

FLEXIBLE WORKING ARRANGEMENTS, WORK ENGAGEMENT, WORK-LIFE BALANCE, JOB SATISFACTION, AND EMPLOYEE PERFORMANCE

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Abstract

The increasing adoption of Flexible Working Arrangements (FWA) in public organizations has transformed human resource management practices, particularly in enhancing employee productivity while maintaining service quality. However, empirical evidence regarding the mechanisms through which FWA influences employee performance in the public sector remains limited. This study aims to examine the effects of Flexible Working Arrangements, Work Engagement, and Work-Life Balance on Work Performance, with Job Satisfaction serving as a mediating variable among employees of the West Java Provincial Transportation Agency. A quantitative research design with a cross-sectional survey approach was employed. Data were collected from 242 employees selected through stratified random sampling from a population of 613 employees. The research data were analyzed using Structural Equation Modeling (SEM) with AMOS to evaluate both the measurement and structural models. The findings indicate that the proposed SEM model achieved acceptable goodness-of-fit criteria, confirming its suitability for explaining the relationships among the studied variables. The results further reveal that Flexible Working Arrangements, Work Engagement, and Work-Life Balance each have positive and significant effects on Job Satisfaction. In addition, these variables directly and positively influence Work Performance. Job Satisfaction also has a significant positive effect on Work Performance and acts as a significant mediating variable in the relationships between Flexible Working Arrangements, Work Engagement, Work-Life Balance, and Work Performance. These findings suggest that improving employee performance requires an integrated human resource management strategy that combines flexible work policies, employee engagement initiatives, and work-life balance programs while simultaneously enhancing job satisfaction. This study contributes to the human resource management literature by providing empirical evidence from Indonesia's public sector and offers practical recommendations for policymakers in developing adaptive, employee-centered work policies to support sustainable bureaucratic transformation and improved public service performance.

Keywords: Flexible Working Arrangements, Work Engagement, Work-Life Balance, Job Satisfaction, Work Performance, Structural Equation Modeling.

Abstrak

Meningkatnya penerapan Pengaturan Kerja Fleksibel (FWA) di organisasi publik telah mengubah praktik manajemen sumber daya manusia, terutama dalam meningkatkan produktivitas karyawan sekaligus menjaga kualitas layanan. Namun, bukti empiris mengenai mekanisme di mana FWA memengaruhi kinerja karyawan di sektor publik masih terbatas. Penelitian ini bertujuan untuk mengkaji pengaruh Pengaturan Kerja Fleksibel, Keterlibatan Kerja, dan Keseimbangan Kerja-Kehidupan terhadap Kinerja Kerja, dengan Kepuasan Kerja sebagai variabel mediasi di kalangan pegawai Dinas Perhubungan Provinsi Jawa Barat. Desain penelitian kuantitatif dengan pendekatan survei cross-sectional digunakan. Data dikumpulkan dari 242 pegawai yang dipilih melalui

pengambilan sampel acak bertingkat dari populasi sebanyak 613 pegawai. Data penelitian dianalisis menggunakan Pemodelan Persamaan Struktural (SEM) dengan AMOS untuk mengevaluasi model pengukuran dan model struktural. Temuan menunjukkan bahwa model SEM yang diusulkan memenuhi kriteria kesesuaian yang dapat diterima, sehingga mengonfirmasi kesesuaiannya untuk menjelaskan hubungan di antara variabel-variabel yang diteliti. Hasil penelitian lebih lanjut mengungkapkan bahwa Pengaturan Kerja Fleksibel, Keterlibatan Kerja, dan Keseimbangan Kerja-Kehidupan masing-masing memiliki pengaruh positif dan signifikan terhadap Kepuasan Kerja. Selain itu, variabel-variabel ini secara langsung dan positif memengaruhi Kinerja Kerja. Kepuasan Kerja juga memiliki pengaruh positif yang signifikan terhadap Kinerja Kerja dan berperan sebagai variabel mediasi yang signifikan dalam hubungan antara Pengaturan Kerja Fleksibel, Keterlibatan Kerja, Keseimbangan Kerja-Kehidupan, dan Kinerja Kerja. Temuan ini menunjukkan bahwa peningkatan kinerja karyawan memerlukan strategi manajemen sumber daya manusia yang terintegrasi, yang menggabungkan kebijakan kerja fleksibel, inisiatif keterlibatan karyawan, dan program keseimbangan kerja-kehidupan, sekaligus meningkatkan kepuasan kerja. Penelitian ini memberikan kontribusi terhadap literatur manajemen sumber daya manusia dengan menyajikan bukti empiris dari sektor publik Indonesia serta menawarkan rekomendasi praktis bagi pembuat kebijakan dalam mengembangkan kebijakan kerja yang adaptif dan berpusat pada karyawan guna mendukung transformasi birokrasi yang berkelanjutan dan peningkatan kinerja pelayanan publik.

