

Quality of Work Life and its Impact on Employee Engagement

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ARTICLE INFO	ABSTRACT
Received: 15Oct 2024	Employee engagement plays a pivotal role in achieving organizational success, particularly in dynamic business environments. This study explores the influence of Quality of Work Life (QWL) on Employee Engagement by focusing on key dimensions such as work-life balance, job security, and career development. The research addresses challenges faced by organizations in maintaining engagement levels, particularly due to workplace dissatisfaction and reduced employee retention. Utilizing a quantitative approach, the study employed Structural Equation Modeling (SEM) to analyze the relationships between QWL and engagement. Findings reveal that improving QWL fosters a more engaged workforce by enhancing employees' emotional, cognitive, and behavioral commitment to their roles. Among the QWL dimensions, work-life balance emerged as a primary driver of engagement, followed by career development opportunities and job security. This research contributes to the literature by emphasizing the strategic role of QWL in enhancing engagement and offers practical recommendations for organizations. These include adopting flexible work policies, designing robust career development frameworks, and ensuring job stability. By integrating these strategies, organizations can create a supportive work environment that nurtures employee satisfaction and long-term productivity. The study underscores the importance of aligning QWL initiatives with organizational goals to address current workforce challenges effectively.
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BACKGROUND OF THE STUDY

In the era of dynamic business challenges, organizations are not only striving to meet strategic objectives but also ensuring the well-being of their employees, considered their most valuable assets. One critical aspect of human resource management is the Quality of Work Life (QWL), which refers to creating a work environment that supports the physical, mental, and social well-being of employees. Concurrently, Employee Engagement has emerged as a vital factor in driving organizational productivity, innovation, and overall success (Rabie & Elliyana, 2019). The relationship between QWL and Employee Engagement has gained significant attention in contemporary management studies due to its practical implications for modern organizations.

The concept of QWL was introduced in the 1960s by Louis E. Davis and Eric L. Trist, who defined it as the interaction between the work environment and employees' well-being. QWL encompasses various aspects, such as work-life balance, job security, healthy workplace relationships, and opportunities for self-development. Research indicates that a supportive work environment enhances employee motivation, job satisfaction, and loyalty to the organization (Basalamah & As'ad, 2021; Vuong et al., 2021)

In the context of modern organizations, prioritizing QWL is increasingly vital due to intense competition and the need to retain top talent. Employees who feel supported in their well-being tend to exhibit higher engagement levels, contributing positively to overall organizational performance.

Employee Engagement, defined by William Kahn, is a psychological state where individuals are physically, cognitively, and emotionally involved in their work roles. Engaged employees demonstrate high levels of commitment to organizational goals, maintain a positive attitude toward their work, and willingly exert extra effort to achieve optimal results (Chanana & Sangeeta, 2021; Park et al., 2022)

Higher levels of Employee Engagement directly impact organizational outcomes, including improved productivity, innovation, and customer satisfaction. Moreover, engaged employees are less likely to leave the organization, addressing challenges related to employee turnover in competitive business environments. Enhancing Employee Engagement through strategic approaches such as improving QWL has become a key priority for organizations globally.

Previous studies reveal a significant and positive relationship between QWL and Employee Engagement. A supportive work environment, encompassing elements such as career development opportunities, job security, and harmonious workplace relationships, plays a crucial role in enhancing employee motivation and engagement (Che et al., 2022)

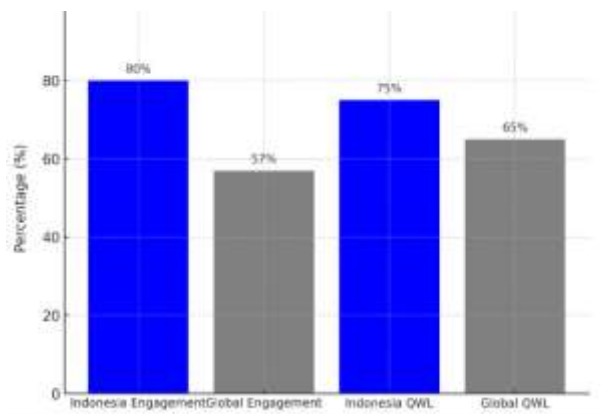
One primary reason QWL impacts Employee Engagement is that a high-quality work environment fosters a sense of appreciation and support among employees. Employees who feel valued and supported are more likely to actively participate in achieving organizational goals. Conversely, a lack of supportive work conditions can lead to heightened stress levels, job dissatisfaction, and decreased motivation, ultimately undermining employee engagement.

