



## Empowering MSME Employees: Quality of Work Life and Organizational Support

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This quantitative study investigates the association between quality of life at work (QWL), perceived organizational support (POS), and employee performance in Kota Magelang's micro, little, and medium-sized firm (MSME) sector. Through a questionnaire issued to 210 MSME employees, with a 100% response rate, the research explores the impact of QWL on both employee performance and POS, as well as the mediating role of POS in the relationship between QWL and employee performance. The findings show a good relationship between QWL and staff performance, as well as a positive influence of QWL on the point of sale. Furthermore, the study emphasizes the mediating role of POS in the relationship between QWL and employee performance. These findings highlight the necessity of improving QWL and POS within MSMEs to support increased employee performance, hence contributing to the economic development of Magelang's City MSME sector.

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## 1. INTRODUCTION

In Indonesia, MSMEs or micro, small, and medium enterprises contribute to most of the people's income, so the government can pay attention to this sector. MSMEs are one of the means of poverty reduction that can stimulate job creation and trigger new innovations that can be exploited to equalize development and well-being (Hamza & Agustien, 2019). MSME has also been shown to create jobs because it has increased the absorption of labor in the country, impacting the community's well-being (Hamza & Agustien, 2019).

Employee performance is an important and influential element in MSME; satisfactory staff performance will make the business development process go smoothly according to the goals. Employee performance also plays an important role in terms of organizational survival. Performance is the work done by a worker who meets the criteria of work and the work produced both in terms of quality and quantity under their responsibilities. Improvement of the quality of the organization must also be supported by employees based on the right vision, mission and objective to provide benefits in the working mechanism continuously used to support the process of completion of the work that forms its responsibility so that there is an improvement of quality of MSME (Farmi et al., 2020).

Data showed that the MSME sector in Magelang City increased rapidly after the COVID-19 pandemic: 2023 quoted from datago.co.id. This increase positively impacts society because of the availability of jobs. However, the increase in the number of MSMEs sometimes makes employees unable to work properly due to lack of quality within them and lack of support from the MSME owner or MSME environment. There is such a problem that employees can make many efforts to improve their performance with Quality Of Work Life, such as paying attention to the management system used by the organization that helps the management to grow employee loyalty and dedication (Darmawan et al., 2023)

To improve the quality of employee performance should also be done within the scope of the organization or MSME itself. The organization should also consider perceived Organizational Support as this support can dig into the perception of employees who have helped in line with the standards and expectations of the company (Nasution., 2023).

The continuous improvement in employee performance makes it necessary for the supporting aspect to be constantly updated, improved, and reviewed. The lack of research on the critical aspects of performance improvement that some researchers have already done has led researchers to want to enhance their research on important aspects that support employee performance through Quality of Work Life and Perceived Organizational Support. Previous researchers such as Bima et al., (2022) and Darmawan et al., (2023) showed that Quality of Work Life shows that the Quality Of Work Life that Quality Of Working Life affects employee performance. This study is in line with the research carried out by Ratnasari et al., (2022). Ratnasari et al., (2022) and Syarifudin et al. (2022) show that the support of an organization or perceived organizational support has a significant influence on employee performance, because the employee's own efforts to improve performance are either in terms of quality of work or thinking that is consistent with his or her business. The efforts or support in improving employees' performance should also be made by the company owners, which must be formed because of the employees' perception of how much the company values their contributions and well-being or the positive perception that emerges from the employees themselves will have an impact on their perceived Organizational Support.

In the previous research, there are limitations related to the results obtained. In the research that has been done before, there are also limitations relating to the literature used and the lack of adoption of the theory that can be applied to support its research. In this research, the results of testing can show a better thing because it has adopted theory as the supporting literature namely Goal Setting Theory which can explain that there is a relationship between purpose and performance of a task. With good support from the organization, the quality of employees' work to improve their performance can also be improved. This is because both focus on the goals the MSME sets. Since it has become their responsibility as employees, they will work hard to the goals and goals of the organization. If the organization's goals have been defined in advance, efforts to improve the performance of employees can be done well. The organizational goals already defined can make employees focus on the job desk to help the company become better. If they have clear,

understood, and beneficial goals, MSME employees will work hard and do everything well, and MSME agents will provide the best support for their employees.

## 2. LITERATURE REVIEW

### Employee Performance

Employee performance is an achievement of either quality or quantity work done by an individual or an employee's team in accordance with the tasks assigned to them (Riza & Mutiarni, 2022). Internal aspects include human resources, financial, production or operational techniques, and market and marketing strategies. External aspects, meanwhile, include government regulation, socio-cultural and economic conditions, operational or production techniques and functions of associated institutions, part of the production or operational technique, and the role of the relevant agency (Riza & Mutiarni, 2022).

