

## **The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)**

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### **Abstract**

This study examines the effect of Flexible Working Arrangement (FWA) and Work-Life Balance (WLB) on Job Performance, with Employee Engagement as an intervening variable among State Civil Apparatus (ASN) in the Deputy for Industry and Investment, Ministry of Tourism. The research is motivated by the transformation of work systems in the public sector, which demands greater flexibility, productivity, and employee well-being. A quantitative explanatory approach was employed, using primary data collected through questionnaires distributed to 196 respondents selected using probability sampling techniques. Data analysis was conducted using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The findings reveal that Work-Life Balance has a significant positive effect on both Employee Engagement and Job Performance, while Flexible Working Arrangement significantly affects Job Performance but does not significantly influence Employee Engagement. Furthermore, Employee Engagement significantly enhances Job Performance and mediates the relationship between Work-Life Balance and Job Performance, but not between Flexible Working Arrangement and Job Performance. These results highlight that maintaining work-life balance is a more critical factor than work flexibility in improving employee performance in the public sector.

**Keywords:** Asset Allocation; Pension Funds; Return on Investment; Interest Rates; Panel Data Regression.

### **INTRODUCTION**

The transformation of work systems in modern organizations has undergone significant changes in the last five years, especially since the acceleration of digitalization and changes in post-pandemic work patterns. Public sector organizations, including government agencies, are required to be more adaptive, efficient, and results-oriented. In the Indonesian context, bureaucratic reform encourages the strengthening of the performance-based work system and the implementation of flexible work mechanisms for the State Civil Apparatus (ASN). The performance of ASN is a strategic factor in determining the quality of public services and the success of the national development agenda.

From the perspective of public sector human resource management (HRM), individual performance contributes directly to organizational performance and the

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

legitimacy of government institutions (Bakker & Demerouti, 2023). However, bureaucratic work patterns that still emphasize physical presence and administrative compliance are often not fully aligned with the principle of output-based performance.

This creates a gap between the demands for ASN professionalism and a work system that is not fully adaptive to the need for flexibility (Rudolph et al., 2021; Molino et al., 2020; Chawla et al., 2022).

The Government of Indonesia, through the ASN flexible work system policy, has opened up space for the implementation of Flexible Working Arrangements (FWA), including working mechanisms from alternative locations and more flexible working time arrangements. Conceptually, a Flexible Working Arrangement is defined as a work arrangement that provides flexibility in time, place, and work methods without compromising performance accountability (Chung & Van der Horst, 2020). Recent research shows that work flexibility is positively correlated with increased productivity, job satisfaction, and employee engagement when supported by a performance-based evaluation system (Kim et al., 2023).

On the other hand, increasing work demands, accelerating organizational targets, and public service dynamics have the potential to disrupt the work-life balance of civil servants. Work-Life Balance (WLB) is an important issue in modern human resource management because it is related to psychological well-being, performance sustainability, and employee retention (Allen et al., 2020; Haar et al., 2022). An imbalance between work and personal life roles can reduce motivation and trigger work fatigue, which negatively impacts performance.

Although various studies show that Flexible Working Arrangements and Work-Life Balance are associated with improved performance, the relationship is not always straightforward. Recent studies emphasize the importance of psychological factors, particularly employee engagement, as a mechanism that explains how flexible work practices translate into optimal performance (Naqshbandi et al., 2023; Schaufeli, 2021). Employee engagement is understood as a positive psychological condition characterized by passion, dedication, and full involvement in work. Engaged employees tend to show higher performance, innovation, and results-oriented outcomes (Dirani et al., 2020; Eva et al., 2020; López Cabarcos et al., 2020).

Within the framework of Job Demands–Resources Theory (JD-R), Flexible Working Arrangements and Work-Life Balance can be positioned as job resources that trigger motivational processes and increase engagement, ultimately impacting job performance (Bakker & Demerouti, 2023). Meanwhile, Self-Determination Theory (SDT) explains that work flexibility and role balance support the fulfillment of autonomy and competence needs, thereby increasing intrinsic motivation and work engagement (Ryan & Deci, 2020).

