

## The Effect Of High Performance Working System and Social Working Climate On Employee Well Being in A Manufacture Company

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**Abstract.** The implementation of HPWS is believed to be able to improve organizational performance and employee well being, but in the course of the organization due to external and internal factors changes will occur such as rotation, transfer and promotion of its members. As a result, the working climate will also change. The purpose of this research is to analyze the effect of the high performance working system and social working climate to the employee well being. This research uses a survey method with two independent variables : high performance working system and social working climate, and employee well being as dependent variable. Research is carried out in a manufacturing company. This research was conducted to examined the relationship between HPWS and and social working climate to employee well being. The results of this research can be used for managers as consideration in developing a work environment that supports the achievement of organizational performance.

**Keyword:** HPWS, Social Work Climate, Employee Well-being

### 1. INTRODUCTION

In order to be able to survive in the very competitive competition at present situation in Indonesia, organizations or companies must be able to maintain and improve the performance of their organizations.

Several factor that influences performance / productivity such as skill variety, task identity, task significance, autonomy, feedback, growth-needs strength, internal motivation, pay satisfaction, job satisfaction (Robin and Judge, 2013) goal setting, participation in decision making, objective feedback (Rodger, 1991), and work enjoyment that related to well being (Burke, 2004)

Considering employee well being is one of important factor that influence performance, further research for employee well being is needed. Employee well being can be defined as overall quality of an employee's experience and functioning at work. Effective functioning of employees occurs when they experience satisfaction and positive situation in their workplace. The increasing level of well-being, results in increasing job performance. Employee well-being is enhanced when a job has both external and internal attributes (Johari, 2019). The two dimensions of EWB are job satisfaction and organizational commitment. EWB is also reflected in occupational stress and safety and health. Some research on employee well-being examines the antecedents, such as employee engagement (Shuck, 2013), Job Quality (Sivapragasam, 2014), Procedural Justice, Distributive Justive, Interpersonal, and Informational Justice (Le Huong, 2016). HRM ( Baptise, 2008), high performing working system (Heffernan, 2016), and working climate (Guest, 2002)(de Simone, 2014)

HPWS can be defined as a sets of innovative HR practice that can give benefits in mutually reinforcing and synergistic. These practices include sophisticated selection and training, behaviour-based appraisal, merit based pay, job security and employee involvement (Heffernan, 2016). HPWS can improve employee

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well being by increasing distributive justice, procedural justice, and interactional justice then increasing job satisfaction and organizational commitment which are EWB dimensions.

Social climate is defined informal work context that important component in building organizational commitment such as trusting, supportive, fair minded and public-spirited (Guest, 2002). Social working climate is included in this research due to recent changes in the organization because of rotation, transfer and promotion employees.

## **2. LITERATURE REVIEW**

### **2.1. High Performance Working System**

The high performance working system is a series of policies and practices from HR management that together can produce high employee performance. In organizations that implement HPWS, workers usually receive more training, better selection processes and workers get higher compensation when compared to organizations that do not implement HPWS. In addition to the amount of training, performance appraisal, portion of work in teams, operational information sharing and financial information sharing is higher for HPWS organizations compared to LPWS

In another study, the practice of HPWS included flexible job assignment, besides

that there were also selective staffing, extensive training, merit-based performance appraisal, extensive benefit and competitive compensation (Takeuchi 2007).

According to Huselid (1995) HPWS can affect the work motivation of workers. so that with increased motivation can affect the well-being employee.

### **2.2. Employee Well Being**

Employee well being is associated with work-related problems that can affect well-being both physically and mentally or both (Le Huong, 2016). The main problem that causes problems in the health of employees and well-being is occupational stress. The three main categories of stressors are stressors originating from the work itself, social relations in the workplace, and the organizational environment in general. Some variables that negatively affect stress are too heavy workload, lack of management support, lack of job autonomy and control, ambiguity in work and perception of injustice.

The type of work influences a person's well-being (Sivapragasam, 2017). Good well-being can have a positive effect on mood and emotion as an example of happiness and satisfaction. well-being can also influence employee engagement in a unique way and when well-being is strong the level of engagement and performance will also be high. effective HRM practice will affect the employee well being.

Hipotesis 1 : The implementation of HPWS has a positive effect to the employee well-being.

### **2.3. Social Work Climate**

Definition of Social work climate is conceptualized as a molar construct consisting of individual psychological representations derived from proximal organizational structures, processes, and events. Psychological constructs can be traced to the use of as a way to explain individual motivational and affective reactions to change. Solve psychological problems, estimate results, predict possible outcomes, and measure the suitability of their subsequent actions (Parker 2003) An organization's social working climate consists of five dimensions. The first dimension is job characteristics such as autonomy, challenges and meaning of a job. then the role characteristics are ambiguity, conflict and work overload.

The third dimension is leadership characteristics which can be in the form of emphasis on goals, support, upward influence. The fourth dimension is the characteristics of work groups and the environment such as cooperation, pride and pride. The fifth dimension is attribution of the organization and its subsystems such as innovation, awareness management and information disclosure)

Hipotesis 2 : Social Working Climate has a positive effect on well-being employees.

