. Picture 1 shows that job satisfaction has been influenced by six first order constructs, it means that the other 5 first order constructs has influenced more to job satisfaction.

Hypotesis 2 : QWL implementation has influenced the commitment of the employees significantly.

QWL implementation has influenced positively the commitment of employees. Path coefficient analysis has explained that parameter coefficient of QWL variable and employees' commitment variable is 0.3235. It means that good implementation of QWL is able to increase the commitment of the employees in the company.

The second hypothesis examination is accepted since the result of analysis obtains T-calculated 2.425 which is bigger than T-table 1.96 describing that the implementation of QWL in Gas Negara company has been influencing significantly the level of employees' commitment.

Hypotesis 3 : Job satisfaction influencing significantly the commitment of employees.

Job satisfaction has been influencing positively the commitment of employees which is 0.2806 parameter coefficient. Job satisfaction of the employees have increased due to salary, job, peers, supervision and promotion which is able to improve the commitment of employees as well.

The third hypothesis examination has been accepted due to the result of analysis which is T-calculated 1.9837 > T-table 1.96. It is explaining that job satisfaction of the employees of PGN has been influencing significantly the commitment of employees.

3. Result Explanation

Results of the research has shown generally that the implementation of QWL at PT PGN Tbk using QWL factors; employees' participation, career development, solving conflict, communication, health at work, safety of work, acceptable compensation and proud of the company has not been effecting the employees' job satisfaction. Some possibilities why QWL implementation has not affected the employees' job satisfaction; (1) QWL design which is not in compliance with the employees' needs. (2) QWL implication is not working well. (3) QWL is more like hygiene factors resulting 'no dissatisfaction occurred' instead of 'satisfaction' (4) The employees are not aware of the objective of QWL factors implementation and (5) The employees' motivation is only because of the Five Job Satisfaction factors; job, salary, promotion, supervision and peers they need (extrinsic motivation)

Result of the research describes the implementation of QWL and job satisfaction has a positive and significant influence on the commitment of employees. The better the implementation of QWL conducted and the more job satisfaction of the employees obtained

the higher commitment of the employees will be. This research has been supporting the research of Husnawati (2006) and Bhaesajsangan (2010) mentioned that QWL and job satisfaction have influenced the organization's commitment.

Based on the result of this research, mostly of the employees have a high commitment covering affective, continuance and normative. Research of Ali Nina (1996), the employees who are working for BUMN have more affective commitment, continuance commitment and normative commitment than the employees who are working for private companies.

It is a positive meaning for PGN having the employees who have a high commitment to the company. It is confirmed by the result of evaluation showing that the employees have a good perception about the company as it is said "the company means a lot for the life of the employees" and they have best loyalty to the company.

PGN has implemented QWL seriously. QWL factors have been satisfying the employees, as follows:

1. The people who are working for PGN have been training to enrich their knowledge and skills.
2. The employees are very proud of the company. They are being expected to do their best to succeed the company.
3. The employees are proud of the company because of the company's identity, the participation of the company to activate social activities as well as environmental awareness.

CONCLUSION AND POLICY IMPLEMENTATION

1. Conclusion

Hypothesis result analysis using PLS has been showing that QWL has not impacted job satisfaction of the employees. There are some possibilities causing this result, as follows: QWL design did not comply with the requirement of the employees, QWL implementation which has not yet been performed well, employees' motivation pattern which is based on the aforementioned five satisfaction factors, unawareness of the employees about QWL even though the company has implemented QWL factors already. QWL implementation and job satisfaction of the employees have been impacting the commitment of the employees. Increment of the quality of QWL implementation as well as job satisfaction of the employees will create a high commitment of the employees.

2. Policy implementation

The company should have to review the implementation of QWL. Several area should have to be reviewed are QWL design, QWL which is in compliance with the pattern of the employees' motivation, understanding and expectation of the employees about QWL and the process of QWL implementation.

In relation to improve job satisfaction of the employees, the company should have to review the policy regarding salary, job design, peers, supervision system as well as promotion system. Performing continuous improvement of QWL implementation and job satisfaction of the employees, the company will obtain a strong commitment of the employees which will make it stronger facing the environment changes. The policy regarding QWL and job satisfaction of the employees should have to be a part of the strategic company planning.

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