However, there are several research gaps that remain relevant to study. First, most empirical research on Flexible Working Arrangements and Work-Life Balance has been conducted in the private sector or profit-based organizations, while studies on the public sector, especially civil servants in Indonesia, are still limited. Second, previous research

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

generally tested the direct influence of FWA or WLB on performance, without integrating employee engagement as an intervening variable in a comprehensive structural model. Third, the simultaneous integration of JD-R and SDT in explaining the psychological mechanism of the relationship is still relatively rare in the context of Indonesian bureaucracy.

The Ministry of Tourism, as a government agency with dynamic, collaborative, and strategic public service-oriented work characteristics, provides a relevant context to test the model. The demands for cross-sector coordination, the acceleration of national priority programs, and the need for public service innovation make the flexible work system and work-life balance important issues in the management of ASN within the ministry.

Based on this description, this study aims to analyze the influence of Flexible Working Arrangements and Work-Life Balance on Job Performance, with Employee Engagement as an intervening variable, among ASN within the Ministry of Tourism. This research is expected to make a theoretical contribution through the integration of Job Demands–Resources Theory and Self-Determination Theory in the context of the public sector, as well as a practical contribution to the formulation of ASN management policies that are more adaptive, welfare-oriented, and performance-based.

Therefore, this study aims to fill this gap by exploring the implementation of FWA and WLB in more depth, especially in relation to employee loyalty as a middle ground, and assessing the suitability of policies in various public sector functions in different institutional and social contexts. Based on these objectives, the researcher has raised the issue into a scientific study entitled "The Effect of Flexible Working Arrangement and Work-Life Balance on Job Performance with Employee Engagement as an Intervening Variable."

### **RESEARCH METHOD**

Research design is an investigation plan and structure that is prepared to obtain answers to research questions in a systematic manner. Creswell and Creswell (2018) define research design as a framework that describes the procedures for data collection, analysis, and interpretation in a study. Meanwhile, Sekaran and Bougie (2016) stated that research design is a research blueprint that directs researchers in collecting and analyzing data to test hypotheses.

Sugiyono (2025) explained that quantitative research design is used to study a specific population or sample with the aim of testing a hypothesis that has been established through statistical analysis. Quantitative research is objective, measurable, and systematic. Based on the objectives and conceptual framework, this study uses a quantitative approach with explanatory research. This design was chosen because the research aims to explain the causal relationship between Flexible Working Arrangement (X1), Work-Life Balance (X2), Employee Engagement (Z), and Job Performance (Y).

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

This research is cross-sectional, meaning data collection is carried out over a certain period of time. The analysis model used is panel data regression to test the relationship between variables simultaneously and partially.

Sugiyono (2025) states that the unit of analysis is the subject that serves as the source of research data. The unit of analysis in this study is the State Civil Apparatus (ASN) who works at the Deputy for Industry and Investment, Ministry of Tourism. This ministry is located at the Menara Merdeka Building, Jalan Budi Kemuliaan 1 No. 2, Gambir, Central Jakarta, DKI Jakarta.

Individuals (ASN) as the unit of analysis were chosen because the focus of this research examines how the implementation of Flexible Working Arrangement and Work-Life Balance policies can affect employee engagement and ASN's job performance in the organization.

### **Variable Operationalization**

In quantitative research, research variables are characteristics or attributes that can be measured and undergo changes. According to Sugiyono, (2025) the variables in the study are classified into independent variables, dependent variables, and intervening variables, where independent variables affect dependent variables directly or through other variables as mediators.

In this study, the author determined Flexible Working Arrangement (FWA) and Work-Life Balance (WLB) as independent variables (X), Job Performance as dependent variables (Y), and employee engagement as intervening variables (Z), where each variable was measured using relevant indicators based on previous research.

