



The Effect of Organizational Climate and Quality of Work Life on Employee Performance with Job Satisfaction as an Intervening Variable: A Study at Bappedalitbang, Karo District

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Abstract. This study aims to empirically examine the influence of organizational climate and quality of work life (QWL) on employee performance, with job satisfaction as an intervening variable at the Regional Development Planning, Research, and Development Agency (BAPPEDALITBANG) of Karo Regency. The background of this study is based on the importance of work environment factors and employee welfare in increasing work effectiveness and productivity, especially in government agencies that have a strategic role in regional development planning. This study uses a quantitative approach with a survey method, where primary data is collected by distributing questionnaires to all BAPPEDALITBANG employees. The analytical technique used is path analysis to determine the direct and indirect relationships between variables. The results show that a positive organizational climate can create a supportive work atmosphere, which in turn increases employee job satisfaction. Similarly, a good quality of work life—which includes work-life balance, health insurance, a sense of security, and opportunities for development—contributes significantly to increased job satisfaction. Furthermore, job satisfaction is proven to act as a strong intervening variable, bridging the influence of organizational climate and QWL on improving employee performance. These findings provide practical implications: performance improvement efforts cannot be achieved solely through administrative or structural approaches, but must also consider the psychological aspects and well-being of employees. Therefore, it is crucial for organizational management to continuously create a healthy work climate and improve the quality of work life to achieve optimal and sustainable employee performance.

Keywords: Organizational Climate, Job Satisfaction, Performance, Quality of Work Life

1 Introduction

In facing the demands of bureaucratic reform and improving the quality of public services, government agencies are required to continuously improve the overall

performance of their employees. One crucial aspect that influences employee performance is the internal conditions of the organization itself, including organizational climate and quality of work life (QWL). A conducive organizational climate creates a psychologically and socially healthy work environment, which directly impacts employee motivation, loyalty, and productivity. On the other hand, QWL is closely related to the balance between work demands and personal life, job security, participation in decision-making, and the fulfillment of basic employee needs in the work environment. These two factors not only directly influence performance but can also increase job satisfaction, which ultimately contributes to the performance of individuals and the organization as a whole. Job satisfaction itself is a reflection of employee perceptions of their work experiences and plays an important role as an intervening variable that bridges the influence of organizational climate and QWL on performance. In the context of the Karo Regency Regional Development Planning Agency (BAPPEDALIT-BANG)—as a strategic institution in regional development planning—optimal employee performance is a crucial prerequisite for carrying out organizational tasks and functions. However, various indications point to a gap between expectations and actual performance, necessitating an in-depth study of the influencing factors. Therefore, this research is crucial to understand how organizational climate and quality of work life influence employee performance, both directly and through job satisfaction as an intervening variable. This study can then provide relevant recommendations for developing human resource management in the local government sector.

2 Literature Review

2.1 Performance

Employee performance is one of the main indicators in measuring organizational effectiveness, particularly in the public sector, which is required to provide excellent service to the public. From a modern human resource management perspective, performance is not only understood as the final work result but also encompasses employee behavior, processes, and contributions to achieving organizational goals. Employee performance encompasses effectiveness, efficiency, responsibility, and timeliness in completing tasks according to established standards. Meanwhile, [1] emphasize that performance is also influenced by factors such as training, organizational culture, and a supportive work environment, thus reflecting the role of performance as an integrated variable within the organizational system. Research in the field even expands this definition by viewing performance as the outcome of a combination of various variables such as training, discipline, and job satisfaction. In the context of government organizations, employee performance reflects the extent to which individuals are able to carry out tasks with high productivity, adapt to change, and support innovation and transformation of public services. Therefore, employee performance today is not only measured by quantitative output but also encompasses professional attitudes, adaptability, and contributions to sustainable organizational change.

This overall perspective emphasizes that performance management cannot be separated from the interplay of internal individual and systemic organizational factors.

2.2 Organizational Climate

Organizational climate is an important construct in the study of organizational behavior, referring to employees' collective perceptions of the work environment they experience daily. According to [2], organizational climate reflects shared perceptions of the policies, practices, and procedures implemented by the organization, which ultimately influence employee motivation and work behavior. These perceptions are not solely individual, but are formed through shared experiences within the context of social interactions in the workplace. In a more recent context, [3] emphasizes that organizational climate also encompasses psychosocial elements such as a sense of security, trust between employees, and support from superiors, which are directly related to individual psychological well-being and productivity. Meanwhile, research by [4] shows that a healthy organizational climate encourages work-life balance, flexibility, and a collaborative work culture, which have positive implications for performance and job satisfaction. From these various perspectives, it can be concluded that organizational climate is not a fixed entity, but rather the result of a dynamic process between the organization's formal structure and the subjective experiences of individuals within it. A positive organizational climate can be an important foundation for achieving organizational goals by continuously increasing employee morale, loyalty, and performance.

