The Effect of Quality of Work Life on Generation Y Employee Engagement Through Job Satisfaction as a Mediator Variable at PT.C

Aulia Novitasari

Ciputra Group
aulianovitasari26@gmail.com
https://doi.org/10.37715/rmbe.v2i1.3019

Abstract —**Employee Engagement is one aspect of the company's success to achieve the company's goals optimally. This study aims to analyze the effect of Quality of Work Life on Employee Engagement of Generation Y employees with Job Satisfaction as a mediator variable at PT.C. This study uses the Structural Equation Model – Partial Least Square (SEM-PLS) method. This research was conducted at PT.C with a sample of seventy-seven respondents. The results of this study indicate that Quality of Work-Life has a positive and significant effect on employee Engagement, Quality of Work Life has a positive and significant effect on Job Satisfaction, Job Satisfaction has a positive and significant effect on Employee Engagement, there is an indirect effect between Quality of Work Life on Employees Engagement through job satisfaction positively and significantly.**

Keywords — *Quality of Work Life, Employee Engagement, Job Satisfaction.*

1. Introduction

Employee is part from asset companies that also play a role in operate wheel something company. Difference existing generation in environment work is also one the problem always appears in development management source power human. Where are things this showing that Generation Y dominates amount force working in Indonesia at the time this. Generation Y or often also called generation millennial have characteristics different jobs compared generation before. With entry Generation Y in the world of work that is considered more understand technology and existence perspective negative about Y gene attachment compared with generation previously make company need notice source power man in organization in order to create employee engagement that has an impact on sustainability organization in something company. Employee engagement is one of the key success company for reach vision and mission optimally (Srivastava et al., 2019). Actions that can be conducted company for get reaction attachment employee is quality of work life and satisfaction work employees (Nurheni et al., 2019).

Quality of work life is defined with how far the environment organization is capable Fulfill needs source power human and give opportunity to worker for make decision about profession them, design the place work they are, and what are they need for make product and deliver service by more effective (Srivastava, et al., 2019). Employee with level high attachment tend have level satisfaction good work and Organizational Citizenship Behavior as well (Asakura et al., 2018).

2. Literature Review

2.1. Study Previous

Research conducted Nurheni, et al. (2019) entitled Influence Quality Life Work to Attachment Employee Generation X and Generation Y at PT. Yudhishthira Ghalia Indonesia, aiming for analyze influence quality of work life and satisfaction work to attachment employee engagement at each group generation at PT. Yudhishthira Indonesian Ghalia. Research results is quality life work take effect positive significant to satisfaction work and attachment employees in generation X and generation Y, satisfaction work take effect positive and significant to attachment employees in Generation X and Generation Y, generation no play a role as moderator (variable moderation) means strong and weak influence Among latent variable not depending on the generation.

Research conducted Aruldoss, et al. (2020) entitled The Relationship Between Quality of Work Life Balance- mediating Role of Job Stress, Job Statisfaction, and Job Commitment: Evidence From India, aims to for knowing connection Among quality life work (QWL) to work life balance (WLB). Research results is quality life

work take effect negative to work stress, related positive with satisfaction work. The results also show that work stress negative effect on WBL, satisfaction work take effect positive towards WBL, commitment work take effect positive against WBL.

Research conducted Fanggidae et al. (2020) entitled Analysis of The Effect of Quality of Work Life and Organizational Culture on Employee Engagement at PT. Jasa Raharja (Company) East Nusa Tenggara Branch, aims to: for analyze influence quality life work as well as know and analyze influence culture organization to attachment employees at PT. Jasa Raharja East Nusa Tenggara Branch. Research results is quality life work take effect positive significant to attachment employees, culture organization take effect positive significant to attachment employees, quality life work and culture organization by simultaneous take effect positive significant to attachment employees.

2.2. Base Theory

2.2.1. Characteristics work generation Y

Generation millennial will feel satisfied in place work if timetable profession the felt in accordance with himself, work the give opportunity for growing, work the give level clear and fast career, as well as interpersonal relationships that exist Among superior with employee nor interpersonal relationship between colleague work in progress harmonious (Lestari & Mujiasih, 2020).

Table 2.1 Basic Characteristics of Generation Y

Characteristics	Generation Y
Core values	Realism, believe self, extreme, fun, social
Communication media	Internet, cell phone, email
Attitude to balance life work	I want integrate work and time free
Attitude to risk	Tolerance relatively high risk.
Curiosity level intellectual	I want learn skills that can distributed.