### **Population and Sample**

According to Sugiyono, (2025) population is a generalization area consisting of: objects or subjects that have distinctive qualities and characteristics that have been determined by the researcher to be researched and then arrive at a conclusion. The population in this study is all civil servants who work in the Deputy for Industry and Investment, Ministry of Tourism. The sampling technique uses purposive sampling, which is to select respondents who meet certain criteria, such as civil servants who work in the Flexible Working Arrangements system or who experience Work-Life Balance.

In research, sampling techniques are procedures used to select a small portion of the population to be the object of research, in the hope that the sample can represent the characteristics of the population as a whole. The selection of the right sampling technique is very important to ensure the validity and reliability of the research results. In general, sampling techniques are divided into two main categories, namely Probability Sampling and Non-Probability Sampling.

The technique chosen in this study is Probability Sampling, where this technique provides an equal opportunity for each member of the population to be selected as a sample. The method chosen in this study is Simple Random Sampling, where each

# The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

member of the population has the same opportunity to be selected. Selection is carried out randomly regardless of strata or groups in the population (Sugiyono, 2025).

## Data Collection Methods

Data is collected through a closed questionnaire that uses a scale or numerical answer choice, such as satisfaction level or a certain frequency, to measure respondents' perception of the research variable (Sugiyono, 2025). The online sampling method through Google Forms is used to improve the efficiency of data collection and expand the reach of respondents. With this method, research can ensure that data collection is carried out representatively, survey results are more valid, and the data obtained is more reliable.

## Research Instruments

The research instrument is a primary data collection method using questionnaires. According to research instruments, it is a tool used to measure observed natural and social phenomena. In this study, the researcher used a research instrument, namely a questionnaire. Sugiyono, (2025)

## Measurement Scale

In addition, in making the questionnaire, you must also pay attention to the determination of the measurement scale (*rating scale*) to see a general picture of the characteristics of the respondents and the assessment of the respondents on each variable in the questionnaire. Researchers used the Likert scale quoted from the book that "The Likert Scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena." With the Likert scale, the variables to be measured are described as variable indicators. Then the indicator is used as a starting point to compile instrument items that can be in the form of statements or questions. (Scott, 2025)

The form of the likert scale used in this study is the cheklikst form. The answer to each instrument item that uses the Likert scale has a gradient from very positive to very negative which can be in the form of pronouns as follows:

**Table 1.** Likert scale

Yes	Statement	Score
1	Strongly Agree/Always/Very Positive	5
2	Agree/Often/Positive	4
3	Doubtful/Sometimes/Neutral	3
4	Disagree/Almost Never/Negative	2
5	Strongly disagree/never/strongly negative	1

## Instrument Validity and Reliability Testing

The validity test and reliability test aim to test whether the question items presented in the form of a questionnaire really measure the variables that should be measured. (Leon, 2023.)

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

According to Kuncoro (2009), validity is a measurement scale called valid, when it does what should be done and measures what should be measured. In this study, the researcher used an analysis of items where the research data used a questionnaire consisting of items of statements that were tested for validity (Sri Wahyuni et al., 2018).

While reliability indicates the consistency and stability of a score or measurement scale. An already trustworthy, reliable instrument will produce trustworthy data as well. Reliability refers to the reliability of something (Sri Wahyuni et al., 2018).

Before being used in the main study, the questionnaire is tested for validity and reliability to ensure the instrument can accurately and consistently measure the concepts being studied.

1. The Convergent Validity Test was tested using outer loading and *Average Variance Extracted (AVE)* values in the *Structural Equation Modeling – Partial Least Squares (SEM-PLS)* analysis. An indicator is considered to have convergent validity if its outer loading value is more than 0.7 and AVE is more than 0.5. Discriminant validity is tested using the *Fornell-Larcker Criterion*, where the correlation between latent variables must be smaller than the square root of each variable's AVE, indicating that each construct measures a different concept [6].
2. The Reliability Test is measured by *Cronbach's Alpha and Composite Reliability (CR)*. *Cronbach's Alpha* and CR values greater than 0.7 indicate that the instrument has a good level of internal consistency. The reliability process was also checked through a pilot test on a small number of respondents prior to the main data collection to ensure that each indicator in the questionnaire could be clearly understood and provided stable results.