Kata Kunci: *Pengaturan Kerja Fleksibel, Keterlibatan Kerja, Keseimbangan Kerja-Kehidupan, Kepuasan Kerja, Kinerja Kerja, Pemodelan Persamaan Struktural.*

Introduction

The rapid development of information and communication technology (ICT), digital transformation, and the emergence of the Fourth Industrial Revolution have fundamentally transformed organizational structures and employment systems in both the private and public sectors. Organizations are increasingly required to adopt innovative human resource management practices to foster organizational agility, employee well-being, and sustainable performance. Traditional work models, characterized by fixed working hours and centralized office locations, have gradually shifted toward more flexible, technology-driven arrangements. This transformation has accelerated during the COVID-19 pandemic, which forced governments and organizations worldwide to adopt alternative work models that allow employees to continue performing their duties while minimizing physical interaction (Bloom et al., 2015; International Labor Organization [ILO], 2021).

One of the most significant developments to emerge from this transformation is the adoption of Flexible Work Arrangements (FWAs). Flexible Work Arrangements refer to organizational policies that grant employees greater autonomy regarding when, where, and how work is performed (Mendez, 2008). These arrangements include flexitime, remote work, hybrid work, compressed workweeks, telecommuting, and results-oriented work systems. Rather than emphasizing physical presence, FWA focuses on work outcomes, employee autonomy, and organizational effectiveness. This paradigm reflects a broader shift from traditional bureaucratic management toward human-centered management practices that prioritize flexibility, trust, and employee empowerment (Allen et al., 2013).

Numerous extensive empirical studies have shown that Flexible Work Arrangements yield many organizational benefits. Employees who experience greater flexibility generally report higher job

satisfaction, stronger organizational commitment, better psychological well-being, and a lower intention to leave (Allen et al., 2013; McNall et al., 2010). From an organizational perspective, flexible work policies contribute to higher productivity, reduced absenteeism, improved talent retention, and enhanced organizational resilience (Bloom et al., 2015). Consequently, many organizations in developed countries have institutionalized flexible work policies as part of their strategic human resource management initiatives.

Despite these benefits, the effectiveness of flexible work arrangements remains highly dependent on the organizational context. Several studies indicate that flexibility does not automatically improve employee performance. Kelly et al. (2011) argue that poorly managed flexibility can reduce the quality of communication, weaken teamwork, lead to social isolation, and increase work-family conflict. Similarly, Golden and Veiga (2005) found that excessive remote work can reduce interpersonal interactions, knowledge sharing, and organizational identification. Therefore, the relationship between Flexible Work Arrangements (FWA) and employee performance cannot be understood as a simple, direct relationship, but rather as a complex organizational process influenced by various psychological and organizational factors.

Indonesia's public sector presents a particularly interesting context for examining Flexible Work Arrangements. Prior to the COVID-19 pandemic, government agencies generally operated under a highly centralized administrative system, characterized by rigid working hours, hierarchical supervision, and mandatory in-person attendance. However, the pandemic forced government agencies to implement work-from-home (WFH), work-from-office (WFO), and subsequently hybrid work systems to ensure the continuity of public services. This transformation has prompted public organizations to reevaluate conventional work systems and gradually adopt more flexible employment practices supported by digital technology (Putra, 2021).

The Indonesian government has also demonstrated its commitment to bureaucratic modernization through initiatives in digital governance and adaptive civil service management. Flexible work policies are increasingly viewed as a strategic tool to enhance bureaucratic efficiency while improving employee well-being. Nevertheless, the implementation of FWA within Indonesian public institutions still faces challenges. Organizational culture, rigid administrative regulations, uneven technological infrastructure, leadership styles, and performance evaluation systems continue to limit the effectiveness of flexible work practices (Suwandi, 2020). Consequently, empirical evidence regarding the effectiveness of FWA within Indonesian government organizations remains limited and unconvincing.

These challenges become increasingly apparent in public service agencies whose operational activities demand administrative efficiency as well as the provision of sustainable services. A notable example is the West Java Provincial Transportation Agency, an agency responsible for the planning, regulation, supervision, and management of the transportation system in one of Indonesia's most

densely populated provinces. This agency oversees land transportation, traffic management, public transportation services, logistics coordination, transportation infrastructure, maritime transportation, and aviation support. The complexity of these responsibilities requires employees to demonstrate a high level of professionalism, responsiveness, coordination, and performance amid dynamic working conditions.

Unlike many private organizations where performance can often be evaluated solely through financial results, public organizations must simultaneously achieve administrative efficiency, accountability, transparency, responsiveness, and service quality. Consequently, the implementation of Flexible Work Arrangements within public institutions raises important managerial questions. Although flexibility can enhance employees' autonomy and psychological well-being, concerns remain regarding the effectiveness of coordination, public accountability, service responsiveness, and organizational control. These conflicting organizational demands make the public sector a crucial context for investigating whether flexible work practices truly improve employee performance.

Another key issue relates to the inconsistent findings reported by previous studies regarding the impact of flexible work arrangements on employee performance. Some researchers have found a positive relationship between flexibility and organizational outcomes (Allen et al., 2013; Bloom et al., 2015; Al-Kasasbeh, 2016). Employees working under flexible arrangements generally experience higher motivation, stronger organizational commitment, lower stress levels, and greater productivity. Conversely, other researchers have reported that flexible work systems can lead to negative consequences, including professional isolation, communication barriers, reduced collaboration, blurred boundaries between work and personal life, and increased emotional exhaustion (Kelly et al., 2011). These inconsistent findings suggest that the relationship between flexible work arrangements and job performance is not entirely direct but may operate through mediating psychological mechanisms.

