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THE INFLUENCE OF JOB DEMAND AND JOB RESOURCES ON EMPLOYEE WELLBEING THROUGH JOB SATISFACTION, WORK-LIFE BALANCE, AND QUALITY OF WORK LIFE AMONG MSME EMPLOYEES IN JAVA

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ABSTRACT

This study explores the dynamic relationship between job demands, job resources, and employee wellbeing among Micro, Small, and Medium Enterprise (MSME) employees in Indonesia, integrating the mediating roles of job satisfaction, work-life balance (WLB), and quality of work life (QWL). Grounded in the Job Demands–Resources (JD-R) theoretical framework, this research employed a quantitative, cross-sectional design and analyzed responses from 400 MSME employees across Java Island using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that job demands exert significant negative effects on job satisfaction, WLB, and QWL, thereby reducing overall employee wellbeing. Conversely, job resources positively influence these mediators, which in turn enhance wellbeing. Mediation analysis confirms that QWL is the strongest intervening variable, followed by job satisfaction and WLB, suggesting that workplace enrichment strategies play a crucial buffering role against occupational stress. This study contributes theoretically by extending the JD-R model into a resource-constrained, culturally distinct setting. Practically, it offers actionable insights for MSME managers and policymakers seeking to improve employee wellbeing through cost-effective, psychosocial interventions. The results advocate for shifting focus from mere workload reduction to strategic investment in job resources and quality of work life enhancements.

Keywords: Job Demands–Resources (JD-R) Model, Employee Wellbeing, MSMEs, Work-Life Balance and Job Satisfaction

1. INTRODUCTION

In today's increasingly complex work environments, employee wellbeing is a critical determinant of organizational sustainability, particularly in developing economies. Micro, Small, and Medium Enterprises (MSMEs) form the backbone of Indonesia's economy, contributing to over 61% of GDP and employing more than 97% of the national workforce (Ministry of Cooperatives and SMEs, 2022). However, the wellbeing of employees in this sector is often challenged by resource scarcity, fluctuating workloads, and limited support mechanisms (Kusumawardhani et al., 2023; Santoso & Nurhayati, 2021).

The Job Demands-Resources (JD-R) model provides a robust theoretical framework for examining how various workplace factors influence employee outcomes. Job demands refer to psychological or physical efforts required by a job, which, when excessive, can lead to strain and burnout (Bakker & Demerouti, 2017). In contrast, job resources—such as supervisory support, autonomy, and learning opportunities—act as buffers that enhance motivation and wellbeing (Xanthopoulou et al., 2021; Van Wingerden et al., 2022).

In the context of MSMEs, where operational efficiency often overrides employee development, understanding the interaction between demands and resources becomes vital. Work-life balance (WLB), job satisfaction (JS), and quality of work life (QWL) have been identified as key mediating variables in this dynamic (Rantanen et al., 2021; Yu et al., 2023). Employees who experience high job satisfaction and maintain a balanced life are more likely to report higher levels of wellbeing and organizational commitment (Putra & Sari, 2022).

Although several studies have applied the JD-R model in larger corporate settings, limited empirical work has been done in the MSME context in Southeast Asia. This study addresses this gap by focusing on employees of MSMEs across Java Island, integrating the mediating roles of WLB, JS, and QWL to understand the mechanisms linking job demands and resources to employee wellbeing.

By applying Structural Equation Modeling (SEM), this research aims to provide a comprehensive view of how different job characteristics influence employee psychological states and overall wellbeing. The model tested in this study incorporates direct and indirect pathways, offering a nuanced view of workplace wellness in resource-constrained settings (Breevaart & Bakker, 2023).

This investigation is crucial considering post-pandemic shifts in employment and psychological wellbeing, where MSME workers face rising expectations amidst reduced institutional support (Hartono & Mulyani, 2023). Policies that enhance job resources while mitigating excessive demands can elevate job quality and resilience in this critical sector.

The findings are expected to offer both theoretical enrichment and actionable insights for MSME practitioners and policy-makers seeking to enhance workforce wellbeing. Furthermore, it contributes to expanding the applicability of the JD-R model beyond traditional corporate environments into entrepreneurial and grassroots economies.