By using these validity and reliability procedures, the research can ensure that the instruments used in data collection actually accurately and reliably measure the relationship between FWA, WLB, loyalty, and employee performance. Furthermore, the data that has been collected will be analyzed using SEM-PLS to test the hypothesis that has been formulated.

### Data Processing Methods

The data processing in this study uses smartPLS SEM (Partial Least Square – Structural Equation Modeling) Software. PLS is able to explain the relationship between variables and is able to perform analyses in one test. The purpose of PLS is to help researchers to confirm the theory and to explain the existence or absence of relationships between latent variables.

According to (Musyaffi et al., 2021), the PLS method is a technique in variant-based statistics designed to solve multiple regression problems. The author uses the Partial Least Square because this study is a latent variable that can be measured based on its indicators so that the author can analyze with clear and detailed calculations.

The data analysis process with SEM-PLS will be divided into two main stages:

1. Evaluation of Measurement Models (Outer Model)

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

This stage focuses on testing the validity and reliability of research instruments (questionnaires). The goal is to ensure that the indicators used are valid and reliable in measuring latent variables.

### 2. Reliability Test

To measure the internal consistency of a construct. This test uses two criteria:

- a. Composite Reliability (CR): The recommended CR value should be more than 0.70.
- b. Cronbach's Alpha: Cronbach's Alpha value is also recommended to be more than 0.70 to indicate good reliability.

### 3. Evaluation of Structural Models (Inner Model)

This stage focuses on testing the relationships between latent variables according to the research hypothesis. The criteria used to evaluate the inner model include:

#### a. Path Coefficients

The path coefficient value indicates the strength and direction (positive or negative) of the relationship between latent variables.

#### b. Value of Determination Coefficient (R-squared)

The value of  $R^2$  indicates the extent to which an independent variable can explain the variance of the dependent variable. Higher  $R^2$  values indicate models that have better predictive power (Hair et al., 2021). The  $R^2$  value  $> 0.75$  indicates strong predictive strength,  $0.50-0.75$  indicates moderate, and  $0.25-0.50$  indicates weakness.

#### c. Significance Value

Testing of the significance of the relationship between latent variables was carried out using the bootstrapping method. This method generates t-statistical values and p-values that are used to determine whether the relationship is statistically significant (Hair et al., 2021). The hypothesis will be supported if the t-value is greater than 1.96 at a significance level of 5% ( $\alpha = 0.05$ ) or if the p-value is less than 0.05.

#### d. Mediation Effect Test

This study will also examine the mediating role of motivational variables. This test was carried out by analyzing the indirect effect of independent variables (simplification of bureaucracy and leadership) on dependent variables (employee performance) through mediation variables (motivation).

## Research Hypothesis Testing

The hypothesis test in this study aims to test the relationship between bureaucratic simplification, leadership, motivation, and organizational performance at the Ministry of Tourism. This analysis was carried out using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) method through SmartPLS software, which allows testing of direct effects, mediating effects, and the significance of relationships between research variables.

# The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

Based on the results of this test, if the hypothesis is accepted, it can be concluded that Flexible Working Arrangements and Work-Life Balance contribute to the improvement of Job Performance directly or through Employee Engagement as a mediator. However, if the hypothesis is rejected, it is necessary to conduct further analysis of other factors that can affect the success of the organization in implementing Flexible Working Arrangements and Work-Life Balance

The results of this hypothesis test will be the basis for formulating policy recommendations related to the implementation of Flexible Working Arrangements and Work-Life Balance in increasing Employee Engagement, as well as optimizing the improvement of Job Performance at the Deputy for Industry and Investment, Ministry of Tourism.

