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# THE INFLUENCE OF WORKPLACE WELL-BEING ON EMPLOYEE PERFORMANCE: THE MEDIATING ROLE OF JOB SATISFACTION

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Keywords	ABSTRACT
Welfare, Employee Performance, Job	This study aims to analyze the influence of workplace
Satisfaction	welfare on the performance of PT Riyana Cipta Pangan
	employees, as well as the mediating role of job satisfaction
	in this relationship. The sample of this study amounted to
	135 employees of a company, which was determined using
	the simple random sampling method. The study reveals
	that workplace welfare positively impacts employee
	performance at PT. Job satisfaction mediates the
	relationship between workplace well-being and employee
	performance. This suggests that companies should focus
	on improving aspects of workplace wellbeing to enhance
	overall employee performances.

## **INTRODUCTION**

Human resources are considered a very valuable asset in an organization, therefore, it is important for organizations to involve employees in the decision-making and problem-solving processes. In fact, employees can be given responsibility for achieving organizational goals. Organizational goals can be achieved effectively when all employees are actively involved and contribute their expertise in completing tasks, so that optimal performance and achievement can be achieved (Wahdiniwaty et al., 2022). To achieve these goals, organizations need to improve the performance of their employees. Employee performance refers to the abilities, skills and work achievements demonstrated by an individual in carrying out their duties and responsibilities in the work environment. Evaluation of employee performance can be done by looking at the extent to which the individual achieves the targets that have been set, their productivity, the quality of their work, and their contribution to team work (Basyit et al., 2020).

Employee performance is influenced by various factors, one of which is employee welfare in the workplace. According to Hasibuan, employee welfare is defined as additional service rewards (both material and non-material) provided based on discretion, with the aim of maintaining and improving the physical and mental condition of employees so that their work productivity can increase (Waruwu & Arisanti, 2024). Employees who prosper at work tend to be more motivated, engaged and perform better.



Employee welfare programs are a form of corporate social responsibility (CSR) which aims to increase worker participation in an effort to increase protection for workers. Apart from that, this step is also taken to maintain employee retention so they remain in the company and to increase their motivation. Currently, employee welfare programs have developed into various types, ranging from basic ones such as health insurance, life insurance, and work accident insurance, to broader programs such as child care facilities, long paid leave, and fitness facilities (Saputra et al., 2020).

Well-being in the work environment can be described in two dimensions, namely intrinsic and extrinsic dimensions. The intrinsic dimension relates to employees' feelings about the tasks they perform at work. There are five main aspects in this dimension, including a sense of responsibility for work, the meaning of the work itself, the level of independence in carrying out work, the use of abilities and knowledge in work, and feelings of accomplishment or achievement in work. Meanwhile, the extrinsic dimension of well-being at work focuses on employees' feelings related to their work environment. There are eight aspects in this dimension, including effective time management, working conditions, level of supervision provided, promotion opportunities, recognition for good performance, respect as an individual in the workplace, wage levels, and a sense of job security (Akhbar et al., 2020).

The aspect that is considered to strengthen the influence of workplace well-being on employee performance is job satisfaction. Job satisfaction can be defined as the general evaluation that a person makes of their work, which reflects the difference between the amount of reward received by workers and the amount they think they should receive (Soanata et al., 2020). Job satisfaction can be a driving force for employees to increase their productivity and work quality. When employees feel satisfied with their work, they tend to be more motivated, enthusiastic, and committed to giving their best in their tasks. Job satisfaction can also increase employee loyalty to the company, reduce turnover rates, and strengthen relationships between employees and management. Additionally, employees who are satisfied with their jobs tend to have lower stress levels, which in turn can improve their overall well-being.

Previous research by Pratiwi et al. (2020) shows that motivation is in the high category, employee welfare is in the very high category, employee morale is in the high category and employee performance is in the high category. Overall, it can be concluded that there is an influence of motivation on work morale, there is an influence of welfare on work morale, there is an influence of work spirit on performance, there is a simultaneous influence of motivation and welfare on work morale and its implications for performance.

Another study by Salsabila (2023) found that Employee Welfare had a significant positive effect on Employee Performance, Employee Creativity had a significant positive effect on Employee Performance, and Job Satisfaction had no significant effect on Employee Performance. Similar research by Basmar et al. (2021) shows that welfare has a significant effect on job satisfaction, the work environment has no significant effect on job satisfaction, and providing incentives has a significant effect on job satisfaction. Meanwhile, simultaneously welfare, work environment and the provision of incentives together have a significant and positive effect.