2.3 Quality of Work Life

Quality of Work Life (QWL) is a strategic concept in human resource management that describes the extent to which an organization creates a work environment that supports the physical, psychological, and social well-being of its employees. QWL encompasses not only the physical aspects of work but also the psychological dimensions that influence how employees feel valued, heard, and empowered within the organization. According to [5], QWL encompasses several key components such as job safety, fair compensation, career development, organizational justice, and work-life balance. This is supported by the opinion of [6], who stated that QWL is a set of work conditions and practices that enable the creation of a harmonious and productive work atmosphere and provide meaning to the work performed. Meanwhile, research by [7] confirms that QWL directly contributes to job satisfaction, organizational commitment, and employee productivity, both in the public and private sectors. Research conducted by [8] in the context of public organizations in Indonesia shows that QWL significantly influences employee loyalty, employee engagement, and the quality of public services. Furthermore, in a more recent study, [4] stated that high QWL can strengthen social relationships in the workplace, create an inclusive work environment, and

reduce employee stress and burnout levels. Thus, QWL is not only an indicator of work well-being but also a crucial instrument in creating a positive work culture and driving sustainable organizational performance. Attention to QWL is becoming increasingly important in the dynamic and stressful modern workplace, where the balance between work demands and employee quality of life is crucial to an organization's long-term success.

2.4 Job Satisfaction

Job satisfaction is a central concept in the study of organizational behavior and human resource management, reflecting the extent to which employees feel positive about their work. According to [9], job satisfaction is a pleasant emotional state resulting from an individual's assessment of their job or experiences at work. This is reinforced by [10], who state that job satisfaction is an attitude that indicates pleasant or unpleasant feelings about the work performed. In a more recent study, [11] emphasized that job satisfaction is not only related to intrinsic factors such as job duties, challenges, and development opportunities, but is also influenced by extrinsic factors such as relationships with coworkers, compensation, and working conditions. Research by [12] shows that job satisfaction plays a crucial role in improving employee performance, loyalty, and commitment, as well as reducing turnover rates. Furthermore, a study by [13] confirmed that job satisfaction functions as an intervening variable linking organizational factors such as work climate and quality of work life with employee performance. Therefore, job satisfaction can be understood as the result of employees' subjective evaluation of various aspects of their work that directly affect their motivation, productivity, and well-being in the work environment.

3 Methods

This study uses an associative approach, which aims to identify and analyze the relationship or influence that occurs between two or more variables, particularly between independent variables and dependent variables. In the context of this study, the independent variables consist of Organizational Climate (X1) and Quality of Work Life (X2), while the intervening or mediating variable is Job Satisfaction (Z). Meanwhile, the dependent variable that is the main focus of measurement is Employee Performance (Y). This approach allows researchers to understand the extent to which these variables interact and influence each other systematically.

3.1 Population and Sample

According to Sugiyono [14], a sample is a part of the totality and characteristics possessed by the population. Given that the population size is relatively limited, the sampling technique used in this study is a saturated sample, which means that the sample size covers the entire population. In this study, the sample size used was 42 individuals.

3.2 Data collection

In quantitative research, population and sample are two important components that determine the validity and reliability of research results. According to [14], a population is a generalized area consisting of objects or subjects with certain characteristics and is determined by the researcher to be studied and conclusions drawn. Meanwhile, a sample, as explained by [15], is a portion of the population and its characteristics, considered representative of the entire population if determined appropriately. However, when the population is relatively small or cannot be fully reached, researchers can use total sampling, a sampling method in which all members of the population are used as research respondents [16]. In the context of this research, a population of 33 employees at the relevant agency was used as the total sample, considering the limited population size and full reach of the researcher. Data collection was conducted in October 2024, so all respondents included in the population were actively involved in completing the research instrument. The use of total sampling is considered appropriate because it allows researchers to obtain a comprehensive and representative picture of the variables studied without the risk of bias that is common with partial sampling techniques.

4 Results

4.1 Path Analysis of Sub Model

Table 1. Model Summary of Sub Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.864 ^a	0.746	0.719	0.349

^aPredictors: (Constant), Job Satisfaction, Quality of Work Life, Organizational Climate

Model Summary Based on the results of multiple linear regression analysis, a correlation coefficient (*R*) value of 0.864 was obtained, indicating a very strong relationship between the independent variables, namely Organizational Climate, Quality of Work Life, and Job Satisfaction, and the dependent variable, namely Employee Performance. The coefficient of determination (*R* Square) value of 0.746 indicates that 74.6% of the variation in employee performance can be explained simultaneously by the three independent variables, while the remaining 25.4% is influenced by other variables outside this research model. Meanwhile, the Adjusted *R* Square value of 0.719 indicates that after adjusting for the number of variables in the model, approximately 71.9% of changes in employee performance can still be explained significantly by the model used, so this model has a good level of reliability. The Standard Error of the Estimate value of 0.349 indicates that the level of prediction error in this model is relatively small,

so the estimation results on employee performance are quite accurate. Thus, it can be concluded that Organizational Climate, Quality of Work Life, and Job Satisfaction together have a strong and significant influence on Employee Performance, and this regression model is suitable for use in managerial decision making or HR development policies in related agencies.

