

The Role Of Organizational Commitment In Mediating The Effect Of Employee Well-Being And Workload On Employee Performance: A Case Study Of ABC Company In Medan, Indonesia

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Abstract.

Over the last 5 years, ABC company in Medan has been experiencing a financial issue that led to several other problems such as the absence of employee performance appraisal, salary and compensation cuts which also have an impact on employee well-being, as well as the implementation of an early retirement program which has caused a number of employees to take part in the program thus impacting on high workload and decreased employee organizational commitment. Therefore, the present study aims to investigate and elucidate the effect of employee well-being and workload on employee performance through organizational commitment as a mediating variable at ABC Company Medan. Descriptive Quantitative was employed as a research design with Causal Associative as the methodological approach. The present study used both primary and secondary data that were obtained through a list of questionnaire statements and interviews as well as documentation studies. 58 employees of ABC Company Medan were the sample in this study which was selected using the Total Sampling technique or a saturated sampling out of 58 populations. The data analysis techniques using descriptive statistical analysis and path analysis, using Smart PLS. Based on the results, it was figured out that, directly, employee well-being has a positive and significant effect on both organizational commitment and employee performance. Organizational commitment has a positive and significant effect on employee performance. However, workload has a negative and significant effect on both organizational commitment and employee performance. Based on the Sobel Test, indirectly, employee well-being has a positive and significant effect on employee performance and workload has a negative and significant effect through organizational commitment as a mediating variable on employee performance.

Keywords: Employee Well-being, Workload, Organizational Commitment and Employee Performance.

I. INTRODUCTION

High-quality Human Resources (henceforth HRs) are essentially required by each and every organization worldwide in order to support the achievement of the organization's goal since HRs are the driving force behind all activities in an organization (Matondang, 2023; Wilton, 2022). Fundamentally, HRs have a role in planning, implementing, and controlling in a company or any organization, therefore, the development of HRs is essential in order to have a beneficial influence on the development of the company's economy. One of the companies that always endeavors to improve its organizational performance is ABC Company in Medan. ABC Company is one of the companies engaged in an aviation industry in Indonesia. This company has been nationally well-known for decades because it has always strived to improve its organizational performance. However, over the last three years (2019-2021), ABC Company has been experiencing a significant financial (income) decrease which was caused by several external factors such as the market competition circumstances resulting in decreased ticket sales, the level of public income, and the state of the current national economy. A company's declining and growing income cannot be divorced from the performance of its employees. Employee performance can be defined as how much an employee can contribute to the organization, including the quality and quantity of results, work attendance, and cooperative attitude (Kawiana, 2020; Rivaldo, 2022). Employee performance is very important for the sustainability of a company so that it can move forward and accomplish its goals. Due to the fact that ABC Company Medan has experienced such income decrease, Employee Appraisal has no longer been implemented by the company.

The absence of Employee Appraisal in ABC Company Medan for the previous 5 years is deemed necessarily regrettable since Employee Appraisal is a determining factor in salary raises and promotions and it can be employed to accurately evaluate employee skills, strengths, and deficiencies (Kusumah, Indrayanto

& Setiawan, 2021). In regard of the above phenomenon, one of the factors that influences the employee performance is employee well-being. Well-being, as asserted by Meyer (2018), is a complementary remuneration (material and non-material) given to employees based on discretion. The purpose is to maintain and enhance the physical and mental condition of employees so that their work productivity and performance increase. However, due to the decrease of its income, ABC Company Medan has issued several policies that reduce the level of employees' well-being such as delaying the salary and other compensations, termination of employment, and cutting off various facilities such as official cars and so on for director positions. Not only employee well-being, workload is also another factor that influences the employee performance. Workload is commonly defined as the amount of work or task to be done by an employee (Silaban, Handaru & Saptono, 2021). More, Gawron (2019) defines workload as the apparent relationship between the amount of mental processing capacity or resources needed for the work task to be done in a certain period of time. An employee is deemed to be performing well if the allocated task is finished faster than the allotted time or if the performance results exceed the employer's expectations (Matondang, 2023; Silaban, Handaru & Saptono, 2021).

