



Which One as the Best Mediator in the Effect of HR Practices on Job Performance During COVID-19 Pandemic? The Psychological Well-Being or the Physical Well-Being?

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Abstract. The role of HR in accordance with the conditions of the company and employees will also determine the effects that will be in the future. This study is having a purpose examine structural relationship among HR practice, psychological well-being, positively influence toward job performance in Indonesian airport company. This study examines the relationship among these variables using structural equation modelling (SEM) with Lisrel 8.8 for the statistical tool. The total respondents are 229 respondents from Airport Company. This study found that HR practice, psychological well-being, positively influence toward job performance, HR practice also positively influence toward psychological well-being. In contrast, HR Practices not effect physical well-being, in some condition physical well being also there is no relationship with job performance. This study gives an assist to job performance literature as well, notably in Indonesia airport company, as object research. Additionally, this finding provides HR practice to strengthen employee job performance within the psychological well-being.

Keywords: HR Practice · Psychological well-being · Physical Well-being · Job Performance · Airport company

1 Introduction

Many factors influence employee performance, several theories have explained about well-being in influencing employee performance. Well-being is a broad concept that refers to individuals' valued experience (Bandura, 1986) in which they become more effective in their work and other activities (Huang et al., 2016). According to Diener (2009), well-being as a subjective term, which describes people's happiness, the fulfillment of wishes, satisfaction, abilities and task accomplishments. Many factors influence employee performance, several theories have explained about well-being in influencing employee performance.

HR has a significant role in employee performance. The choice of approach taken by HR will affect employee performance in carrying out their work. The empirical evidence

regarding the trilateral relationships between HRM, employee well-being and employee performance demonstrates that HRM has a positive effect on the happiness effects [1]–[3]. However, some studies indicate that HR practices may trigger higher levels of stress, burnout, exhaustion and work intensification, which are elements that negatively affect employee physical well-being [2, 4]. HR practice creates trade-offs between the three dimensions of well-being. Same HR practice to all dimension of well-being causing complicated trade off. It gives positive effect on one well-being, but it can make worse the other. This makes the role of HR in accordance with the conditions of the company and employees will also determine the effects that will be in the future.

The existence of Covid19 has an effect on, and this affects well-being. Based on the official website covid19.go.id as of September 2020 the number of Covid19 has reached 248,852 thousand people. Of course, many sectors were affected from the early appearance of Covid19. Starting from the business sector, business, transportation, online shopping.

This study bringing together the literature and the results of previous research on HR policies to improve and improve the performance of employees. The choice of approach taken by HR will affect employee performance in carrying out their work, but in this study, the authors focused on the job performance of Indonesian airports, especially permanent employees. In addition, we are also focused on a new period due to the normal consequences of the Covid-19 pandemic. Therefore, in research that affects the performance of permanent employees of Indonesian airport company.

2 Literature Review

Human Resource Management or HR practice is defined as “all activities related to managing people in a company” [5]. Human resource practice consists of six practices [6]: (1) job analysis and job design, (2) recruitment and selection (3) training and development, (4) performance management, (5) performance appraisal (6) payroll, incentives, and benefit structures, and (5) industrial relations. This theory is the basis for many studies examining the positive correlation between human capital and work performance [7]. HR practices mean whether the various HR practices adopted by employees are perceived by employees as unique (understandable by employees), consistent (applied in a similar way) and carried out by consensus (supported by managers) [7].

3 Research Method

The data in this study adopted previous study from [8], Employee is an object of research that is relevant to measure the perception of employee while they did some job while COVID19 outbreak. Specifically, the Indonesian employee has recently been affected by regulation while COVID19 pandemic. This study examines the structural equation modelling (SEM) among this variable. Researchers used online questionnaire for collecting data to the respondents in the end of August 2020. This study used purposive sampling for collecting the data, our respondent’s criteria are (1) The respondents must live and work in Indonesia (2) Respondent must be an airport company employee especially permanent employee. The developing of questionnaire using Indonesia Language. The

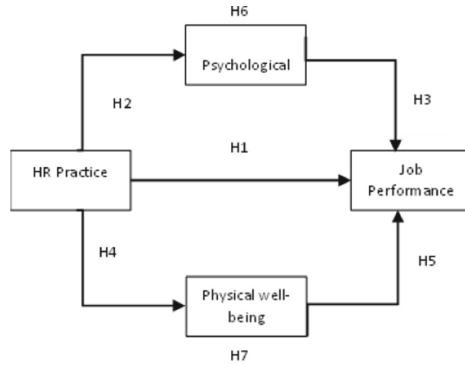


Fig. 1. Research Method

questionnaire dissemination about 229 employees and all respondents fulfil the sample criteria (Fig. 1).

Hypothesis:

- H1: HR Practices positively influences toward Job Performance.
- H2: HR Practices positively influences toward Psychological Well-being.
- H3: Psychological Well-being positively influences toward Job performance.
- H4: HR Practices negatively influences toward Physical Well-being.
- H5: Physical Well-being positively influences toward Job performance.
- H6: The role of psychological well-being mediator the relationship between HR practices and Job performance.
- H7: The role of physical well-being mediator the relationship between HR practices and Job performance.