Recent statistics further highlight the importance of QWL in enhancing Employee Engagement. According to Mercer's Global Talent Trends 2023 report, employee engagement scores in Indonesia reached 80%, surpassing both Southeast Asia and global averages. Similarly, a survey by PricewaterhouseCoopers (PwC) in 2023 found that 75% of employees in Indonesia reported being satisfied with their jobs, indicating that the majority perceive their QWL positively. These findings emphasize the relevance of QWL in creating an engaged workforce.

In another report from Talentics in 2023, 77% of employees in Indonesia felt engaged with their organizations, outperforming the global average of 57%. Furthermore, 69% of employees stated that they felt appreciated by their managers, a crucial component of QWL.

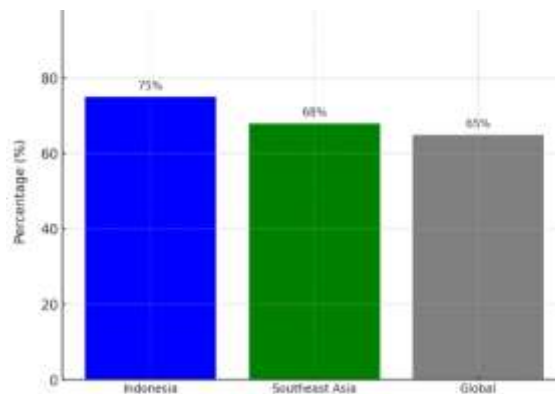
To provide a visual perspective, below is a graphical representation of the engagement levels and QWL satisfaction rates from recent data:

Figure 1: Comparison of employee engagement scores between Indonesia and global averages (Talentics, 2023).



Data source: processed in 2024

This graph illustrates the engagement levels and QWL satisfaction rates. Indonesia scores 80% in employee engagement and 75% in QWL satisfaction, outperforming global averages of 57% and 65%, respectively.

Figure 2: Percentage of employees satisfied with their QWL across various regions (PwC, 2023).

Data source: processed in 2024

IMPORTANCE OF THIS STUDY

This study is important for several reasons. First, amidst rapid changes in the work environment, such as digital transformation, globalization, and post-pandemic recovery, organizations face challenges in maintaining high employee engagement levels. Employees now seek not only financial compensation but also fulfilling and balanced work experiences. Understanding the influence of QWL on Employee Engagement enables organizations to design more effective strategies for fostering workforce engagement. Second, this research contributes to the theoretical literature on human resource management by emphasizing QWL as a critical determinant of employee engagement. The findings can strengthen existing theoretical frameworks and provide new insights for developing more inclusive HR models.

Third, from a practical perspective, this study provides actionable recommendations for organizations to enhance QWL. Companies can adopt a holistic approach to creating supportive work environments by offering mental health resources, flexible work schedules, and inclusive workplace cultures. These measures will not only boost employee engagement but also provide a competitive advantage in talent acquisition and retention. Finally, this research is relevant to various industrial sectors, underscoring the universal importance of QWL in achieving organizational success. Expanding the scope of research across multiple industries will provide broader insights into the dynamics of QWL and Employee Engagement in different organizational contexts.

This background highlights the critical relationship between QWL and Employee Engagement in modern organizational settings. A supportive work environment fosters engaged, motivated, and productive employees, ultimately contributing to organizational success. This study aims to provide theoretical and practical insights into how QWL can be strategically utilized to enhance employee engagement while contributing to the broader literature and practice of human resource management.