## RESULTS AND DISCUSSION

In this study, the respondents involved were State Civil Apparatus (ASN) at the Deputy for Industry and Investment of the Ministry of Tourism which amounted to 196 people. The characteristics of the respondents need to be described to provide an overview of the profile of the research subject, so that it can help understand the context of the analysis results related to flexible working arrangement, work-life balance, employee engagement, and job performance. The description of the characteristics of the respondents in this study included employment status, gender, age, education level, working period, marital status, distance from residence to office, mode of transportation, residence status, and monthly expenses. In addition, respondents' preferences for work flexibility, supporting facilities, and the need for guidance and counseling services were also identified. The description of these characteristics is expected to provide a comprehensive picture of the demographic and socioeconomic conditions of the study respondents.

### Descriptive Analysis of the Questionnaire

In the descriptive analysis stage, the researcher examined the respondents' perception of the variables of flexible working arrangement, work-life balance, employee engagement, and job performance based on the questionnaire answers that had been collected. This analysis aims to provide an overview of the tendency of respondents' assessment of each indicator in each research variable before further analysis is carried out.

### Flexible Working Arrangement (FWA)

**Tabel 2.** Flexible Working Arrangement

	STS	TS	R	S	SS	Quantity	Friendly
x1.1	1	7	12	81	95	196	4,34
x1.2	3	18	17	96	62	196	4,00
x1.3	0	23	22	97	54	196	3,93
x1.4	5	32	29	91	39	196	3,65

The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

<b>x1.5</b>	0	12	15	109	60	196	4,11
<b>x1.6</b>	5	13	52	91	35	196	3,70
<b>x1.7</b>	1	8	11	128	48	196	4,09
<b>x1.8</b>	1	9	13	98	75	196	4,21
<b>x1.9</b>	3	10	23	120	40	196	3,94
<b>x1.10</b>	1	11	21	128	35	196	3,94
<b>Quantity</b>	<b>20</b>	<b>143</b>	<b>215</b>	<b>1039</b>	<b>543</b>	<b>1960</b>	<b>3,99</b>
<b>Friendly</b>	<b>1,02%</b>	<b>7,30%</b>	<b>10,97%</b>	<b>53,01%</b>	<b>27,70%</b>	<b>100,00%</b>	

Source : Questionnaire Data (2026)

Variabel *flexible working arrangement* It has an overall average of 3.99 which belongs to the high category. This shows that ASN feels the existence and benefits of work flexibility in the organization.

The highest rated indicator is x1.1 (I was given the opportunity to work from a location other than in the office) with an average: 4.34. This indicator is the highest score on the FWA variable and is also one of the highest scores on the entire questionnaire. This shows that the aspect of workplace flexibility is the most obvious form of flexibility felt by ASN in the Deputy for Industry and Investment. Factually, since the transformation of post-pandemic work patterns, ministries/agencies in Indonesia have adopted location-based flexible work concepts such as work from home (WFH), mobile work, and online meetings (Ipsen et al., 2021; Allen et al., 2013; Wang et al., 2021). In the industry and investment deputy unit, the dominant work character in the form of policy formulation, sector analysis, cross-agency coordination, and document processing makes many tasks can be carried out without a physical presence in the office. Employees can work from home, activity locations, or when traveling on official trips without reducing work achievements. In addition, the development of government digital work systems such as e-offices, e-performance, electronic correspondence, and virtual meetings also strengthens the perception that work can be done from anywhere. Therefore, respondents strongly felt the existence of location flexibility as a tangible form of FWA in their organizations. The high level of this indicator shows that location flexibility is the most successfully implemented FWA dimension in the ministry's ASN environment.

### **Work-Life Balance (WLB)**

The work-life balance variable has an average of 3.67 (a fairly high category but the lowest compared to other variables). This shows that the work-life balance of civil servants is relatively good but not optimal.

The highest indicator is x2.2 (My personal life does not interfere with work performance) with an average: 4.14. This indicator shows that ASN is able to maintain work professionalism even though they have personal life responsibilities. This high score illustrates that respondents feel that their personal lives are not an obstacle in carrying out work tasks. In the context of the central ministry's ASN, this condition is realistic because

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

employees are used to working in a structured system, annual performance targets, and formal assessment mechanisms such as SKP. Employees are required to maintain performance regardless of personal conditions. In addition, the majority of civil servants are in the phase of mature adulthood with family stability, so that personal life conflicts with work are relatively controlled (Greenhaus & Allen, 2021). The high level of this indicator also shows that there is a fairly clear separation of roles between the work domain and the personal domain in ASN. This means that employees are able to continue to complete tasks according to targets and responsibilities even though they have personal activities or problems. This condition reflects the high level of professionalism and commitment to ASN work to the organization.