Measurement

The items and variable adopted from previous research that related in this topic about job performance and behavior. Following the previous research HR practices used scale adopted from [8] a sample question like “in my company, human resource contributes on job satisfy while work from home”. To measure Physical well-being the researcher using 2 item scale developed by [9] with a sample question “my job while work from home make me more stress than I had ever imagined”. Following the previous study psychological measured by job satisfaction with four-item scale developed by [10] and [11]. Job performance was assessed with seven-item scale adopted from [12], a sample item like “while work from home situation, I feel my work so interested”. All items for this questionnaire using six-point Likert scale from (1) “strongly disagree” to (6) “strongly agree”.

4 Result and Discussion

4.1 Data Analysis

The demographic profile of 229 respondents in this research can be shown in Table 1. All of respondent is permanent employee of airport company. 76.9% our respondent were Male and 23.1% were Females. The age our respondent most of 25 – 35 years or about 69.4% and more than 21% our respondent age ranging 36–45 years and 5.2% more than 45 years. Most of 62% our respondent from bachelor as education background following diploma 14,8%, high school 10.5%, and master 12,7%. Most of our respondent has work period ranging 5 years about 85,6% and more than 13% has 3–5-year work period in airport company.

The Descriptive statistics was shown in Table 2 below. Statistics Descriptive shown the average, maximum, minimum, and standard deviation each variable in this study. The Table 4 showed all variable has mean ranging 3.3 – 4.5 this can be classified as “High category”. The maximum value was in range 6.00. And the minimum value was 1.00. It should be noticed job performance has the highest means, and physical well-being has the lowest means. For the standards deviation, psychological well-being is the highest value with 1.4287.

Table 1. Respondent Demographics

| | Frequency | Percentage |
|---------------|-----------|------------|
| Gender | | |
| Male | 176 | 76.9% |
| Female | 53 | 23.1% |
| Age | | |
| < 25 Years | 8 | 3.5% |
| 25 – 35 Years | 159 | 69.4% |
| 36 – 45 Years | 50 | 21.8% |
| > 45 Years | 12 | 5.2% |
| Education | | |
| High School | 24 | 10.5% |
| Diploma | 34 | 14.8% |
| Bachelor | 142 | 62.0% |
| Master | 29 | 12.7% |
| Work Period | | |
| 1–2 year | 3 | 1.3% |
| 3–5 year | 30 | 13.1% |
| 5 year | 196 | 85.6% |

Table 2. Statistics Descriptive

| | Min | Max | Mean | Std Deviation |
|------|-----|-----|--------|---------------|
| HRP | 1 | 6 | 4.5153 | 0.9224 |
| JP | 1 | 6 | 4.5956 | 1.0637 |
| PSW | 1 | 6 | 3.9563 | 1.1719 |
| PHW_ | 1 | 6 | 3.3144 | 1.4287 |

HRP = HR Practice, JP = Job Performance, PSW = Psychological Well-being.
PHW = Physical well-being.

The validity test, this study using confirmatory factor analysis (CFA, See Table 3), CFA shows that all factor loadings (except: HR3, HR10, HR11) confirming valid (>0.7), to ensure the reliability the researcher measure the average variance extracted (AVE) for all constructs exceeded 0.50, and the construct reliabilities for each item or construct equaled 0.60. And the result shown fulfil the AVE or reliability standard or criteria (>0.5) (Table 5 and 6).

LF = Loading factor, CR = Composite Reliability, AVE = Average Variance Extracted, CA = Cronbach's Alpha.

The researchers also measure the discriminant variable by comparing AVE square value and latent correlation value between latent variable. Table 3 show that all construct of AVE square value higher than latent correlation value between latent variable (Haryanto.2007). This indicates our model has good correlation and fit.

HRP = HR Practice, JP = Job Performance, PWH = Psychological Well-being.
PHW = Physical well-being.

4.2 Hypotheses Test

This study using PLS statistical tool to test the hypothesis. Using path analysis for measure significantly the relationship between the variables. The result was explained first, HR Practice has positive effect toward job performance ($t\text{-value (5.207)} \geq 1.645$, $p < 0.05$) thus, indicate that H1 supported. Second, HR Practice has positively affected toward psychological well-being ($t\text{-value (5.207)} \geq 1.645$, $p < 0.05$) this result indicates that H2 supported. Thirdly HR practice has no effect toward physical well-being ($t\text{-value (1.012)} \geq 1.645$, $p > 0.05$) and Physical well-being also has no effect toward Job performance ($t\text{-value (1.535)} \geq 1.645$, $p > 0.05$) thus, indicate H3 and H5 not supported. Next, Psychology well-being has positive effect toward Job Performance ($t\text{-value (5.764)} \geq 1.645$, $p < 0.05$).

