



## THE INFLUENCE ANALYSIS OF ORGANIZATIONAL CLIMATE AND WORK-LIFE BALANCE ON EMPLOYEE PERFORMANCE THROUGH HAPPINESS AT WORK AS MEDIATION VARIABLE

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Article Info	Abstract
<p><b>Article History</b></p> <p>Received: 11 November 2022</p> <p>Accepted: 22 December 2022</p> <p>Published: 31 December 2022</p>	<p><i>This study discusses the influence of Organizational Climate and Work-life Balance on Employee Performance through Happiness at Work as Mediation Variable at the Sinduadi Village office. The number of samples in this study were 105 employees. The data collection technique for sampling used simple random sampling by applying the questionnaire method. The analytical method used the Structural Equation Modeling (SEM) method processed through the AMOS 22 program. The results of this study indicate that Organizational Climate has positive effect but is not significant on Employee Performance, Organizational Climate has a positive effect on Happiness at Work, Happiness at Work has a significant positive effect on Employee Performance, Work-life Balance has a significant positive effect on Employee Performance, Work-life Balance has a significant positive effect on Happiness at Work, Organizational Climate has a significant effect on Employee Performance through Happiness at Work, Work-life Balance has a significant positive effect on Employees Performance through Happiness at Work.</i></p>
<p><b>Keywords:</b> <i>Organizational Climate, Work-life Balance, Employee Performance, Happiness at Work</i></p>	

### INTRODUCTION

Human resource management (HR) is recognized as one of the most important factors that determine a company's success. The benchmark for the success of HR in a company can be seen from the performance of employees. Generally, company leaders expect good performance from each employee in carrying out the tasks assigned by the company. According to Wartono (2017) employee performance is the work achieved by a person or group of people according to the authority or responsibility of each employee during a certain period. Performance shows

whether the employee is successful in carrying out the task and achieves the expected goals or not. Therefore this is important to do in order to maintain the stability of the company's performance. The way to increase the level of performance is by paying attention to organizational advertising (Mukhtar & Asmawiyah, 2019) .

Companies play an important role in creating a good working situation. Organizational climate results in environmental patterns raising motivation and focusing on work which has an impact on employee performance. Thus, companies should build a supportive organizational climate. Organizational climate according to Triastuti (2018) is the perception of organizational members (individual or group) towards the work environment and they are continuously in contact with the organization regarding situation in the internal environment of the organization on a regular basis, influencing organizational attitudes and behavior and the performance of organizational members which then determines organizational performance. Organizational climate is the human environment within the structure in which the organization's employees carry out their work. We do not feel it, but it is real. Like the air in a room, organizational climate influences everything that happens in an association (Mukhtar & Asmawiyah, 2019). Besides, at work, awareness is also needed to balance between the world of work and personal affairs.

Phenomena that arise related to the relationship between organizational climate on happiness at work, organizational climate on employee performance, and happiness at work on employee performance by Wijayanto, (2017), the results of a preliminary survey by asking several questions about their feelings of work to some employees turned out to be a feeling of calm , comfortable, and happy at work because of their expectations and perceptions of a positive work environment, even though the income is still not based on their needs. Meanwhile, the phenomenon conveyed by (Siska Wulandari & Ami Widyastuti, 2014) which reveals the reality on the ground that many employees see work only as a pile of tasks and commitments not as something enlightening or cheerful. Most organizations today experience a lack of motivation and why they can't communicate their excellence in work so that it affects implementation which is not ideal. Another phenomenon is shown by the research of Saina & Dkk., (2016) which states the results that work-life balance has a positive effect on employee performance. Meanwhile, according to the results of Sidik (2019) stating that the results of the partial significant test or t test, it is found that work-life balance has a negative effect on employee performance at BMT Permata Jatim.

In accordance with the existing studies, this study aims to analyze the things that can affect the performance of employees in the administration office staff in the Sinduadi village. The results of this study are expected to add to the evidence regarding what things can affect employee performance. Basically this study wants to know the factors that can affect employee performance,

then researchers will conduct an investigation by adding a moderating variable, namely happiness at work whether it can affect employee performance.

