

The Effect Of Work-Life Balance On Employee Welfare Mediated By Job Satisfaction With Organizational Support As Moderation

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Abstract

The study aims to determine the effect of work-life balance on employee welfare mediated by job satisfaction with organizational support as moderation. The sampling method used is the purposive sampling method. The research sample used was 130 respondents. The SmartPLS (Partial Least Square) 3.0 program is used as an analysis method. The results of the study show that there is an influence of work-life balance on employee welfare. Organizational support also strengthens the influence of job satisfaction among employees of manufacturing companies in Cikarang companies.

Keywords: Work-Life Balance, Employee Welfare, Job Satisfaction, Organizational Support

Introduction

The rapid development and progress of the business world forces every company to increase its competitive advantage over competitors. One of the key factors in creating this advantage is to maximize the role of human resources (HR) owned by the company. Human resources have a vital role because the success of a business is highly dependent on their physical and mental contributions. In every growing corporate organization, both large and medium-sized, human resources are currently an important trend in achieving competitive advantage in the era of globalization. The increasingly fierce competition between companies requires companies to pay more attention to the management and development of human resources to be more efficient and productive at all levels, from staff to managerial.

Companies need to realize that the need for quality human resources is urgent today, without neglecting other managerial functions within the company. Although other factors such as natural resources, capital, and technology are optimal, without the support of human resources, companies will have difficulty achieving their success and goals. Given how important the role of human resources is in a company, companies should treat them as subjects, not objects. Therefore, great attention must be paid to human resources so that employees can perform their duties well, increase productivity, and feel satisfied with their work. Today, companies not only see employees as machines for achieving targets, but also recognize that career development and work-life balance are two factors that affect job satisfaction.



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Acknowledging how important the role of human resources is in a company, the company must treat them as subjects, not objects. This requires great attention to human resources so that employees can perform their duties well, increase productivity, and feel satisfied in their work. Today, companies not only see employees as machines that must achieve targets, but also emphasize career development and work-life balance as two factors that affect job satisfaction. Career development is an important alternative for companies to increase employee job satisfaction. When a company focuses on career development, it indirectly becomes a big investment for the company. Career development itself is career planning that involves support between individuals, managers, and companies. According to (Baruch, 2006), organizations are better off providing supportive support than directive ones for career advancement. Therefore, career development must receive support from the organization and management so that it can run as planned. The main factor for success in implementing career development is the provision of opportunities to internal employees and support from the company. In addition, companies need to have a long-term strategy for career paths that are well planned and in accordance with the needs of employees. This can increase employee job satisfaction and prevent high turnover rates. Individual career development usually also has an impact on the balance between work and personal life (*work-life balance*).

(Schemerhorn, 2020) states that *Work-Life Balance* is a way for a person to balance the demands of a career with personal and family needs. In a nutshell, the program *Work-Life Balance* that the company implements helps employees balance their work and personal lives. To continue to support the career development and work-life balance of employees, companies must provide organizational support. This support means that the company helps employees get the job done well, provides well-being, and rewards. In a company, if employees receive the right support in completing work, it will create a feeling of comfort and happiness at work. Employees who feel happy because their work needs are met will be emotionally attached to the company. This then creates a strong commitment from employees to give their best in carrying out their duties, so that the company's goals can be achieved.

According to (Noe et al, 2006), job satisfaction is a pleasant feeling that arises from the perception that it fulfills important values. (Herzberg, 1968), in his Two Factors Theory, reveals that employee satisfaction is divided into two factors: *Hygiene Factor* and *motivator factor*. External factors or *Hygiene Factor* It does not immediately create satisfaction, but dissatisfaction will arise if these factors are not met, such as salary, working conditions, and long-term job security. Therefore, companies must ensure that these external factors are met. On the other hand, intrinsic factors or *motivator factor* can motivate employees to produce superior performance, such as through employee empowerment.

In an organizational perspective, empowerment can mean providing more opportunities for employees to develop creativity, flexibility, and autonomy in their work. However, managers must ensure that the work done by employees is appropriate and rewarding, so that employees are motivated to work harder and better.