Finally, Psychological well-being mediates the role of HR Practices toward Job Performance in airport company (Indirect effect $t\text{-value (3.002)}$, $p < 0.003$). In contrast, Physical well-being did not mediate the role of HR Practices airport company (Indirect effect $t\text{-value (3.002)}$, $p < 0.003$).

Table 3. Confirmatory Factor Analysis

| ITEM | LF | CA | CR | AVE |
|--------------------------|-------|-------|-------|-------|
| HR Practise | | 0.964 | 0.969 | 0.777 |
| HR1 | 0.850 | | | |
| HR2 | 0.862 | | | |
| HR4 | 0.845 | | | |
| HR5 | 0.826 | | | |
| HR6 | 0.906 | | | |
| HR7 | 0.921 | | | |
| HR8 | 0.910 | | | |
| HR9 | 0.901 | | | |
| HR12 | 0.906 | | | |
| Job Performance | | 0.967 | 0.975 | 0.884 |
| JP1 | 0.945 | | | |
| JP2 | 0.957 | | | |
| JP3 | 0.955 | | | |
| JP4 | 0.923 | | | |
| JP5 | 0.922 | | | |
| Psychological Well-being | | 0.947 | 0.966 | 0.904 |
| PHW1 | 0.955 | | | |
| PHW2 | 0.933 | | | |
| Physical well-being | | 0.879 | 0.942 | 0.891 |
| PSW1 | 0.934 | | | |
| PSW2 | 0.965 | | | |
| PSW3 | 0.952 | | | |

Table 4. Cross Loading Fornell-Larcker Criterion

| | HRP | JP | PSW | PHW |
|-----|-------|-------|-------|-------|
| HRP | 0.882 | | | |
| JP | 0.614 | 0.940 | | |
| PSW | 0.369 | 0.608 | 0.951 | |
| PHW | 0.088 | 0.009 | 0.162 | 0.944 |

Table 5. Path Analysis

| | T- Value | P-Values | Decision |
|-------------|----------|----------|----------|
| HRP - > JP | 5.207 | 0.000 | S |
| HRP - > PSW | 4.267 | 0.000 | S |
| HRP - > PHW | 1.012 | 0.312 | NS |
| PSW - > JP | 5.764 | 0.000 | S |
| PHW_ - > JP | 1.535 | 0.126 | NS |

Table 6. Moderating Test

| | T Statistics | P Values | Decision |
|---------------------|--------------|----------|----------|
| HRP - > PSW - > JP | 3.002 | 0.003 | S |
| HRP - > PHW_ - > JP | 0.822 | 0.412 | NS |

4.3 Discussion

This research has showed whether HR practice affects job performance or not, and where is the most significant of well-being which can be the mediator of HR practice to Job performance in the airport company. First of all, we have found that HR practice significantly give effect to job performance. This result is in line with the previous study from (Khoreva et al., 2018) where we know that the present such as incentive, proper training, and some policies by HRM will increase the employee job performance. As we know in this era, incentive and bonus are the most important motivation for employee to increase their job performance.

Secondly, our finding shows that HR practice significantly give effect on psychological well-being, because HR practice proven give notice on the working life quality of the employee which can increase the happiness (one of the psychological well-being facet)[2, 13]. Moreover, in this covid-19 pandemic, employee must be finishing their job in front of their device or we usually call it as Work from Home. Surprisingly, we found that HR practice has no effect on Physical well-being. Previous study also examined that there is trade-off between HR practice and well-being where HR practice give significant effect on some dimension of well-being, but it also gives no effect on the other dimension [13](Peccei, 2004).

Begin to our next finding, psychological well-being has significant impact on job performance. We found that employee which is having proper psychological well-being will give result on the increasing of their job performance. [14] also states that employee which have a happy feeling will make a satisfaction job performance. In the other hand, our research shows that physical well-being doesn't give impact on job performance which is not in line with the study of [15]. As we know in the form of WFH, our respondent mostly is a non-operational employee which indicate that they are keep their

job in front of their device which means they prefer do the job non-physically. Thus, physical well-being doesn't give impact on job performance.

Psychological well-being proven to be the strengthen mediator in mediating the HR practice to Job performance. Psychological well-being strengthens the relationship between HR practice and Job performance. In contrast, physical well-being isn't strong enough to be the mediator of HR practice and job performance. Thus, physical well-being didn't become the mediating role of HR practice and Job performance.

It indicated that only psychological well-being that can be the best mediating variable in this relation. The implication of this research is to increase job performance with the way of HR must be paying attention on including the aspect of psychological well-being (satisfaction, happiness, autonomy, etc.) to create the best relation between it.

5 Conclusion

Basically, the airport company employees have dissimilar behavior to another employees. Giving different treatment on their result of increasing job performance based on the psychological and physical well-being. This finding process airport company job performance supported by HR practice and employee well-being. Conversely, one of the employee well-being dimensions (physical well-being) doesn't give effect on employee job performance. In this study, we found that HR practice has positively influence psychological well-being, psychological well-being positively give impact on job performance. Also, psychological well-being is the best mediator for mediating the relation of HR practice and Job performance..

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