The Role of Quality of Work Life on Performance Appraisal

Samrin
Faculty of Social Science, Universitas Pembangunan Panca Budi, Medan, Indonesia
muhammadsamrin73@gmail.com

ABSTRACT

The purpose of this study is to determine the effect of quality of work life factors consisting of career development, communication and compensation partially and simultaneously have a positive and significant impact on employee performance. The method of analysis used is quantitative analysis method. Types of data used are primary data obtained through interviews and questionnaires whose measurement using a Likert scale and processed statistically using SPSS 16.0 for window program that is F-test model, t-test, and determination (R²). The results obtained from this study indicate that simultaneously the quality of work life factors consisting of career development, communication and compensation have the positive and significant effect on employee performance. Partially can be seen that the factors of quality of work life which consists of career development, communication and compensation have a positive and significant impact on employee performance. Test R2 can be seen number adjusted R Square or determinant (R2) equal to 0.886. This figure means that the effect of career development, communication, and compensation on employee performance is 88.6 percent. The remaining 11.4 percent influenced by other factors not included in the variables not included in this study.

Keywords: Career Development, Communication, Compensation, Employee, Performance, Appraisal.

1. INTRODUCTION

Quality of Work Life (QWL) is one factor that can affect the improvement of employee performance in a company, both service companies, and industries. Therefore, corporate leaders strive to address the aspects of QWL with the goal of ensuring that every worker has a high performance. Quality of Work Life defined by a program that includes ways to improve the quality of life by creating better workers (Kanten, 2012). Various factors need to fulfilled in creating QWL program, such as work restructuring, reward system, work participation, and so forth. The quality of work life program is intended to make continuous improvement to generate employee performance, for example with better opportunity members to participate, challenge, hope, and prosperity more promising.

Work restructuring factors include the provision of opportunities for workers to get job enrichment and broader opportunities for self-development. From the results of preliminary observations identified that this work restructuring factor has not adequately applied optimally in PT. Kereta Api Indonesia Regional Division I North Sumatra, employees are given a monotonous task, whereas workers who are dominated by experts in their respective fields are believed to be very ambitious to continue to develop their skills and careers. Participation factor is the desire of employee involvement in the process of making various organizational decisions proportionately, but it does not mean all employees should be involved in making all policies. Factor reward system is believed to be an essential thing because all workers need a reward that can cover personal and family needs, it suspected that the system factor is dominant influence the performance of employees in PT. Kereta Api Indonesia Regional Division I North Sumatra, but the rewards given the company is still not following what is done by employees. For this need to be investigated whether the problem of this performance system has appropriately managed, fair and reasonable.

Companies that are less concerned about work-life quality factors will likely find it difficult to get or keep workers in line with the company's needs, and it will be difficult to generate the performance of existing employees. Moreover, more than that will face the conditions of labor turnovers because they prefer to work in other places or companies that apply various factors of quality work life that is more promising. The factors of Quality of Work Life is career development, communication, and compensation (Reddy, 2010). The report by Kanten (2012) concluded that Quality of Work Life affects employee performance. The fulfillment of the quality of work life for employees indicates that the company places its human resources as a trustworthy individual, responsible individual and able to make a valuable contribution, and hence the employees need to treated as distinguished and valuable individuals through the fulfillment of a satisfactory work environment for employees. Fair and adequate salary, a safe and
healthy working environment, freedom of expression to do best, rewards of employees' rights, technological support, reasonable Career Development, satisfactory corporate image, product / service quality, and work time balance with personal life and family life, ultimately allowing employees to develop, use and devote all their best at work, known as work attachment. All the dimensions of quality of working life studied have a positive relationship with work attachment, except the time-work balance dimension with personal life and family life in shows a positive correlation (Kanten, 2012). Based on the explanation, the authors formulate the research questions as follows:

RQ1: How is the simultaneous effect of quality of work life on employees performance in PT. KAI Divisi Regional I Sumatera Utara.
RQ2: How is the partial effect of Career Development, Communication, and Compensation on employees performance in PT. KAI Divisi Regional I Sumatera Utara