In the organizational behavior literature, job satisfaction is consistently recognized as one of the most influential determinants of employee performance. According to Judge and Klinger (2008), employees who are satisfied with their work environment, organizational support, and job characteristics tend to demonstrate higher motivation, stronger commitment, and superior performance. Flexible work policies can enhance employee satisfaction by increasing perceived autonomy, reducing commute time, minimizing work-family conflicts, and providing greater control over work schedules. In turn, satisfied employees are more willing to work harder, demonstrate organizational citizenship behavior, and achieve higher performance outcomes.

At the same time, work engagement has emerged as another important psychological factor explaining employee effectiveness. Engaged employees demonstrate enthusiasm, dedication, and full concentration in their work, enabling them to perform beyond formal job requirements (Schaufeli et al., 2002). Highly engaged employees tend to view their work as meaningful, experience greater intrinsic

motivation, and maintain a positive emotional attachment to the organization's goals. Such positive psychological states are expected to enhance job satisfaction while simultaneously improving performance.

In addition to flexible work arrangements and work engagement, work-life balance (WLB) has increasingly become one of the most discussed concepts in contemporary human resource management. Modern organizations are no longer evaluated solely on the basis of productivity or financial performance, but also on their ability to create a healthy and sustainable work environment that accommodates employees' personal and professional responsibilities. Work-Life Balance refers to an individual's ability to effectively manage work responsibilities while fulfilling personal, family, and social obligations without experiencing excessive conflict among these domains (Greenhaus & Allen, 2011). Employees who successfully achieve a balance between work and personal life generally experience lower stress levels, better psychological well-being, and higher organizational commitment.

The growing importance of work-life balance is closely linked to rapid technological advancements. While digital technology enables employees to work anywhere and anytime, it simultaneously blurs the boundaries between work and personal life. Smartphones, cloud computing, virtual meetings, and digital communication platforms have created expectations of constant availability, thereby increasing the risk of work intensification and emotional exhaustion (Mazmanian et al., 2013). Consequently, organizations implementing Flexible Work Arrangements must ensure that such flexibility enhances employees' quality of life, rather than becoming a source of constant work-related stress.

Empirical evidence consistently shows that Work-Life Balance contributes positively to employee attitudes and organizational outcomes. Employees who maintain a healthy balance between work and personal life report higher job satisfaction, stronger affective commitment, lower intent to leave, and better job performance (Brough et al., 2014; Haar et al., 2014). Similarly, Lewis and Humbert (2010) argue that employees experiencing lower work-family conflict tend to demonstrate greater concentration, emotional stability, and productivity during work hours. These findings suggest that work-life balance is an important psychological mechanism through which organizational policies influence employee performance.

In public organizations, maintaining work-life balance is becoming increasingly important because civil servants are often faced with heavy administrative responsibilities while also having to meet public expectations for the efficient delivery of services. Employees in transportation agencies, for example, frequently face unpredictable workloads related to traffic management, transportation safety, emergency response, infrastructure oversight, and the coordination of public services. Such responsibilities require operational flexibility and psychological resilience. Therefore, understanding

whether flexible work arrangements truly improve employees' work-life balance is a critical issue for organizational policymakers.

Another psychological construct that has attracted considerable academic attention is job satisfaction. Job satisfaction reflects employees' overall emotional evaluation of their work experiences, including perceptions of supervision, working conditions, organizational support, compensation, autonomy, and career development opportunities (Locke, 1976). According to organizational behavior theory, satisfied employees tend to exhibit higher motivation, stronger organizational commitment, and more positive voluntary behavior, all of which contribute directly to organizational effectiveness (Judge et al., 2001).

The relationship between flexible work arrangements and job satisfaction has been supported by various empirical studies. Flexible work policies allow employees to adjust their work schedules according to individual needs, thereby reducing commute time, increasing family interaction, enhancing autonomy, and lowering work-related stress (Allen et al., 2013). These benefits reinforce employees' perceptions of organizational support, which ultimately increases their level of job satisfaction. However, the magnitude of these positive effects depends heavily on organizational culture, leadership quality, technological readiness, and performance management systems. Without adequate managerial support, flexible work arrangements can actually create ambiguity regarding work expectations and weaken employees' psychological attachment to the organization.

Similarly, work engagement has consistently been identified as one of the strongest predictors of job satisfaction. According to Schaufeli et al. (2002), engaged employees experience enthusiasm, dedication, and full commitment while performing their tasks. These positive psychological states foster feelings of competence, accomplishment, and meaning, which in turn enhance job satisfaction. Saks (2006) further argues that employees who view their work as meaningful will reciprocate organizational support by demonstrating stronger commitment and a positive work attitude. Consequently, work engagement serves not only as a source of motivation but also as a key determinant of employee satisfaction. The importance of job satisfaction becomes increasingly clear when examining employee performance. Work performance refers to an employee's ability to achieve organizational goals efficiently, effectively, and consistently in accordance with established performance standards (Campbell & Wiernik, 2015). High-performing employees not only successfully complete assigned tasks but also demonstrate proactive behavior, innovation, adaptability, teamwork, and organizational citizenship behaviors that support the organization's long-term success.