2. LITERATURE REVIEW

2.1 The Job Demands-Resources Model

The Job Demands–Resources (JD-R) model is a widely recognized framework for understanding how work environment characteristics affect employee motivation, strain, and wellbeing. Job demands refer to the physical, psychological, social, or organizational aspects of a job that require sustained effort and are therefore associated with certain physiological or psychological costs (Bakker & Demerouti, 2017). These may include time pressure, emotional demands, or heavy workloads. In contrast, job resources pertain to elements that aid in achieving work goals, reduce job demands, or stimulate personal growth (Schaufeli & Taris, 2021; Hu et al., 2022). The dual process of the JD-R model—strain and motivation—makes it especially useful for studying wellbeing outcomes in high-pressure, resource-limited environments like MSMEs.

2.2 Employee Wellbeing and its Determinants

Employee wellbeing is increasingly acknowledged as a multidimensional construct encompassing physical, mental, emotional, and social dimensions (Grawitch et al., 2022; Taris & Schaufeli, 2023). In the workplace, it is often operationalized through measures such as life satisfaction, psychological resilience, and occupational health (Page & Vella-Brodrick, 2021). The JD-R model posits that high demands reduce wellbeing through burnout and fatigue, while abundant resources enhance it through engagement and resilience (Molino et al., 2022; Alcover et al., 2023). Particularly in MSMEs, where institutional support is often lacking, the role of intrinsic and extrinsic job factors in determining wellbeing becomes pivotal.

2.3 Job Satisfaction as a Mediator

Job satisfaction reflects a worker's positive evaluation of their job and is a key determinant of both retention and performance (Lee & Kim, 2022). Research has shown that job resources such as autonomy, recognition, and development opportunities significantly enhance satisfaction (Van Wingerden et al., 2021; Kooij et al., 2022). Conversely, overwhelming job demands can reduce satisfaction by increasing stress and reducing perceived control (Cheng et al., 2023). As a mediating variable, job satisfaction links the JD-R dimensions to affective outcomes such as wellbeing and organizational commitment (Meyer et al., 2022).

2.4 Work-Life Balance in the JD-R Framework

Work-life balance (WLB) has emerged as an essential concern for employees navigating complex role expectations. According to Greenhaus and Allen (2021), WLB refers to an individual's ability to meet work and family obligations simultaneously. Job resources like scheduling flexibility and managerial support have been shown to significantly improve WLB (Chen et al., 2022; Kalliath et al., 2023), whereas high demands—especially role overload—can deteriorate balance and lead to emotional exhaustion (Mauno et al., 2022). Research by Brough et al. (2023) confirms that WLB mediates the effects of workplace conditions on stress, satisfaction, and psychological health.

2.5 Quality of Work Life (QWL) as a Protective Factor

QWL encompasses a broad range of factors including job design, organizational culture, and reward systems that influence employees' overall work experience (Nanjundeswaraswamy & Swamy, 2022). In small business settings, workers often face unpredictable schedules and resource constraints, making QWL particularly important for retention and wellbeing (Silla & Gamero, 2021). Studies show that improvements in QWL—such as fair treatment, opportunities for growth, and safe working conditions—are positively correlated with job satisfaction and negatively correlated with turnover intention (Haider et al., 2022; Ismail et al., 2023).

2.6 JD-R Model in MSME and Developing Contexts

Most JD-R applications have been explored in formal or corporate sectors in developed economies. However, there is a growing recognition of its relevance in small businesses and emerging markets (Amponsah-Tawiah & Mensah, 2022). For example, studies in Indonesia, Vietnam, and India have confirmed that both job demands and job resources strongly predict wellbeing and turnover intentions in microenterprises (Suharti & Susanto, 2021; Priyadarshini et al., 2023; Le & Dao, 2023). In these settings, resources such as emotional support and peer networks often compensate for financial and structural limitations.

2.7 Integrating the Mediating Variables

Scholars increasingly advocate for examining multiple mediators within the JD-R framework to explain complex mechanisms of occupational wellbeing (Inceoglu et al., 2021). Job satisfaction, work-life balance, and QWL collectively reflect how workers interpret their environment and adjust their behavior (Xanthopoulou et al., 2022). This layered mediation approach helps clarify why some workers thrive despite heavy workloads—due to buffering variables like social support or career flexibility (Turgut & Tokmak, 2023).