This study uses the Goal Setting Theory which can explain that there is a relationship between a person's purpose and performance of tasks. With good support from the organization, the quality of employees' work to improve their performance can also be improved. This is because both focus on the goals the MSME sets. Since it has become their responsibility as employees, they will work hard to the goals and goals of the organization. If the organization's goals have been defined in advance, efforts to improve employee performance can be done well. If they have a clear, understood, and beneficial purpose, MSME employees will work hard and do everything well, and MSME perpetrators will provide the best support for their employees.

### Quality Of Work Life

Quality of Work Life is a management perspective relating to people, workers, and organizations (Farmi et al., 2020). According to research conducted by (Darmawan et al., 2023), the quality of working life affects employee performance. Quality Work Life criteria include building tranquility and safety, fostering job satisfaction, responding to ambitions and family needs, and creating a good working environment (Gunawan & Hidayatullah, 2023). Quality of Work has nine aspects in the Quality Of Work Life that Cascio (2003) indicated, among others: a. employee participation in the organization, b. career development, c. conflict resolution, d. communication, e. occupational safety, f. occupation health, g. organizational pride, h. occupations health, compensation or a decent salary (Casio 2003).

Quality of Work Life if associated with Locke's Goal Setting Theory (1980) explains the existence of a direct relationship between the definition of a specific goal of performance measurement. If managers know the real goals they want to achieve, they as employees, will be more motivated to make efforts that can improve their performance. So, employees will continue to try to improve the quality of life in work so as to goals or benefits for the organization. According to the performance influencing factors (Prawirosentono, 2008) employee performance can be influenced by internal employees related to the discipline in work promoting the quality of work in the organization. If in the work the employee has a high quality of working life then the performance of employees will also be increasing and the future can positively impact MSME.

### Perceived Organizational Support

If an organization can dig and show that its employees have supported its company under applicable standards, it is called "Perceived Organizational Support seen". These forms of positive support include fair treatment, consent, honor, the right to express opinions, salary, promotion, access to information media, etc (Untari et al, 2021). This is in line with research carried out by Ratnasari et al. (2022) and Syarifudin et al. (2022) which found that organizational support, also known as organizational backing (POS), affects employee performance because of employee efforts to improve their own performance, both in terms of the quality of their work and thinking that fits their goals (Diana & Frianto, 2021) and Syarifudin et al. (2022) say that organizational support for establishing relationships of a mutualistic nature, employees who get constructive organizational backing from the company will react positively. and feel obliged to repay by making a good contribution to the company through good work performance 4 (Four) aspects that become indicators, among others:

a. quality of work, b. accuracy of time, c. efficiency of time in work, d. responsibility.

The Goal Setting Theory by Locke (1980) states that employees will hard work if there are clear goals and benefits, which means that employee performance will improve if the quality of work and the organization's support are balanced. This test showed that the direct impact of Perceived Organizational Support on employee performance was greater than the indirect impact on employee performance. "An employee can use personal traits to improve performance by emphasizing the quality of routine work. This includes "providing a pleasant working atmosphere, meeting family goals and expectations, fostering happiness at work, and fostering a safe and quiet working environment." Therefore, it is important to consider how he continues to see professional growth, occupational health, and organizational pride in order to improve the MSME of the City of Magelang in this research.

### 3. RESEARCH METHOD

#### Research Design

This research was conducted using a quantitative approach with a survey method and data collection using a questionnaire. It is quantitative and is sourced from primary data, with a series of structured questions addressed to respondents to assist in data collection. Questions are given using a questionnaire compiled through Google Forms and used the Likert scale method. The Likert scale measures variables in an elevator or statement list (Sugiyono, 2019).

#### Research Location

The research was carried out in Magelang City and focused on the MSME perpetrators as their objects.

#### Population and Research Samples

The total number of MSME in Magelang City in the year 2023 is 3.491 MSME. The population of this study is the perpetrator of the MSME of Magelang Town. This research uses purposive sampling techniques (Sugiyono, 2019). In this study, samples were taken based on the provisions that support research related to the performance of MSME employees in Magelang City, among others: 1. Employees with a minimum length of work of 1 (One) Year, 2. Employee at least 2 (two) people. This is done to ensure that every member of the MSME population in Magelang City that enters each category has the same chance to be selected as a sample. The number of samples that will be part of this study is 210 respondents. The determination of the sample number is mainly based on Roscoe's opinion that "In any observation, the samples should be between 30 and 500."

#### Research Instruments

The research is based on primary data and is quantitative with a structured set of questions addressed to respondents to help collect data. Questions are given using a questionnaire that is organized through the google form and is done using the likert scale method (Sugiyono, 2019).