In the case of ABC Company Medan, based on the results of pre-surveys and interviews with several employees, it is known that the workload at ABC Company is very high, which is due to a lack of human resources, because since 2019, ABC Company has not recruited employees (due to the financial distress), so the employees currently working are forced to do double and even triple job tasks, so the workload they receive is so high and not in accordance with their fields that makes them feel depressed and stressful upon the job tasks. Moreover, organizational commitment is also a pivotal contributing factor to employee performance besides well-being and workload. Organizational commitment is an emotional bond formed between employees and the company as a result of trust, willingness to work toward a common objective, and want to stay a part of it (Van Rossenberg et. al., 2018; Wilton, 2022). Having highly committed employees will have a beneficial effect to a company, leading to excellent work results and productions (Chambel & Carvalho, 2022; Matondang, 2023). However, the financial distress has made ABC Company Medan to difficultly issue the early retirement policy. Based on the results of the interviews, a number of employees have taken the early retirement program due to the condition of the company that is not optimal or far from stable. Most of the employees are ready to go out of the company and they are not willing to give support to the company. It can be acknowledged that the employees no longer have high organizational commitment to the company they work.

Hence, based on the phenomena, empirical gap, and the results of pre-surveys, the present study addresses the following research questions:

- (1) Does employee well-being have a significant effect on both employee performance and organizational commitment?
- (2) Does workload have a significant effect on both employee performance and organizational commitment?
- (3) Does organizational commitment significantly mediate the relationship between both employee well-being and workload on employee performance?
- (4) Can the variables of employee well-being, workload, and organizational commitment elucidate the variable of employee performance?

II. METHODS

2.1 Design

The present study employed descriptive quantitative study as an approach. Quantitative descriptive is an approach used to analyze data by describing it as it is without attempting to make generalizations or conclusions which includes data collection, processing, and results that are dominated by numbers (Sugiyono, 2019). Furthermore, Causal-associative was employed as a methodological design because the present study sought to answer the research questions that inquire the relationship between two or more variables (independent and dependent variables) (Sugiyono, 2019; Umar, 2019). Associatively, this study sought to examine and figure out the effect of employee well-being and workload on employee performance

with organizational commitment as the mediating variable of ABC Company in Medan which were carried out from February 2023 until April 2023.

2.2 Population and Sample

Population is a collection of subjects, objects, concepts or phenomena that have certain qualities and characteristics determined by the researcher to be studied and then drawn conclusions (Dźwigoł, 2019; Sugiyono, 2019). Whereas sample is the portion of the amount and traits possessed by the population (Sugiyono, 2019). The population in this study was 58 employees of ABC Company Medan. Furthermore, the present study used Total Sampling in which all of the population members is used as the sample because the amount of the population is relatively small (Sugiyono, 2019). Therefore, all 58 employees of ABC Company Medan were used as the sample in this study.

2.3 Methods of Data Collection

The present study employed three methods in collecting the data as in the followings.

1. Questionnaire

Questionnaire is one of the methods of data collection that involve inquiring people (respondents) a sequence of questions either directly or indirectly (Sugiyono, 2019; Umar, 2019). In this study, a closed-ended questionnaire with interval scale was distributed through *google form* to the respondents. In order to make it easier to elucidate variables in the present study, certain interval scale criteria were utilized. Such interval criteria are shown in the following table (adapted from *Score Category Rating Scale* by Sugiyono, 2019).

Table 1. Interval Rating Scale

Statement	Score	Range	Criteria
Strongly Agree	1	1.00 – 1.79	Very Low
Agree	2	1.80 – 2.59	Low
Less Agree	3	2.60 – 3.39	Adequate
Disagree	4	3.40 – 4.19	High
Strongly Disagree	5	4.20 – 5.00	Very High

2. Documentation

Documentation is a technique of collecting data for gathering records of former occurrences. The record can be in the form of a person's writing, painting, or monumental works (Syafnidawaty, 2020; Sugiyono, 2019). In the present study, several records related to ABC Company Medan such as the company organizational structure, the brief history of the company, the number of employees, the company's income reports, the data of employee identity, the data of employee units & job descriptions, the recapitulation of employee performance appraisal, the data on delays in employee salary payments as well as the data on company policies in relation to the phenomena being examined are gathered for the analysis.

3. Interview

Interview is a method of data collection for conversing with respondents and gathering data that involves asking open-ended questions done by two participants, namely the interviewer who inquires the question and the interviewee who responds to the questions inquired (Sugiyono, 2019). In the present study, 5 employees of ABC Company Medan became the respondents (3 of them were seniors and held important positions in the company) and were interviewed with 10 questions related to the variables being examined in this study to obtain information from them.