## **LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### 1. Employee Performance

According to Wulandari & Putriyanti (2020) performance is a person's willingness to carry out their responsibilities in an organization in order to achieve organizational goals

### 2. Organizational Climate

Tantowi, R & Astuti, (2016) defines organizational climate is a series of work environment conditions that are felt directly or indirectly by employees.

### 3. Work Life Balance

Dina (2018) argues that work-life balance is generally a relationship between the balance of the amount of time and effort devoted to work and personal activities, to maintain overall harmony in life.

### 4. Happiness at Work

According to Mangowal, A. B., Trang, I., & Lumintang, (2020) happiness is a strange, mysterious and expensive feeling that someone does not easily say that he is happy, while other people say that he is a happy person.

## **The Effect of Organizational Climate on Employee Performance**

The relationship between organizational climate variables and employee performance can be said to be related if employees in the company have confidence in organizational values and consistent coordination of individual goals and organizational goals to improve the quality of employees and the company. Based on the findings by Karundeng, (2013) These results are in line with research conducted by Triastuti, (2018) and Mukhtar & Asmawiyah, (2019) stating that organizational climate has a positive and significant effect on employee performance. Based on this description, the hypothesis can be formulated as follows:

H1: Organizational climate has a positive effect on employee performance

## **The Effect of Organizational Climate on Happiness at Work**

A good organizational climate creates a feeling of security and comfort for employees. It triggers feelings of happiness at work (Ravina-Ripoll et al., 2021). Employees tend to enjoy their work happily and are able to produce quality work and make smart decisions (Dahiya & Raghuvanshi, 2021). Based on the findings made by Turan, (2019) the most important factor influencing job happiness is attitude towards work, which in turn is the work environment factor. According to research by Bani-Melhem et al., (2022) the results show that there is a positive influence between organizational climate and happiness at work. The results of this study are

corroborated by research conducted by Wijayanto, (2017) revealing that organizational climate has a positive and significant effect on the happiness of the employees of the educational staff in University of Muhammadiyah Yogyakarta. Based on this description, the hypothesis can be formulated as follows:

H2: Organizational climate has a positive and significant effect on happiness at work

### **The Effect of Happiness at Work on Employee Performance**

Happiness at work is crucial to build a happy atmosphere at work. A good and happy mood encourage someone to do something better. At work, if employees feel happy they will increase their productivity and affect performance. There are major implications for the pharmaceutical industry sector in Jordan in research which finds that the happiness aspect has a positive and significant effect on improving employee performance (Bataineh, 2019). A research conducted by Syarif et al., (2019) shows that happiness at work has a positive and significant relationship to employee performance. The results of the same research are also shown by Bani-Melhem et al., (2022) and Dahiya & Raghuvanshi, (2021) showing that the variable happiness at work has a positive effect on performance. Based on this description, the hypothesis is formulated as follows:

H3: Happiness at work has a positive and significant effect on employee performance.

### **The Effect of Work-life Balance on Employee Performance**

Work-life balance can be a challenge for employees at work. Work-life balance indicates the extent to which employees experience feelings when needs related to work or outside work are met through a balance between life and work. They must realize that balancing between personal and work matters can make employees more focused at work. According to research conducted by Johari et al., (2018) the results show that work life balance has a positive and significant effect on employee performance. Likewise the results of research conducted by Soomro et al., (2018) that work-life balance has a significant influence on performance. Based on this description, the hypothesis is formulated as follows:

H4: Work life balance has a positive and significant effect on performance

### **The Effect of Work Life Balance on Happiness at Work**

The correlation of work-life balance on performance is related if employees can apply a balance between personal and work matters, so that when they work, they can focus and feel happy. Therefore, the balance of life can be happiness, especially for an employee. Based on research conducted by Diamantis & Puhr, (2022), it implies that there is a positive relationship between work-family balance and happiness. This is in line with the study of Stoilova et al., (2020) revealing that there is a very significant relationship between gratitude and work-life balance and happiness among employees. Based on this description, the hypothesis is formulated as follows:

H5: There is a positive correlation between work life balance and happiness at work.