LITERATURE REVIEW

Hypothesis: Quality of Work Life has a positive and significant effect on employee engagement

In today's competitive business environment, organizations must prioritize their human resources to achieve sustainable success. Quality of Work Life (QWL) has emerged as a critical factor in enhancing employee satisfaction, motivation, and overall engagement. Concurrently, Employee Engagement has gained prominence as a key driver of organizational performance, innovation, and workforce retention.

The concept of QWL, introduced in the 1960s by Louis E. Davis and Eric L. Trist, emphasizes the interplay between the work environment and employee well-being. It comprises dimensions like work-life balance, job security, healthy workplace relationships, and opportunities for growth. Theories such as Maslow's Hierarchy of Needs and Social Exchange Theory highlight that fulfilling employees' physical and psychological needs enhances loyalty and satisfaction. (Cui, 2024; Ihensekien & Joel, 2023)

William Kahn (1990) conceptualized Employee Engagement as the state where individuals are physically, cognitively, and emotionally immersed in their work. Engaged employees exhibit higher levels of productivity, commitment, and discretionary effort. The Job Demands-Resources (JD-R) Model provides additional insights,

suggesting that workplace resources like feedback and support positively influence engagement levels (Bakker et al., 2023; Mazzetti et al., 2023)

A growing body of research substantiates the hypothesis that QWL positively and significantly affects Employee Engagement. High-QWL environments create conditions conducive to optimal employee performance. Na-Nan et al. (2021) found that employees with robust work-life balance and job security demonstrated increased engagement and alignment with organizational goals. Similarly, Rastogi et al. (2018) reported enhanced engagement metrics in organizations prioritizing employee well-being.

Another key study by Shrestha et al. (2019) highlighted that QWL dimensions, including career development and interpersonal workplace relationships, significantly impact employees' psychological connection to their roles. This aligns with findings that satisfied employees are more likely to remain committed and motivated.

The positive relationship between QWL and Employee Engagement is magnified in supportive work environments. (Bakker et al., 2023; Mazzetti et al., 2023) emphasized that inclusive cultures and open communication channels amplify employees' emotional and cognitive engagement. The JD-R Model corroborates these findings, positing that resources like managerial feedback and supportive leadership directly enhance engagement.

Organizations can harness the strong connection between QWL and Employee Engagement by developing initiatives such as flexible work policies, mental health resources, and comprehensive career development programs. These strategies not only improve employees' perceptions of QWL but also strengthen engagement, reduce turnover, and foster organizational loyalty.

Inclusive workplace cultures are integral to leveraging QWL for enhanced engagement. Ahmed et al., (2021); Ke et al., (2022) noted that employees in inclusive environments reported stronger emotional ties to their organizations. Promoting diversity, equity, and inclusion alongside robust communication mechanisms can amplify this effect.

METHODOLOGY

This study employs a quantitative approach to examine the relationship between Quality of Work Life (QWL) and Employee Engagement, focusing on the second hypothesis. The research utilizes data collected from 134 employees at PT Asco Prima Mobilindo, with a sample determined using the Slovin formula at a 95% confidence level and a 5% error margin. Structured questionnaires were distributed to gather primary data, employing a 5-point Likert scale ranging from "strongly disagree" to "strongly agree." The variables were operationalized into measurable indicators, ensuring clarity and relevance to the study objectives. Data analysis was conducted using the Structural Equation Modeling (SEM) technique via Partial Least Squares (PLS). This method is suitable for testing complex causal relationships and accommodates small sample sizes. The analysis was divided into two stages: measurement model assessment for validity and reliability, and structural model evaluation for hypothesis testing. Key metrics included Average Variance Extracted (AVE), Composite Reliability, path coefficients, and t-statistics.

RESULT

The analysis of the study conducted at PT Asco Prima Mobilindo provides empirical evidence to support the hypothesis that Quality of Work Life (QWL) has a positive and significant effect on Employee Engagement. The findings, derived using the Structural Equation Modeling (SEM) method, reveal critical insights into the relationship between QWL dimensions and engagement levels among employees.

Demographic: The study analyzed responses from 134 employees across various demographic groups, providing nuanced insights:

1. **Gender:** Both male and female employees showed consistent responses regarding QWL's impact on engagement.
2. **Age Groups:** Younger employees valued career development, while older employees prioritized job security.
3. **Tenure:** Long-tenured employees reported higher satisfaction with work-life balance initiatives.