2.4 Methods of Data Analysis

1. Descriptive Statistical Analysis

Descriptive statistical analysis is a method of formulating and interpreting data by providing a clear picture through data collection, compilation, and analysis, so that a general description of the object under study can be known in the form of graphs, tables, percentages, frequencies, and diagrams (Dźwigoł, 2019; Umar, 2019). The data may include the average scores, standard deviations, maximum and minimum scores, tabulations, and so on in order to see the differences in data based on the categories that exist in the data and are presented as is without conducting in-depth data analysis.

2. Direct and Indirect Effect Tests

The path diagram is a visual representation of the study conceptual framework that aids understanding. This method allows for the examination of several direct and indirect interactions between variables at the same time (Dźwigoł, 2019; Sugiyono, 2019). By using Path Analysis, it can be determined whether the proposed model is consistent with the data as a whole or not.

3. Sobel Test

Sobel Test is a test that is carried out by testing the strength of the indirect influence of the independent variable (X) on the dependent variable (Y) through the intervening variable (Z).

III. RESULTS AND DISCUSSION

3.1 Results

In order to answer all of the research questions, several methods of analyzing data were necessarily carried out. The results of the analysis are divided into (1) descriptive statistical analysis, (2) direct and indirect effect (Path Coefficient) tests, and (3) sobel tests.

1. Descriptive Statistical Analysis

Descriptive statistical analysis were executed to elucidate the average from existing variables namely employee well-being (X1), workload (X2), and organizational commitment (Z) on employee performance (Y). Firstly, employee well-being has an average score around 2.88 which means that most of the respondents agree with the statement items given by the researcher. Next, workload has an average score around 2.22 which means that most of the respondents did not fully agree with the statement items given by the researcher. Next, organizational commitment has an average score around 3.10 which means that most of the respondents agree with the statement items given by the researcher. Lastly, employee performance has an average score around 3.87 which means that most of the respondents agree with the statement items given by the researcher.

2. Direct and Indirect Effect (Path Coefficient) Tests

Testing the hypothesis was carried out using the *T-statistics test* or *T-test* with a significance level of 5%. It is stated to be significant if the *T-test* value is > 1.96 . This is a method to examine the direct effect of each variable in the present study. Thus, the results of the direct effect can be noticed in the following table:

Table 2. Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P-Values
Employee Well-being (X1) -> Organizational Commitment (Z)	0.396	0.391	0.133	2.989	0.001
Employee Well-being (X1) -> Employee Performance (Y)	0.264	0.253	0.146	1.805	0.036
Workload (X2) -> Organizational Commitment (Z)	- 0.410	- 0.417	0.132	3.105	0.001
Workload (X2) -> Employee Performance (Y)	- 0.261	- 0.258	0.137	1.902	0.029
Organizational Commitment (Z) -> Employee Performance (Y)	0.488	0.501	0.179	2.734	0.003

Source: Smart PLS Output (2023)

Based on the table above, it is acknowledged that:

1. Employee Well-being (X1) has a positive and significant effect on Organizational Commitment (Z) with a Path Coefficient Values of 0.396 and P-Values of $0.001 < 0.05$ (Hypothesis Accepted).
2. Employee Well-being (X1) has a positive and significant effect on Employee Performance (Y) with a Path Coefficient Values of 0.264 and P-Values of $0.036 < 0.05$ (Hypothesis Accepted).
3. Workload (X2) has a negative and significant effect on Organizational Commitment (Z) with a Path Coefficient Values of -0.410 and P-Values of $0.001 < 0.05$ (Hypothesis Accepted).
4. Workload (X2) has a negative and significant effect on Employee Performance (Z) with a Path Coefficient Values of -0.261 and P-Values of $0.029 < 0.05$ (Hypothesis Accepted).
5. Organizational Commitment (X1) has a positive and significant effect on Employee Performance (Y) with a Path Coefficient Values of 0.488 and P-Values of $0.003 < 0.05$ (Hypothesis Accepted).

