Mediation Role of Job Satisfaction on the Effect of Quality of Work Life and Work Engagement on Psychological Well Being: Case Study on Start Up Companies in Malang

Elivia Niadianti1*, Hadi Sunaryo2, Siti Asiyah3
1* Master Management, Postgraduate Program, Islamic University of Malang, Indonesia
2,3 Faculty of Economics and Business, Islamic University of Malang, Indonesia
elivia20@gmail.com

I. Introduction

Today, there is a high competition and challenges in many industrial. Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020). If the human resource needs in a company are not met, it will usually hinder other aspects that support the continuity of the company. Human resources are human beings who have involvement and strive so that the goals of the organization or company can be realized (Hasibuan, 2000). So that good management and planning are needed in managing employees/members in a company or organization.

In the current 5.0 era, many new companies have emerged. This makes the organizational culture and habits different from previous generations carried out by the community. One of the most popular is about startup. Initially, a startup was just a business entity for services and products that at that time were much sought after and needed by many people with market reach is still small (Kiwe, 2018). Yevgeniy Brikman (2015), a digital startup is a group of individuals who form an organization as a start-up company that produces products in technology field.
The trend of working for the younger generation has changed a lot. Many new graduates are more interested in working in the startup world than companies with old management and government. Start-ups are companies that aim to continue to grow, and the essence of start-ups is to grow and everything associated with the company is to grow (Patel, 2015). Start-ups are institutions designed to develop new products or services and are in conditions of uncertainty (Rip, 2014).

According to research from the Center for Human Genetic Research (CHGR), the number of digital start-ups in Indonesia in 2020 will reach 13,000 start-ups. Indonesia, with the current number of digital start-ups reaching 1,939. The company has been ranked sixth in the world as the country with the most number of start-ups. This is certainly interesting because the new habits that exist, with data showing the rapid growth of startups in Indonesia, certainly absorbs a lot of workers. According to 3 sources who have been interviewed by researchers, revealed that they feel more challenged and feel more up-to-date when working at startups, because the work environment is cool, the ergonomics of the place are cool, and coworkers are the same age. In their opinion, the things that sometimes cause burnout at work are very high pressure and targets, sometimes making them able to spend more time in the office, with high work intensity.

With this phenomenon, researchers received data support from interviews with three startup workers in the city of Malang. They mentioned that they were attracted to work because of the modern environment, their peers, the new challenges they faced, and the salary offered if the new challenges were successfully completed. They feel engaged and satisfied because of the happiness and excitement they get from the work environment, although sometimes they feel tired because of the many deadlines. Because the average startup uses a team framework, stress and fatigue can be overcome because of work supports.

This is in accordance with research conducted by Aiello and tesi (2017) which states that the structural equation model and mediational analysis are applied and confirms that job resources fully mediate the relationship between PWB and WE and research by Karase (2000) and Siregar (2018) which state that work life affects psychological well-being. If the individual's psychological well-being is not achieved, it will cause the individual to become stressed, depressed, burnout, this occurs when the individual is involved in work that has high working hours. So, this study aims to analyze and investigate the effect of quality of work life and work engagement on psychological well being mediated by job satisfaction.

II. Review of Literature

2.1 Quality of Work Life

Quality of work life is sometimes said to be a sub-concept of quality of life (Chaitanya, 2014). Quality of work life refers to the relationship between employees and their environment which adds a human dimension to the technical and economic dimensions in which work is usually viewed and designed (Chaitanya, 2014).

Ventegodt and Merrick (2009) define the quality of work life by how companies can treat their employees better, such as leading to a happier, healthier, and more productive work life, where this will have an impact on a better quality of life for employees, better employee mastery of their work, as well as better relations between employees and superiors.

Previous research from (Aruldos et al, 2020; Moestain et al, 2020; Ruhana, 2020) found that quality of work life has a positive and significant relationship to job satisfaction.
Furthermore, previous research on quality of work life with psychological well being was conducted by (Kumar et al, 2021 and Salehi et al, 2020) who agreed that quality of work life can improve psychological well being. So, the proposed hypothesis is as follows:

H1: Quality of work life has a significant effect on job satisfaction

H2: Quality of work life has a significant effect on psychological well being

2.2 Work Engagement

According to Schiemann (2009) employee engagement as a form of positive attitude towards the company. Engagement is a statement of emotional and intellectual commitment to the company that will result in behavior to help fulfill company promises. This employee engagement is also an individual awareness of purpose and focused energy, which to others will be seen as someone with personal initiative, adaptability, effort, and persistence directed towards organizational goals. The stronger the feeling of attachment, the more likely an employee will show engaged behavior (Nurofia, 2005). Previous research on work engagement has been carried out by Siswanto et al (2021). Furthermore, research from (Bayona et al, 2020 and Chan et al, 2020) states that work engagement has a significant effect on job satisfaction. Furthermore (Abdelaziz et al, 2020: Sarwar et al, 2020) mentions that work engagement affects psychological well being. So, the proposed hypothesis is as follows:

H3: Work engagement has a significant effect on job satisfaction

H4: Work engagement has a significant effect on psychological well being

2.3 Job Satisfaction

According to Sinambela (2012), job satisfaction is a person's feelings about his work which is produced by himself (internally) and which is supported by things outside himself (external), on work conditions, work results, and work itself. According to Davis and Newstrom (in Marliyani, 2015) describe job satisfaction as a set of employee feelings about whether or not their job is fun. Feelings related to job satisfaction and dissatisfaction tend to reflect an employee's assessment of current and past work experiences from expectations for the future.

One of the existing theories in job satisfaction is the model of facet satisfaction. According to Lawler's model (in Munandar, 2011) people will be satisfied with certain areas of their work (eg with coworkers, bosses, and salaries) if the number of fields they perceive they have to receive to carry out their work is the same as the amount they perceive from their job. they actually receive. For example, a worker's perception of the amount of honorarium he should receive based on his performance with the perception of the honorarium he actually received. If the individual perceives the amount he receives as greater than he deserves, he will feel wrong and unfair. On the other hand, if he perceives that what he receives is less than what he deserves, he will feel dissatisfied. Previous research on job satisfaction as a mediating variable has been carried out by (Siswanto et al, 2020). Previous research from (Zeng et al, 2020: Park et al, 2020) found that job satisfaction can improve psychological well being. So the proposed hypothesis is:

H5: Job satisfaction can affect psychological well being

H6: Job satisfaction mediates the influence between quality of work life and psychological well being

H7: Job satisfaction mediates the effect between work engagement and psychological well being
2.4 Psychological Well Being

According to Ryff (1995) psychological well-being is a term to describe a person's psychological health based on the fulfillment of positive psychological functioning criteria. Individuals whose souls are prosperous are not only free from pressure or psychological problems but have a positive assessment of themselves being able to act independently and not easily influenced by the environment, so that it can be interpreted as psychological well-being or psychological well being, which is a condition where the individual is able to carry out positive things in life, one of which is by building positive relationships with other people and how individuals can function effectively (Sari, 2017). From the statements previously mentioned, it can be concluded that psychological well-being is a person's psychological picture based on the fulfillment of positive psychological function criteria and free from various pressures and anxiety so that they are able to carry out activities or positive relationships with feelings of satisfaction or well-being. Several studies on psychological well being have been carried out by (Masyhuri et al, 2021).

III. Research Methods

This study uses five variables, namely quality of work life, work engagement, job satisfaction and psychological well being. Data were collected using a questionnaire with a Likert scale from 1 (strongly disagree) to 5 (strongly agree). Quality of work life is measured using eight indicators from (Walton, 1975) namely adequate and fair compensation, safe and healthy environment, development of human capacities, growth and security, social integration, constitutionalism, the total life space, and social relevance. Work engagement is measured using 3 measurement indicators, namely vigor, dedication, and absorption (Schauli & Bakker, 2004). Job satisfaction is measured using 5 indicators from Luthans (2006), namely work it self, supervision, workers, promotion and pay. And the last variable is psychological well being measured using six scales adapted from (Eva, et al 2019) namely autonomy, environmental mastery, personal growth, positive relationships, life goals and self-acceptance.

This research was conducted at a start-up company in Malang by distributing 100 questionnaires using Google Form, but only 71 questionnaires were returned. Questionnaires were distributed on 11 - 26 October 2021. This study used primary data. Furthermore, the data were analyzed using partial least squared structural equation modeling (PLS-SEM). The approach (PLS-SEM) is used because this research is exploratory or an extension of existing theories and the model used is relatively complex (Hair et al., 2011). Consistent with the approach of (Chin & Newsted, 1999) this study uses two steps, first testing the validity and reliability, then testing the structural model used to test the hypothesis.

IV. Results and Discussion

4.1 Measurement Model Analysis (Outer Model)

Convergent validity and composite reliability were used to test the validity and reliability. In this study, if it has a loading factor value of more than 0.7 and AVE is greater than 0.5 then the item is said to be valid (Chin & Newsted, 1999). While the value of composite reliability must be greater than 0.7 (Hair et al., 2011). In this study, the loading factor value of each indicator variable quality of work life, work engagement, job satisfaction and psychological well being exceeded 0.7. Furthermore, in the composite reliability value in this study, the five variables already had a composite reliability value
greater than 0.7. Then on the AVE value in this study, the five variables had an AVE value greater than 0.5. Therefore, based on the value of loading factor, composite reliability and AVE, this study shows that all variable measurement items in this study are valid and reliable. A more detailed description of the values can be seen in table 1 below.