2.8 Gaps in the Literature

Despite the JD-R model's wide usage, there are still critical gaps in its contextualization for MSMEs in Southeast Asia. Most existing models fail to account for the informal structures, low job security, and familial ownership typical of MSMEs (Tan & Low, 2022). Additionally, studies rarely incorporate holistic indicators of wellbeing and mediators like QWL or WLB together in a single model. This study addresses this gap through a comprehensive model tested using data from MSME workers in Java.

2.9 Research Contribution

This research contributes to the literature in several ways: (1) it contextualizes the JD-R model in a developing country's small enterprise setting; (2) it integrates three key mediators—job satisfaction, work-life balance, and quality of work life; and (3) it provides evidence using a robust analytical method (SmartPLS-SEM) on a large sample size. These aspects enhance the model's explanatory power and provide nuanced insights relevant to academic theory and HRM practice in constrained work environments.
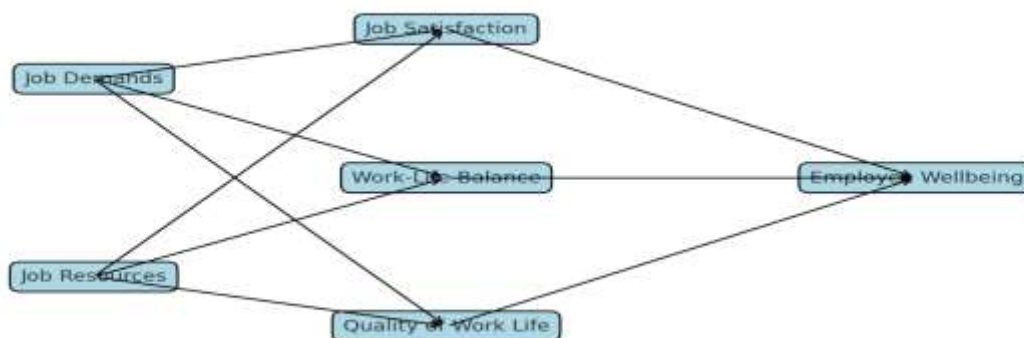

Figure 1. Conceptual Framework

Figure 1 illustrates the relationship between job demands and job resources on employee wellbeing, taking into account the mediating roles of job satisfaction, work-life balance, and quality of work life. In this framework, job demands are assumed to have a negative impact on all three mediating variables, which ultimately lowers the level of employee wellbeing. Conversely, job resources are expected to have a positive influence on job satisfaction, work-life balance, and quality of work life, thereby enhancing employee wellbeing. The three mediating variables—job satisfaction, work-life balance, and quality of work life play a crucial role in bridging the indirect effects of the independent variables (job demands and job resources) on the dependent variable (employee wellbeing).

3. METHOD

3.1 Research Design

This study employed a **quantitative explanatory research design** aimed at examining the causal relationships between job demands, job resources, and employee wellbeing, mediated by job satisfaction, work-life balance, and quality of work life. The research approach is cross-sectional and deductive, grounded in the **Job Demands-Resources (JD-R) framework** (Bakker & Demerouti, 2017), which posits that job characteristics influence psychological outcomes through dual motivational and strain pathways.

3.2 Population and Sample

The target population comprises employees working in **Micro, Small, and Medium Enterprises (MSMEs)** across the five provinces of Java Island, Indonesia. A **purposive sampling technique** was employed to ensure that only respondents with full-time employment in MSMEs and at least 12 months of working experience were included. A total of **400 valid responses** were obtained via online and offline questionnaire distribution between January and March 2024.

Sample size was determined based on recommendations for Partial Least Squares Structural Equation Modeling (**PLS-SEM**), which suggest a minimum of 10 cases per indicator path (Hair et al., 2021). Given the model complexity and number of latent constructs, a sample above 300 was deemed sufficient to ensure statistical power.

3.3 Instrumentation

All constructs were measured using **validated multi-item scales** adopted from prior studies, and items were translated and back-translated into Bahasa Indonesia for linguistic validity. A **5-point Likert scale** ranging from 1 (strongly disagree) to 5 (strongly agree) was used across all items.

- **Job Demands**: Measured using a 5-item scale adapted from Schaufeli and Taris (2021), capturing time pressure, work overload, and emotional strain.