Furthermore, *T-test* with a significance level of 5% was also used in order to examine the indirect effect of the variables in the present study. Similar to direct effect test, in this indirect effect test, it is also stated to be significant if the *T-test* value is > 1.96 . Thus, the results of the indirect effect can be noticed in the following table:

Table 3. Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P Values
Employee Well-being (X1) -> Organizational Commitment (Z) -> Employee Performance (Y)	0.193	0.202	0.112	1.728	0.042
Workload (X2) -> Organizational Commitment (Z) -> Employee Performance (Y)	-0.200	-0.210	0.112	1.911	0.028

Source: Smart PLS Output (2023)

Based on the table above, it is acknowledged that:

1. Organizational Commitment (Z) significantly mediates the effect of employee well-being (X1) on employee performance (Y) with a P-Value of $0.042 < 0.05$ (the mediation hypothesis is accepted). It means that organizational commitment significantly mediates the relationship between employee well-being and employee performance. This denotes that the correlation between employee well-being and employee performance through organizational commitment flows in the same direction and the relationship is firm.
2. Organizational Commitment (Z) significantly mediates the effect of workload (X2) on employee performance (Y) with a P-Values of $0.028 < 0.05$ (the mediation hypothesis is accepted). It means that organizational commitment significantly mediates the relationship between workload and employee performance. This shows that the correlation between workload and employee performance through organizational commitment flows in the same direction and the relationship is firm.

3. Sobel Tests

In Sobel Test, if the z-value > 1.96 or the level of statistical significance z (p-value) < 0.05 , the indirect effect of the independent variables on the dependent through intervening can be said to be significant. It is acknowledged that employee well-being has a positive and significant effect on employee performance through organizational commitment since the Sobel Test statistic value is 2.245 which is greater than 1.96 and also the p-value is 0.025 which is less than 0.05. On the other hand, it is acknowledged that workload has a negative and significant effect on employee performance through organizational commitment since the Sobel Test statistic value is -2.689, where this value is greater than 1.96 and also the p value is 0.007 which is less than 0.05.

3.2 Discussion

Each and every employee around the globe certainly yearns for proper and appropriate well-being when they work for a company. Logically, if the components of employee well-being such as salary and other compensation are properly provided by the company, employees will have a well-satisfied feeling towards the company where they work, which will naturally have an impact on their commitment to their

work. However, if these components are not provided by the company, employees will certainly have low satisfaction and organizational commitment. In this case, PT. ABC Medan is unable to provide proper and appropriate salaries and compensation to its employees since the company's financial situation is still unpredictable, resulting in lower employee satisfaction with the company where they work. For certain, as asserted by Chambel & Carvalho (2022), if this is not resolved promptly, it will have an impact on the company's development, because employees who are dissatisfied with the company where they work also have poor organizational commitment. Given the organization's commitment, this must be resolved promptly.

Not only inappropriate well-being but also the amount of workload bore by an employee can determine whether or not an employee possesses a high organizational commitment and work performance. In the case of PT. ABC Medan, the financial distress has made the company to difficultly issue the early retirement and work termination policies that a number of employees have taken policies. Due to that circumstance, the remaining few employees have to bear such an overload workload, in which an employee has to handle two or more workloads not only from his/her unit/division but also from the other unit/division (double/triple job), resulting on both the decreasing quality of their work performance and organizational commitment. Realistically, the workload should never exceed 100% of an employee's capability and skills (a human cannot perform the impossible); if the employee's capacity exceeds the workload, boredom will set in. However, if the employee's capacity and skill is lower than the workload, weariness will occur (Gawron, 2019; Wilton, 2022). Thus, organizational commitment moderates the effect of both well-being and workload on employee performance. Furthermore, this study is in line with Hermawan (2021), Estigoy, Sulasula & Guodu (2020), Hidayat & Situmorang (2019), Karem et al. (2019), Khoreva & Wechtler (2018) whose studies figured out that organizational commitment moderates the effect of both employee well-being and workload on employee performance.

IV. CONCLUSION

The present study has examined and figured out the effect of employee well-being and workload on employee performance through organizational commitment as the mediating variable at ABC Company Medan. To provide a vivid understanding, the conclusion can be drawn as the followings:

1. Employee well-being has a positive and significant effect on both organizational commitment and employee performance of ABC Company Medan.
2. Workload has a negative and significant effect on both organizational commitment and employee performance of ABC Company Medan.
3. Organizational commitment significantly mediates the relationship between employee well-being and employee performance as well as workload and employee performance of ABC Company Medan.
4. Employee well-being, workload, and organizational commitment variables are able to elucidate the variable of employee performance. Whereas both employee well-being and workload variables are able to elucidate the variable organizational commitment.

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