**Happiness at Work Mediates the Effect of Organizational Climate on Employee Performance**

Happiness is a form of quality of life that is owned by individuals that makes the quality of life better such as high creativity, good health, high income and a good workplace (Khoiriyah et al., 2020). Happiness at work is needed so that the organizational climate remains good and produces the expected performance. Happiness at work is also a fundamental element in the process of absorbing knowledge. The finding that aspects of happiness at work partially mediate either the relationship between work systems or a high work climate positively affects the absorptive capacity of an employee who is more likely to perform their job in a way that enhances both their absorption and performance. (Salas-Vallina et al., 2020).

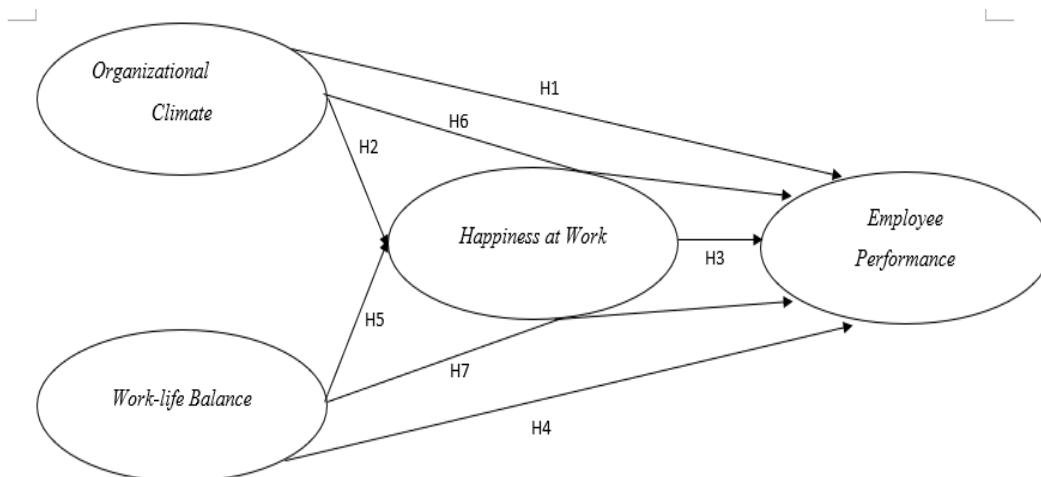
H6: Happiness at work mediates the effect of organizational climate on employee performance

**Happiness at Work Mediates the Effect of Work-life Balance on Employee Performance**

Employees as individuals should maintain a balance in order to maintain their existence in the world of work. Employees who work continuously without a good division of time cause symptoms of stress and fatigue. Therefore, every individual needs to apply a work-life balance and think positively in order to create happiness at work. Having a balance in life and work foster happiness and encourage positive behavior in organizations (Khoiriyah et al., 2020). Recommendations develop policies to strengthen work life balance practices and employee psychological well-being regarding happiness and job satisfaction which are expected to improve employee performance. This is evidenced by the finding that work life balance is positively related to employee performance mediated by aspects of the psychological well-being of employees including aspects of happiness at work (Rahama & Izzati, 2021).

H7: Happiness at work mediates the effect of work-life balance on employee performance

**Picture 1. Research Model**



## RESEARCH METHOD

### Population and sample

This research was a quantitative research. The object of this research was the sub-district staff at the Sinduadi sub-district administrative office. The method of collecting data was by distributing questionnaires to staff working in the Sinduadi village. Meanwhile, the sampling technique is a technique used to determine the sample in conducting social research or research. The sampling technique used simple random sampling technique, in which the researcher provided equal opportunities for each member of the population (staff) to be selected as a random sample without regard to strata or social status in the population. In testing the hypothesis, this study employed SEM with AMOS software version 22. This study used a sample of 105 respondents. Referring to the provisions which argue that the number of representative samples is around 100-200 (Imam Ghozali, 2011). Thus, the sample size used in this study has fulfilled the assumptions required by the SEM test.