Source: **Hornbostel, et al (2011)**

2.2.2. Quality of Work Life

Quality life work different with satisfaction work, in satisfaction work means as one from many results from impact quality life work. series conditions and practices organization possible objective employee something organization for feel that they actually safe, satisfied and have opportunity more good for grow and develop as man individual (Ahmad, 2013).

2.2.3. Employee engagement

Involvement employee is good tool for help every organization attempted for get superiority competitive over another. Kahn added that three condition involvement psychological required for a employee for involved with true: meaningfulness (element work), safety (element social, including style management, processes, and norms organization) and availability (individual distraction) (Anitha, 2014).

2.2.4. Satisfaction Work

According to Lestari and Mujiasih (2019) Satisfaction work could understood through three dimensions. First, satisfaction work is something response emotional from a employee to something situation job. Second, satisfaction work made reference as how much good results profession Fulfill or exceed the target.

3.   Research Methods
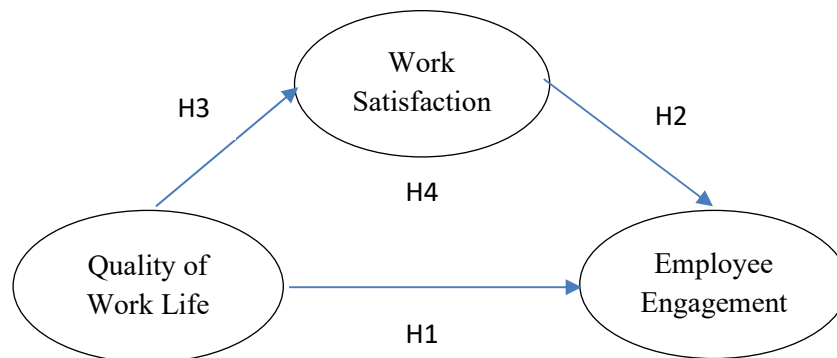
3.1.   Analysis Model

Figure 3.1. Analysis Model

Based on formula problems and analytical models described above, then could determined that:
H1: Quality of work life has an effect significant on employee engagement generation Y
H2: Satisfaction work take effect significant on employee engagement generation Y
H3: Quality of work life has an effect to satisfaction work employee generation Y
H4: Satisfaction work mediate the effect of quality of work life on employee engagement generation Y

3.2.   Research Approaches

design study this use approach method study quantitative. For analysis in study this using PLS-SEM. According to Hair, et al. (2016) SEM is multivariate analysis involving statistical methods that analyze several variables simultaneously. Variable usually represent related measurements with individuals, companies, events, activities, situations, and so on. PLS-SEM is used especially for develop theory in study exploration. This conducted with method focus on explanation variance in the dependent variable moment check models. Population in study this is employee from PT.C in the CLU project which includes in Generation Y that is in range birth Among 1981-2000, which is population is 77 people. Sample used in study this is a probability sampling with simple random sampling technique, where taking member sample from population conducted by random without pay attention to the strata inside population it. Source of data used in research this are primary data and secondary data. Primary data collected through deployment questionnaire. Validity test and reliability test done in order to obtain valid and reliable data. Questionnaire results, the data that has been given the assessment is input into the excel program and analyzed using the PLS program.

4.   Results and Discussion

4.1.   Description of Respondents Characteristics

Respondents in this study were dominated by the range 26-30 years old. Based on the length of work, respondents in study this many dominated by 1-5 years of service with percentage by 58 %, then in the working period of 6-10 years percentage by 36%, and the remaining 5% of respondents have a working period longer, i.e., 11-20 years. Based on position, respondent in study this is dominated by position staff position with percentage by 70%, then respondent with position section head position 6%, and respondents with position department head positions by 3%. Average expenditure per month, in the study this respondent dominant answer 3-4 million / month with percentage by 56%, then respondents who answered >6 million / month have percentage by 16%, and respondents who answered 1-2 million / month is 14% amount percentage same with those who answer 5-6 million / month i.e. 14%.