#### Validity Test

The validity test is used to determine whether a questionnaire is valid or not (Ghozali, 2018). The validity test of this questionnaire instrument uses a visible loading factor and cross-loading with a value  $> 0.50$  or more. (Hair, 2013). If each indicator has a high loading factor, then the indicator is said to be valid. The first assumption is that the correlation between the variables must be strong enough, visible at Kaiser Meyer Olkin's (KMO) value  $> 0.50$  as well as the significance of Barlett's Test  $< 0.50$ . The validity test on this study was 210 samples using confirmation factor analysis.

#### Reliability Test

A reliability test is a measurement tool that can be used to measure a questionnaire that is an indicator of a variable. (Ghozali, 2018). The reliability measurement is carried out by one-shot or one-time measurements using the Cronbach Alpha statistical test using SMART-PLS. The questionnaire details are declared valid if Cronbah's Alpha  $> 0.70$  and not valid if Composite Reliability  $< 0.70$ .

## Data Analysis Tool

### a. Statistic Descriptive

According to (Sugiyono, 2019), descriptive analysis is used to analyze the data by describing the already existing data to conclude. Descriptive statistical analysis is utilized to find out the number of respondents divided according to characteristics so that they become a particular group.

### b. Outer Model

#### 1. Validity

According to Abdillah (2019), validity tests on PLS-SEM were performed using convergent validity and discriminant validity. Convergent validity is assessed on the basis of outer loadings and Average Variance Extracted (AVE). For outer loads the recommended value is above 0.7 and significant. The recommended AVE value is over 0.5, whereas discriminant validity was measured by comparing the squared root value of the average variance extracted of each structure with the correlation between the structure (variable) and the other structure. If the AVE root value of any structure is > than the correlation value between the structures, then it is said to have a good discriminant validity. Thus, validity tests on PLS-SEM are performed by looking at outer loadings, AVE values, and comparing AVE roots with inter-constructive correlations.

#### 2. Reliability

The reliability test aims to understand that measurements remain consistent when performed twice or more times in response to the same problem. A particle is considered strong if Cronbach's alpha is greater than 0.70 and weak if Cronbach's Alpha is smaller than 0.70. (Ghozali, 2016). Data is said to be reliable when the measuring tool used can yield the same results even if used multiple times by different researchers. Measures used in this study are the Fornell-Lacker Criterion, Composite Reliability, and Cronbach's Alpha.

### c. Inner Model

#### 1. R-Square

R-square ( $R^2$ ) is the value used to estimate how much the influence of a particular independent latent variable on a dependent late variable is. The determination coefficient ( $R^2$ ) value is expected to be between 0 and 1. Values ( $R^2$ ), 0.75, 0.50, and 0.25 5 indicate that the model is strong, moderate, and weak

#### 2. Fit Model

##### GoF Index

The Goodness of Fit Index (GoF Index) is used to evaluate the overall structural model. The GoF Index value needs to be searched manually using the following formula:  $GoF = \sqrt{(R^2 \times AVE)}$ . The interpretation of the GoF index value is 0.1 (low GoF), 0.25 (medium GoF) and 0.36 (high GoF) (Schuberth et al., 2018)

#### 3. Hipotesis Test

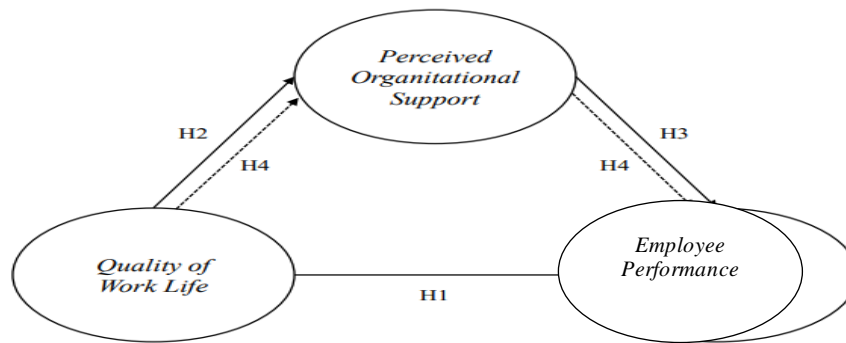
##### a. Dirrect Effect

According to Latan and Ghozali (2015) the t test is used to test the significance of direct effects between latent variables. The t test uses the bootstrapping procedure to obtain the statistical value t of each path relationship on the inner model. The t value of this count is next compared to the table t value. Suppose the t count value is greater than the t table at a certain degree of significance (usually 0.05). In that case, it can be concluded that the direct influence between latent variables is significant. In other words, the direct effect hypothesis was accepted.

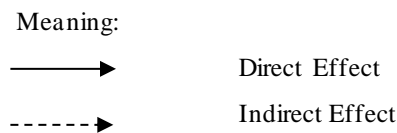
##### b. Specific Indirect Effect

Specific indirect effect measures the indirect influence between two variables through one particular mediation variable. The way is to bootstrap the research model created that will produce the value of the track coefficient and the test value t for its indirect influence. If the  $t_{value} > t_{table}$ , then it can be said that the indirect

influence is significant. The value of the path coefficient indicates the magnitude of the indirect influence (Latan & Ghozali, 2015).