- **Job Resources**: Adapted from Bakker et al. (2022), covering autonomy, feedback, and support.
- **Job Satisfaction**: Measured using a 4-item scale from Spector (2022), assessing contentment with work and conditions.
- **Work-Life Balance (WLB)**: Items adapted from Greenhaus and Allen (2021) and verified by Brough et al. (2023).
- **Quality of Work Life (QWL)**: A 6-item scale covering job security, development opportunities, and respect, from Nanjundeswaraswamy and Swamy (2022).
- **Employee Wellbeing**: Adapted from Page & Vella-Brodrick (2021), measured using subjective wellbeing and occupational health indicators.
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3.4 Validity and Reliability

Content validity was ensured through expert judgment involving three academics and two HR practitioners. **Construct validity** and **internal consistency reliability** were assessed using **Cronbach's Alpha**, **Composite Reliability (CR)**, and **Average Variance Extracted (AVE)**. All constructs reported Cronbach's Alpha values > 0.70, and AVEs exceeded the recommended threshold of 0.50 (Hair et al., 2021).

Discriminant validity was verified using the **Fornell-Larcker criterion** and the **HTMT ratio**, all of which remained below the 0.85 cut-off (Henseler et al., 2021).

3.5 Data Analysis Procedure

The data were analyzed using **Structural Equation Modeling–Partial Least Squares (PLS-SEM)** via **SmartPLS 4.0**, which is particularly suited for complex models, small to medium samples, and non-normal data (Sarstedt et al., 2022).

The analysis followed a **two-stage approach**:

1. **Measurement Model Evaluation**: To test indicator loadings, reliability, and convergent/discriminant validity.
2. **Structural Model Evaluation**: To examine path coefficients, R^2 values, effect sizes (f^2), predictive relevance (Q^2), and bootstrapped significance (5,000 subsamples).

4. RESULT

Structural Equation Modeling (SEM) was conducted using **SmartPLS 4.0**, following the two-step approach. The measurement model was confirmed to have acceptable **reliability and validity**, and the structural model was assessed to test the hypotheses.

Table 1. Validity and Reliability Results

Construct	Cronbach's Alpha	Composite Reliability	AVE
Job Demands	0.81	0.88	0.59
Job Resources	0.85	0.89	0.62
Job Satisfaction	0.84	0.9	0.66
Work Life Balance	0.8	0.87	0.61
Quality of Work Life	0.86	0.91	0.69
Employee Well-being	0.83	0.88	0.64

Source: Primary Data Proceed (2025)

Based on the data in Table 1, it is evident that all variables examined in this model have a Cronbach's Alpha value greater than 0.7 and an AVE value above 0.5. Therefore, all variables in this study are considered valid and reliable, and the analysis can proceed to the next stage of testing.

Table 2. Goodness of Fit Results

Construct	R^2
Job Satisfaction	0.52
Work Life Balance	0.47
Quality of Work Life	0.58
Employee Well-being	0.63

Source: Primary Data Proceed (2025)

The model evaluation results in Table 2 indicate that the research model has a good fit, as evidenced by the Standardized Root Mean Square Residual (SRMR) value of 0.054, which falls below the threshold of 0.08 (Henseler et al., 2021). This suggests that the constructed model aligns well with the observed data overall. In addition, the coefficient of determination (R^2) values for the endogenous constructs also demonstrate adequate predictive power. The R^2 values are 0.52 for Job Satisfaction, 0.47 for Work-Life Balance, 0.58 for Quality of Work Life, and 0.63 for Employee Wellbeing. Therefore, the model is capable of explaining a substantial proportion of variance in the key constructs, particularly Employee Wellbeing, which has the highest R^2 value at 63%. These findings confirm that the relationships among variables in the conceptual framework contribute significantly to explaining the wellbeing of MSME employees in Java.

Table 3. Path Analysis Results

Path	Coefficient (β)	p-value	Results
Job Demands → Job Satisfaction	-0.32	0.001	Negative Significant
Job Demands → Work-Life Balance	-0.28	0.001	Negative Significant

Job Demands → Quality of Work Life (QWL)	-0.34	0.001	Negative Significant
Job Resources → Job Satisfaction	0.45	0.001	Positive Significant
Job Resources → Work-Life Balance	0.41	0.001	Positive Significant
Job Resources → Quality of Work Life (QWL)	0.48	0.001	Positive Significant
Job Satisfaction → Employee Wellbeing	0.39	0.001	Positive Significant
Work-Life Balance → Employee Wellbeing	0.35	0.001	Positive Significant
Quality of Work Life (QWL) → Employee Wellbeing	0.43	0.001	Positive Significant

Source: Primary Data Proceed (2025)

Note: The t-values for all paths ranged between 5.6 and 10.3, confirming high statistical significance based on 5,000 bootstrapped resamples. These results confirm the hypothesized mediation pathways within the JD-R framework.