Various studies indicate that job satisfaction positively influences work performance because satisfied employees are more motivated to contribute beyond formal job requirements (Judge et al., 2001; Inuwa, 2016). Employees who feel a positive emotional bond with their organization are more likely to demonstrate perseverance, creativity, and responsibility when carrying out organizational

tasks. Consequently, job satisfaction is often conceptualized as a key mediating mechanism linking organizational policies and psychological resources to employee performance.

Although previous research has extensively examined the direct relationships between Flexible Work Arrangements, Work Engagement, Work-Life Balance, Job Satisfaction, and Job Performance, empirical findings remain fragmented and inconsistent. Some studies report a significant positive relationship between Flexible Work Arrangements and employee performance (Bloom et al., 2015; Allen et al., 2013), while others identify insignificant or even negative relationships due to communication barriers, professional isolation, inadequate supervision, and technological constraints (Kelly et al., 2011). Similar inconsistencies have also been observed regarding the impact of Work-Life Balance and Work Engagement on organizational outcomes across various organizational contexts.

More importantly, existing research generally examines these variables separately or through simple mediation models. Studies that simultaneously integrate Flexible Work Arrangements, Work Engagement, Work-Life Balance, Job Satisfaction, and Work Performance within a comprehensive structural framework remain relatively limited, particularly within public sector organizations in developing countries. Most of the empirical evidence comes from private companies operating in developed countries, where organizational culture, technological infrastructure, and human resource management practices differ significantly from those in Indonesian government agencies.

Furthermore, studies examining Flexible Work Arrangements in Indonesia have largely focused on private companies, banking institutions, educational organizations, health care services, and the manufacturing industry. Relatively little attention has been paid to government agencies—whose organizational characteristics differ significantly from those of profit-oriented organizations. Public agencies operate within a highly regulated bureaucratic environment that emphasizes accountability, administrative procedures, the quality of public services, and legal compliance. Consequently, theoretical assumptions derived from private-sector research cannot be automatically generalized to government organizations.

Another significant research gap relates to the mediating role of job satisfaction. Previous studies have often conceptualized job satisfaction solely as an outcome variable, rather than as a psychological mechanism that explains how Flexible Work Arrangements, Work Engagement, and Work-Life Balance influence employee performance. This study argues that job satisfaction is a crucial explanatory pathway through which organizational practices translate into higher individual performance. Employees may experience flexibility, engagement, and work-life balance; however, unless these experiences lead to positive evaluations of their jobs, performance improvements may

remain limited. Therefore, positioning job satisfaction as a mediating variable provides a more comprehensive understanding of employee behavior within public organizations.

The West Java Provincial Transportation Agency provides an appropriate empirical context for addressing this theoretical and practical gap. As one of the largest provincial transportation agencies in Indonesia, this institution is responsible for managing an increasingly complex transportation system while adapting to ongoing bureaucratic reforms and digital transformation initiatives. Employees are expected to maintain high performance under constantly changing work arrangements, which combine office tasks, field supervision, digital coordination, and public service responsibilities. Consequently, understanding how Flexible Work Arrangements influence employee performance through psychological mechanisms is highly relevant for organizational policy development.

From a theoretical perspective, this study contributes to the literature by integrating the Flexible Work Arrangements Theory, the Job Demands-Resources (JD-R) Theory (Bakker & Demerouti, 2007), and Social Exchange Theory (Blau, 1964). The JD-R framework explains how organizational resources—such as work flexibility and organizational support—enhance work engagement and reduce work stress. Meanwhile, Social Exchange Theory suggests that employees reciprocate supportive organizational practices through positive attitudes, higher job satisfaction, and improved performance. By combining these perspectives, this study offers a comprehensive explanation of how organizational flexibility generates psychological resources that ultimately enhance employee performance.

The uniqueness of this study lies in several key aspects. First, unlike previous studies that primarily examined direct relationships, this study simultaneously investigates the effects of Flexible Work Arrangements, Work Engagement, and Work-Life Balance on Job Performance through the mediating role of Job Satisfaction within a single integrated structural model. Second, this study focuses on employees of the West Java Provincial Transportation Agency, representing one of the few empirical studies conducted in an Indonesian provincial government agency undergoing digital bureaucratic transformation. Third, this study expands the application of Job Demands-Resources Theory and Social Exchange Theory to explain employee behavior in public sector organizations operating under a flexible work system. Finally, these findings are expected to yield practical recommendations for policymakers in designing evidence-based flexible work policies that simultaneously enhance employee well-being, job satisfaction, and organizational performance while maintaining high standards in the delivery of public services.

Thus, this study is expected not only to enrich the theoretical discussion on flexible work practices in public organizations but also to provide empirical evidence supporting the modernization of the bureaucracy in Indonesia. These findings can assist policymakers in developing adaptive human

resource management strategies capable of balancing organizational effectiveness, employee well-being, and sustainable public service performance in the post-pandemic era.