2. LITERATURE REVIEW

Quality of Work Life
In general, the quality of working life also called Quality of Work Life means the suitability or non-conformity of the working environment for humans. Quality of work life refers to the quality of relationships between employees and the overall work environment (Reddy, 2010). Quality of work life is a management philosophy and practice that enhances employee self-esteem, which introduces changes in organizational culture, and improves the physical and emotional state of employees (Ivancevich, 2012). For example, providing opportunities for employees to grow and develop. Studies from Kanten (2012: 58) assess the quality of work life in two ways of view. The first way to balance the quality of work life with a set of objective organizational conditions and practices (such as in-depth promotional policies, democratic supervision, employee engagement, safe working conditions). The second way is to balance the quality of working life with employees' perceptions of physical and mental existence in work, that they are safe, satisfied relatively well, have a decent work-life balance, and they can grow and develop as human beings. This method links the quality of working life to the extent that human needs fully met. Another definition states that the quality of working life is the extent to which employees satisfy urgent personal needs through their organizational experience (Bakker, 2011). The responsibility for the quality of working life is a combination of management, union and other members of the organization. Another statement added by Luthans (2010) which states that the quality of work life defined as aspects of work where members of the organization see it as a desirable and can improve the quality of life in the work. This case could mean that two different organizations can define the quality of work life differently. In the same organization, the perception of what quality of work life can be different from one group to another. Although the nature and conditions of work vary, the opinions of satisfaction also differ from one another, but there are remarkable similarities that cut these differences. The quality of working life regarding the degree to which the work environment of the organization motivates the performance of productive work (Bakker, 2011). The high quality of work life equals high motivation and employee satisfaction. Ivancevich (2012) states that the quality of working life is a conducive work environment to form a positive emotional attitude or reactions to the work environment. Based on the above description it concluded that the quality of working life is the quality of the relationship between the employees and their overall work environment; which is illustrated through the satisfaction of reaching their personal needs are required; through experience in the organization environment and relevant organizational resources; thus encouraging employees at all levels to actively participate in improving organizational effectiveness as well as improving the quality of working life of the employees themselves.

Career Development
One of the impulses of people to work in an organization, including the company is because there is an opportunity to move forward. It is the basic nature of human beings in general to be better, ahead of the current position, which is why they want a progress in their lives. A career shows the development of individual employees in the level of position they can achieve during the period of work within the organization. Ivancevich (2012) state career development is the process of enhancing individual workability achieved in order to achieve the desired career. In this case the career development process is a business someone who passed through the process by improving the work skills that employees have so they are able to improve performance and successfully achieve the desired career. Employees will not work in the company if there is not a clear career development system because employees work to achieve the career goals they want. Kanten (2012) state that career development is a formal approach that organizations use to ensure that people with appropriate qualifications and experience are available if needed. Career development is a formal approach within an organization where the organization is able to determine the employee
with the right qualifications and the right experience if needed in an office. Work experience owned by employees is also one of the things that can help employees in achieving their career goals. Career development is a formal and sustainable effort with focus on improving and adding a worker’s ability (Reddy, 2010). Therefore, companies need to manage careers and develop them well so that employee productivity is maintained and able to encourage employees to always do the best and avoid frustrating work that resulted in decreased company performance. Career development is very profitable for an organization in improving its organizational ability to compete and adapt to competitive environment changes. In an organization, always strive for the goals of the organization can be achieved well. The organization is very dependent on the good of the career development of the organization. Career development can be done well and correctly if the developers know what and how the human resources. Ivancevich (2012) state that indicator of career development ie a) Interest in skills with work; b) Employee career goals; c) Career plan; d) Information on various career opportunities; e) Promising career path.

**Communication**

As social beings, humans always want to connect with other human beings. He wanted to know the surroundings, even wanted to know what was going on inside him. This curiosity forces people to communicate. Any behavior can be called communication if it involves two or more people. The phrase of two or more persons needs to be emphasized, because some literature calls the term intrapersonal communication, ie communication with oneself. Communication occurs when at least one source generates a response to the recipient through the delivery of a message in the form of a sign or symbol, either a verbal form (words) or a non-verbal form, without having to make sure first that the two communicating parties have a the same system symbol (Mulyana, 2012). Communication is the delivery and understanding of an intent or purpose, which needs to be considered from the definition is the emphasis on the delivery of intentions and understanding of intent, without the delivery of communication intentions will not occur, without the understanding of communication intentions are also rarely successful (Ardana, 2010). Communication will occur and last as long as there is a common meaning of what is spoken. The similarity of the language used in the conversation does not necessarily lead to the similarity of meaning, in other words understand the language does not necessarily understand the meaning of the language. It is clear that the conversation of both people can be said communicative if both, in addition to understanding the language used, also understand the meaning of the material being spoken (Effendy, 2013). Study by Wiryanto (2014: 9) stated that Communication is the process of transferring understanding in the form of ideas or information from one person to another. The transfer of understanding involves more than just the words used in conversation, facial expressions, intonation, and so on. Effective migration requires not only data transmission, but that someone sends news and accepts it highly depends on certain skills (reading, writing, listening, speaking, etc.) to make a successful exchange of information. Organizational communication is a communication field that plays a role in providing effective information for management in order to make decisions on the problems or opportunities related to the organization to improve the performance of the organization itself. An organization consists of communication units in hierarchical relationships with each other and functions in an environment. Organizational communication occurs whenever there is at least one person occupying a position in an organization that interprets a message show. According to Wiryanto (2014: 9), communication indicators are as follows: a) Leadership communication to employees; b) Describes the procedure; c) Communicate with other parts ; d) Troubleshoot problems; e) Communication between co-workers.