### Table 1. Data Quality Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Item</th>
<th>Loading Factor</th>
<th>Result</th>
<th>Composite Reliability</th>
<th>AVE</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Work Life</td>
<td>QWL1</td>
<td>0.817</td>
<td>Valid</td>
<td>0.946</td>
<td>0.688</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>QWL2</td>
<td>0.847</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>QWL3</td>
<td>0.865</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>QWL4</td>
<td>0.878</td>
<td></td>
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<td></td>
<td>QWL5</td>
<td>0.788</td>
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<tr>
<td></td>
<td>QWL6</td>
<td>0.782</td>
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<tr>
<td></td>
<td>QWL7</td>
<td>0.832</td>
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<tr>
<td></td>
<td>QWL8</td>
<td>0.826</td>
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<td></td>
</tr>
<tr>
<td>Work Engagement</td>
<td>WE1</td>
<td>0.856</td>
<td>Valid</td>
<td>0.884</td>
<td>0.717</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>WE2</td>
<td>0.869</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WE3</td>
<td>0.815</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>JS1</td>
<td>0.936</td>
<td>Valid</td>
<td>0.948</td>
<td>0.784</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>JS2</td>
<td>0.869</td>
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<tr>
<td></td>
<td>JS3</td>
<td>0.875</td>
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<td></td>
<td>JS4</td>
<td>0.894</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>JS5</td>
<td>0.851</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Psychological Well Being</td>
<td>PWB1</td>
<td>0.859</td>
<td>Valid</td>
<td>0.816</td>
<td>0.528</td>
<td>Reliabel</td>
</tr>
<tr>
<td></td>
<td>PWB2</td>
<td>0.901</td>
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<td></td>
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<tr>
<td></td>
<td>PWB3</td>
<td>0.752</td>
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<tr>
<td></td>
<td>PWB4</td>
<td>0.735</td>
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<tr>
<td></td>
<td>PWB5</td>
<td>0.723</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>PWB6</td>
<td>0.728</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: Data processed, 2021

### 4.2 Structural Model Analysis (Inner Model)

![Figure 1. Structural Equation Modeling Results](source image)

Source: Smartpls research output, 2021
To test the hypothesis in this study using a structural model test as shown in Figure 1 above, the image is the result of bootstrapping testing of the Smartpls 3.0 application. The picture above shows that this study has several hypotheses that will be verified through empirical data obtained directly from the field. Quality of work life has a direct influence on job satisfaction and psychological well being, work engagement has a direct influence on job satisfaction and psychological well being and the role of job satisfaction in mediating the effect of quality of work life and work engagement on psychological well being.

Table 2. Direct Effect

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Sample Mean</th>
<th>T-Statistic</th>
<th>T-Table</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>QWL → Job Satisfaction</td>
<td>0.245</td>
<td>2.397</td>
<td>Accepted</td>
</tr>
<tr>
<td>H₂</td>
<td>QWL → Psychological Well Being</td>
<td>0.434</td>
<td>2.997</td>
<td>Accepted</td>
</tr>
<tr>
<td>H₃</td>
<td>Work Engagement → Job Satisfaction</td>
<td>0.420</td>
<td>4.300</td>
<td>1.96 Accepted</td>
</tr>
<tr>
<td>H₄</td>
<td>Work Engagement → Psychological Well Being</td>
<td>0.344</td>
<td>2.361</td>
<td>Accepted</td>
</tr>
<tr>
<td>H₅</td>
<td>Job Satisfaction → Psychological Well Being</td>
<td>0.367</td>
<td>2.587</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Data processed, 2021

Tables 2 and 3 are the results of the study briefly, it can be explained that the direct effect of quality of work life on job satisfaction (t = 2.397 > 1.96), then the effect of quality of work life on psychological well being (t = 2.997 > 1.96), the effect of work engagement on job satisfaction (t = 4.300 > 1.96), then the effect of work engagement on psychological well being (t = 2.361 > 1.96), and finally the direct effect of job satisfaction and psychological well being (t = 2.587 > 1.96). The five hypotheses are in accordance with what is expected, namely all hypotheses can be accepted. Furthermore, table 3 is used to determine the role of the mediating variable (job satisfaction) in the influence between quality of work life and work engagement on psychological well being (t = 2.441 > 1.96) and work engagement on psychological well being (t = 2.365 > 1.96) then all hypotheses are accepted.