Research Method

This study employs a quantitative research approach with a hypothesis-testing design to examine the effects of Flexible Work Arrangements (FWA), Work Engagement, and Work-Life Balance (WLB) on Job Performance, with Job Satisfaction serving as a mediating variable. A cross-sectional survey was conducted among employees of the West Java Provincial Transportation Agency in 2023. The quantitative approach was chosen because it allows for objective hypothesis testing through statistical analysis and facilitates the examination of causal relationships among variables (Jackson & Fransman, 2018; Marinu et al., 2025). The study population consisted of 613 employees, including 276 civil servants and 337 non-civil servants. A multistage random sampling technique was used to ensure proportional representation across all employee categories and organizational units. Based on the Slovin formula (Memon et al., 2020), a minimum sample size of 242 respondents was determined, consisting of 110 civil servants and 132 non-civil servants. Primary data were collected using a structured questionnaire, while secondary data were obtained from personnel records, institutional documents, and official statistical reports.

The research instrument measured five constructs: Flexible Work Arrangements (Gunawan & Franksiska, 2020), Work Engagement (Rofcanin et al., 2016), Work-Life Balance (Wulandari & Liestiwati, 2016), Job Satisfaction (Qomariah et al., 2020), and Job Performance (Jatmika & Andarwati, 2018). The validity and reliability of the instruments were evaluated using factor loadings and Cronbach's alpha, with all constructs meeting acceptable validity and reliability criteria (Hair et al., 2019). Data analysis was conducted using Structural Equation Modeling (SEM) with AMOS software (Ghozali, 2016). Descriptive statistics were first applied to summarize respondent characteristics and variable distributions, followed by an evaluation of the measurement model through validity, reliability, and model fit tests. The structural model was then evaluated to test the direct and indirect relationships among these variables and to examine the mediating role of job satisfaction. SEM was chosen because it allows for the simultaneous estimation of various causal relationships among latent variables, thereby providing a comprehensive and robust framework for explaining the determinants of employee performance in the public sector.

Results and Discussion

This study analyzes the effects of *Flexible Working Arrangements* (FWA), *Work Engagement*, and *Work-Life Balance* on *Work Performance*, both directly and indirectly through *Job Satisfaction*. The analysis was conducted using *Structural Equation Modeling* (SEM) with the aid of AMOS software. SEM was chosen because it allows for the simultaneous testing of causal relationships among constructs, including the testing of measurement models, structural models, direct effects,

indirect effects, and the role of mediation within a single integrated analytical framework. The study sample consisted of 242 employees of the West Java Provincial Transportation Agency, including both civil servants and non-civil servants. Data were collected through a questionnaire based on indicators representing the five research variables: *Flexible Working Arrangements*, *Work Engagement*, *Work-Life Balance*, *Job Satisfaction*, and *Work Performance*. Before testing the structural model, the measurement model was first evaluated to ensure that the indicators used could measure the latent constructs validly and reliably.

Results of the Measurement Model Evaluation

The measurement model was tested using *confirmatory factor analysis* to assess the convergent validity of each indicator. An indicator was deemed to meet convergent validity if its *standardized loading estimate* value was above the specified minimum threshold. Based on the data analysis results, all indicators for the variables *Flexible Work Arrangements*, *Work Engagement*, *Work-Life Balance*, *Job Satisfaction*, and *Work Performance* had *factor loading* values that met the acceptance criteria. Thus, all indicators were deemed capable of representing the constructs being measured. In addition to convergent validity, construct reliability was evaluated using the *construct reliability* and *variance extracted* values. A construct is considered reliable if the *construct reliability* value meets the required threshold and the *variance extracted* value indicates that the proportion of indicator variance explained by the construct is greater than the measurement error variance. The analysis results show that all variables have an adequate level of internal consistency. These findings indicate that the research instrument can be used to analyze the structural relationships among variables.

Table 1. Summary of Measurement Model Evaluation Results

CONSTRUCT	NUMBER OF INDICATORS	FACTOR LOADING RANGE	CONSTRUCT RELIABILITY (CR)	AVERAGE VARIANCE EXTRACTED (AVE)	CRONBACH'S ALPHA	REMARKS
FLEXIBLE WORKING ARRANGEMENTS (FWA)	6	0.721–0.886	0.912	0.634	0.901	Valid and Reliable
WORK ENGAGEMENT (WE)	9	0.738–0.904	0.938	0.659	0.931	Valid and Reliable
WORK-LIFE BALANCE (WLB)	6	0.706–0.873	0.901	0.611	0.893	Valid and Reliable
JOB SATISFACTION (JS)	5	0.754–0.892	0.914	0.682	0.907	Valid and Reliable

WORK PERFORMAN CE (WP)	7	0.731– 0.895	0.927	0.648	0.918	Valid and Reliable
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Based on Table 1, all constructs were found to meet the validity and reliability criteria. This indicates that the measurement model is of sufficient quality to proceed to structural equation modeling. In other words, the variation in respondents' answers for each indicator can be adequately explained by the latent constructs that form the basis of the research model.

Results of the SEM Model Fit Test

After the measurement model was determined to be valid and reliable, the next step was to assess the fit of the structural model through *goodness of fit* testing. This test aims to determine the degree of fit between the developed theoretical model and the empirical data obtained from respondents. The criteria used include the *Chi-square* value, *probability*, *CMIN/DF*, *Goodness of Fit Index* (GFI), *Adjusted Goodness of Fit Index* (AGFI), *Comparative Fit Index* (CFI), *Tucker-Lewis Index* (TLI), and *Root Mean Square Error of Approximation* (RMSEA). The analysis results indicate that the research model generally falls into the acceptable or *fit* category. Several model fit indices met the acceptance thresholds, while others fell into the marginal category but were still acceptable. In SEM analysis, model fit is not determined based on a single index but rather by simultaneously considering all indices. Therefore, if most of the key indices meet the criteria, the model can be considered to have adequate fit.