4.2. Validity Test and Reliability Test

4.2.1. Validity Test

Table 4. 1 *Test the Validity of Iteration Loading Factor Value First*

Variable	Indicator	Indicator Value
Quality of Work Life	Health and safety (x1)	0.705
	Needs economy and family (x2)	0.836
	Social needs (x3)	**0.550**
	Needs price self (x4)	0.848
	Needs update (x5)	0.817
	Needs knowledge (x6)	0.704
	Needs creativity (x7)	0.811
Employee Engagement	Vigor (y1)	0.903
	Dedication (y2)	0.870
	Absorption (y3)	0.730
Satisfaction Work	Wages (z1)	0.804
	Promotion (z2)	0.714
	Supervision (z3)	0.802
	Allowance (z4)	0.790
	Award to results work (z5)	0.839
	Procedure operation (z6)	0.700
	Colleague work (z7)	0.778
	Nature of work (z8)	0.787
	Communication (z9)	0.839

Source: **Processed data (2021)**

After done deletion indicator needs social (x3) in the variable quality of work life can be seen in table 5.6 still there is one indicator again in variable quality of work life whose value is under loading factor requirements, namely indicator health and safety work (x1). So that indicator the need deleted too.

Table 4. 2 *Validity Test of Iteration Loading Factor Value Second*

Variable	Indicator	Indicator Value
Quality of Work Life	Health and safety (x1)	**0.687**
	Needs economy and family (x2)	0.851
	Needs price self (x4)	0.853
	Needs update (x5)	0.831
	Needs knowledge (x6)	0.715
	Needs creativity (x7)	0.815
Employee Engagement	Vigor (y1)	0.902
	Dedication (y2)	0.873
	Absorption (y3)	0.728
Satisfaction Work	Wages (z1)	0.806
	Promotion (z2)	0.717
	Supervision (z3)	0.801
	Allowance (z4)	0.789
	Award to results work (z5)	0.840
	Procedure operation (z6)	0.700
	Colleague work (z7)	0.776
	Nature of work (z8)	0.787
	Communication (z9)	0.837

Source: **Processed data (2021)**

Result after deletion indicator health and safety work (x1) shows that whole indicator have loading factor value that meets requirements that is above 0.7.
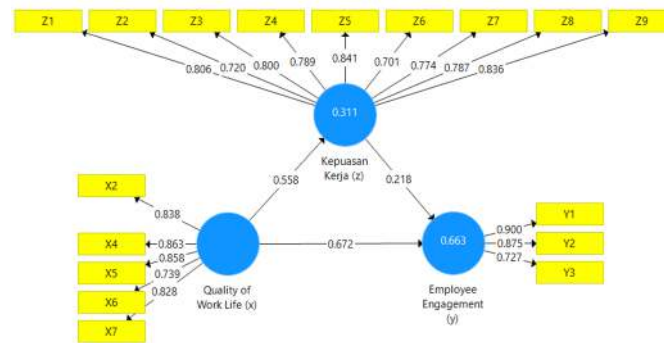

Figure 4.1. The result of loading factor after deletion x1 and x3. indicators

Second Convergent Validity Test with perform the Average Variance Extracted (AVE) test with the recommended value is 0.5. In table 4.2 shows validity test results Average Variance Extracted (AVE) value of each variable where the value is more of 0.5. That thing show that each variable is declared valid and can be accepted.

Table 4. 3 *Validity Test of Average Variance Extracted (AVE)*

Variable	*Average Variance Extracted* (AVE)
Employee Engagement	0.702
Satisfaction Work	0.616
Quality of Work Life	0.683

Source: **Processed data (2021)**

Table 4. 4 *Cross Loading*

Indicator	Satisfaction Work (Z)	*Quality of Work Life* (x)	*Employee Engagement* (y)
Needs economy and family (x2)	0.738	0.482	0.838
Needs price self (x4)	0.694	0.598	0.863
Needs update (x5)	0.669	0.441	0.858
Needs knowledge (x6)	0.533	0.343	0.739
Needs creativity (x7)	0.618	0.399	0.828
Vigor (y1)	0.900	0.527	0.679
Dedication (y2)	0.875	0.572	0.768
Absorption (y3)	0.727	0.361	0.514
Wages (z1)	0.517	0.806	0.472
Promotion (z2)	0.367	0.720	0.459
Supervision (z3)	0.456	0.800	0.374
Allowance (z4)	0.326	0.789	0.334
Award to results work (z5)	0.441	0.841	0.411
Procedure operation (z6)	0.295	0.701	0.283
Colleague work (z7)	0.463	0.774	0.419
Nature of work (z8)	0.565	0.787	0.525
Communication (z9)	0.602	0.836	0.544

Source: **Processed data (2021)**

Next, the Discriminant Validity test is carried out. In the first Discriminant Validity test need see recommended cross loading value that is have values above 0.7. Table 4.1 shows results of cross loading in research this. Cross loading value of each variable more of 0.7. That thing signify that each variable declared valid. Besides see from cross loading value, Discriminant Validity can also be from Root AVE square and correlation between latent construct. Where is the result root square of AVE must be more big from score correlation latent variable.

