

The Impact of Work Life Balance and Employee Engagement on Employee Performance with Job Satisfaction as an Intervening Variable (Case Study of Employees of PT. Hagihara Westjava Industries)

Andini Putri Kinanti ¹ Novi Fitria Hermiati ²

Faculty of Economics and Business , Pelita Bangsa University

e-mail: andinipk23@gmail.com

Keywords:

Work-Life Balance, Employee Engagement, Employee Performance, Job Satisfaction

Abstract

This strong performance represents a crucial step towards accomplishing company goals, necessitating meticulous planning. In this study, researchers aim to establish whether work-life balance and employee engagement can influence an employee's job satisfaction, serving as intervening variables. A quantitative method was employed for this research. The study's population comprises 100 office staff employees of PT. Hagihara Westjava Industries. Researchers utilized a probability sampling technique, specifically random sampling, to select participants. The methodology employed for this study involves the use of Structural Equation Modeling (SEM) Analysis, facilitated by Lisrel software version 8.80. The findings of this study reveal several insights. Firstly, Work-Life Balance does not exert a significant impact on Employee Performance. Secondly, Employee Engagement does not significantly affect Employee Performance. Thirdly, Work-Life Balance significantly and positively influences Job Satisfaction. Fourthly, Employee Engagement has no substantial effect on Job Satisfaction. Moreover, Job Satisfaction exhibits a positive and noteworthy impact on Employee Performance. Notably, Job Satisfaction is capable of mediating the relationship between Work-Life Balance and Employee Performance. Additionally, Job Satisfaction serves as a mediator in the connection between Employee Engagement and Employee Performance.

1. INTRODUCTION

Human resources are essential for managing, controlling, or overseeing activities to achieve a company's goals within any organizational system. Currently, the productivity and quality of human resources remain quite low, even as the global demand for skilled and trained personnel has risen. This stands as a primary challenge in the realm of Human Resources today (Kumparan, 2022). Effective performance acts as a strategic approach towards realizing organizational goals and must thus be thoroughly planned. To attain success at the organizational level, entities must efficiently align their workforce with specific needs.

Through performance evaluation, decisions can be made regarding retaining or replacing employees. Every employee must meet predefined performance standards to thrive within the organization (Lilis, 2019). PT. Hagihata Westjava Industries is a private manufacturing company engaged in producing and selling paper sacks, jumbo bags, as well as finished products crafted from polyolefin flat

and non-woven yarns cloth monofilament. The subsequent table encompasses an assessment of employee performance at PT. Hagihara West Java Industries over the past three years.

Table 1 Results of Employee Performance Assessment of PT. Hagihara Westjava Industries 2020-2022

Year	Target (%)	Realization of Employee Performance (%)	Category
2020	100	85.35	Good
2021	100	77,15	Enough Good
2022	100	70.5	Less Good

Source : HRD Staff of PT. Hagihara Westjava Industries (2022)

From Table 1, it is evident that PT's performance has experienced a decline. The employee evaluation results in 2020, where 85.35% received a "Good" rating, decreased to an "Enough good" rating of 77.15% in 2021. In the following year, 2022, the employee performance evaluation results notably

dropped to 70.5%, falling into the category of "not enough ok." Work satisfaction creates a positive environment for employees, enabling them to perform increasingly well in their roles. According to Keith and Davis as cited in (Lilis, 2019), work satisfaction encompasses the supportive feelings an employee has in relation to their work or position. It's evident that work satisfaction significantly influences employee performance, thus it can be concluded that a contributing factor to achieving good performance is having high job satisfaction. Work-life balance allows individuals to have more time for both work and personal activities. This enables them to relax, maintain good relationships with colleagues, and receive support for work-related matters, as per Vyas & Shrivastava (Panji et al, 2021).

Work-life balance is a crucial aspect for enhancing employee performance, as it serves as a prerequisite for employee well-being within the company. As described by Dessler in (Jihan, 2022), employee involvement refers to a state where employees are mentally, emotionally, and sentimentally committed to their work. This commitment motivates them to invest a considerable amount of effort and energy to achieve the company's objectives. When a strong connection is established between employees and the company they work for, the employees exhibit a high level of dedication and performance.