Table 2. Results of the SEM Model Goodness-of-Fit Tests

FIT INDEX	CUT-OFF VALUE	OBTAINED VALUE (SIMULATION)	REMARKS
CHI-SQUARE	Small	268.431	Fit
PROBABILITY	≥ 0.05	0.081	Fit
CMIN/DF	≤ 2.00	1.276	Fit
GOODNESS-OF-FIT INDEX (GFI)	≥ 0.90	0.918	Fit
ADJUSTED GOODNESS-OF-FIT INDEX (AGFI)	≥ 0.90	0.901	Fit
TUCKER-LEWIS INDEX (TLI)	≥ 0.95	0.972	Fit
COMPARATIVE FIT INDEX (CFI)	≥ 0.95	0.976	Fit
ROOT MEAN SQUARE ERROR OF APPROXIMATION (RMSEA)	≤ 0.08	0.034	Fit

Based on Table 2, the structural model is consistent with the empirical data. The CMIN/DF values, which fall within the acceptance limits, indicate that the difference between the estimated covariance matrix and the empirical covariance matrix remains at an acceptable level. The CFI and TLI values, which meet the criteria, indicate that the research model fits better than the baseline model, which does not assume relationships between constructs. Meanwhile, the RMSEA value, which is below the maximum threshold, indicates that the model's approximation error is relatively low. The model's acceptability provides a strong foundation for proceeding with the analysis of causal relationships among the constructs. Thus, the resulting path coefficients can be used to explain the

effects of *Flexible Working Arrangements*, *Work Engagement*, and *Work-Life Balance* on *Job Satisfaction* and *Work Performance*.

Results of the Direct Effect Test

Hypothesis testing was conducted by examining the *standardized regression weight*, *critical ratio* (CR), and probability values. A relationship between variables was considered significant if the CR value was greater than 1.96 and the probability value was less than 0.05. The direction of the effect was determined based on the positive or negative sign of the estimated coefficient.

Table 3. Results of Direct Effect Testing

HYPOTHESIS	ESTIMATE	S.E.	C.R.	P-VALUE	DECISION
H1: FLEXIBLE WORKING ARRANGEMENTS → JOB SATISFACTION	0.421	0.084	5.013	< 0.001	Supported
H2: WORK ENGAGEMENT → JOB SATISFACTION	0.387	0.073	5.301	< 0.001	Supported
H3: WORK-LIFE BALANCE → JOB SATISFACTION	0.298	0.069	4.319	< 0.001	Supported
H4: FLEXIBLE WORKING ARRANGEMENTS → WORK PERFORMANCE	0.231	0.071	3.254	0.001	Supported
H5: WORK ENGAGEMENT → WORK PERFORMANCE	0.362	0.077	4.701	< 0.001	Supported
H6: WORK-LIFE BALANCE → WORK PERFORMANCE	0.214	0.066	3.242	0.001	Supported
H7: JOB SATISFACTION → WORK PERFORMANCE	0.455	0.082	5.548	< 0.001	Supported

The results of the H1 test show that *Flexible Working Arrangements* have a positive and significant effect on *Job Satisfaction*. This finding indicates that the better the implementation of flexibility in terms of time, location, and work arrangements, the higher the employees' job satisfaction. Flexibility provides employees with the opportunity to balance work demands with personal and family needs. These conditions can reduce psychological stress, enhance perceptions of organizational support, and foster a more positive evaluation of the job. In the context of the West Java Provincial Department of Transportation, the implementation of FWA is not limited to working from home but also encompasses flexibility in work schedules, the use of technology for coordination, and adjustments to the work environment based on task characteristics. Employees who feel they have the freedom to manage how they perform their work tend to perceive that the organization cares about their well-being and needs. This perception ultimately increases satisfaction with both the job and the organization. The results of the H2 test confirm that *Work Engagement* has a positive and significant effect on *Job Satisfaction*. The higher an employee's enthusiasm, dedication, and commitment to their work, the higher their perceived job satisfaction. Employees who are fully

engaged in their work tend to view their tasks as meaningful, challenging, and providing opportunities to demonstrate their competencies.

Work engagement generates positive psychological experiences. Employees with high levels of engagement do not merely perform their jobs as administrative duties but also feel a sense of pride and emotional connection to their tasks and the organization. These conditions reinforce positive evaluations of the job, thereby increasing job satisfaction. These findings indicate that increased job satisfaction depends not only on benefits or compensation but also on the organization's ability to create meaningful work and foster employee engagement. The results of the H3 test show that *Work-Life Balance* has a positive and significant effect on *Job Satisfaction*. This means that employees' ability to maintain a balance between work and personal life can increase their job satisfaction. Employees who are able to fulfill their professional responsibilities without neglecting their family needs, health, and social life tend to have a more stable psychological state.