This research aims to analyze the influence of workplace welfare on the performance of PT Riyana Cipta Pangan employees, as well as the mediating role of job satisfaction in this relationship. The novelty of this research is the mediating variable job satisfaction which has never been studied before as a mediator variable in research examining the influence of workplace well-being on the performance of PT. Riyana Cipta Pangan employees. The research can be a basis for further research in exploring other factors that influence the relationship between workplace well-being, job satisfaction, and employee performance.

The hypotheses used were:

- 1) H1: workplace welfare has a positive influence on the performance of PT Riyana Cipta Pangan employees
- 2) H2: job satisfaction mediates the relationship between workplace well-being and employee performance at PT Riyana Cipta Pangan

#### **METHODS**

This research uses quantitative research methods. Data was collected through surveys using questionnaires and literature studies. The survey was carried out by distributing questionnaires to employees at PT. Riyana Cipta Pangan. The questionnaire was designed to collect data on employees' perceptions regarding their workplace well-being, job satisfaction and performance. A literature study was conducted to collect relevant information about the relationship between workplace well-being, job satisfaction, and employee performance from previously published sources. Data from literature studies are used to support the analysis and interpretation of survey results, as well as to strengthen the arguments in the research.

The object of this research is PT Riyana Cipta Pangan. The population of this study were employees of PT Riyana Cipta Pangan. The sample of this study amounted to 135 employees of PT Riyana Cipta Pangan who were determined using the simple random sampling method. The data that has been obtained after that is analyzed using the regression test using the help of the SPSS application. Based on this description, the hypothesis below is obtained:

# RESULTS Validity Test

**Table 1.** Validity Test

Correlations						
		X	Y	M		
X	Pearson Correlation	1	.527**	.421**		
	Sig. (2-tailed)		<.001	<.001		
	N	135	135	135		
Y	Pearson Correlation	.532**	1	.532**		
	Sig. (2-tailed)	<.001		<.001		
	N	135	135	135		
M	Pearson Correlation	.421**	.532**	1		
	Sig. (2-tailed)	<.001	<.001			
	N	135	135	135		
**. Correlation is significant at the 0.01 level (2-tailed).						

The results from Table 1 show that the significance result for each measurement item is 0.000, so it is lower than 0.05. These findings indicate that all instruments have high validity. Therefore, the questionnaire as a whole is considered valid and can be used in the study.

## **Reliability Test**

**Table 2.** Reliability Test

Reliability Statistics			
Cronbach's Alpha	N of Items		
.729	3		

The reliability test obtained a Cronbach Alpha score of 0.729, which exceeded the minimum limit of 0.600. This indicates that the questionnaire has high consistency and reliability in follow-up studies.

## **Hypotesis Test**

Table 3. H1 Test

	Coefficients <sup>a</sup>					
Model	<b>Unstandardized Coefficients</b>		Standardized Coefficients	+	Cia	
	В	Std. Error	Beta	ι	Sig.	
1	(Constant)	3.038	4.258		.714	.479
1 -	X	.769	.131	.681	5.621	<.001

a. Dependent Variable: Y

The results of the study obtained significant results of 0.000 < 0.05, so that it can be interpreted that the significance between workplace welfare and employee performance.

Table 4. H2 Test

Model Summary					
Model	Coeff	se	t	p	
constant	3.9493	2.2757	1.7354	.0881	
X	.1979	.0952	1.9612	.0221	
Z	.3020	.0458	3.9552	.0002	

Based on the data listed in Table 4, a mediation test score with a p < 0.05 was obtained, which implies that job satisfaction has a role as a mediator in the relationship between workplace welfare and employee performance.