**Compensation**

People work to earn money to fulfill the needs of his life. That is why an employee began to appreciate hard work and increasingly show loyalty to the company, and that is why the company rewards employees' work performance by way of compensation. One way management to improve job performance, motivate and improve employee performance is through compensation. Anthony (2015) argues that every organization has a purpose. An outstanding part of the management control system is to motivate members of the organization to achieve that goal. One of the most effective ways to motivate members of an organization is to provide compensation or incentives to them. Managers usually make greater efforts for valued activities and less for unappreciated activities. Compensation is often also called an award and can define as any form of appreciation given to employees as a reward for the contribution they give to the organization, and there is some understanding of compensation from some figures. Compensation is all income in the form of money, goods directly or indirectly received by
employees in return for services rendered to the company (Hasibuan, 2010). Compensation is an important factor affecting how and why people work in an organization and not on other organizations (Mathis, 2012). Entrepreneurs must be competitive enough with certain types of compensation to hire, maintain and reward the performance of each within the organization, and the compensation is the overall arrangement of reward for employers and employees either directly or indirectly (Martoyo, 2011).

**Performance assessment**

Performance appraisal is one of the key factors to developing an organization effectively and efficiently. Due to a policy or performance appraisal program, the organization has made good use of the human resources that exist within the organization. Assessment of individual performance is very beneficial to the dynamics of overall organizational growth. Through the assessment, it can be seen how the real condition of employees viewed from the performance. Thus these data can be used as consideration in decision making an organization. Performance appraisal is an organized process in evaluating the implementation of employee work. Mangkuprawira (2012) states that Performance appraisal is a formal system of review and evaluation of individual or team task performance. Based on the theoretical framework that has been previously described, in this study the authors developed the following hypotheses:

H1: There is a significant effect of quality of work life on employees performance in PT. KAI Divisi Regional I Sumatera Utara.
H2: There is a significant effect of Career Development, Communication, and Compensation on employees performance in PT. KAI Divisi Regional I Sumatera Utara.

3. **RESEARCH METHOD**

This study used a quantitative approach, which explains the type of research to discuss the relationship between the two or more independent variable to dependent variable. The population is a generalization area consisting of subject or object with several qualities and characteristics applied by the researcher to be studied and then drawn a conclusion (Sangadji, 2010). Population in this research is all employees of PT. Kereta Api Indonesia Regional Division I Sumatera Utara in Medan is 110 people. In this research, sampling research using Slovin formula. The reason researchers use Slovin formula. After the calculation using Slovin formula, researchers get the number of respondents by 52 people. The collecting data used source of data secondary and primary. Secondary sources are the collection of data indirectly as through others or documents. Primary data sources are direct data collection through observation, interview, and questionnaire (Sugiyono, 2010).

**Operationalisation Variables**

Career development (X1) The process of enhancing individual workability to achieve the expected career (Ivancevich, 2012)
Communication (X2) The process of transferring understanding in the form of ideas or information from one person to another (Wiryanto, 2014)
Compensation (X3) All earnings in the form of money, goods directly or indirectly received by employees in return for services rendered to the company (Hasibuan, 2010)
Employee Performance (Y) What employees do or do not do (Mangkunegara, 2013)

**Data Analysis Method**

1. **Quality of Data tests**

The purpose is to determine the feasibility of data processed in this test.
Valid tests: The objective is to know the validity of the instrument data is appropriate or not used in this study.
Reliability test. The objective is to know the reliability of the instrument in question or statement on the questionnaire whether it can be reused to measure similar research instruments.

2. **Classical Assumption tests**

The goal is to know the interconnections or closeness between independent variables and dependent variable.
Normality test. The goal is to know if this research data distributed normally.
Multicollinearity Test. The goal is to avoid the symptoms of multicollinearity.
Heteroscedasticity Test. The goal is to know whether or not there is any deviation.