### Operational Definition

Employee performance as a summary in terms of quality, quantity, working hours and also collaboration to achieve a goal set by (Pamungkas & Wulandari, 2021). Employee performance indicators are quality, quantity, knowledge and skills, punctuality, communication. Organizational climate defines organizational climate as a collection and pattern of the environment that determines the emergence of motivation and focuses on perceptions that make sense or can be assessed, so that it has a direct influence on the performance of organization members (Dina, 2018). According to Karundeng, (2013) organizational climate indicators are as follows: The corporate environment requires open communication, in the corporate environment employees require conflict resolution, in the corporate environment employees require career development, in the corporate environment employees are involved in the decision-making process, in the corporate environment obtain fair/reasonable and sufficient compensation. Work-life balance is defined as work life balance as individuals who are able to commit to work and family, and are responsible both in non-work activities (Dina, 2018). According to Minarika et al., (2020) work-life balance indicators are being able to share reasonable working time, satisfaction/enthusiasm (emotions), no absenteeism, being late, turnover (attitude), increasing work productivity and commitment (responsibility). Happiness at work is identified as a mindset that allows employees to maximize their performance and reach their potential, done by realizing the level of happiness when working alone or with other employees. In addition, Agustien and Soeling, (2020) argue that indicators of happiness at work are positive relationships with other people, successful achievement, physical work environment, compensation, and physical and mental health.

**RESULTS****Respondents' Characteristics****Table 1 Respondents' Characteristics**

Respondents' Character	Category	Frequency	Percentage
Sex	Male	66	62,9%
	Female	39	37,1%
	TOTAL	105	100%
Length of Work	20 – 30 years	80	76,2%
	31 – 40 years	19	18,05%
	21 – 30 years	5	4,8%
	31 > years	1	0,95%
	TOTAL	105	100%
Age	21 – 30 years	16	15,2%
	31 – 40 years	38	36,1%
	41 – 50 years	23	22%
	51 > years	28	26,7%
	TOTAL	105	100%

Based on table 1, it shows the characteristics of respondents based on gender status, employee age and length of work at the Sinduadi Village Office, based on the gender status of respondents included in the male category, namely as many as 66 respondents (62.9%), based on length of work included in the 20- 30 years, namely 80 respondents (76.2%), then based on the age of the employees included in the 31-40 years category, there were 38 employees (36.1%).

**Test of Instrument****Table 2. Validity & Reliability Test Results**

Variable	Items	Factor Loading	Construct Reliability
Organizational Climate	OC1	0,882	0,9389
	OC2	0,862	
	OC3	0,869	
	OC4	0,863	
	OC5	0,867	
Work-life balance	WLB1	0,869	0,9330
	WLB2	0,856	
	WLB3	0,905	
	WLB4	0,895	
Happiness at Work	HAW1	0,846	0,9412
	HAW2	0,881	
	HAW3	0,872	

	HAW4	0,852	
	HAW5	0,912	
Employee Performance	EP1	0,855	0,9438
	EP2	0,882	
	EP3	0,870	
	EP4	0,910	
	EP5	0,871	

Source: Primary Data Processed in 2022

To test the validity of formal data, this research applied AMOS version 22 of the entire list of questions representing each variable being tested. The results of the validity test show that all question indicators representing 4 variables are declared valid with a value > 0.5. That the test results are considered reliable if they have a construct reliability value of > 0.7 (Imam Ghozali, 2011). The results of this test indicate that the C.R value for each variable is greater than 0.7. Based on these results, it can be concluded that the entire research instrument is reliable so that it can be used in this study.