Source: Data processed, 2024



**Figure 1.** Conceptual Framework

**TABLE 1|** Respondent Descriptive Profiles of MSME Employee in Magelang City

	Characteristic	Frequency	Percentage
Gender	Men	76	36.2 %
	Women	134	63.8 %
	<b>Total</b>	<b>210</b>	<b>100.0 %</b>
Business Address	Magelang District	0	0 %
	Magelang City	210	100.0 %
	<b>Total</b>	<b>210</b>	<b>100.0%</b>
Length Of Work	< 1 Years	<b>0</b>	0 %
	1-3 Years	<b>0</b>	0 %
	4-6 Years	18	8.6 %
	7-9 Years	36	17.1 %
	> 9 Years	156	74.3 %
	<b>Total</b>	<b>210</b>	<b>100.0 %</b>
Position At Work	MSME Owners	38	18.1 %
	Employee	172	81.9 %
	<b>Total</b>	<b>210</b>	<b>100.0 %</b>

Source: Data processed, 2024

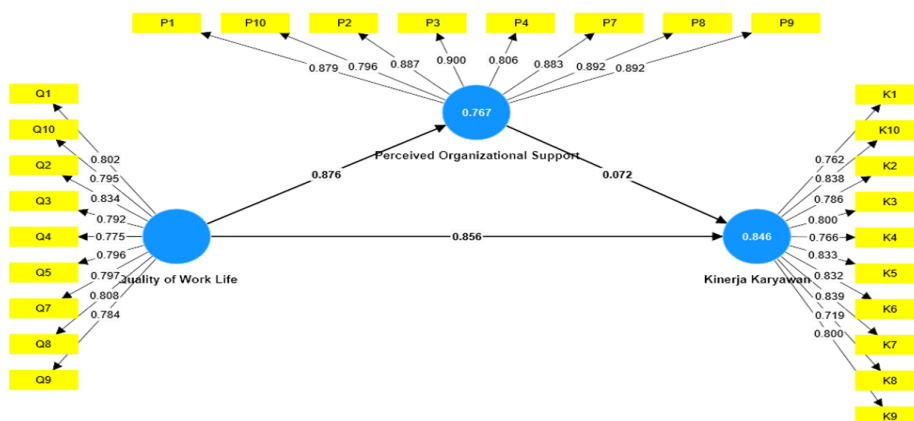
Based on Table 1, it can be seen that the respondents who filled out the questionnaire in this study are predominantly female employees, which is 134 or 63.8%. The total number of employees in the MSME based in Magelang City is 210 respondents or 100%. Most of these employees have worked > 9 years in this MSME, which is 156 or 74.3%. Respondents have a position in the work in that MSME more as employees is 172 or 81.9% because, indeed in this survey more focused on employees that are in the MSME.

**TABLE 2| Descriptive Variable of Response Frequency By Quesioner Indicator MSME Employees**

	N	Mini Mum	Maxi mum	Mean	Std. Deviation
Quality Of Work Life	210	15	49	42.42	7.475
Employee Performance	210	16	50	42.38	7.530
Perceived Organizational Support	210	17	50	41.54	7.994
<b>Valid N</b>	<b>210</b>				

Source: Data processed, 2024

Based on Table 2 on the Quality of Work Life variable, it is known that out of the sample of 210 people, MSME employees produced the minimum value of the quality of work life variable of 15 and the maximum value of quality of working life of 49. The average value is 42.42. The value is close to the maximum value, which means that the respondent's response to the average Quality Of Work Life variable agrees with the given statement. The standard deviation is 7,475, which means that the data spread of the average value of 210 respondents is 7.475. Employee performance variable : it is known that the sample of 210 employees of MSME Magelang City produced a minimum value of 16 and a maximum value of 50. The results showed that the size of the performance of the UMKM employees in the city of Magelang, which was the survey sample, ranged between 16 and 50, the average of the Employee Performance variable was 42.38, which means that the value is close to the maximum value, meaning that the respondent's response to the average Employees' Performance Variable agrees with the statement given. The standard deviation is 7530, which means the data spread of the average value of 210 respondents is 7530. In Table 2 it is kno wn that the sample of 210 MSME Employees of the Municipality of Magelang produced a minimum value of Perceived Organizational Support variable of 17 and a maximum value of perceived organizational support variable in the Municipalities of Magalang Employee of MSME of 50. The results showed that the major MSME in the municipality of Magelang who were the samples of the research ranged between 17 and 50, the average value of the variable is of 41.54, which means that the value is quite close to the maximum value, meaning the response of the respondent about the average variable Perceived Organizational support responded agreed with the statement given. The deviation standard was 7,994 which means that the data spread of the average value of 210 respondents was 7.994.