### 3. RESEARCH METHOD

In this study, survey method is used for data aggregation. The survey consist of 48 statements, using a Likert scale 1-5 and 3 open questions. Respondents are permanent

employees who work in a manufacturing company consist of managers, supervisors and member level. The total population is 199 people.

In the introduction page of the survey sheet, the researcher explained the purpose of this study, the incentives provided in the form of random draws of IDR 50,000 (USD

4) prepaid mobile phone credit. Respondents were guaranteed the confidentiality of the name and response they gave. To speed up surveys sheet fillings, surveys are made into 2 formats: 1. Hardcopy: which is distributed to each department office and 2. google form: which is distributed through Whatsapp groups or private chat.

Respondent for this survey consisted of 153 people from the production, technical and maintenance departments. The workers consist of 147 men and 7 women. The Age of workers is at most > 40 a year as many as 110 people (71.4 %) and has worked in the span of 16-25 years as many as 98 people (63.6 %). Most of the majority worker have high school education or equivalent as many as 72 people (46.8 %).

The survey statement is taken from previous studies or research to ensure its validity. Survey statement use multiple choice with a 5 point Likert scale starting from 1 (strongly disagree) to 5 (strongly agree) except for open questions in each variable.

The HPWS survey statement was obtained from 21 HR policies from Lepak and Snell's (2002) which have been selected by Takeuchi (2007) for measurements in East Asian countries. While the statement about Social Working Climate are taken from the Nordic QPS by Pahkin (2007) and statement about EWB are taken from the Work- Related Quality of Life (WRQoL) user manual made by Easton Van Laar (2018).

### 4. RESULT AND DISCUSSION

#### 4.1 Result

The Effect of High Performance Working System on Employee Well-Being SPSS is used for the data analysis, the results is shown in the table below:

Table 1. Regression Result High Performance Working System with Employee Well- being.

Variable	Coefficient	thitung	Probability
Constants	4.339		
HPWS	0.070	14.597	0.000
R2 = 0.584	F =	213.075	

From table 1 the linear regression equation can be made as follows:

$Y = 4.339 + 0.070 X + s$ . This means that if the HPWS score (X1) is 0, then the employee well-being will be worth 4,339.

By using a confidence level of 95 percent or  $\alpha = 0.05$ , the value of F is obtained by 213,075 with a significance value of 0,000 (less than 0.05) so that the regression equation is used to predict the relationship between the High Performance Working System towards Employee Well-being.

From table 1 the coefficient of determination is obtained (R<sup>2</sup>) of 0.584 or 58.4 percent, meaning that 58.4 changes in the increase and decrease in employee well-being variables are influenced by HPWS while the remaining 41.6 percent is influenced by other variables.

The HPWS coefficient of 4,339 means that the variable HPWS has a positive relationship with the Employee Well-Being. So that if there is an increase in HPWS scores, the EWB will also increase.

The results of the analysis using  $\alpha = 0.05$  are known to  $t_{table}$  equal to 1.65487 while the calculation results obtained value  $t_{calc}$  equal to 14,597. so that  $t_{calc} > t_{table}$ , it can be concluded that the HPWS score variable has a significant positive effect on the Employee Well-Being.

#### The Effect of HPWS and SWC to EWB

the effect of HPWS and SWC on EWB is tested with regression analysis. The result is shown in the table 2 below :

Table 2. Regression Analysis of the Effect of High Performance Working System and Social Working Climate on Employee Well-Being.

Variable	Coefficient	t hitung	Probability
Konstanta	4.219		
HPWS	0.094	5.466	0.000
Social Working Climate	0.197	7.157	0.000
R <sup>2</sup> = 0.689		F =	167.342

From table 2 the linear regression equation can be made as follows:  $Y = 4.219 + 0.094X_1 + 0.197X_2 + s$ .

By using a confidence level of 95 percent or  $\alpha = 0.05$ , the value of F is obtained at 167,342 with a significance value of 0,000 (less than 0.05) so it can be concluded that this regression equation is used to predict the relationship between the High Performance Working System and Social Work Climate for Employee Well-being.

From table 2 the coefficient of determination is obtained (R<sup>2</sup>) of 0.689 or 68.9 percent, meaning that 68.9 percent changes in the increase and decrease in employee well-being variables are influenced by HPWS and SWC while the remaining 31.1 percent is influenced by other variables. The HPWS coefficient of 4.219 means that the variables HPWS and SWC have a positive relationship with Employee Well-Being. So if there is an increase in HPWS and SWC scores, the EWB will also increase.

The analysis results using  $\alpha = 0.05$  are known to be  $t_{table}$  of 1.65487 while the calculation results are obtained by the value of  $t_{calc}$  of 5,466 for HPWS and 7,157 for SWC. so that  $t_{calc} > t_{table}$ , it can be concluded that the score variable HPWS and SWC has a significant positive effect on the Employee Well-Being.

#### 4.2 Conclusion

The High Performance Working System score for workers in a manufacturing company has a positive effect on Employee Well-being. The higher the High Performance Working System score, the higher the Employee Well-Being, whereas if the High Performance Working System score decrease, the Employee Well-Being will also decrease.

Social working climate has positive effect on employee well-being. the higher social working climate, the higher employee well being will be. whereas if the social working climate decrease, it will decrease employee well being.

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