Table 4.5 *AVE value and AVE root*

Variable	*Average Variance Extracted* (AVE)	Root square of AVE

Employee Engagement (y)	0.702	0.838
Satisfaction Work (z)	0.616	0.785
Quality of Work Life (x)	0.683	0.826

Source: **Processed data (2021)**

Table 4.6 *Correlation Latent Variable*

Variable	Satisfaction Work (z)	Quality of Work Life (x)	Employee Engagement (y)
Employee Engagement (y)	1,000	0.593	0.794
Satisfaction Work (z)	0.593	1,000	0.558
Quality of Work Life (x)	0.794	0.558	1,000

Source: **Processed data (2021)**

Table 4.7 *Yield Root AVE & gt ; correlation latent variable*

	Correlation latent variable	**AVE. root**
Quality work of life (X) -> Employee engagement (Y)	0.794	0.838
Quality work of life (X) -> satisfaction work (Z)	0.558	0.785
Satisfaction work (Z) -> Employee engagement (Y)	0.593	0.826

Source: **Processed data (2021)**

On research this results AVE root value more big from score correlation latent variable. So that Thing the signify that each variable declared valid.

4. 3. Reliability Test

Table 4. 8 *Cronbach alpha and composite reliability*

Variable	*Cronbach's Alpha*	*Composite Realibility*
Satisfaction Work (z)	0.787	0.875
Quality of Work Life (x)	0.922	0.935
Employee Engagement (y)	0.884	0.915

Source: **Processed data (2021)**

Cronbach's Alpha value of each variable is at above 0.7. That thing signify that each variable could said reliable. Whereas composite reliability value of each variable is at above 0.7. It also signifies that each variable could said reliable.

4. 4. Inner Model Evaluation

The first structural model evaluation conducted with see R value [2]. R value [2] show that the structural model made give moderate prediction.

Table 4. 9 *R-Square. Value*

Variable	R-Square	R-Square Adjusted
Employee Engagement (y)	0.663	0.654
Satisfaction Work (z)	0.311	0.302

Source: **Processed data (2021)**

Like seen in table 4.9 the value of R [2] from employee engagement of 0.663 or by 66.3%. R value [2] from satisfaction work by 0.311 or 31.1%. That thing show that connection variable employee engagement and satisfaction work considered moderate. Evaluation of the second structural model conducted with see Effect size f. value [2]. The value of this effect size f^2 could interpreted that the predictor of the latent variable has influence small, medium, or large at the structural level.

Table 4. 10 *Effect size f^2*

Variable	Employee Engagement (y)	Satisfaction Work (z)	Quality of Work Life (x)
Employee Engagement (y)			
Satisfaction Work (z)	0.097		
Quality of Work Life (x)	0.924	0.451	

Source: **Processed data (2021)**

With see score from table 4.10 can concluded as following:
- f value ^{2} from quality of work life -> satisfaction work of 0.451 (big)
- f value ^{2} from quality of work life -> employee engagement 0.924 (large)
- f value ^{2} from satisfaction work -> employee engagement of 0.097 (small)

Evaluation of the third structural model conducted with see value of Q2 predictive relevance.

Q^2 = 1 - (1 - R^2 employee engagement) x (1 - R^2 satisfaction work)

Q^2 = 1 - (1 - 0.663) x (1 – 0.311) = 0.76781

The value of Q Square is 0.76781 (Q Square > 0) –> the inner model study has strong predictive relevance.

Evaluation of the fourth structural model conducted with see Goodness of Fit (Gof) value.