### **Employee**

The employee engagement variable has an average of 3.90 (high category). This shows that employees' attachment to work and organization is quite strong.

The highest indicator is z2 (I always try to improve my knowledge and work skills independently) with an average: 4.22. This indicator is the highest value in the performance variable and shows that employees have a strong orientation towards self-competence development. This high perception illustrates that ASN is aware of the importance of increasing capacity to support work. In the context of ministries, the demands of policy work, sector analysis, and cross-agency coordination demand ever-evolving knowledge. Employees must follow new regulations, government policies, tourism industry dynamics, and investment developments. Therefore, improving competencies is a real necessity in daily work. In addition, the ASN management system also encourages competency development through training, training, seminars, and independent learning as part of career development and performance assessment. This makes employees have internal motivation to continue learning to stay relevant and able to meet the demands of the position (Perry & Vandenabeele, 2021). The high level of this indicator shows that the performance of ASN is not only oriented towards completing tasks, but also on increasing professional capacity on a sustainable basis. This reflects the character of modern civil servants who are adaptive to changes in policies and organizational demands

### **Job Performance**

The job performance variable has the highest average of 4.05 (very high category). This shows that the perception of employee performance is very good.

The highest indicator is y10 (I always try to improve my knowledge and work skills independently) with an average: 4.22. This indicator is the highest value in the performance variable and shows that employees have a strong orientation towards self-competence development. This high perception illustrates that ASN is aware of the importance of increasing capacity to support work. In the context of ministries, the demands of policy work, sector analysis, and cross-agency coordination demand ever-evolving knowledge (Lesener et al., 2019). Employees must follow new regulations, government policies, tourism industry dynamics, and investment developments. Therefore, improving competencies is a real necessity in daily work. In addition, the ASN

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

management system also encourages competency development through training, training, seminars, and independent learning as part of career development and performance assessment. This makes employees have internal motivation to continue learning to stay relevant and able to meet the demands of the position. The high level of this indicator shows that the performance of ASN is not only oriented towards completing tasks, but also on increasing professional capacity on a sustainable basis. This reflects the character of modern civil servants who are adaptive to changes in policies and organizational demands

### **PLS Analysis Results**

The data analysis in this study used the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach to test the relationship between flexible working arrangement, work-life balance, employee engagement, and job performance. The evaluation of the PLS model is carried out through two main stages, namely testing the measurement model (outer model) and the structural model (inner model) according to the procedure recommended by Hair et al. (2021)

### **Evaluation of Measurement Models (Outer Model)**

The evaluation of the measurement model aims to ensure that the questionnaire indicators are truly valid and reliable in representing the constructs being studied. According to Hair et al. (2021), reflective measurement models must meet three main criteria, namely convergent validity, discriminant validity, and construct reliability.

#### 1. Discriminatory Validity

Discriminant validity aims to ensure that each construct in the model is completely empirically different from the other. According to Hair et al. (2021), the validity of discrimination can be evaluated through two approaches, namely the Fornell-Larcker criterion and the HTMT ratio.

The results of the analysis showed that all HTMT values were in the range of 0.432 to 0.777, so that all construct pairs met the discriminant criteria. Thus, it can be concluded that the variables of flexible working arrangement, work-life balance, employee engagement, and job performance are different constructs empirically and conceptually.

#### 2. Construct Reliability

Construct reliability aims to assess the internal consistency of indicators in measuring latent constructs. Hair et al. (2021) recommend two measures of reliability, namely Cronbach's Alpha and Composite Reliability. Cronbach's Alpha assumes the same indicator contribution, while Composite Reliability is more appropriate for PLS because it considers the actual weight of the indicator. The minimum limit of both is 0.70.