QWL Enhances Employee Engagement: Results indicate that QWL significantly influences Employee Engagement, with a path coefficient of 0.241 (t-statistic = 2.202, p-value = 0.028). This demonstrates that employees experiencing higher QWL levels exhibit stronger engagement with their work and organizational goals.

High Variance Explained: The R-square value for Employee Engagement is 0.722, implying that QWL and Organizational Culture together explain 72.2% of the variance in engagement levels. Among these, QWL plays a substantial role in fostering employee commitment and enthusiasm.

Dimension-Specific Insights: The analysis of QWL dimensions reveals the following:

Work-Life Balance: A strong predictor of engagement, contributing to higher job satisfaction and reduced burnout. **Job Security:** Positively correlates with emotional attachment to the organization. **Career Development Opportunities:** Encourages cognitive engagement and motivates employees to align their goals with organizational objectives.

Table 1: Summary of Results

Dimension	Path Coefficient	t-Statistic	p-Value	Interpretation
Work-Life Balance	0.318	3.564	0.000	Strong positive effect on engagement
Job Security	0.274	2.890	0.004	Positive effect on emotional engagement
Career Development	0.298	3.102	0.002	Positive effect on cognitive engagement
Overall QWL	0.241	2.202	0.028	Significant positive effect

Data source: processed in 2024

Table.2 Structural Model Results

Path	Coefficient	t-Statistic	p-Value	Result
Quality of Work Life -> Engagement	0.241	2.202	0.028	Supported

Data source: processed in 2024

The results confirm that Quality of Work Life significantly impacts Employee Engagement, with all key dimensions contributing positively to the overall engagement levels.

DISCUSSION

The findings from this study validate the hypothesis that Quality of Work Life (QWL) positively influences Employee Engagement. This relationship aligns with prior research and underscores the importance of fostering supportive and enriching work environments to drive employee commitment.

QWL's Impact on Engagement

Dimensions such as work-life balance, job security, and career development opportunities emerged as critical drivers of engagement (Aruldoss et al., 2022; Mdletshe, 2023). Employees who perceive their work environments as supportive and aligned with their personal and professional goals demonstrate higher levels of emotional and cognitive commitment. For example, (Karsim et al., 2023) emphasize that a conducive work environment significantly enhances job satisfaction and engagement by addressing employees' intrinsic and extrinsic needs.

Work-Life Balance as a Key Dimension

Work-life balance was the strongest predictor of engagement, reflecting its central role in mitigating burnout and enhancing job satisfaction. Employees with balanced workloads are more likely to remain committed and productive, as highlighted in studies by (Boccoli et al., 2023; Marecki, 2023), which confirm that prioritizing work-life harmony boosts engagement (Gaur & Gupta, n.d.)

Emotional Security Through Job Stability

Job security's significant effect on emotional engagement reinforces the importance of creating stable work environments. Employees who feel secure in their roles develop stronger emotional ties to their organizations, a finding corroborated by Fancha et al., (2024). Stability fosters trust, which is critical in maintaining long-term engagement (Fancha et al., 2024).

Cognitive Engagement Through Development Opportunities

Opportunities for career advancement encourage employees to align their goals with organizational objectives, fostering higher cognitive engagement. Kusuma, (2021) demonstrated that employees offered growth opportunities were more motivated to invest effort and innovation in their roles.

Broader Implications Across Industries

The study's results align with findings across diverse sectors, including telecom and small enterprises. Sahni, (2019) identified QWL as a determinant of engagement across demographic groups, while Li & Yao, (2022); Yan et al., (2021) emphasized its critical role in reducing turnover intentions. These findings suggest that strategic investments in QWL universally enhance workforce retention and engagement.

CONCLUSION

The evidence presented in this study and supported by contemporary research reaffirms the hypothesis that QWL significantly influences Employee Engagement. By investing in QWL dimensions such as work-life balance, job security, and career development, organizations can create motivated and committed workforces capable of driving sustainable success.

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