3. **Data Analysis Tests**

This test is to analyze and interpret data to get answers from this research.
Multiple Linear Regression Analysis. The aim is to analyze the effect of independent variables and dependent variable.
F-Test. The aim is to test the effect of independent variables on dependent variable simultaneously.
T-Test. The goal is to examine the effect of independent variables on dependent variable partially.
Coefficient Determination. The goal is to find out how is a significant contribution of independent variables on the dependent variable.
4. RESULT AND DISCUSSION

Characteristics of Respondents

Table 1. Characteristics of Respondents

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 20-30</td>
<td>35</td>
<td>67.3</td>
</tr>
<tr>
<td>31-40</td>
<td>10</td>
<td>19.2</td>
</tr>
<tr>
<td>41-50</td>
<td>7</td>
<td>13.5</td>
</tr>
<tr>
<td>Total</td>
<td>52</td>
<td>100</td>
</tr>
<tr>
<td>Gender Male</td>
<td>52</td>
<td>100</td>
</tr>
<tr>
<td>Female</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>52</td>
<td>100</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S1</td>
<td>5</td>
<td>9.6</td>
</tr>
<tr>
<td>SMA</td>
<td>47</td>
<td>90.4</td>
</tr>
<tr>
<td>Total</td>
<td>52</td>
<td>100.0</td>
</tr>
<tr>
<td>Working period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - 5</td>
<td>12</td>
<td>23.1</td>
</tr>
<tr>
<td>11 - 15</td>
<td>10</td>
<td>19.2</td>
</tr>
<tr>
<td>16 - 25</td>
<td>5</td>
<td>9.6</td>
</tr>
<tr>
<td>6 - 10</td>
<td>25</td>
<td>48.1</td>
</tr>
<tr>
<td>Total</td>
<td>52</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Results of Quality of Data tests

Validity test

Cronbach's Alpha correlation coefficient value is higher than data reliability requirement (> 0.6). The result indicates that the questionnaire in this study has qualified reliability.

Results of Classical Assumption tests

Normality test

Testing distributed residual assumptions shows that the regression model qualifies for the normality test. The regression model is appropriate to predict the dependent variable based on the input of the independent variables.

Multicollinearity Test

All statements to measure the variables in this study have a correlation value higher than 0.3. The results of this test prove that all items of the statement are valid.

Reliability test

The results of Reliability Test

Cronbach's Alpha correlation coefficient value is higher than data reliability requirement (> 0.6). The result indicates that the questionnaire in this study has qualified reliability.
All VIF values are below 10, and tolerance values exceed 0.1, meaning that Variables of Career Development, Communication, and Compensation in this study do not show multicollinearity symptoms. The independent variables in this study are not correlated.

Heteroscedasticity test

Results of Data Analysis Tests

Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-0.721</td>
<td>1.056</td>
<td>.498</td>
</tr>
<tr>
<td>Career Development</td>
<td>.452</td>
<td>.129</td>
<td>3.494 .001</td>
</tr>
<tr>
<td>Communication</td>
<td>.197</td>
<td>.056</td>
<td>3.546 .001</td>
</tr>
<tr>
<td>Compensation</td>
<td>.367</td>
<td>.086</td>
<td>4.247 .000</td>
</tr>
</tbody>
</table>

The result of Multiple Linear Regression Analysis

Based on the results of data processing, the equation of this research is formulated as follows:

\[ Y = -0.721 + 0.452 X_1 + 0.197 X_2 + 0.367 X_3 + e \]

Simultaneous Hypothesis Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>516.550</td>
<td>3</td>
<td>172.183</td>
<td>133.035</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>62.123</td>
<td>48</td>
<td>1.294</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>578.673</td>
<td>51</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the F-test results listed in the table, F-count from Career Development has a value of 3.494, t-count from Communication has a value of 3.546 and t-count of Compensation has a value of 4.247. The t-table has a value of 1.667 and \( \alpha = 0.05 \). Meanwhile, the significance of Career Development has a significance value of 0.001, and Communication has a value of 0.001 and Compensation has a significance value of 0.000.

The result indicates that the Career Development variable the t-count is higher than the t-table (3.494 > 1.667) and the significance of 0.001 < 0.05). Thus the proposed hypothesis is proven and accepted. The test results for Communication variables showed higher t-count values than t-tables (3.546 > 1.667) and with a significance level of 0.001 < 0.05. Thus the proposed hypothesis is proven and accepted. The test results for Compensation variables showed higher t-count values than t-tables (4.247 > 1.667) and with a significance level of 0.000 < 0.05. Thus the proposed hypothesis is proven and accepted.