The results of the analysis showed that all variables had Cronbach's Alpha and Composite Reliability above 0.70. This shows that the indicators in each

variable have a high internal consistency and are stable in measuring the research construct. Thus, the measurement model in this study is declared reliable.

### **Evaluation of Structural Models (Inner Model)**

Once the measurement model is declared valid and reliable, the next stage is to evaluate the structural model. According to Hair et al. (2021), the purpose of structural model evaluation is to assess the predictive ability of the model as well as the strength of relationships between latent constructs. The main criteria are as follows:

#### 1. R-Square ( $R^2$ )

The coefficient of determination (R-Square)  $R^2$  indicates the proportion of the variance of the dependent variable that can be explained by the independent variable. Hair et al. (2021) used  $R^2$  as an indicator of the model's predictive ability, with a classification of values of 0.75 as strong, 0.50 as moderate, and 0.25 as weak.

The results of the analysis showed an  $R^2$  value of 0.772 for employee engagement and 0.797 for job performance. These values belong to the strong category. This means that 77.2% of employee engagement variations are explained by flexible working arrangements and work-life balance, while 79.7% of job performance variations are explained by flexible working arrangements, work-life balance, and employee engagement. Thus, the research model has a very high predictive ability in explaining attachment and performance.

#### 2. f-square ( $f^2$ )

The effect size  $f^2$  is used to assess the magnitude of the contribution of each independent variable to the change in the  $R^2$  value of the dependent variable. Hair et al. (2021) set the criteria 0.02 as small, 0.15 as medium, and 0.35 as large. The reason for using  $f^2$  is to find out which variables are most practically influential in the model, not just statistically significant.

The results of the analysis show that work-life balance has a large effect on job performance, and employee engagement also has a large effect size on job performance. On the other hand, flexible working arrangements have a small effect on employee engagement and job performance. These findings show that work-life balance is the most dominant factor in improving performance, while work flexibility plays a more supporting role.

#### 3. Q-Square ( $Q^2$ )

Predictive relevance ( $Q^2$ ). According to Hair et al. (2021),  $Q^2$  is used to assess the model's predictive ability against dependent variable indicators through a blindfolding procedure. The main goal of this test is to ensure that the model is not only able to explain the in-sample fit, but also has the ability to predict the observational data that is eliminated during the estimation process. Hair et al. (2021) stated that the value of  $Q^2$  must be greater than zero to indicate the presence

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

of predictive relevance. In addition, the interpretation of prediction power can use criteria of 0.02 (small), 0.15 (medium), and 0.35 (large).

The research model has adequate predictive relevance to the variables of employee engagement and job performance. A positive  $Q^2$  value indicates that the PLS model built not only explains the relationships between variables in the sample, but is also able to predict the indicators of dependent variables quite well. Strong moderate predictive ability is found in job performance, while in employee engagement it is at a moderate low level.

#### 4. Path Coefficients and Mediation Tests

The path coefficient is used to assess the direction and strength of the relationship between latent variables, while mediation analysis aims to find out whether employee engagement plays an intermediate role as an intermediate variable between flexible working arrangement and work-life balance on job performance. Hair et al. (2021) stated that the mediating effect is significant if the indirect pathway is statistically significant. Hair et al. (2021) stated that the relationship is significant if the t-statistic value is greater than 1.96 or the p-value is less than 0.05. The purpose of this test is to ascertain whether the research hypothesis is empirically supported.

### Interpretation of Hypothesis Test Results

#### 1. Pengaruh Flexible Working Arrangement terhadap Employee Engagement

The t-statistical value is 1.710 and the p-value is 0.089. A t-value smaller than 1.96 and a p-value greater than 0.05 suggest that the relationship is not statistically significant. Thus, flexible working arrangements do not affect employee engagement. H1 was rejected.

#### 2. The Effect of Work-Life Balance on Employee Engagement

The coefficient of the work-life balance path to employee engagement was 0.423 with a t-statistic value of 6.396 and a p-value of 0.000. The positive coefficient value shows that the better the balance between the employee's work life and personal life, the higher the employee's attachment to work and the organization. The magnitude of the coefficient of 0.423 shows a fairly strong influence.