## **Regression Test**

Table 5. Regression Test

	2							
	Coefficientsa							
Model		Unstandardized Coefficients Standardized Coefficients			Cia			
		В	Std. Error	Beta		Sig.		
	(Constant)	1.292	3.448		.375	.710		
1	X	.176	.157	.171	1.126	.035		
_	Y	.421	.676	.424	3.587	<.001		

a. Dependent Variable: Z

According to table 5, so the regression equation can be depicted below:

 $Y = \alpha + \beta X + \beta Z + e$ 

Y = (3.9493) + 0.1878X + 0.3120Z + e

Based on the linear regression equation above, it can be explained below:

1) The value of the constant (a) in this study was recorded at 3.9493 which is a positive number. The existence of this positive value proves that there is a correlation that is in line between the independent variable (X) and the dependent variable. So, if there is no change at all in

- the independent variables, namely workplace welfare (X) and the job satisfaction mediation variable (Z), which means that the value is 0 percent.
- 2) The regression coefficient for the workplace welfare variable (X) is 0.186. This figure proves that there is a positive correlation between workplace welfare and employee performance. This means that there is a 1% increase in the workplace welfare variable so that there will be an increase of 0.186 to employee performance, through the assumption that other variables are fixed.
- 3) The regression coefficient for the work motivation variable (Z) is 0.411. This figure proves that there is a positive correlation between job satisfaction, workplace welfare and employee performance. This means that if there is a 1% increase in the job satisfaction variable, there will be an increase of 0.411 in the mediation effect of work welfare on employee performance, assuming other variables are fixed.

#### **Discussion**

## Workplace Welfare Has a Positive Influence on PT Riyana Cipta Pangan Employee Performance

Based on research findings, it was found that workplace well-being has a positive impact on employee performance at PT Riyana Cipta Pangan. This study is in line with a study conducted by Agustina (2018) which found a correlation between workplace well-being and employee performance at the Lusy Hotel in Bandar Lampung. Therefore, in efforts to develop and develop human resources, it is important to pay serious attention to the welfare aspect in the workplace, because this has a significant role in encouraging employee motivation. By increasing employee performance, it can contribute to increased well-being in the workplace, whether directly or indirectly.

Organizations or companies have various aspects that are related and influence each other to jointly achieve predetermined goals. One of the many crucial aspects in helping the process from other aspects is HR or also called employees. So companies need to be more effective in managing and utilizing these employees. Employee management is crucial in company operations, in line with other factors such as capital. This is because the process of managing employees aims to have competent and responsible human resources, who are able to increase the effectiveness of the company towards achieving its goals. There is an increase in the quality of employees, we hope that employees can do their work productively and professionally, so that they will comply with the work standards expected by the company. Well-being factors in performance settings are one of the important elements in creating a productive work environment for employees (Zogoto, 2018).

Companies and employees are basically 2 equally dependent entities, where employees are considered valuable assets for the company who contribute to carrying out its operations and activities. Human resources have a crucial role in the company context, because they have a very significant influence. Without the presence of employees, the company cannot operate optimally. So it is important for companies to pay serious attention to employees as part of human resources (Hidayat & Sungkono, 2023). Employees are valuable for a company who play a role in planning and helping resolve various problems and are responsible for achieving company goals. If employees are not active or do not play their role optimally, then the existence of sophisticated tools in the company will become ineffective (Hudin & Budiani, 2021).

Performance is the product of a process over a certain period which is assessed based on agreements or things that have been previously determined. Thus, employee performance is the fruit of the work carried out by an employee, which is assessed on the quantity and quality aspects of the work process related to the tasks that have been given within a certain time period (Suari et al., 2023). Good

performance from employees will lead to increased company performance, while the opposite is also true. Therefore, companies must ensure that employee achievements are related to previously established goals.

Workplace welfare for employees in a company or organization is a crucial matter that requires greater attention by the company. Providing meaningful workplace welfare helps in meeting the physical and psychological needs of employees and their families (Sabil, 2021). The effect of implementing more attention to workplace welfare will have an impact on job satisfaction, but is also expected to significantly help the development of employee performance. This development is because employees need more attention from the company with various workplace welfare programs implemented, which can help provide for employees' various daily needs, both inside and outside the organizational environment (Kusumawardani & Kurniawan, 2022).

Employees workplace welfare is additional rewards (both in material and non-material form) that employees receive in accordance with policy, with the aim of maintaining and improving the physical and mental condition of employees so that their work productivity increases (Dananjaya, 2018). Wellbeing is not just something that is limited to individual perception, but is a combination of positive feelings towards oneself, having meaningful life goals, and good relationships with other people. A high level of well-being, which is referred to as flourishing, includes a combination of positive feelings (good feeling) and good functioning socially and psychologically (well-functioning) (Wangi et al., 2022).

