

EFFECT OF WORK-LIFE BALANCE ON EMPLOYEE ENGAGEMENT IN INCREASING EMPLOYEE PERFORMANCE

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ABSTRACT: Most firms focus on scenario planning and substantial operational reactions to preserve company continuity during the Corona Virus pandemic, but work from home (WFH) becomes a blurred line between work and personal life. The organization benefits from the notion of Work-Life Balance (WLB) because employee performance and creativity improve. The sample size for this study is 211 participants, which will be used to support the research data acquired from a list of questions or questionnaires. Work-Life Balance has no direct effect on employee performance, but it does have a positive and significant effect on employee performance through employee engagement, according to the results of this study, which were analyzed using Smart PLS software

KEYWORDS - *Work-Life Balance, Employee Engagement, Employee Performance, Work From Home*

I. INTRODUCTION

The business world will have to adjust to the changes brought on by the Corona Virus epidemic. To maintain company continuity during the Corona Virus pandemic, most organizations focus on scenario planning and substantial operational reactions. The spread of the coronavirus, or covid-19, which began at the end of 2019 has drawn international attention as a public health emergency. To combat the virus's spread, as well as other factors, the company is introducing work from home (WFH) to ensure business continuity. Another item to consider is rearranging work shifts, reducing working hours, and reducing working days, all of which result in various changes in work practices or the way the business runs.

The Organization also maintained in developing company policies for accomplishing company goals and productivity, and it also pays attention to the balance aspect between life and work. Work from home (WFH) can also lead to lower employee performance owing to the numerous distractions that arise when working from home, which can lead to fatigue and demotivation. On the one hand, employees can benefit from the flexibility of working from home because they can establish their hours and spend more time with their families, but on the other side, wfh blurs the line between business and personal life. High morale, happiness with the work you do, and a sense of complete responsibility both at work and in your home life are all signs of a successful work-life balance. Employee morale can motivate them to deliver their best effort at all times.

WLB (Work-Life Balance) is a concept that seeks to strike a balance between time spent working, spending time with family, and doing other things [1]. The organization benefits from the notion of Work-Life Balance (WLB) because employee performance and creativity improve. Work-Life Balance (WLB) has a considerable favorable effect on employee performance, according to research conducted by Bataineh[2]. In contrast to Mendis and Weerakkody's[1] research, the findings reveal that Work-Life Balance (WLB) has a considerable impact on employee performance, but only with a correlation coefficient of 29%.

Robinson[3] explains that employees who have a high level of engagement with the company will put forth their best efforts for the benefit of the organization. This demonstrates that individuals who are involved in their work perform better, which in turn promotes the firm to reach its goals. Employee Engagement is defined by Macey and Schneider[4] as an employee's appreciation of goals and the concentration of energy that manifests itself in the form of initiative, effort, and persistence that leads to organizational goals. Al Amin's[5] research confirms that Employee Engagement mediates the relationship between variables. Based on the above description, the purpose of this study is to learn more about the performance of employees at PT IntracoPenta Prima Servis by examining the effects of Work-Life Balance (WLB) on employee engagement and performance.

This study aims to obtain empirical evidence relating to the influence of the variables Transformational Leadership, Quality of Work Life (QWL), Work-Life Balance (WLB), and Employee Engagement in interactions with Employee Performance, and to serve as input to decision-makers at PT. IntracoPenta Prima Servis to increase Employee Engagement, which will have a positive impact on performance.

II. LITERATUR REVIEW AND HYPOTHESIS DEVELOPMENT

Employee performance can be defined as an individual's ability to attain autonomous goals efficiently[6] or as an employee's level of productivity as measured by work-related outcomes in comparison to colleagues[7]. Employee performance can also be defined as the outcome of an employee's work over a while in comparison to the company's standards, targets, or criteria, and it is also a factor that can affect organizational profitability[8]. Employee performance is critical to the growth and productivity of any firm.

Several theories that explain employee performance indicators, including (Dessler 2012; 293)'s theory of performance and development, which states that employee performance indicators are Quality: the degree to which the outcomes of activity are near-perfect in terms of adhering to some ideal way of doing the activity or reaching the activity's specified aims. Quantity: the quantity produced is measured by the number of units produced and the number of activity cycles completed. Effectively communicate facts and ideas, both orally and in writing, Collaboration: develop a positive and productive working connection with coworkers. and Employee work commitment and duties to the firm: the extent to which employees have employee work commitment and responsibilities to the company.

Employee engagement is considered as a solution and strategy to retain people and boost organizational effectiveness[9]. Companies all over the world confront high employee turnover, low job satisfaction, and rising absenteeism rates. Employee engagement is a psychological trait and behavior that is characterized differently in academic research and among practitioners[4]. Employee engagement is a psychological phenomenon based on two psychological components, namely attention, and absorption. The quantity of time an individual devotes to his position and work is referred to as attention, whereas absorption refers to the individual's emphasis on his role and performance[10].