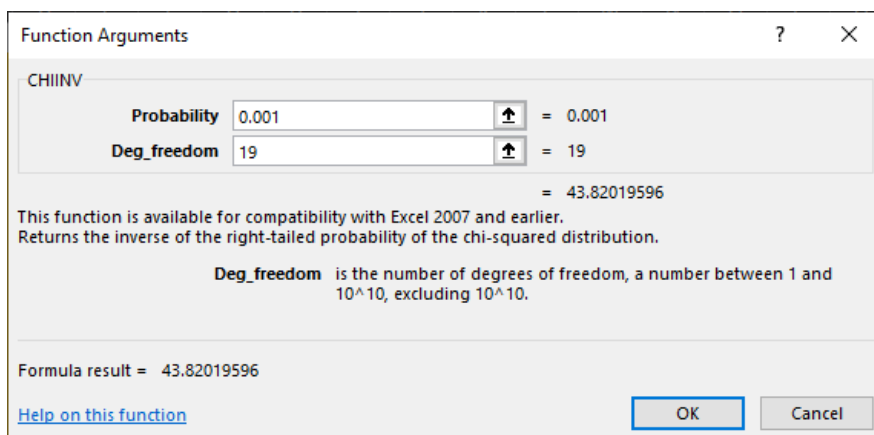
**Test of Data Normality**

The Normality test is carried out using the z value (critical ratio or CR at AMOS 22.0 output) of the skewness and kurtosis values of the data distribution. The results show that the univariate normality test is normally distributed because the critical ratio (c.r) for kurtosis and skewness is in the range -2.58 to +2.58. Meanwhile, the multivariate data meets the normal assumption because the value of -1.834 is within the range of ± 2.58.

**Outliers Identification**

Evaluation of multivariate outliers can be seen through the output of AMOS Mahalanobis Distance. The criteria is at the level of p <0.001. This distance is evaluated using X2 in degrees of freedom equal to the number of measured variables used in the study. In this case the variable is 19, then through the excel program on the Insert – Function – CHIINV sub-menu enter the probability and the number of measured variables as follows:

**Figure 2 Mahalanobis Distance Limit Value**





The result is 43.82. This means that all data/cases greater than are multivariate outliers. The results show the value of the Mahalonobis Distance, from the processed data it is not detected that there is a value greater than 43.82. So it can be concluded that there are no outliers in the data.

### Assessing Criteria of Goodness of Fit

Assessing the goodness of fit is the main goal in SEM to find out how far the hypothesized model "Fit" or matches the sample data. The goodness of fit results are shown in the following data:

**Table 2. Assessing Goodness of Fit**

<i>Goodness of fit index</i>	<i>Cut-off value</i>	Research Model	Model
<i>Chi - square statistic</i>	149,089		
<i>Significance Probability (p)</i>	$\geq 0,05$	0,414	Fit
RMSEA	$\leq 0,08$	0,014	Fit
GFI	$\geq 0,90$	0,877	Marginal
AGFI	$\geq 0,90$	0,840	Marginal
CMIN/DF	$< 2,0$	1,021	Fit
TLI	$\geq 0,90$	0,998	Fit
CFI	$\geq 0,90$	0,998	Fit

### Hypothesis Testing

The hypothesis testing aims to answer the questions in this study or to analyze the structural model relationships. Hypothetical data analysis can be seen from the value of the standardized regression weight which shows the coefficient of influence between variables in table 3 below:

**Table 3 Relationship among Variables**

			Estimate	S.E.	C.R.	P	Hypothesis
<i>Organizational Climate</i>	➔	<i>Employee Performance</i>	0,150	0,086	1,755	0,079	Positive Not Significant
<i>Organizational Climate</i>	➔	<i>Happiness at Work</i>	0,460	0,083	5,512	0,000	Positive Significant
<i>Happiness at Work</i>	➔	<i>Employee Performance</i>	0,769	0,130	5,914	0,000	Positive Significant
<i>Work-life Balance</i>	➔	<i>Employee Performance</i>	0,175	0,082	2,125	0,034	Positive Significant
<i>Work-life Balance</i>	➔	<i>Happiness at Work</i>	0,376	0,085	4,434	0,000	Positive Significant

Based on table 3 above, it can be explained the relationship among variables

### The Effect of Organizational Climate on Employee Performance

The estimated parameter value for the coefficient of standardized regression weight is 0.150 and the CR value is 1.755. This shows that the correlation between Organizational Climate

and Employee Performance is positive. This means that the better the Organizational Climate, the better Employee Performance will be. Testing the relationship between the two variables shows a probability value of 0.079 ( $p > 0.05$ ), so that it can be stated that there is no direct effect between Organizational Climate and Employee Performance and Hypothesis 1 which states "Organizational Climate has a positive effect on Employee Performance", not supported by data or the initial hypothesis is rejected.