The benefits of providing welfare programs to employees include (Pratiwi et al., 2020):

- 1) Increased employee loyalty and desire to work towards the company
- 2) Provide a sense of calm and fulfill the needs of employees and their families
- 3) Providing motivation for employee morale, discipline and work effectiveness
- 4) Reducing employee laziness
- 5) Helps in creating a good and comfortable work environment
- 6) Provides smooth running of the work assigned
- 7) Maintain health and help improve the quality of employees at work
- 8) Reduces the risk of accidents and damaged goods

Thus, the performance of PT Riyana Cipta Pangan employees is influenced by workplace welfare. Workplace well-being has a significant positive influence on employee performance. When employees feel comfortable, safe, and valued in their work environment, they tend to be more motivated, productive, and perform better overall. Factors such as adequate facilities, social support, fair policies, and opportunities for professional development can increase employee job satisfaction and commitment to their organizations. In addition, employee mental and physical well-being can also increase concentration, creativity and team collaboration, which in turn strengthens individual and group performance in achieving organizational goals.

## Job Satisfaction Mediates the Relationship between Workplace Well-Being and PT Riyana Cipta Pangan Employee Performance

The research results show that job satisfaction acts as a mediator in the relationship between workplace well-being and employee performance at PT Riyana Cipta Pangan. Achieving job satisfaction is considered crucial for employees or companies. From an employee perspective, job satisfaction is not only related to aspects of the work process, but also has an impact on the level of happiness and overall well-being. Based on the company's perspective, employee job satisfaction is closely related to productivity, positive work behavior, controlling employee turnover rates, and overall company performance (Sunarta, 2019).

Employee job satisfaction has high significance for the company because it is hoped that performance will increase and ultimately have an impact on increasing the company's overall work efficiency. This concept is often referred to as "happy employee, happy customer" in service management, which emphasizes the need to ensure employee satisfaction first before prioritizing customer satisfaction. By ensuring employee satisfaction, it is hoped that they will provide optimal service with pleasure and dedication to their customers (Muayyad & Gawi, 2017).

Factors that influence job satisfaction according to Andora & Ermita (2019) are: 1) Job, the job itself requires special skills that are appropriate to the field. 2) A person's level of difficulty and confidence in their skills will influence job satisfaction in the company, either increasing or decreasing it. 3) A good boss is one who respects each other's employee performance. For employees, a boss is someone who acts as a father, mother, friend or co-worker, as well as a leader. 4) Relationships with co-workers greatly influence job satisfaction, both with superiors and fellow co-workers who have different tasks. 5) Promotion opportunities are factors related to the possibility of improving your career within the company. 6) Salary payments determine the extent to which employees' daily living needs are met. 7) Position at work gives its own satisfaction, where usually those in higher positions feel more satisfied. 8) Rank in a job often changes a person's behavior and feelings, especially if there is an increase in wages which is considered a promotion. 9) Age also influences job satisfaction. The age ranges of 25-34 years and 40-45 years are often times when someone feels less satisfied with their job.

Job satisfaction is so important that it can mediate the relationship between workplace well-being and employee performance. When employees feel satisfied with what they are doing, this can strengthen the positive influence of workplace well-being on their performance. Employees who feel satisfied tend to be more motivated, committed, and perform better because they have a high intrinsic drive to do a good job. In addition, job satisfaction can also increase employee retention rates and reduce absenteeism, thereby having a long-term positive impact on the productivity and success of the organization as a whole.

The success of a business really depends on the contribution of all employees in the company. So companies have a responsibility to monitor employee performance as a whole to ensure whether they have done their work according to expectations. Employee performance includes work results that can be measured quantitatively or qualitatively obtained by an employee related to their authority and responsibility to achieve company goals, both as an individual and as part of a team (Irawati & Novianti, 2022). Thus, it can be concluded that job satisfaction mediates the relationship between workplace well-being and employee performance at PT. Riyana Cipta Pangan.

#### CONCLUSION

The study reveals that workplace welfare positively impacts employee performance at PT. Riyana Cipta Pangan, with job satisfaction mediating the relationship between well-being and performance. Increasing workplace welfare leads to increased job satisfaction, which in turn improves performance. This suggests that companies should focus on improving aspects of workplace well-being to enhance overall employee performance. Investing in workplace welfare can help achieve business goals and create a more productive work environment. Future research should explore specific components of workplace welfare, cultural and regional differences, remote work impact, management practices, gender and diversity considerations, and cost-benefit analysis of welfare programs to develop effective strategies for enhancing employee well-being and productivity.

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