In the midst of being busy as a housewife, working, and tight work schedules, such as in a manufacturing company in the Cikarang area, *work-life balance* is an important strategy for organizations to provide policies that allow women to continue to carry out their roles as



housewives as well as careers. Manufacturing companies in Cikarang, which compete with other companies in finding and acquiring competent employees, recognize that employee regeneration is key to maintaining and developing long-term competitive advantage. Therefore, the company offers wide opportunities for career coaching and prepares cadres so that employees are able to shoulder greater responsibilities and provide the best service.

As part of this effort, the company launched a career development program where participants must complete comprehensive training for one year before being placed in various work units. This program has been consistently implemented over the years, and many of its graduates now occupy various important positions in companies. The company also organizes employee training and development at internal training centers and routinely provides overseas scholarships to its employees. By realizing the importance of *work-life balance*, this company also aims to prepare cadres so that employees can shoulder greater responsibilities and can provide good service. This is relevant in the context of manufacturing companies in the Cikarang area that face similar challenges in creating *work-life balance* and career development for their employees.

Method

The type of research used in this study is quantitative research. The purpose of the study was to analyze and test the influence of work-life balance variables on employee welfare variables through job satisfaction as a moderation variable of organizational support for employees of manufacturing companies in Cikarang area companies. The research instrument used a questionnaire and was distributed to respondents on a likert scale of 1-5. This study was conducted in month X which was conducted on employees of manufacturing companies in the Cikarang area with a population of X but took a sample of 130 respondents. Number of population Sampling technique uses simple random sampling. The technique of distributing the questionnaire through the google form questionnaire link that is distributed to the respondents so that the respondents only need to check the appropriate column or place. Data analysis using SmartPLS 3.0.

Results and Discussion

In this study, hypothesis testing uses the *Structural Equation Model* (SEM) by using *Partial Least Square* (PLS). PLS is one of the variants of SEM which is component-based. SEM, which is one of the methods of statistical analysis, allows simultaneous evaluation of a number of complex and difficult-to-measure relationships. According to (Ghozali, 2018), the PLS-based SEM approach replaces the covariant-based SEM approach with a variance-based approach. In this study, the path analysis will be carried out through *Structural Equation Model* (SEM) by using *Partial Least Squares* (PLS) by using the Smart PLS 3.3 software.

Table 1. Characteristics of Respondents

Characteristic	Frequency	Percentage
Gender		
Male	41	32%
Woman	89	68%
Total	130	100%
Age		
18 - 28 Years	125	96%
29 - 39 Years	5	4%
40 - 50 Years	0	0%
50 - 60 Years	0	0%
Total	130	100%
Last Education		
High School/Vocational		
School	120	92%
Diploma	1	1%
S1	9	7%
Total	130	100%
Length of Work		
1 - 2 Years	57	44%
3 - 4 Years	50	38%
5 - 6 Years	18	14%
> 6 Years	5	4%
Total	130	100%

Source: Data Processed By Researcher, 2024

Based on the results of the above research, the respondents' characteristic data showed a significant distribution of gender, age, last education, and length of work in the sample population studied. The majority of respondents were women, as many as 68%, while men were only 32%. This suggests that women are more dominant in this sample population. The age of respondents is dominated by the 18-28 year old group, reaching 96%, with only 4% aged 29-39 years. None of the respondents were over the age of 40, indicating that this population is made up of relatively young individuals, which may signal a high number of new or entry-level workers within these organizations. In the education variable, most respondents had the last high school/vocational education, as much as 92%, with only 7% having a S1 degree and 1% having a diploma. This indicates that the majority of workers in these organizations have a secondary level of education. In addition, the working period of respondents also showed that 44% had worked for 1-2 years, 38% for 3-4 years, 14% for 5-6 years, and only 4% had worked for more than 6 years. This data shows that most of the workforce has relatively short tenures, which may be due to high turnover rates or that companies frequently hire new workers.



The demographic characteristics of the respondents in this study provide an important picture of the workforce population in these organizations, which can be used to develop more effective policy strategies. Companies can consider the implications of this demographic, such as training and development needs for young and moderately educated workers, as well as strategies to improve employee retention (Noe et al., 2006), (Schermerhorn Jr et al., 2020).