Table 3. Indirect Effect

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Effect (T-Statistic)</td>
<td>Job Satisfaction</td>
</tr>
<tr>
<td>QWL and Psychological Well Being</td>
<td>2.441</td>
</tr>
<tr>
<td>Work Engagement and Psychological Well Being</td>
<td>2.365</td>
</tr>
</tbody>
</table>

Source: Data processed, 2021

The existence of a hypothetical relationship in research can be seen from the relationship between exogenous latent constructs and endogenous latent constructs and from exogenous latent constructs with other exogenous latent constructs, so that by testing the structural model, researchers can see whether based on empirical data the hypothesis made in this study is accepted or rejected. Therefore, it is very important to first carry out an overall evaluation of the goodness of fit (GoF) inner model by looking at the parameters.
of the percentage value. The R2 value of job satisfaction is $0.33 > 0.45$ classified as moderate (Hair et al., 2017), these results explain that 33% of burnout syndrome is influenced by quality of work life and work engagement, while the remaining 67% is influenced by factors others that were not observed in this study. While the second R2 value of psychological well being, which is $0.30 < 0.45$ is moderate, these results explain that 30% of psychological well being is influenced by the quality of work life, work engagement, and job satisfaction as mediating variables, while the remaining 70% influenced by other factors not examined in this study.

The first hypothesis shows that the quality of work life can increase job satisfaction, meaning that the hypothesis is accepted. The results of this study support previous research from (Aruldos et al, 2020; Moestain et al, 2020; Ruhana, 2020) which agreed that the quality of work life significantly affects job satisfaction in employees. Furthermore, the quality of work life is defined as working conditions, balance between work life and personal (family) life, security, social interaction at work, and the relativity between employees and their work Kanten & Sadullah (2012). In addition, when employees want to change the quality of their work life, the first thing they need is self-discipline (Ventegodt and Merrick, 2009). The results of this study empirically prove that the quality of work life can affect job satisfaction. In addition, the second hypothesis also shows that the quality of work life can also improve psychological well being, meaning that the hypothesis is accepted. The better the quality of work life owned by each individual employee can significantly improve psychological well being. This is in accordance with research from (Kumar et al, 2021 and Salehi et al, 2020) which found that the quality of work life can significantly improve the psychological well being of employees at work.

In accordance with the proposed hypothesis, namely work engagement can affect job satisfaction, this study has proven that empirically the hypothesis can be accepted. In line with the findings of (Bayona et al, 2020 and Chan et al, 2020) which found research results that work engagement can affect job satisfaction. Work engagement is a motivational concept, where employees who have work engagement will feel compelled to strive to achieve goals and overcome challenges, they want success for themselves and the company (Leiter & Bakker, 2010). The same thing is stated by Gagne (2014) that employees who are fully engaged will have intrinsic motivation, where they will enjoy their work, even consider that their work is valuable and meaningful to them. Furthermore, in the subsequent hypothesis testing, it has been proven that work engagement can also improve the psychological well being of an employee. The results of this study support the findings of (Abdelaziz et al, 2020: Sarwar et al, 2020) who have found that psychological well being can be influenced by work engagement from employees. Therefore, the results of this study have empirically proven that work engagement can significantly and significantly increase job satisfaction and psychological well being directly.

Job satisfaction can also be a variable that can improve psychological well being, this means supporting the proposed hypothesis. The results of this study also support the findings of (Zeng et al, 2020: Park et al, 2020) who conducted research on psychological well being and succeeded in finding that job satisfaction is one of the factors that can improve psychological well being in employees. The results of this study also support one of the existing theories in job satisfaction, namely the model of field/section satisfaction (Facet satisfaction). According to Lawler's model (in Munandar, 2011) people will be satisfied with certain areas of their work (eg with coworkers, bosses, and salaries) if the number of fields they perceive they have to receive to carry out their work is the same as the amount they perceive from their job, they actually receive. For example, a worker's perception of the amount of honorarium he should receive based on his performance with
the perception of the honorarium he actually received. If the individual perceives the amount he receives as greater than he deserves, he will feel wrong and unfair. On the other hand, if he perceives that what he receives is less than what he deserves, he will feel dissatisfied.

Furthermore, job satisfaction is also empirically proven to be a mediating variable between the variables of quality of work life on psychological well being, as well as between work engagement on psychological well being. The results of this study are a new finding that places job satisfaction as a mediating variable between the variables of quality of work life and work engagement. This can be interpreted that the presence of job satisfaction can increase the influence of quality of work life on psychological well being in start-up employees in Malang. Employees with high job satisfaction can improve the quality of their work life and ultimately can improve their psychological well-being at work. In addition, work engagement can also increase through job satisfaction.

V. Conclusion

Based on the results of hypothesis testing, it can be concluded that there is a positive and significant effect of quality of work life on job satisfaction, there is a positive and significant effect of quality of work life on psychological well being, there is a positive and significant effect of work engagement on job satisfaction, there is a positive and significant effect of work engagement on psychological well being, furthermore job satisfaction mediates the effect of quality of work life on psychological well being, as well as the influence of work engagement on psychological well being. Therefore, the results of this study support and have proven empirically that all proposed hypotheses are accepted.

References


Chaitanya, K. K. (2014). Quality of work life of women workers in tobacco processing units a case study of guntur district andhra pradesh.