4.2 Sobel Test

Table 2. Sobel Test Results

Variables	Unstandardi- zed	Std. Error	Test Statistics	Std. Er- ror	P- Value
Organizational Climate on Job Satisfac- tion	0.297	0.079	2.095	0.036	0.036
Job Satisfac- tion with Per- formance	0.255	0.101			
Quality of Work Life on Job Satisfac- tion	0.272	0.075	2.072	0.033	0.038
Job Satisfac- tion with Per- formance	0.255	0.101			
Source: Data Processed With Calculation for the Sobel Test, 2025					

Based on the results of the mediation test analysis using the Sobel Test, it is known that the Organizational Climate variable has a significant effect on Job Satisfaction, with a regression coefficient value of 0.297 and a *p*-value of 0.036 (< 0.05), which indicates that the effect is statistically significant. The test statistic value of 2.095 and a standard error of 0.079 further strengthens that the effect is not caused by mere chance. Furthermore, the Quality of Work Life variable also has a significant effect on Job Satisfaction, with a coefficient value of 0.272, a test statistic value of 2.072, and a *p*-value of 0.038, which is also below the significance threshold of 0.05. This indicates that the better the quality of work life perceived by employees, the higher their job satisfaction. Meanwhile, the Job Satisfaction variable is proven to have an effect on Employee Performance with a coefficient value of 0.255 and a standard error of 0.101, which indicates a positive and moderate effect. Based on this data, it can be concluded that Job Satisfaction acts as a significant mediating variable in bridging the influence of Organizational Climate and Quality of Work Life on Employee Performance. Thus, organizations need to pay attention to improving the quality of the work climate and employee work-life balance, as both factors have been empirically

proven to increase job satisfaction, which in turn has a positive impact on overall performance.

5 Discussion

5.1 The Influence of Organizational Climate on Job Satisfaction

Based on the results of the data analysis obtained through the Sobel test, it can be concluded that there is a positive and significant influence between Organizational Climate and Job Satisfaction. This is indicated by the regression coefficient value of 0.297, which indicates that every one unit increase in perception of organizational climate will increase employee job satisfaction by 0.297 units, assuming other variables are held constant. The standard error value of 0.079 indicates a level of estimation error that is still within reasonable limits, and the test statistic value of 2.095 indicates that the relationship is quite strong statistically. Most importantly, the p -value of 0.036 is below the 0.05 significance level, which means the influence between the two variables is statistically significant. Thus, it can be emphasized that the more positive the organizational climate perceived by employees—which includes aspects of role clarity, superior support, open communication, and a conducive work atmosphere—the higher the level of job satisfaction experienced by employees. These findings align with various theories and previous research findings, which emphasize that a healthy and supportive organizational climate is a key factor in shaping positive job perceptions and increasing overall job satisfaction. Therefore, organizational management, particularly in government bureaucracies, needs to prioritize creating and maintaining a positive work climate as a strategy to improve employee psychological well-being while simultaneously supporting organizational productivity.

5.2 The Influence of Quality of Work Life on Job Satisfaction

The analysis results show that Quality of Work Life (QWL) has a positive and significant effect on Job Satisfaction, as indicated by the regression coefficient value of 0.272 with a p -value of 0.038, which is below the significance threshold of 0.05. The test statistic value of 2.072 and a standard error of 0.075 strengthens the evidence that the higher the employee's perception of the quality of their work life, the higher the level of job satisfaction they feel. This finding is in line with [5] opinion that QWL includes working conditions that allow employees to feel comfortable, appreciated, and able to balance the demands of work and personal life, which ultimately impacts job satisfaction. Furthermore, [6] explain that QWL consists of various dimensions such as compensation fairness, career development opportunities, job safety, and social relationships in the workplace—all of these factors have been shown to be important determinants in shaping employee job satisfaction. Furthermore, an empirical study by [9] in the context of public sector organizations in Indonesia also found that good QWL increases a sense of belonging to the organization and encourages

employees to be more loyal and productive. Therefore, based on the data and existing literature, it can be concluded that improving the quality of work life is an effective strategy for increasing job satisfaction, especially in government bureaucratic environments such as the Karo Regency Development Planning Agency (BAPPEDALITBANG). Organizations that actively create a healthy, fair, and balanced work environment will be better able to retain satisfied and high-performing employees.