A t-value above 1.96 and a p-value below 0.05 indicate that the relationship is statistically significant. Thus, work-life balance has a positive effect on employee engagement is accepted. H2 is accepted.

#### 3. The Effect of Flexible Working Arrangement on Job Performance

The results of the analysis showed a path coefficient of 0.208 with a t-statistic value of 3.155 and a p-value of 0.002. The positive coefficient value shows that work flexibility is related in the same direction as performance, so the better the implementation of flexible working arrangements, the performance tends to

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

increase. The magnitude of the coefficient of 0.208 shows a relatively small to moderate influence.

A t-statistic value greater than 1.96 and a p-value below 0.05 indicate that the relationship is statistically significant. Thus, flexible working arrangements have a positive effect on job performance. H3 accepted

### 4. The Effect of Work-Life Balance on Job Performance

The results of the analysis showed a path coefficient of 0.703 with a t-statistic value of 15.041 and a p-value of 0.000. The value of the positive coefficient shows that work-life balance is related in the same direction as performance, so the better the work-life balance of employees, the more performance will increase. The magnitude of the coefficient of 0.703 shows a very strong influence and is the largest in the research model.

Very high t-statistic values and very small p-values indicate that this relationship is statistically significant. Thus, work-life balance has a positive effect on job performance. H4 accepted.

### 5. The Influence of Employee Engagement on Job Performance

The results of the analysis showed a path coefficient of 0.599 with a t-statistic value of 11.379 and a p-value of 0.000. The positive coefficient value shows that the relationship between employee engagement and job performance is unidirectional, meaning that the higher the employee's attachment to work and the organization, the higher the performance produced. The value of the coefficient of 0.599 shows a fairly strong influence, because it is close to 1.

A t-value that is far above 1.96 and a p-value that is far below 0.05 indicates that the influence is statistically significant. Thus, it can be concluded that employee engagement has a positive effect on job performance. H5 is accepted.

### 6. Indirect Effect of Flexible Working Arrangement on Job Performance through Employee Engagement

The t-statistic value is 1.648 and the p-value is 0.101. A t-value of a statistic smaller than 1.96 and a p-value greater than 0.05 indicate that the indirect effect is not significant. Thus, employee engagement is not able to mediate the effect of flexible working arrangements on job performance. H6 rejected

### 7. Indirect Effect of Work-Life Balance on Job Performance through Employee Engagement

The indirect influence coefficient was 0.253 with a t-statistic value of 5.273 and a p-value of 0.000. A positive coefficient value indicates that work-life balance improves performance through increased employee engagement. The magnitude of the coefficient shows a fairly strong mediation influence.

## The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

A t-statistic value far above 1.96 and a p-value below 0.50 indicate that the indirect influence is significant. Thus, employee engagement mediates the influence of work-life balance on job performance. H7 accepted.

### CONCLUSION

In conclusion, work flexibility in the ASN environment has not significantly formed employee attachment, because flexible work patterns are better understood as work technical adjustments, not as organizational values. While the flexibility of the job site can increase the comfort and efficiency of getting work done, it does not necessarily increase the emotional attachment of employees to the organization. On the contrary, work-life balance has proven to play a more important role in improving employee attachment and ASN performance. Employees who are able to maintain a work-life balance tend to feel more comfortable, stable, and focused at work, which has a positive impact on their performance. Employee attachment, which is influenced by the meaning of public service, loyalty to agencies, and relationships with leaders, has proven to be an important factor in improving the performance of civil servants, especially in work related to strategic programs and public policies. Therefore, work-life balance determines the performance of ASNs more, while work flexibility plays a greater role in improving work efficiency, without affecting emotional attachment to the organization.

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The Effect of Flexible Working Arrangements and Work-Life Balance on Job Performance With Employee Engagement As an Intervening Variable (Case Study of The Deputy For Industry and Investment)

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