Employee engagement, according to Schaufeli and Bakker[11] is a state of positive and active thinking about work that has three dimensions: vigor, dedication, and absorption. First, vigor refers to an employee's spirit or mental strength, which allows them to work well without being exhausted or encountering considerable challenges. Second, dedication is the level of commitment that employees have to their jobs, resulting in feelings of pride, passion, purpose, and inspiration. Third, absorption is a pleasurable state in which employees feel about their work, causing time to seem to fly by and it to be difficult to leave completed work. These three characteristics demonstrate that if people feel obligated to work, they will willingly contribute their best efforts, employee engagement is not created automatically by employees because several factors can create employee engagement between employees

Employee-friendly rules and practices are significant management tools for fostering desired workplace behavior[12]. Job-Life Balance refers to a condition in which employees believe they can balance their work and non-work commitments [13]. To keep people involved with their organizations, work-life balance and religiosity are key[14]. Entrepreneurs that focus their attention on providing a suitable work environment that can boost job happiness while also offering work-life balance to their employees, according to Krishnan (2018), will eventually lead to employees who accomplish high levels of task performance.

According to Tochijioke and Joseph[15] The findings demonstrate that Work-Life Balance has a considerable impact on employee performance, Work-Life Balance, according to Fisher and McAuley, comprises four dimensions WIPL (Work Interference With Personal life) The amount to which work can interfere with a person's personal life is referred to as this dimension. For example, might make it difficult for a person to balance his personal and professional lives, according to PLIW (Personal Life Interference With Work) This dimension describes how much a person's personal life interferes with his professional life. For example, if an individual is having troubles in his personal life, this can affect his professional performance. The PLEW (Personal Life Enhancement of Work) The amount to which a person's personal life might improve individual performance in the workplace is referred to as this dimension. For example, if an individual is cheerful because his personal life is enjoyable, this can affect the individual's work mood. WEPL (Work Enhancement Of Personal Life) This dimension relates to the amount to which work can improve a person's personal life quality. Individuals with talents obtained at work, for example, can apply these skills in everyday life. Employers must focus on creating a positive work environment when implementing new work methods, such as WFH, so that work methods with many limits do not demotivate employees, but instead boost job satisfaction, which leads to better performance[17]. Based on the facts, previous research, and existing theories, the hypotheses in this study are:

H1 = Work-Life Balance (WLB) has a direct effect significantly on Employee Performance

H2 = Work-Life Balance (WLB) has a direct effect significantly on Employee Engagement

H3 = Work-Life Balance (WLB) has no effect significantly directly on Performance Employees through

Employee Engagement

H4 = Employee Engagement has a direct effect significantly on Employee Performance

III. METHODS

To support the research, data was collected from a list of questions or questionnaires, which included questions about the impact of Work-Life Balance (WLB) on employee engagement and performance at PT. IntracoPenta Prima Servis. The sampling technique used in this study was one of the census methods, which is a technique for determining the sample when all members of the population are used as samples. The participants in this study are all permanent employees of PT IntracoPenta Prima Servis, a total of 211 individuals.

The research instrument employed in this study is a structured questionnaire that measures the variables of interest using a Likert scale. The Likert scale is used to describe the amount of agreement or disagreement of the responders regarding various behavioral topics, items, persons, or events. 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree), and 5 (Strongly Agree) were utilized on the Likert scale (Strongly Agree)

Data analysis in this study used Structural Equation Modeling (SEM) with Smart PLS (Partial Least Square) software. PLS (Partial Least Square) is a variant-based structural equation analysis that can simultaneously test the measurement model as well as test the structural model

IV. RESULT AND DISCUSSION

4.1 Measurement Model

The measurement model is the validity test is used to assess the research instrument's ability to measure what should be measured or the accuracy of the research instrument, while the reliability test is used to determine the consistency of the measuring instrument in measuring a concept. Convergent Validity, Discriminant Validity, and Composite Reliability are three criteria for evaluating the Outer Model when using data analysis techniques with SmartPLS

4.1.1 Convergent Validity

Convergent Validity of the measurement model with reflexive indicators is assessed based on the correlation between item scores/component scores estimated with PLS software. The individual reflexive measure is said to be high if it has a correlation of more than 0.70 with the measured construct and the Average Variance Extracted value must be greater than 0.5. The output of Smart PLS for Outer Loading is as shown below