This study includes an analysis using Smart PLS 3.0 software to establish the reliability and validity of latent constructs by examining the measurement results of the model (outer model). There are three criteria in the use of data analysis techniques with SmartPLS to evaluate *the outer model*, namely *Convergent Validity*, *Discriminant Validity*, and *Composite Reliability*. *The convergent validity* of the measurement model with reflective indicators is evaluated based on the correlation between the item score or component score estimated using SmartPLS software. Reflective indicators are considered to have high convergence validity if the correlation is greater than 0.70 with the measured construct. However, according to Ghozali (2006), for research in the early stages of measurement scale development, loading values between 0.5 and 0.6 are considered adequate. In this study, the limit of the loading factor value used is 0.60. The results of the outer model analysis or correlation between the construct and the variables in this study meet the criteria *of convergent validity* because the loading factor value exceeds 0.60. *Discriminant validity* is done to ensure that each concept of each latent variable is different from each other. The model is considered to have good *discriminant validity* if the loading value of each indicator on one latent variable is higher than the loading value of the indicator on another latent variable. The flow chart of this research path can be seen in the attachment below.

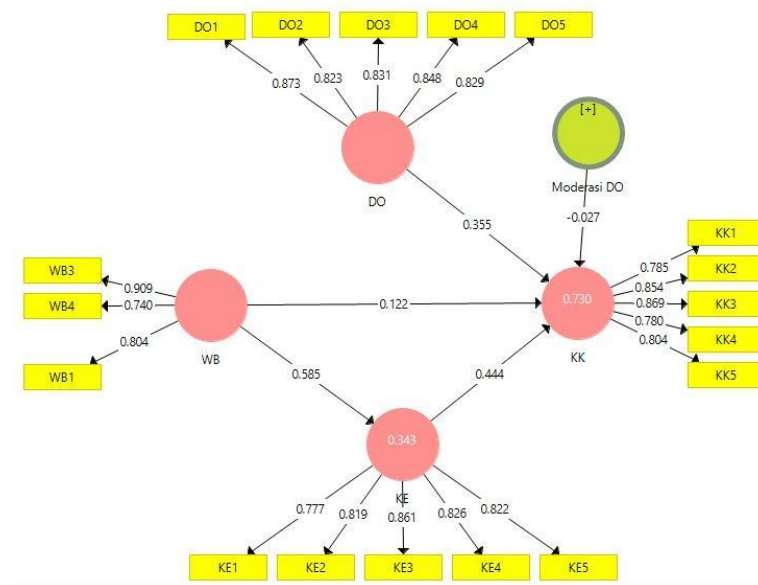


Figure 1. Inner model
Source: Processed by SmartPLS



From the results of data analysis, it was found that each indicator of each latent variable had a higher loading factor value compared to the loading factor value when connected with other latent variables. This shows that each latent variable meets the criteria for good discriminant validity. In addition, the validity criteria can also be assessed from the *Average Variance Extracted* (AVE) value of each construct. A construct is considered to have high validity if its AVE value is greater than 0.50. To test reliability, good results were obtained with a Cronbach's Alpha value greater than 0.6 and a Composite Reliability value greater than 0.7.

Testing *the inner model* or structural model is carried out to evaluate the relationship between the construct, the significance of the value, and the R-square of the model. The structural model was evaluated using R-square for the dependent latent variable, the T test, and the significance of the structural path coefficient. In evaluating the model using PLS, the first step is to look at the R-square for each dependent latent variable.

Table 2. R square

	R Square	R Square Adjusted
TO	0,343	0,338
KK	0,730	0,721

Source: Data Processed By smartPLS

The value of R Square is the coefficient of determination on endogenous constructs. According to Esposito Vinzi (2010), the R square value is 0.67 (strong), 0.33 (moderate) and 0.19 (weak). It can be seen in the Table R square KE of 0.343 indicates that it has a moderate value, while the R square value for KK of 0.73 is strong.

In PLS testing, each hypothetical relationship is carried out using simulation. In this case, the bootstrapping method is carried out on the sample. Testing with bootstrapping is also intended to minimize the problem of research data abnormalities.