GoF = average communality x mean R^2

= 0.667x 0.487 = 0.5699

GoF Nilai value of 0.5699 -> GoF large

4.4.1. Hypothesis Testing (Path Coefficient)

1. Path Coefficient Value

path coefficient score is indicated by the T-statistic value. Based on the value of T-statistics in table 5.14 can be concluded as following:

Table 4. 11 *T-statistics relationship variable*

Variable	T statistics (|O/STDEV|)	Information
Satisfaction Work (z) -> *Employee Engagement* (y)	2,619	Received
Quality of Work Life (x) -> *Employee Engagement* (y)	9,431	Received
Quality of Work Life (x) -> Satisfaction Work (z)	7,076	Received

Source: **Processed data (2021)**

Based on table 4.11 hypothesis test results could explained as following:
1. T statistic value of the path quality of work life coefficient on employee engagement above 1.96 (hypothesis could received or take effect positive and significant).
2. T statistic value of coefficient of path quality of work life against satisfaction work above 1.96 (hypothesis could received or take effect positive and significant)
3. T statistic value of satisfaction path coefficient work on employee engagement above 1.96 (hypothesis could received or take effect positive and significant).

2. Test Effect Mediation

Effect mediation in study this seen from the value of T statistic in table 5.15, shows that connection between quality of work life and employee engagement through satisfaction work value above 1.96 then could concluded that hypothesis this received or take effect positive and significant.

Table 4. 12 *T-statistic effect mediation*

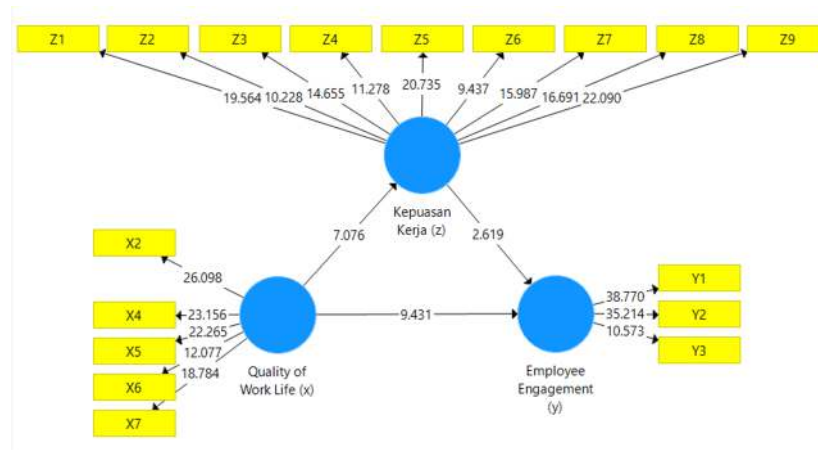| Variable	T statistics (|O/STDEV|)	Information
Quality of Work Life (x) -> Satisfaction Work (z) -> *Employee Engagement* (y)	2,320	Received

Source: **Processed data (2021)**

Figure 4. 2 *Measurement and structural model of PLS-SEM after bootstrapping*
Source: **Processed data (2021)**

5. Conclusions and Practical Implication

5.1. Conclusions

Based on results research that has been done, got existence a number of conclusion. There is influence positive and significant between quality of work life and employee engagement Generation Y at PT.C. T statistic value of the path quality of work life coefficient on employee engagement is 9.537, the value of the already on limit score significance ie 1.96. Connection between the quality of work life and employee engagement have the biggest influence between connection between variable other. There is influence positive and significant Among satisfaction work on employee engagement Generation Y at PT.C. T statistic value of satisfaction path coefficient work on employee engagement, namely 2,611, the value of the already on limit score significance i.e. 1.96. There is influence positive and significant between quality of work life and satisfaction work employee Generation Y at PT.C. There is influence positive and significant between quality of work life and satisfaction work employee Generation Y at PT.C. T statistic value of coefficient of path quality of work life against satisfaction work i.e. 6.922, the value of the already on limit score significance ie 1.96. There is influence no direct between Quality of Work Life and Employee engagement through satisfaction work by positive and significant. T statistic value between quality of work life and employee engagement through satisfaction work i.e. 2.304, value the already on limit score significance ie 1.96.

5.2. Practical Implication

Table 5.1 *Implication Study*

Variable	Before Study	After study
Quality of work life	Company not yet Fulfill needs employee in aspect needs economy and family.	Companies can more prioritize for Fulfill needs employee in aspect needs economy and family.
Employee engagement	Company not yet make employee have a sense of enthusiasm (vigor) towards her job	Companies can more prioritize for make employee have a sense of enthusiasm (vigor) towards her job
Satisfaction work	Company not yet Fulfill needs employee in aspect communication	Companies can more prioritize for Fulfill needs employee in aspect communication

Source: **Processed data (2021)**

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