Source: Data processed, 2024

**Figure 2. Outer Model of model validity or reliability**

**TABLE 3| Convergent Validity of correlation between variables**

No	Variable	Indicator	Factor Loading	Description
1	Quality Of Work Life	Q1.1	0.802	Valid
		Q2.1	0.834	Valid
		Q3.1	0.792	Valid
		Q4.1	0.802	Valid
		Q5.1	0.834	Valid
		Q7.1	0.792	Valid
		Q8.1	0.802	Valid
		Q9.1	0.834	Valid
		Q10.1	0.792	Valid
		2	Employee Performance	K1.2
K2.2	0.786			Valid
K3.2	0.800			Valid
K4.2	0.766			Valid
K5.2	0.833			Valid
K6.2	0.832			Valid
K7.2	0.839			Valid
K8.2	0.719			Valid
K9.2	0.800			Valid
K10.2	0.838			Valid
3	Perceived Organizational Support	P1.3	0.879	Valid
		P2.3	0.887	Valid
		P3.3	0.900	Valid
		P4.3	0.806	Valid
		P7.3	0.883	Valid
		P8.3	0.892	Valid
		P9.3	0.892	Valid
		P10.3	0.796	Valid

**Source:** Data processed, 2024

Based on the data processing in table 3 shows that the loading value of the indicator on each variable against its construction is greater than the value of cross-loading. Factor loading values of all statement elements are the variables Quality Of Work Life, Employee Performance Variable, and Perceived Organizational Support Variable values  $> 0.70$ . Thus, it can be concluded that all structures or latent variables already have good discriminant validity, where the block of the construction indicator is better than the indicator of other blocks.

**TABLE 4| Fornell-Lacker Criterion of Reliability between variables**

	Employee Performance	Perceived Organizational Support	Quality Of Work Life
Employee Performance	<b>0.798</b>		
Perceived Organizational Support	0.822	<b>0.868</b>	
Quality of Work Life	0.919	0.876	<b>0.798</b>

**Source:** Data processed, 2024

In Table 4, it is shown that each digested number is the value of the Fornell Lacker criterion. The above table shows that the value of the Fornell Lacker criterion on the Perceived Organizational Support variable of 0.868 indicates a greater correlation value to employee performance of 0,822, which means that each indicator can be predicted well by the latent variable. However, unlike the values of Fornel Lacker's Quality Of Work Life variable by 0.798 it is smaller than its latency variable, namely employee's performance of 0.919 and smaller that of the perceived organizational support variable from 0.876 which means it is not well predictable by the respective latent Variables.

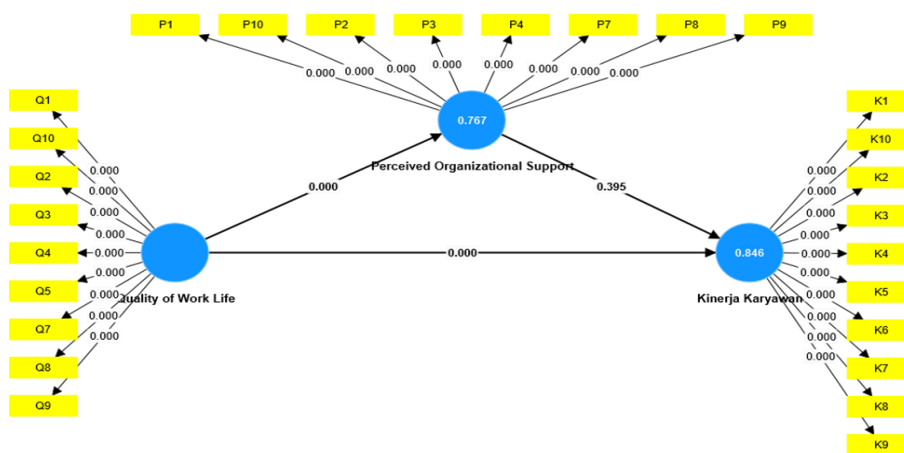


**TABLE 5| AVE of Correlation Between Variables**

Construct	Average Variance Extraced (AVE)	Description
Employee Performance	0.637	Valid
Perceived Organizational Support	0.753	Valid
Quality Of Work Life	0.637	Valid

Source: Data processed, 2024

Based on data processing in table 5 shows that Average Variance Extraced (AVE) values on employee performance structures, Perceived Organizational Support and Quality Of Work Life have resulted in AVE values greater than 0.5. Thus, the indicators used in the study can be declared valid, as they have met the convergence validity requirement (Convergent Validity).