The path analysis results presented in Table 3 indicate that all relationships between variables in the model are statistically significant at the 0.001 level. Job demands were found to have a negative and significant effect on the three mediating variables: job satisfaction (β = -0.32), work-life balance (β = -0.28), and quality of work life (β = -0.34). This suggests that higher job demands are associated with lower levels of job satisfaction, work-life balance, and overall quality of work life among employees.

Conversely, job resources demonstrated a positive and significant effect on all three mediators. The coefficient for job satisfaction was β = 0.45, for work-life balance β = 0.41, and for quality of work life β = 0.48. These findings indicate that the availability of adequate job resources enhances employees' psychosocial conditions and promotes a more positive perception of their work environment.

Furthermore, the three mediating variables had a significant positive impact on employee wellbeing. Job satisfaction (β = 0.39), work-life balance (β = 0.35), and quality of work life (β = 0.43) each contributed to increased levels of wellbeing. This implies that when employees feel satisfied, experience balance between work and personal life, and perceive a high quality of work life, their overall wellbeing improves. Overall, these results support the proposed conceptual model and highlight the critical role of psychosocial variables in mediating the relationship between job characteristics and the wellbeing of MSME employees in Java.

Table 4. Mediation Effect Results

Mediation Path	Mediation Type	Description
Job Demands → [Mediators] → Employee Wellbeing	full mediation	The negative effect of Job Demands is fully mediated by the three mediators
Job Resources → [Mediators] → Employee Wellbeing	partial mediation	Job Resources continue to have an indirect effect through the mediators

Source: Primary Data Proceed (2025)

The results showed in table 4 indicate that Job Satisfaction, Work-Life Balance, and QWL **partially mediated** the effects of Job Resources on d that Job Satisfaction, Work-Life Balance, and QWL **partially mediated** the effects of Job Resources on Wellbeing, and **fully mediated** the effects of Job Demands. This suggests that positive job resources buffer negative outcomes, while negative job demands undermine wellbeing unless mitigated by strong mediators.

5. DISCUSSION

This study investigated the influence of job demands and job resources on employee wellbeing, with job satisfaction, work-life balance (WLB), and quality of work life (QWL) acting as mediators among MSME workers in Java, Indonesia. The results are largely consistent with prior research in the Job Demands–Resources (JD-R) framework, confirming both the **motivational and strain pathways** within a Southeast Asian small business context (Bakker & Demerouti, 2017; Xanthopoulou et al., 2021).

5.1 Effect of Job Demands on Mediators and Wellbeing

Job demands were found to have a **significant negative effect** on job satisfaction, WLB, and QWL. This aligns with studies showing that excessive workloads, time pressure, and emotional strain reduce employees' positive evaluation of their work experience (Molino et al., 2022; Van Zoonen & Rice, 2022). High job demands have been consistently linked to psychological fatigue and burnout, particularly in informal sectors such as MSMEs, where resources and institutional support are often minimal (Putra & Sari, 2022; Le et al., 2023). The findings reaffirm the JD-R model's strain hypothesis, which asserts that unmanaged demands deplete mental and emotional resources, thereby lowering wellbeing (Taris & Schaufeli, 2023). Although this study focuses on MSME workers in Java, its implications are also relevant to other sectors such as healthcare in China, as shown in the study by Huhtala et al. (2021) and in the UK as reported by Fleming (2024), which demonstrate that excessive job demands in resource-constrained environments reduce job satisfaction and trigger emotional exhaustion. Therefore, organizations beyond the MSME sector and in other regions should anticipate the impact of high job demands through managerial approaches centered on sustainable workload management.