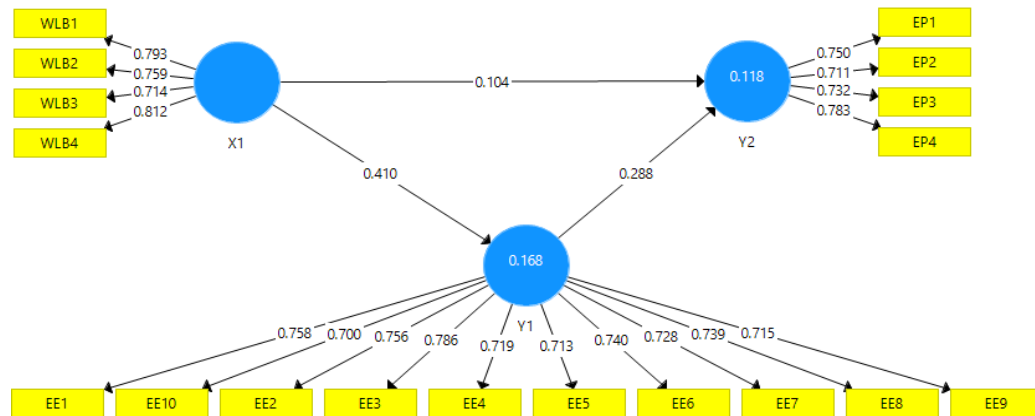


Figure 1. Outer Loading

from the output results, all indicators have an Outer Loading of more than 0.7 so that all indicators are declared valid, furthermore, the criteria for construct validity and reliability also show valid and reliability, as in the table below, the AVE value is above 0.5 and Cronbach's Alpha and Composite Reliability are above 0.7

Table 1. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
X1	0,780	0,818	0,854	0,594
Y1	0,906	0,907	0,922	0,541
Y2	0,732	0,733	0,832	0,554

Source: SmartPls 3, 2022

4.1.2 Discriminant Validity

Discriminant Validity is used to test the validity of the constructs and their indicators. The discriminant validity test is assessed based on the cross-loading of the measurement with the construct or by comparing the AVE roots for each construct with the correlation between the constructs and other constructs in the model. In the table 2 results below, Cross Loading produces an AVE value greater than the correlation value between constructs, so that it can be stated that the evaluation in this analysis meets Discriminant Validity

Table 2. Cross Loading

	X1	Y1	Y2
WLB1	0,793	0,306	0,153
WLB2	0,759	0,294	0,110
WLB3	0,714	0,199	0,126
WLB4	0,812	0,405	0,251
EE1	0,375	0,758	0,218
EE2	0,334	0,756	0,175
EE3	0,273	0,786	0,279
EE4	0,313	0,719	0,241
EE5	0,279	0,713	0,271
EE6	0,236	0,740	0,264
EE7	0,212	0,728	0,260
EE8	0,245	0,739	0,285
EE9	0,373	0,715	0,224
EE10	0,339	0,700	0,223
EP1	0,138	0,252	0,750
EP2	0,145	0,225	0,711
EP3	0,178	0,276	0,732
EP4	0,197	0,225	0,783

Source: SmartPLS 3, 2022

4.2 Structural Model

The structural model in PLS is evaluated using R^2 for the dependent construct. The higher the R^2 value, the better the prediction model of the proposed research model

4.2.1 R Square

The results from table 3 below show that the R^2 value obtained by Y1 is 0.168 which indicates that the variables Work-Life Balance affects Employee Engagement by 16.8%, while the R^2 value obtained by Y2 is 0.118 indicating that the Work-Life Balance and Employee Engagement, affect Employee Performance by 11.8%

Table 3. R Square

	R Square	R Square Adjusted
Y1	0,168	0,164
Y2	0,118	0,110

Source: SmartPls 3, 2022

4.2.2 Path Coefficients and T Statistics

The Path Coefficients value shows the level of significance in hypothesis testing. The path coefficient score or the inner model indicated by the T-Statistic value must be above 1.96. This study has 4 hypotheses consisting of three direct and one indirect effect. The results obtained are two direct effects and all significant indirect effects with T-Statistic values greater than 1.96 and P Values below 0. 05 while the other one direct hypotheses are not significant because their values are below the threshold, the T-Statistic table 4 as below

Table 4. Direct Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (I O/STDEV I)	P Values
X1→Y1	0,410	0,421	0,068	6,044	0,000
X1→Y2	0,104	0,098	0,104	0,994	0,321
Y1→Y2	0,288	0,296	0,073	3,932	0,000

Table 4. Direct Effects

Table 4 above shows that the relationship between Work-Life Balance has a positive and significant effect on Employee Engagement but the Work-Life Balance variable has no significant effect on Employee Performance, the Employee Engagement variable has a positive and significant effect on Employee Performance, The indirect effect can be seen in table 5 below

Table 5. Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (I O/STDEV I)	P Values
X1→Y1→Y2	0,118	0,124	0,040	2,967	0,003