Source: Data processed, 2024

**Figure 3.** Inner Model of predicting causality relationships between latent variables or testing hypotheses

**TABLE 6| Composite Reliability Of Indicator Reliability Value On Indirect Influence Variables**

Variable	Composite Reliability	Cronbach's Alpha	Description
Employee Performance	0.946	0.937	Valid
Perceived Organizational Support	0.961	0.953	Valid
Quality Of Work Life	0.941	0.929	Valid

Source: Data processed, 2024

Based on the reliability results in table 6, the reliability of the research instruments can be tested using Cronbach's Alpha and Composite Reliability. Where Cronbah's alpha and composite reliability values are > 0.7. The reliability test results indicate that the three variables used more than 0.70 are Employee Performance 0.946, Perceived Organizational Support 0.961, and Quality Of Work Life 0.941, so these variables can be declared reliable.

**TABLE 7 | R-Square the Influence Of The Independent Latent Variable on the Dependent.**

Variable	R-square	R-square adjusted
Employee Performance	0.846	0.844
Perceived Organizational Support	0.767	0.766

Source: Data processed, 2024

According to Table 7, R-Squared is 84.4%. This means that the improvement in employee performance can be influenced by Quality of Work Life and Perceived Organizational Support while the remaining 0.15% is affected by other causes. So it can be said that the R-squared value of the employee performance variable is moderate. The Perceived Organizational support variable produces the R-squared value of 76.6%.

**TABLE 8 | Direct Effect of variables**

	Path Coefficient	T statistic	P Values
Quality of Work Life -> Employee Performance	0.070	12.272	0.000
Quality of Work Life -> Perceived Organizational Support	0.015	58.619	0.000
Perceived Organizational Support -> Employee Performance	0.084	0.851	0.395

Source: Data processed, 2024

Based on Table 8 shows that testing the hypothesis using Bootstrapping of the three hypotheses, the first test is the influence between Quality Of Work Life and Employee Performance. It is shown by a positive track coefficient value of 0.070, a statistical t-value greater than 1.96 is 12.272 and a p-values less than 0.05 is 0.000. So it can be concluded that Quality of Work Life positively impacts employee performance. The second test is the influence of Quality of Work Life on Perceived Organizational Support. It is shown by a positive track coefficient of 0.015, a statistical t-value greater than 1.96 is 58.619 and a p-values smaller than 0.05 is 0.000. So it can be concluded that Quality of Work Life positively influences Perceived Organizational Support. The third test is the impact of Perceived Organizational Support on employee performance. Indicated by a positive line coefficient value of 0.084, the t-statistic value is less than 1.96 or 0.851, but the p-value is greater than 0.05 or 0.395. Thus it can be concluded that Perceived Organizational Support has been shown to have a negative or ineffective influence on employee performance.

**TABLE 9 | Specific Indirect Effect of Variables Mediation**

	Path Coeffisien	T statistic	P Values
Quality of Work Life -> Perceived Organizational Support -> Employee Performance	0.074	0.849	0.396

Source: Data processed, 2024

Based on table 9, it can be concluded that to determine the function of mediation, this study used the Bootstrapping method with the Specific Indirect Effect table, which showed the result that the impact of Quality of Work Life on employee performance through Perceived Organizational Support is shown by a positive path coefficient value of 0.074, a t-statistical value smaller than 1.96 is 0.849, however, a P-value greater than 0.05 is 0.396. This test concluded that Perceived Organizational Support did not mediate the relationship between Quality of Work Life and employee performance.

## 4. RESULTS AND DISCUSSION

### 4.1 RESULTS

#### a. Descriptive Analysis

According to the results of the above descriptive test, the distribution of data collected by the researchers can be described as follows: the average value of the Working Life Quality (X) variable is 42.42, the average valuation of the Employee Performance variable (Y) is 42.38, and the average variable value of Organizational Support Perception (Z) is 41.54.

#### b. Validity test

##### 1. Convergent Validity (Loading Factor )

The factor value loading all the elements of the statement is the Quality Of Work Life variable, Employee Performance Variable, and Perceived Organizational Support variable value  $> 0.70$ . Thus, it can be concluded that all structures or latent variables already have a good discriminant validity, where the block of the construction indicator is better than the indicator of other blocks.

##### 2. Discriminant Validity

The Perceived Organizational Support variable of 0.868 indicates a greater correlation value to employee performance, i.e. 0.822 which means that a latent variable well predicts each indicator. However, unlike the Fornell-Lacker criterion, the Quality Of Work Life variable is 0.798 smaller than its latent variant, the employee's performance is 0.919 and smaller that of the Perceived Organizational support variable, which is 0.876, meaning that it is not well predictable by the respective latency variables.

##### 3. AVE

Average Variance Extracted (AVE) values on employee performance construction, Perceived Organizational Support and Quality Of Work Life have resulted in AVE values greater than 0.5. This it can be concluded that the indicators used in the study can be declared valid, as they have met the convergence validity requirement (Convergent Validity).