5.2 Role of Job Resources as Protective Mechanisms

On the other hand, **job resources** demonstrated strong positive effects on all three mediators. This outcome confirms the **motivational pathway** of the JD-R model, where elements such as supervisory support, autonomy, and recognition enhance employees' ability to engage meaningfully with work (Kooij et al., 2022; Charoensukmongkol, 2023). In the MSME context,

where formal development opportunities may be lacking, relational resources become even more critical for sustaining motivation (Nair & Dutta, 2022). As noted by Breevaart and Bakker (2023), intrinsic job features such as meaningful work and social validation buffer the negative effects of stressors, allowing employees to maintain positive attitudes and performance. Similar patterns have been observed in the European healthcare sector, where meta-analytic findings revealed that baseline group-level resources such as team support and job control play a key role in mitigating strain and preserving long-term wellbeing, even when employees face high threat and hindrance demands (Marzocchi et al., 2022). Likewise, in African nonprofit organizations, where formal HR structures are often absent, studies have shown that integrating employee wellbeing into HR practices through tools like well-being charters and satisfaction metrics can serve as effective protective mechanisms and foster a sustainable work culture, even in donor-dependent and resource-constrained environments (Sampson & Asonye, 2025).

5.3 Mediating Role of Job Satisfaction

Job satisfaction emerged as a significant mediator linking both job demands and resources to wellbeing. This confirms previous meta-analytical findings that satisfaction is a proximal outcome of job design and a robust predictor of employee health and retention (Shoss et al., 2022; Kim & Beehr, 2023). When employees perceive their roles as fulfilling and are recognized for their efforts, they are more likely to experience heightened emotional and psychological wellbeing—even in challenging work environments. This has particular relevance for MSMEs, where job autonomy and task variety are often high due to flexible roles (Wu et al., 2023). Similar findings were observed in the Zimbabwean banking sector, where job demands reduced job satisfaction, while job resources such as social support, influence at work, and development opportunities significantly enhanced it (Ndengu & Leka, 2022). Likewise, in the early childhood education sector, Farewell et al. (2021) emphasized that strengthening job-related resources is essential to improving satisfaction, even in highly demanding and resource-constrained environments.

5.4 Work-Life Balance as Emotional Buffer

The **mediating role of WLB** also proved to be statistically significant. This aligns with findings by Brough et al. (2023), who argue that work-life integration is a core component of holistic employee health. MSME employees, who often juggle personal and professional responsibilities without formal support, benefit from job conditions that enable boundary flexibility and time control (Rantanen et al., 2021; Chen et al., 2022). Our results suggest that enhancing WLB—through predictable schedules, empathetic leadership, or leave policies—can mitigate stress and increase overall wellbeing (Haar et al., 2023; Santoso & Nurhayati, 2021). Similarly, a study of workers in Hong Kong by Wong et al. (2021) found that individual-level perceptions of work-life balance, influenced by relational, community, and societal factors, were positively associated with both employee wellbeing and quality of personal life time, reinforcing that WLB is a critical pathway for improving overall wellbeing across diverse cultural and organizational settings.

5.5 Importance of Quality of Work Life (QWL)

QWL was the most potent mediator among the three, underscoring its importance as a multi-dimensional construct encompassing safety, growth, dignity, and fair compensation (Nanjundeswaraswamy & Swamy, 2022). Prior research suggests that QWL is particularly vital in developing economies where labor rights and safety nets are weaker (Ismail et al., 2023; Amponsah-Tawiah & Mensah, 2022). High QWL enhances employees' sense of purpose, reduces anxiety, and cultivates long-term organizational commitment (Silla & Gamero, 2021; Hartono & Mulyani, 2023). MSME leaders must therefore view QWL not as a luxury but as a strategic necessity for resilience. Supporting this, research in Ethiopian universities found that QWL including compensation, reward systems, and work-life balance was significantly associated with academic staff's organizational commitment, emphasizing its importance even in public institutions with constrained HR systems (Abebe & Assemie, 2023). Similarly, in South Korea, higher QWL among nurses was shown to reduce job stress and turnover intention while increasing mindfulness, underscoring that investing in QWL can protect psychological wellbeing and workforce stability in high-pressure healthcare environments (Hwang, 2022).

5.6 Theoretical Contributions

This study extends the JD-R model by empirically testing it in an **underexplored setting**—MSME workers in Southeast Asia. Unlike previous models focused on corporate environments, this study integrates culturally salient mediators like QWL and WLB. It contributes to literature by demonstrating that the mediating mechanisms remain valid even when formal institutional support is minimal. The full mediation effect of QWL reinforces the call for context-specific adaptations of the JD-R model (Tan & Low, 2022; Suharti & Susanto, 2021). The study also supports recent calls for including emotional and contextual moderators in occupational wellbeing research (Inceoglu et al., 2021).