Table 3. Bootstrapping

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
DO1 <- DO	0,873	0,876	0,021	41,792	0,000
DO2 <- DO	0,823	0,823	0,046	17,729	0,000
DO3 <- DO	0,831	0,826	0,041	20,468	0,000
DO4 <- DO	0,848	0,845	0,034	25,140	0,000
DO5 <- DO	0,829	0,828	0,040	20,588	0,000
1ST <- TO	0,777	0,774	0,064	12,063	0,000
2nd <- TO	0,819	0,814	0,043	19,133	0,000
3RD <- TO	0,861	0,861	0,025	34,181	0,000
4TH <- TO	0,826	0,825	0,041	20,094	0,000

5TH <- TO	0,822	0,825	0,031	26,495	0,000
KK1 <- KK	0,785	0,780	0,051	15,509	0,000
KK2 <- KK	0,854	0,852	0,031	27,962	0,000
KK3 <- KK	0,869	0,870	0,026	33,016	0,000
KK4 <- KK	0,780	0,780	0,068	11,444	0,000
KK5 <- KK	0,804	0,801	0,040	20,310	0,000
WB*DO <- Moderation DO	1,398	1,338	0,286	4,880	0,000
WB3 <- WB	0,909	0,913	0,016	55,835	0,000
WB4 <- WB	0,740	0,731	0,073	10,087	0,000
WB1 <- WB	0,804	0,794	0,060	13,405	0,000

Source : SmartPls Source

The interpretation of this table shows that the path coefficient for each indicator to the latent construct is quite high, generally above 0.7, which indicates a strong relationship between the indicator and its construct. The sample average is very close to the original sample value, indicating the stability and reliability of the results obtained from bootstrapping. The relatively low standard deviation suggests that the estimation is quite accurate. The T-statistic is all well above the general threshold of 1.96 for a 95% confidence level, suggesting that all path coefficients differ significantly from zero. The P values are all 0.000, which is very significant, indicating that all relationships in the model are statistically significant and not by chance. This shows a strong and significant relationship between the indicators and their respective latent constructs. The moderation effect of "WB*DO" is also significant, suggesting that "WB" significantly moderates the relationship between "DO" and other constructs. High T statistics and low P values reinforce the strength and significance of these findings.

This study found that the work-life balance variable has a positive influence on employee welfare, which means that work-life balance can increase the engagement of Generation Y employees in the company. The results of this study are consistent with the opinion (Kultalahti & Viitala, 2014) that generation Y considers it important to have free time for social activities other than work. Opinion (Rhoades & Eisenberger, 2002) Also in line, stating that employees who have a work-life balance will be more motivated at work. The results of this study also support the research of Laksono and Wardoyo (2019) which found that work-life balance affects employee engagement. This indicates that an increase in work-life balance can increase employee engagement. According to (Larasati et al, 2019), work-life balance is one of the factors that affect employee engagement in generation Y employees (Brombacher, 2014). The results of this study also support the findings of Laksono and Wardoyo (2019) which states that work-life balance affects employee engagement. This shows that an increase in work-life balance can increase employee engagement. According to (Larasati et al., 2019), work-life balance is one of the factors that affect the attachment of Generation Y



employees. In companies that implement a good work-life balance culture, employees tend to have a high attachment to the company (Brombacher, 2014).

The results of the analysis of the role of organizational support as a moderation variable in the relationship between work-life balance and employee engagement. The data show that job characteristics play a role as a moderation variable that strengthens the influence of work-life balance on the engagement of generation Y employees. 2014) which states that individual and job characteristics affect employee attachment. According to (Lumbanraja et al, 2010) besides *Work-Life Balance*, one of the factors that keeps employees staying in the company is to provide the right job characteristics. (Gibson et al, 1991) stated that employees' positive attitudes towards job characteristics can foster morale and increase attachment. When employees feel supported by the organization, they will be more attached to the company (Nan & Pukkeeree, 2013).

Conclusion

Based on the results of the study, work-life balance (WLB) has a positive effect on employee welfare. This shows that WLB has an important role in increasing employee engagement in a company. The variable of job satisfaction with organizational support as moderation can strengthen the influence of WLB on employee engagement.

This study has several limitations, namely only using quantitative data from online questionnaires due to the location of respondents spread across various regions in Indonesia. Future research can test the same model through comparative studies on millennial employees working in different sectors or in organizations with different business scales. Future research can also develop a research model by adding other variables such as supervisor support, reward management, and other variables.

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