#### c. Reliability Test

##### 1. Composite Reliability

Cronbach's alpha and Composite Reliability values  $> 0.7$ . The reliability test results indicated that the three variables used more than 0.70 are Employee Performance 0.946, Perceived Organizational Support 0.961, and Quality Of Work Life 0.941, so the three of these variables can be declared reliable.

#### d. Inner Model

##### 1. R-Square

The R-Squared value is 84.4%. This means that the improvement in employee performance can be influenced by the Quality of Work Life and Perceived Organizational Support while the remaining 0.15% is affected by other reasons. So it can be said that the R-squared on the Employee Performance variable is moderate. The Perceived Organizational support variable produces a R-squared of 76.6%.

**e. Model Fit (GoF Index)**

$$\text{GoF} = \sqrt{(R^2 \times AVE)}$$

$$\text{GoF} = \sqrt{(0,676 \times 0,805)}$$

$$\text{GoF} = 0,737$$

The GoF Index value of this research model is 0.737, so it can be concluded that the level of relevance and validity of this study model is very high.

**f. Hipotesis Test****Dirrect Effect****a. The Effect of Quality of Work Life on Employee Performance**

P value of Quality Of Work Life against performance of 0,000 or less than 0.05 it can be concluded that Quality Of Work Life has a significant influence on performance.

**b. The Effect of Quality Of Work Life on Perceived Organizational Support**

The p p value of the Quality Of Work Life on the Perceived Organizational Support is 0,000 or less than 0.05, it can be concluded that the Quality Of Work Life has a significant influence on Perceived Organizational Support.

**c. The effect of Perceived Organizational Support on Employee Performance**

The p value of Perceived Organizational Support versus Employee Performance is 0.395 or more than 0.05 so it can be concluded that Perceived Organizational Support has no significant impact on Employee Performance.

**d. The Indirect Impact of Quality Of Work Life on Employee Performance and Perceived Organizational Support on Employee Performance (Mediation Variable )**

The p p value of the Quality Of Work Life versus the Perceived Organizational Support is 0.396 or more than 0.05, it can be concluded that the Quality Of Work Life has a significant influence on Perceived Organizational Support and Employee Performance. The Fourth hypothesis (H4) states that there is no indirect effect or non-mediated quality of work life on the performance of Personnel Perceived Organizational Support.

**Specific Indirect Effect**

To determine the function of mediation, this study used the Bootstrapping method with a Specific Indirect Effect table which showed the result that the impact of Quality of Work Life on employee performance through Perceived Organizational Support is shown by a positive track coefficient value of 0.074, a t-statistical value smaller than 1.96 is 0.849, however, a P-value greater than 0.05 is 0.396. This test concluded that Perceived Organizational Support did not mediate the relationship between Quality of Work Life and employee performance.

**4.2 DISCUSSION**

Based on the PLS (Partial Least Square) analysis, the calculations that have been made will be discussed in this section. The aim of this study is to determine the correlation between the quality of working life and employee performance as well as the perception of organizational support as a mediation variable.

**H1. Direct Impact of Quality of Work Life on Employee Performance.**

The findings of this study are one of the factors that managers or MSME owners should remember if they want to improve employee performance is the quality of working life. The findings are also consistent with research by Farmi et al., (2021), who found that for business to flourish, efforts must be made to increase CEO attention and workforce performance. This research resulted that, there would be an improvement in the quality of work if the organization supported the important indicators of creating a good working environment, such as "the organization providing a

comfortable and safe workplace" and "the opportunity to give feedback to me was very effective in developing jobs such as full attention to compensation or decent wages". The improvement in the quality of work of MSME employees in Magelang City also impacts the improvement of performance that is useful for increasing the profitability of its business. Based on this research, it is expected that each MSME should help pay attention to each employee's work quality so that MSME continues to grow. It is consistent with the research conducted by (Gunawan & Hidayatullah, 2023) that from a business perspective, the quality of working life is important because the fact that the type of reaction is associated with the pleasure of the employee's work-related activities.(Greenhaus et al., 1987 dalam Sinha C, 2012). Life is the most important thing that attracts the attention of the company and raises the importance of the role and contribution of employees in society.

## **H2. Direct Impact of Quality Of Work Life on Perceived Organizational Support**

The study's findings demonstrate that working conditions have a lasting impact on the environment in which an organization is located and that working conditions have an impact on how supportive an organization is perceived. It implies that the excellent standard of life that comes with working for the company will also serve as evidence of its capacity to enhance the environment. If a worker produces excellent work, the employer won't insist on restricting their access to resources and facilities since when tools are supplied for the task, the worker will feel more connected to the firm. This is connected to a research by (Syarifudin et al., 2022) that discovered that worker confidence in the company is also affected by worker quality, worker communication effectiveness in MSME Magelang City, and worker comprehension of issues that arise there. The organization will therefore look for all forms of support to the employees in accordance with the organization's goal of improving work-life quality. According to this study, "the quality of work life is the participation of employees in the organization, the effort to develop their careers, and improve their ability in conflict resolution, improve the quality of communication between employees and to the leadership, to have a sense of pride in their organization".