5.3 The Influence of Organizational Climate on Performance through Job Satisfaction

Based on the analysis results using the Sobel Test, it was found that Organizational Climate indirectly influences Employee Performance through the Job Satisfaction variable, with a coefficient value of the influence of Organizational Climate on Job Satisfaction of 0.297, a test statistic value of 2.095, and a p -value of 0.036, indicating a statistical significance of the influence. Although the direct influence of Organizational Climate on Performance is not shown in the data, the indirect influence through Job Satisfaction can be understood as an important mediating pathway. These results indicate that a conducive work environment, superior support, effective communication, and a sense of justice within the organization will increase employee job satisfaction, which in turn has a positive impact on their performance. In addition, according to [10], job satisfaction functions as an important mediator in the relationship between organizational conditions and employee work behavior, including performance. In a public sector environment such as the Karo Regency BAPPEDALITBANG, it is important for organizational leaders to create a supportive and participatory work climate, because this not only increases work comfort but also has a real impact on productivity and service quality. Thus, it can be concluded that job satisfaction is an important channel that bridges the influence of organizational climate on employee performance, and reinforces the need for a managerial approach that is oriented towards employee psychological well-being as a basis for improving institutional performance.

5.4 The Influence of *Quality of Work Life* on Performance through Job Satisfaction

The results of the data analysis show that Quality of Work Life (QWL) has an indirect effect on Employee Performance through the Job Satisfaction variable. This is indicated by the coefficient value of the influence of QWL on Job Satisfaction of 0.272, with a p -value of 0.038 and a Sobel test statistic value of 2.072, which is statistically significant at the 95% confidence level. Meanwhile, the effect of Job Satisfaction on Performance is also proven positive with a coefficient of 0.255 and a standard error of 0.101, indicating that QWL indirectly affects performance through increasing employee job satisfaction. This finding is in line with the opinion of [5] who stated that a good QWL—which includes a safe, fair

work environment, supports work-life balance, and provides development opportunities—will increase employee satisfaction and job engagement. QWL has a strategic role in shaping employee motivation and positive perceptions of the organization, which ultimately has an impact on increased productivity. Research by [7] also emphasized that job satisfaction is an important mediating variable in bridging the influence of QWL on organizational outcomes, particularly performance. Therefore, it can be concluded that employee performance is not only directly influenced by the quality of the work environment, but is also largely determined by the level of job satisfaction resulting from perceptions of QWL itself. In the context of a public organization such as the Karo Regency Development Planning Agency (BAPPEDALITBANG), improving QWL through flexible work policies, open communication, and fair rewards will contribute to higher job satisfaction, ultimately improving overall employee performance.

6 Conclusion

Based on the results of data analysis supported by a theoretical approach, it can be concluded that Quality of Work Life (QWL) has an indirect but significant effect on Employee Performance through Job Satisfaction as a mediating variable. The regression coefficient value of 0.272 with a p -value of 0.038 indicates that QWL has a significant contribution in increasing job satisfaction. On the other hand, job satisfaction itself has been shown to have a positive influence on performance with a coefficient of 0.255. This finding supports the views of experts such as [5], who stated that a physically, psychologically, and socially supportive work environment can increase employees' positive perceptions of their work, which is then reflected in achieving better performance. Therefore, it can be concluded that job satisfaction plays a significant role in linking the quality of work life and employee work results, so that increasing QWL not only impacts employee emotional well-being but also becomes an important strategy in optimizing organizational performance. In the context of a public organization such as the Karo Regency BAPPEDALITBANG, efforts to improve the quality of work life—through fair work policies, self-development opportunities, and a supportive work environment—will have a direct impact on increasing employee satisfaction and performance on an ongoing basis.

7 Limitations

Based on the findings of this study, it is recommended that the management of the Karo Regency BAPPEDALITBANG proactively create and maintain a positive and conducive organizational climate by strengthening internal communication, providing fair rewards, and building harmonious working relationships between leaders and employees. This can increase employees' perceptions of comfort and trust in their work environment, which ultimately supports increased job satisfaction. Furthermore, special attention needs to be paid to Quality of Work Life (QWL) through the implementation of policies that support employee

work-life balance, such as flexible working hours, improved adequate work facilities, and opportunities for career development and ongoing training. In addition, developing a holistic employee welfare program, including aspects of physical and psychological health, is also very important to increase job satisfaction and motivation. Organizations also need to conduct regular evaluations of job satisfaction levels as an important indicator that can serve as a basis for improving human resource management. By integrating a healthy organizational climate and a good quality of work life, it is expected that employee job satisfaction can increase, thus positively impacting sustainable performance improvements and achieving organizational goals. Finally, it is recommended that management continue to build an organizational culture that is adaptive and responsive to employee needs and changes in the work environment, in order to effectively face future challenges.

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