#### **The Effect of Organizational Climate on Happiness at Work**

The estimated parameter value of the coefficient of standardized regression weight is 0.460 and the CR value is 5.512. This shows that the correlation between Organizational Climate and Happiness at Work is positive. This means that the better the Organizational Climate, the Happiness at Work will increase. Testing the relationship between the two variables shows a probability value of 0.000 ( $p < 0.05$ ), so that it can be stated that there is a direct influence between Organizational Climate and Happiness at Work and Hypothesis 2 which states "Organizational Climate has a positive effect on Happiness at Work", supported by data .

#### **The Effect of Happiness at Work on Employee Performance**

The estimated parameter value for the standardized regression weight coefficient is 0.769 and the CR value is 5.914. This shows that the correlation between Happiness at Work and Employee Performance is positive. This means that the better Happiness at Work will increase Employee Performance. Testing the relationship between the two variables shows a probability value of 0.000 ( $p < 0.05$ ), so that it can be stated that there is a direct influence between Organizational Climate and Happiness at Work and Hypothesis 3 which states "Happiness at Work has a positive effect on Employee Performance", supported by data .

#### **The Effect of Work-life Balance on Employee Performance**

The estimated parameter value of the coefficient of standardized regression weight is 0.175 and the CR value is 2.125. This shows that the correlation between Work-life Balance and Employee Performance is positive. This means that the better the Work-life Balance, the better Employee Performance will be. Testing the relationship between the two variables shows a probability value of 0.034 ( $p < 0.05$ ), so it can be stated that there is a direct influence between Work-life Balance and Employee Performance and Hypothesis 4 which states "Work-life balance has a positive effect on Employee Performance", supported by data.

#### **The Effect of Work-life Balance on Happiness at Work**

The estimated parameter value for the standardized regression weight coefficient is 0.376 and the CR value is 4.434. This shows that the correlation between Work-life Balance and Happiness at Work is positive. This means that the better the Work-life Balance, the Happiness at

Work will increase. Testing the correlation between these two variables shows a probability value of 0.000 ( $p < 0.05$ ), so that it can be stated that there is a direct influence between Work-life Balance and Happiness at Work and Hypothesis 5 which states "Work-life Balance has a positive effect on Happiness at Work", supported by the data.

To observe the mediating correlation between the independent variable and the dependent variable through the mediating variable, that is by comparing the value of the standardized direct effect with the standardized indirect effect. This means that if the standardized direct effects value is smaller than the standardized indirect effect value, it is concluded that the mediating variable has an indirect influence on the relationship between the two variables.

**Table 4. Standardized Direct Effects (Group number 1-Default model)**

	<i>Work-life Balance</i>	<i>Organizational Climate</i>	<i>Happiness at Work</i>	<i>Employee Performance</i>
<i>Happiness at Work</i>	.410	.519	.000	.000
<i>Employee Performance</i>	.168	.149	.677	.000

**Table 5. Standardized Indirect Effects (Group number 1-Default model)**

	<i>Work-life Balance</i>	<i>Organizational Climate</i>	<i>Happiness at Work</i>	<i>Employee Performance</i>
<i>Happiness at Work</i>	.000	.000	.000	.000
<i>Employee Performance</i>	.278	.351	.000	.000

### **The Effect of Organizational Climate on Employee Performance through Happiness at Work**

The estimation parameter for testing the effect of organizational climate on employee performance through happiness at work obtains the direct effect value  $<$  the indirect effect value, which is equal to  $0.168 < 0.278$ . Thus, it proves that happiness at work is able to mediate the effect of organizational climate on employee performance

### **The Effect of Work-life Balance on Employee Performance through Happiness at Work**

The estimation parameters for testing the effect of work-life balance on employee performance through happiness at work obtains the direct effect value  $<$  the indirect effect value, which is equal to  $0.149 < 0.351$ . Thus, it proves that happiness at work is able to mediate the effect of work-life balance on employee performance.