5.7 Practical Implications

Findings suggest that **interventions focusing solely on reducing demands** may be insufficient. To truly enhance wellbeing, organizations must invest in **strengthening job resources and improving QWL**. MSME leaders should consider soft HR practices, including coaching, feedback loops, peer mentoring, and participative decision-making, as cost-effective means to build resilience (Charoensukmongkol, 2023; Priyadarshini et al., 2023). Platforms such as government-funded training or peer-sharing networks may further enhance job resources across informal sectors.

5.8 Future Research Directions

Future studies should explore **longitudinal designs** to track changes in employee wellbeing over time, especially in response to structural reforms or crises. In addition, comparative studies between MSMEs and formal organizations could yield insights into how institutional context moderates JD-R processes. It may also be useful to examine cross-level interactions between

organizational culture and individual coping strategies using multi-level SEM techniques (Le et al., 2023; Sarstedt et al., 2022).

6. CONCLUSION

This study set out to examine how **job demands and job resources** influence **employee wellbeing**, mediated by **job satisfaction**, **work-life balance (WLB)**, and **quality of work life (QWL)** among employees working in Micro, Small, and Medium Enterprises (MSMEs) across Java Island, Indonesia. Using Structural Equation Modeling (PLS-SEM), the research confirmed both **direct and indirect effects** consistent with the **Job Demands–Resources (JD-R) model**.
Key findings reveal that:

- **Job demands** exert a significant **negative impact** on mediators (job satisfaction, WLB, QWL) and subsequently reduce employee wellbeing.

- **Job resources** significantly **enhance** all three mediators, contributing positively to overall wellbeing.

- All mediators—especially QWL—play important **partial or full mediating roles**, confirming their buffering effect.

These results emphasize the centrality of **contextualized psychosocial mechanisms** within organizational life in emerging economies. While the JD-R model has been tested extensively in formal or Western corporate settings, this study extends its relevance by integrating culturally and economically sensitive constructs within an under-researched sector.
By showing that wellbeing can be cultivated even in constrained environments—through targeted job resources and improved work-life dynamics—this research contributes to the **emerging literature on occupational health psychology in informal or semi-formal labor sectors**.

7. Implications
7.1 Theoretical Implications
The study enriches the JD-R theoretical framework by:

- Integrating three mediators (Job Satisfaction, WLB, QWL) in a single model,

- Demonstrating their **differentiated mediation effects**, particularly in **MSME settings**,

- Providing empirical support for **JD-R's dual pathway model** in a non-Western context.

The findings advocate for a **multi-dimensional view of wellbeing**, accounting not just for individual traits or task conditions, but also organizational culture and interpersonal support—an emerging need in JD-R adaptations (Inceoglu et al., 2021; Breevaart & Bakker, 2023).

7.2 Practical Implications for MSMEs
MSME owners and managers should:

- **Reduce excessive job demands** by simplifying workflows and setting realistic performance expectations.

- Invest in **job resources**—even low-cost solutions like feedback, participative decision-making, and peer mentoring can elevate engagement.

- Improve **QWL and WLB** by offering flexible scheduling, acknowledging emotional labor, and promoting dignity at work.

Because MSMEs often operate with limited budgets, prioritizing **psychosocial interventions** over costly structural changes could offer high returns in terms of wellbeing, productivity, and loyalty.

7.3 Policy Implications

- Government programs supporting MSMEs should include **HR development modules** focused on job design and wellbeing.

- Regulatory bodies may promote **wellbeing benchmarking tools** or certification for MSMEs adopting best HR practices.

- Financial incentives or tax breaks could be designed for enterprises that implement wellbeing-promoting work environments.

7.4 Limitations and Future Research
This study is not without limitations. It used **cross-sectional data**, which limits causal inference. The focus on **Indonesian MSMEs** may also affect generalizability to other sectors or countries. Future research could adopt **longitudinal or experimental designs** and incorporate variables such as **organizational justice**, **resilience**, or **emotional intelligence** to further expand the model.
Additionally, **comparative studies** across different regions or cultural contexts would offer richer understanding of how job characteristics interact with broader societal values in shaping employee wellbeing.

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