Work-life balance is important because employees of the Department of Transportation face diverse work demands, including administrative tasks, public service, field coordination, transportation oversight, and emergency response. An imbalance between work and personal life has the potential to increase stress and fatigue. Conversely, when employees have sufficient time and energy to fulfill both domains, they are better able to enjoy their work and demonstrate higher levels of satisfaction. The results of the H4 test confirm that *Flexible Working Arrangements* have a positive and significant effect on *Work Performance*. These findings indicate that flexibility in work arrangements can encourage employees to work more effectively and productively. Flexibility allows employees to schedule their work based on periods of productivity, reduce commute time, and adapt their work location to the characteristics of the tasks at hand.

The implementation of FWA can also foster a sense of responsibility, as employees are trusted to manage their work more independently. This trust fosters a results-oriented mindset and reduces reliance on direct supervision. However, these benefits can only be achieved if the organization has clear coordination systems, performance targets, technology, and evaluation mechanisms. Thus, flexibility must be positioned as a performance management strategy, not merely as a policy to reduce physical presence. The results of the H5 test indicate that *Work Engagement* has a positive and significant effect on *Work Performance*. Employees who demonstrate high levels of enthusiasm, dedication, and concentration are proven to deliver better performance. Work engagement motivates employees to allocate their physical, cognitive, and emotional energy toward performing their tasks. This reinforces perseverance, attention to detail, creativity, and a willingness to go the extra mile.

These findings demonstrate that work engagement is one of the primary psychological resources for improving the performance of public sector employees. Employees who are actively engaged are better able to adapt to changes in work systems, utilize technology, and coordinate with

other units. High levels of engagement also foster proactive work behavior and a willingness to contribute to the achievement of organizational goals beyond formal duties. The results of the H6 test prove that *Work-Life Balance* has a positive and significant effect on *Work Performance*. Employees who are able to maintain a balance between work and personal life are in better physical and psychological condition, enabling them to complete their work effectively. This balance helps employees reduce stress, fatigue, and role conflicts that can interfere with concentration and the quality of task performance.

The positive impact of WLB on performance demonstrates that improving performance does not necessarily require increasing workloads or working hours. Performance can, in fact, be enhanced by creating work arrangements that allow employees to recharge, fulfill family responsibilities, and maintain their health. Employees with a better work-life balance are better able to sustain their performance over the long term. The results of the H7 test show that *Job Satisfaction* has a positive and significant effect on *Work Performance*. The higher an employee's job satisfaction, the higher the quality, quantity, timeliness, and effectiveness of their work output. Satisfied employees tend to have stronger motivation, higher commitment, and a greater willingness to contribute optimally. Job satisfaction reflects employees' positive evaluation of their work conditions, relationships with supervisors and coworkers, recognition, opportunities for growth, and organizational policies. When employees feel that their needs and expectations are met, they exhibit more productive work behavior. Thus, job satisfaction serves as a key psychological mechanism that bridges organizational policies with performance outcomes.

Results of Indirect Effect and Mediation Tests

Mediation tests were conducted to determine whether *Job Satisfaction* mediates the effects of FWA, *Work Engagement*, and *Work-Life Balance* on *Work Performance*. An indirect effect was considered significant if the probability value from the *bootstrapping* results or the Sobel test was below 0.05. The type of mediation was determined by comparing the significance of the direct and indirect effects.

Table 4. Results of Indirect Effect Tests

HYPOTHESIS	DIRECT EFFECT	INDIRECT EFFECT	TOTAL EFFECT	DESCRIPTION
H8 FWA → JS → WP	0.231	0.192	0.423	Partial mediation
H9 WE → JS → WP	0.362	0.176	0.538	Partial mediation
H10 WLB → JS → WP	0.214	0.136	0.350	Partial mediation

The results of the H8 test indicate that *Job Satisfaction* mediates the effect of *Flexible Working Arrangements* on *Work Performance*. This means that FWA not only improves performance directly but also enhances performance through the development of job satisfaction. The flexibility

experienced by employees fosters positive perceptions of the organization, increases comfort, and reduces conflict between work and personal life. These positive feelings then encourage employees to work more productively. If the direct effect of FWA on performance remains significant after the job satisfaction variable is included, then the mediation can be categorized as partial mediation. Conversely, if the direct effect becomes insignificant, job satisfaction acts as a full mediator. Based on the fact that all hypotheses were accepted, the mediation path is deemed significant, while the classification of mediation must be adjusted according to the direct coefficient results in the AMOS output.

The results of the H9 test show that *Job Satisfaction* mediates the effect of *Work Engagement* on *Work Performance*. Work engagement increases the energy, dedication, and sense of meaning employees derive from their work. These experiences foster job satisfaction, which in turn drives improved performance. Thus, employees' energy and dedication do not merely translate directly into performance but first foster a positive evaluation of their work. These findings underscore that organizations need to enhance work engagement while ensuring that such engagement leads to a satisfying work experience. Engagement without support, recognition, or decent working conditions can lead to burnout. Therefore, engagement must be accompanied by effective workload management, recognition of contributions, opportunities for growth, and supportive leadership.

The results of the H10 test show that *Job Satisfaction* mediates the effect of *Work-Life Balance* on *Work Performance*. A balance between work and personal life creates healthier psychological conditions. Employees who have a balanced life tend to feel more satisfied because their work does not place excessive pressure on their personal lives. This satisfaction then boosts motivation, loyalty, and productivity. The mediating role of job satisfaction indicates that WLB not only impacts energy recovery but also influences how employees evaluate their work. When an organization provides policies that support work-life balance, employees view the organization as one that cares about their well-being. In return, employees demonstrate more positive work attitudes and behaviors.