## **DISCUSSION**

### **The Effect of Organizational Climate on Employee Performance**

Through the first hypothesis proposed that Organizational climate has a positive effect on employee performance. Furthermore, based on the test results described above, the organizational climate variable has a positive relationship but does not have a significant effect on employee

performance. The findings from this study can be interpreted that the climate of an organization in an institution may not necessarily improve employee performance. It can also be interpreted that the first hypothesis proposed in this study is contrary to the findings of previous research conducted by Karundeng, (2013) and Triastuti, (2018) which states that there is a significant positive relationship between organizational climate and employee performance. However, the findings in this study support previous researches which reveal that organizational climate has no significant effect on employee performance (Pasaribu & Indrawati, 2016) and (Yasdianto et al., 2020). It concludes that improving employee performance at the Sinduadi Village office requires not only increasing employee understanding of responsibilities, functions, roles and scope of work according to position, but also to improve attitudes, behavior, responsibilities within the individual and provide encouragement from superiors to subordinates or co-workers.

### **The Effect of Organizational Climate on Happiness at Work**

Based on the second hypothesis that has been proposed in research which suspects that there is a positive relationship between the organizational climate variable and the happiness at work variable which is found to be in line with the test results. In terms of the tests results that have been carried out, the results show that organizational climate aspects have a positive and significant influence on employee happiness. It can be interpreted that the better the organizational climate felt by employees, the higher the level of happiness at work. An organizational climate is reviewed through the theory put forward by Tagiuri and Litwin in 1968 which claims that organizational climate includes the quality of the internal environment that takes place continuously, experienced by every employee which influences behavior. Reviewing organizational climate can be felt physically and non-physically so that it becomes one of the foundations for forming the behavior of every employee. Organizational climate is also a picture of the accumulation that is general in nature to the organizational work atmosphere which indirectly creates expectations and emotions for employees which makes employee performance increase.

### **The Effect of Happiness at Work on Employee Performance**

The initial hypothesis proposed in this study is that the variable happiness at work has a significant and positive effect on employee performance. This hypothesis is then followed up through a series of tests which found that the estimated value, critical ratio and probability value indicated that there is correlation between aspects of happiness at work on employee performance that had a positive direction and had a significant effect. Employee performance is more dominated by internal factors, one of which includes psychological conditions in which there are aspects of happiness, so that the aspect of happiness at work becomes one of the important benchmarks in reviewing the extent to which employees perform in carrying out work.

### **The Effect of Work-life Balance on Employee Performance**

Through the review of the first hypothesis, it reveals that there is a relationship between the Work-life Balance variable which has a positive effect on employee performance variables. Then a testing process is carried out which obtains probability values, critical ratios and estimated values indicating positive relationship between work-life balance and employee performance. It can be said that the initial hypothesis is in line with the findings of this study. The findings from this study can be interpreted if aspects of an ideal work-life balance can improve employee performance. According to Irfan et al., (2021) work-life balance is a fulfillment of expectations about roles that are negotiated and divided between their roles in terms of work life and family life. The existence of the concept of work-life balance is an effort for employees to never ignore all aspects of work, family, personal and social life (Rini & Komang Rahayu, 2019). So that all aspects of life can be fulfilled properly which is expected to be able to stimulate employee performance.

### **The Effect of Work-life Balance on Happiness at Work**

Based on the fifth hypothesis proposed in this study, it reveals that the work-life balance variable has a positive effect on the happiness at work variable. In view of the series of tests that have been carried out, the results obtain estimated values, critical ratio values and probability values which state that there is an influence between work-life balance and happiness at work which has a positive relationship and has a significant effect. The findings in this study are also in line with several previous studies. Based on previous research conducted by Rini & Komang Rahayu, (2019) it shows the findings that there is a significant relationship between work-life balance aspects and the level of happiness at work and the relationship between the two is in line or positive. Furthermore, other studies also state the same thing, namely that there is a positive relationship and a significant effect between work-life balance and happiness at work.