Source: SmartPls 3, 2022

Table 5 above shows that the relationship between Work-Life Balance to Employee Performance through Employee Engagement has a significant effect, the Employee Engagement variable can fully mediate or is needed in the relationship between the variables in this study because without mediation it cannot cause a direct relationship between the variables of Work-Life Balance to Employee Performance

4.2.3 Q-Square Test

The Q2 value above 0 provides evidence that the model has predictive relevance, this can be seen from the table below

Table 6. Q Square

	SSO	SSE	Q ² (=1-SSE/SSO)
X1	844,000	844,000	
Y1	2110,000	1928,321	0,086
Y2	844,000	797,923	0,055

Source: SmartPls 3, 2022

From table 6, the Q2 value is 0.086 for the Employee Engagement variable and 0.055 for the Employee Performance variable, both of which are above zero so that they have good observation results, and this research model shows 80,8% Fit, which is shown by the NFI value in table 7 below

Table 7. Model Fit

	Saturated Model	Estimated Model
SRMR	0,070	0,070
d_ ULS	0,849	0,849
d_ G	0,251	0,251
Chi-Square	306,097	306,097
NFI	0,808	0,808

Source: SmartPls 3, 2022

4.3 Work-Life Balance has a direct effect on Employee Performance

The direct effect of Work-Life Balance on Employee Performance can be seen in table 4 where the resulting T statistic is 0,994 smaller than 1.96 then Work-Life Balance has no significant effect on Employee Performance, this result is in accordance with the research of Thamrin and Riyanto[19], the significance value of work-life balance is 0.46 or greater than 0.05 ($0.46 > 0.05$), the research conducted concludes that work-life balance has no significant effect on employee performance (cannot predict variable Y).

4.4 Work-Life Balance has a direct effect on Employee Engagement

The direct effect of Work-Life Balance on Employee Engagement can be seen in table 4 where the resulting T statistic is 6,044 greater than 1.96 then Work-Life Balance has a significant effect on Employee Performance, this is supported by research conducted by Avelin and Kumar[20], done research that supports this. It is clear from this research that work-life balance is vital for employee engagement. Employees between the ages of 26 and 40 are more satisfied with their jobs and are better able to manage their work and personal lives. By the criteria involved in work-life balance, employees who work during the day are more satisfied than those who work the night shift. Employees' family lives are generally impacted by job shifts. Companies and organizations take steps to help employees who are unable to do personal work and spend time with their families by allowing employees to work from home, particularly female employees, who can save time on travel and complete household tasks. Family-friendly policies have been adopted within the organization to enable employees to balance their work-life and feel involved in their respective work roles.

Jaharuddin and Zaino[21] stated that Employee Engagement will grow when WLB increases, [22] Sussi and Jawaharrani, High-performing firms that enjoy economic and social benefits have work-life balance and employee involvement as benchmarks. a reputation as a "best place to work" or "employer of choice" Organizations that engage in family-friendly activities as part of a work-life balance strategy can benefit from improved workforce recruitment and retention, reduced absenteeism, lower employee stress, health benefits, job satisfaction, and a better life balance and retention, reduced absenteeism, lower employee stress, health benefits, job satisfaction, and a better life balance.

4.5 Work-Life Balance has an indirect effect on Employee Performance through Employee Engagement

The indirect effect of Work-Life Balance on Employee Performance through Employee Engagement can be seen in table 5 where the resulting T statistic is 2.967 greater than 1.96 so that Work-Life Balance has a significant effect on Employee Performance through Employee Engagement, which shows that Employee Engagement can mediate the relationship between WLB and Employee Performance, This is in line with prior research by Puspitasari and Darwin[23] who found that implementing a work-life balance makes employees feel more balanced in time management, involvement, meeting expectations, and satisfaction. Employees display a commitment mentality and attitude in their daily actions as they seek to improve the company's performance.

Iddagoda and Opatha[24] found that Employee Engagement plays a significant mediating role in the relationship between Work-Life Balance and Employee Performance

V. CONCLUSION

Work-Life Balance has no direct effect on Employee Performance where the T Statistics produced is 0,994 lower than 1.96, so the first hypothesis is not proven, but Work-Life Balance has a positive and significant effect on Employee Performance through Employee Engagement with T Statistics 2,967, so that the mediating role of Employee Engagement is very necessary for this variable relationship, or Employee Engagement has a fully mediating role on this variable relationship and the three hypotheses are proven

Work-Life Balance has a direct effect on Employee Engagement where the T Statistics produced is 6,044 which is higher than 1.96 so the two hypotheses are proven

Employee Engagement has a direct effect on Employee Performance where the T Statistics produced is 3,932 which is higher than 1.96 so the four hypotheses are proven

For future research to add or change the appropriate exogenous indicators and still place the employee engagement interaction variable as the intervention variable. The aim is to find out and confirm the appropriate variables that can affect the performance.

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