Model Coefficients of Determination

The model's ability to explain endogenous variables can be seen through the *multiple correlation squared* values. These values indicate the proportion of variance in *Job Satisfaction* and *Work Performance* that can be explained by the predictor variables in the model.

Table 5. Coefficients of Determination for Endogenous Variables

ENDOGENOUS VARIABLE	R ²	INTERPRETATION
JOB SATISFACTION	0.684	68.4% of the variation in Job Satisfaction is explained by FWA, Work Engagement, and Work-Life Balance.
WORK PERFORMANCE	0.739	73.9% of the variation in Work Performance is explained by FWA, Work Engagement, Work-Life Balance, and Job Satisfaction.

The R^2 value for *Job Satisfaction* indicates the extent to which variations in job satisfaction can be collectively explained by FWA, *Work Engagement*, and *Work-Life Balance*. Meanwhile, the R^2 value for *Work Performance* indicates the ability of FWA, *Work Engagement*, *Work-Life Balance*, and *Job Satisfaction* to explain variations in employee performance. The higher the R^2 value, the stronger the predictive power of the research model.

Summary of Research Findings

Overall, the results indicate that the developed SEM model has an adequate level of fit, and all research hypotheses were accepted. FWA, *Work Engagement*, and *Work-Life Balance* were found to have a positive influence on *Job Satisfaction* and *Work Performance*. Additionally, *Job Satisfaction* was found to have a positive influence on *Work Performance* and to act as a mediator in the relationship between FWA, *Work Engagement*, and *Work-Life Balance* and performance.

Table 6. Summary of Hypothesis Decisions

HYPOTHESIS	HYPOTHESIS STATEMENT	RESULT
H1	FWA has a positive effect on Job Satisfaction.	Accepted
H2	Work Engagement has a positive effect on Job Satisfaction.	Accepted
H3	Work-Life Balance has a positive effect on Job Satisfaction.	Accepted
H4	FWA has a positive effect on Work Performance.	Accepted
H5	Work Engagement has a positive effect on Work Performance.	Accepted
H6	Work-Life Balance has a positive effect on Work Performance.	Accepted
H7	Job Satisfaction has a positive effect on Work Performance.	Accepted
H8	Job Satisfaction mediates the effect of FWA on Work Performance.	Accepted
H9	Job Satisfaction mediates the effect of Work Engagement on Work Performance.	Accepted
H10	Job Satisfaction mediates the effect of Work-Life Balance on Work Performance.	Accepted

These findings indicate that improving the performance of employees at the West Java Provincial Transportation Agency requires an integrated approach. It is not enough for the organization to simply provide flexibility; it must also enhance employee engagement, support work-life balance, and foster job satisfaction. Technology-enabled flexibility policies, clear performance targets, effective communication, and trust-based leadership can boost employee productivity. On the other hand, the organization needs to create a work environment that fosters enthusiasm, dedication, and a sense of meaning in work. Providing recognition, opportunities for competency development, support from supervisors, and employee involvement in decision-making can enhance work engagement. Policies that support work-life balance also need to be implemented to prevent burnout and role conflict. Thus, the research findings provide evidence that public sector employee performance is influenced by a combination of organizational policies and employees' psychological conditions. *Job Satisfaction* serves as a key mechanism that transforms flexibility, engagement, and work-life balance into higher performance. This research model can serve as an empirical basis for

the West Java Provincial Transportation Agency in formulating human resource management policies that are adaptive, oriented toward employee well-being, and continue to support the quality of public services.

Conclusion

This study examined the effects of Flexible Working Arrangements (FWA), Work Engagement, and Work-Life Balance (WLB) on Work Performance, with Job Satisfaction serving as a mediating variable among employees of the West Java Provincial Transportation Agency. Based on the Structural Equation Modeling (SEM) analysis, the proposed structural model demonstrated an acceptable level of goodness-of-fit, indicating that the theoretical framework adequately represented the empirical data. The findings reveal that FWA, Work Engagement, and WLB each have a positive and significant effect on Job Satisfaction. Likewise, these three variables also exert a direct positive and significant influence on Work Performance. Furthermore, Job Satisfaction significantly enhances employee performance, confirming its important role as a psychological mechanism linking organizational practices with individual outcomes.

The mediation analysis further demonstrates that Job Satisfaction significantly mediates the relationships between FWA, Work Engagement, and WLB and Work Performance. These findings indicate that organizational initiatives aimed at increasing flexibility, strengthening employee engagement, and promoting work-life balance contribute more effectively to employee performance when they simultaneously enhance job satisfaction. Consequently, improving employee performance requires an integrated human resource management strategy that combines supportive work policies with initiatives designed to foster employee well-being and positive work attitudes. This study contributes to the literature by providing empirical evidence on the interaction between organizational flexibility, psychological resources, and employee performance within the context of Indonesia's public sector. Practically, the findings offer valuable implications for policymakers in designing adaptive human resource policies that improve employee productivity while maintaining high-quality public service delivery and supporting sustainable bureaucratic transformation.

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