### **The Effect of Organizational Climate on Employee Performance with Happiness at Work as a moderating variable**

Through the initial hypothesis proposed by investigating the relationship between organizational climate on employee performance and happiness at work, this is able to mediate these variables. The tests show that there is a significant interaction between the happiness at work variable and the organizational climate variable in influencing employee performance in the Sinduadi village office, Mlati, Sleman. This is based on the direct effect value obtained, so the results of this study are in line with the initial hypothesis proposed by the researcher. This research is in line with previous research conducted by Prakoso & Listiara, (2017) which makes happiness at work a factor that can be an indicator driving the strengthening of organizational climate

variables on organizational behavior that can represent a performance. This is also supported by other findings which state that if happiness at work as a mediator increases, the effect of organizational style on work commitment will also increase.

### **The Effect of Work life Balance on Employee Performance with Happiness at Work as Moderator Variable**

Through testing the last hypothesis by looking at the relationship between work life balance and employee performance, it is mediated by the variable happiness at work. Statistical results show that the direct effect value proves that there is a positive and significant interaction between happiness at work and the work life balance variable in influencing employee performance at the Sinduadi village head office. Therefore, the initial hypothesis proposed in this study is in line with the research findings. Through the theory stated by Greenhaus et al., (2003), it reveals that work life balance is interpreted as a sense of satisfaction and individual attachment to the ability to balance the demands of work and family. In general, employees feel that work life or family conflict can be a trigger or source of stress affecting their performance (Muliawati, Triyana & Frianto, 2020) and (M. Wulandari & Hadi, 2021). Therefore, the presence of a mediating variable, namely happiness at work, fulfill employee satisfaction in its role in work life without the need to exclude one of them, so as to increase employee satisfaction.

## **CONCLUSION, SUGGESTION AND LIMITATION**

### **Conclusion**

Organizational climate has a positive but not significant effect on employee performance for employees at Sinduadi Mlati Village office, Sleman, Yogyakarta. This can be interpreted that the organizational climate in the Sinduadi sub-district office is not able to significantly influence the performance of its employees. There is a significant influence and a positive direction of relationship on organizational climate aspects on happiness at work for employees at Sinduadi Village office, Mlati, Sleman, Yogyakarta. This can be interpreted if the better the organizational climate in the Sinduadi sub-district office can increase happiness at work. There is a significant influence and positive relationship direction on the happiness at work aspect on employee performance for employees at Sinduadi Village office, Mlati, Sleman, Yogyakarta. This can be interpreted if the higher the happiness felt at the Sinduadi sub-district office, the optimal performance of employees can be increased. There is a significant influence and a positive direction of relationship through the work-life balance aspect on employee performance for employees at the Sinduadi Village office, Mlati, Sleman, Yogyakarta. This can be interpreted if the more optimal aspects of the work-life balance in the Sinduadi sub-district office can improve employee performance optimally. There is a significant influence and direction of a positive relationship

through the work-life balance aspect on happiness at work for employees at Sinduadi Village office, Mlati, Sleman, Yogyakarta. This can be interpreted if the more optimal aspects of work-life balance in the Sinduadi sub-district office are able to increase happiness at work. Happiness at work is able to moderate the organizational climate variable on employee performance of employees at the Sinduadi Village office, Mlati, Sleman, Yogyakarta. Therefore, by seeking to increase happiness at work can help optimize a good and quality organizational climate so as to be able to improve employee performance in an institution. Happiness at work is able to moderate the work-life balance variable on employee performance for employees at the Sinduadi Village office, Mlati, Sleman, Yogyakarta. Thus, by seeking to increase happiness at work it can help pay more attention to work-life balance optimally so as to increase employee performance in an institution.

### **Suggestion**

Future research is expected to be able to test the differences in the effect of organizational climate and work-life balance on employee performance mediated by happiness at work in other agencies, both in the Province of Yogyakarta as well as in other provinces so that they can obtain new findings and compare the results of this study more accurately. Future research is expected to be able to expand the distribution of data so that it can be generalized. Future research is expected to add new indicators to influence employee performance. So that with the addition of new variables, it can create novelty in further research

### **Limitation**

In this study, the researcher realizes that there are still many limitations in this study, including:

1. In distributing the questionnaire, it takes a long time, you have to go to the research location many times because the working hours and days per unit vary.
2. In this study, the number of samples used as respondents is relatively small, consisting of 105 respondents, so generalizations are very limited. Researchers hope that further research can increase the sample size and expand the scope of research

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