Partial Hypothesis Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-0.721</td>
<td>1.056</td>
<td>.498</td>
</tr>
<tr>
<td>Career Development</td>
<td>.452</td>
<td>.129</td>
<td>3.494 .001</td>
</tr>
<tr>
<td>Communication</td>
<td>.197</td>
<td>.056</td>
<td>3.546 .001</td>
</tr>
<tr>
<td>Compensation</td>
<td>.367</td>
<td>.086</td>
<td>4.247 .000</td>
</tr>
</tbody>
</table>

From the Partial Test results listed in the table, t-count from Career Development has a value of 3.494, t-count from Communication has a value of 3.546 and t-count of Compensation has a value of 4.247. The t-table has a value of 1.667 and \( \alpha = 0.05 \). Meanwhile, the significance of Career Development has a significance value of 0.001, and Communication has a value of 0.001 and Compensation has a significance value of 0.000.

The result indicates that the Career Development variable the t-count is higher than the t-table (3.494 > 1.667) and the significance of 0.001 < 0.05). Thus the proposed hypothesis is proven and accepted. The test results for Communication variables showed higher t-count values than t-tables (3.546 > 1.667) and with a significance level of 0.001 < 0.05. Thus the proposed hypothesis is proven and accepted. The test results for Compensation variables showed higher t-count values than t-tables (4.247 > 1.667) and with a significance level of 0.000 < 0.05. Thus the proposed hypothesis is proven and accepted.

Coefficients determination test (R2)

Discussion

The Effect of Career Development on Employee Performance

The results show that Career Development has a positive and significant effect on employee performance. This research is in accordance with the research Hodges (2010), which shows that Career Development has a positive and significant impact on employee performance.
This research states that Career Development is the process of enhancing individual workability to achieve the desired career. Career Development affects employee performance, where Career Development is a formal and organized effort and is planned to achieve a balance between individual career interests and the organization as a whole, which the organization does to ensure that people within the organization have the appropriate classification and ability and experience when needed. Therefore, the organization must manage the career and develop it well so that productivity and employee loyalty are maintained and can encourage employees to always provide the best and help the organization to obtain skilled and skilled personnel in performing tasks that can impact on improving employee performance and improvement organizational performance.

The Effect of Communication on Employee Performance
The results show that communication has a positive and significant effect on employee performance. This research is following the research Hodges (2010), which shows that communication has a positive and significant impact on employee performance. This research suggests that communication will occur and last as long as there is an ordinary meaning about what is being stated. The similarity of the language used in the conversation is not necessarily the cause of similarity, in other words, understand the language does not necessarily lead to the similarity of meaning. It is clear that the conversations of both people can be communicative if both can understand the meaning of the material being spoken. Based on these statements visible to the existence of excellent communication can improve the performance of employees because with excellent communication and communicative there is no error information and errors of delivery of work to be done.

The Effect of Compensation on Employee Performance
The results show that compensation has a positive and significant effect on employee performance. This research is following the research Hodges (2010), shows that compensation has a positive and significant impact on employee performance. This study states that the compensation influences an employee’s performance, the necessary motivation of most people to be employees in a particular company is to earn a living. Means if on the one hand a person uses knowledge, skills, energy and some time to work on a company, on the other hand, the employee expects to receive certain rewards.

5. CONCLUSION
Based on the results of the discussion then it can be concluded as follows:
Career Development partially positive and significant effect on employee performance at PT. Kereta Api Indonesia Regional Division I Sumatera Utara. Communications partially have a positive and significant effect on employee performance at PT. Kereta Api Indonesia Regional Division I Sumatera Utara. Compensation partially positive and significant effect on employee performance at PT. Kereta Api Indonesia Regional Division I Sumatera Utara. Quality factors of work life consisting of Career Development, communication and compensation simultaneously have a positive and significant influence on employee performance at PT. Kereta Api Indonesia Regional Division I Sumatera Utara. Based on the results of the research, the researchers suggested as follows:
Suggested to the company management in order to improve the quality of work life consisting of Career Development, communication and compensation, so as to improve employee performance. It is also suggested for the next researcher to be able to add another independent variable that is not in this research that can affect employee performance.

ACKNOWLEDGMENT
We gratefully acknowledge the financial support from Universitas Pembangunan Panca Budi.

REFERENCES