## **H3. Direct Impact of Perceived Organizational Support on Employee Performance**

The result of this research is that Perceived Organizational Support has no discernible impact on worker performance. It demonstrates that if an individual is not driven by their desires, organizational assistance will not be able to properly impact their performance (Diana & Frianto, 2021). observed no discernible impact of the point of sale (POS) on staff performance, which is in line with this study. These findings support Wahyuni's (2019) conclusion that Perceived Organizational Support does not burden workers much. Studies by Fitria et al. (2018), Mursidta (2017), and Pratiwi & Muzakki (2021) all assert that Perceived Organizational Support has a major and favorable impact on worker performance. Because employees, like those in the manufacturing department, take on additional jobs and responsibilities to accomplish the company's goals, but they are not supported by the resources and tools available, organizational support is seen to have minimal effect on employee performance. "Production equipment and delays in the supply of raw materials" are two examples. Because of this, there are frequent delays in the field capital to profit conversion, and workers typically miss out on pay or other money from these outputs. Thus, in this instance, "MSME Magelang City must continue to make efforts to improve the stability of the flow of raw materials and sufficient supply to the business so that staff members can keep improving their performance and can keep improving their business".

## **H4. The Indirect Impact of Quality Of Work Life on Employee Performance and Perceived Organizational Support on Employee Performance (Mediation Variable )**

According to the findings, "quality of work life and organizational support performance as perceived by employees (POS) do not directly or unexpectedly correlate." The H4 hypothesis is rejected in this test, indicating that the data does not support the model and that there is no mediation effect between Quality of Working Life and Organizational Support observed as the Mediation variable on employees' attacks because the direct impact of detecting organizational support on employee performance is greater than the indirect impact of identifying organized support on employees performance.

"An employee can use personal traits to enhance performance by emphasizing the caliber of regular work. This includes "providing a nice working atmosphere, satisfying family objectives and expectations, fostering job happiness, and fostering a safe and tranquil working environment." Consequently, it is important to consider how he continues to see professional growth. Occupational health, and organizational pride in order to improve MSME City Magelang in this study. Thus in this research findings that "MSME City Magelang needs to focus its efforts to support employees in improving the quality of their working life rather than over-thinking what support deserves to be given to employees because if employees have had a good quality of work life then the organization will not lose if giving more appreciation to its employees because the employees have maximized the efforts of employees in helping the development of their business. According to the Goal Setting Theory, the improvement in employee performance can be influenced by the compatibility between the implementation of the hard work of each employee in order to comply with the objectives set by the UMKM. If employees are highly willing to improve performance for UMKM business progress but no support from the organization will not work either. The lack of support from the environment also makes employees reluctant to maximize their performance (Bima et al., (2022).

The findings are in line is consistent with the research conducted by (Gunawan & Hidayatullah, 2023) that from a business perspective, the quality of working life is important because the fact that the type of reaction is associated with the pleasure of the employee's work-related activities with a study by (Syarifudin et al., 2022) that discovered that worker confidence in the company is also affected by worker quality and These findings support Wahyuni's (2019) conclusion that workers are not much burdened by Perceived Organizational Support can only have a direct effect on employee performance and cannot be a mediator between quality of work life and employee performances.

## 5. CONCLUSION

The researchers make some conclusions and recommendations based on the findings. Researchers generally succeeded in showing that the quality of work life has a direct influence on employee performance. In other words, the better the Quality Of Work Life, the higher the performance quality of each employee at MSME in the city of Magelang will positively impact the development of the MSME. The direct impact of Quality of Work Life on Perceived Organizational Support means that if the quality of performance of each employee is good or improved, it will also impact the improvement of the organization's support for its employees. Furthermore, the research results showed that Perceived Organizational support does not have an indirect or indirect effect on the employee's performance. In other words, perceived organizational support doesn't mediate employee performance. This means that the support of a good organization cannot directly affect employee's performance improvement if it is not supported by employee awareness ofining the best quality in its performance. This study's results positively impact the employee's ability to improve the quality of his/her performance, starting with self-attention so that the organization's support will follow.

## 6. LIMITATION AND IMPLICATION

Based on the completed and acquired when the study method is essentially proceeding well, it is not incorrect for researchers to wish to provide some recommendations that may be helpful for future advancements in schooling. Other variables beyond the one mentioned above may be added in future study to help solve the problem of employee performance enhancement. The City of Magelang should concentrate its efforts on helping the staff members enhance their working lives rather than obsessing over what kind of support is appropriate for them. If the staff members have a positive working environment, the organization will benefit from the employees' assistance.

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**Conflict of Interest Statement:** The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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