2. LITERATURE REVIEW

2.1 Theory of Work Life Balance

Work-life balance is a theory encompassing complexity, which can be understood from the perspectives of work, life, and balance (Rahim et al., 2020). Work-life balance entails achieving harmony between one's personal life and professional commitments. Additionally, work-life balance implies meeting work-related demands without encroaching upon one's personal life or allowing professional matters to blend with personal time.

2.2 Employee Engagement Theory

As per Schaufeli in (Yudiani et al., 2017), employee involvement can be likened to a positive psychological state experienced by employees towards their work. This positive mindset can be characterized by various aspects, one of which is the active contribution an individual makes to their work.

2.3 Theory Satisfaction Work

As stated by Hasibuan in (Shindy, 2019), Work Satisfaction is the emotional attitude of employees wherein they find enjoyment and liking in their work. Work Satisfaction can directly or indirectly impact an individual's performance, and its significance comes into play when aiming to enhance organizational performance in achieving its objectives.

2.4 Employee Performance Theory

Performance represents a facet of employee involvement that contributes to the company by manifesting as the accomplishment of work tasks to fulfill the company's mission. Performance involves achieving both qualitative and quantitative results in tasks that align with the assigned responsibilities, as outlined by Mangkunegara in (Badrianto & Ekhsan, 2021).

2.5 Hypothesis

According to Saina in (Mardiani & Widiyanto, 2021), the concept of work-life balance emphasizes the alignment between work and family responsibilities for individuals. This concept is applied within companies to enhance employee performance and foster a strong work ethos among employees.

H1: It is hypothesized that work-life balance influences employee performance.

According to Robbins in (Kencana Multi Lestari & Noviansyah, 2020), employee engagement refers to an individual's active participation, satisfaction, and enthusiasm for their job. This correlation suggests that higher employee commitment leads to elevated performance within the company.

H2: It is hypothesized that employee engagement influences employee performance.

As per Haar et al. in (Rene & Wahyuni, 2018), maintaining a balance between work and personal roles leads to greater life satisfaction, improved physical and psychological health.

H3: It is hypothesized that work-life balance influences job satisfaction.

According to Schaufeli et al. in (Astuti & Suwandi, 2022), employee engagement is characterized by positive thoughts and emotions towards work, marked by passion, dedication, and undivided attention. It is likely to influence various aspects such as organizational commitment, job satisfaction, and reduced turnover intentions.

H4: It is hypothesized that employee engagement influences job satisfaction.

Deep Robbins (Arya Lantara, 2018) defined performance as the level of effectiveness, usability, and innovation in achieving organizational targets. Performance is influenced by one's abilities, motivation, and time management, with job satisfaction being a significant factor.

H5: It is hypothesized that job satisfaction influences employee performance.

Weerakkody et al. in (Asari, 2022) suggest that job satisfaction effectively mediates the relationship between work-life balance and performance. Positive work-life balance positively affects job satisfaction, and through this process, work-life balance also positively impacts employee performance.

H6: It is hypothesized that work-life balance influences employee performance through job satisfaction.

Setiawan and Widjaja in (Hardianto et al., 2021) propose that employee engagement influences job satisfaction and consequently leads to improved employee performance. H7: It is hypothesized that employee engagement

influences employee performance through job satisfaction.

2.6 Research Models

The research model used in study This that is can seen in the picture as following :

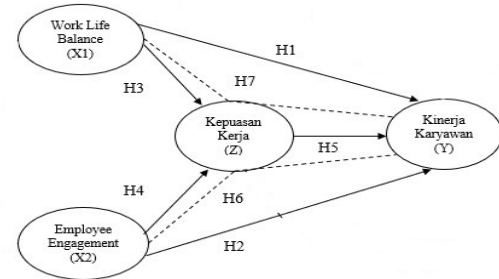


Figure 1 Research Model

3. RESEARCH METHODS

The research utilized a quantitative method, which is a scientific approach focused on exploring concrete and observable relationships among variables. This approach involves collecting numerical data and employing statistical analysis, as described by Sugiyono in (Imron, 2019). The research employed a probability sampling technique using random sampling. Primary data was gathered through a survey questionnaire administered to PT employees at Hagihara Westjava Industries, utilizing Google Forms. The analysis method employed was Structural Equation Modeling (SEM), conducted using Lisrel software.

The research aimed to investigate the relationships between work-life balance and employee performance, employee engagement and employee performance, work-life balance and job satisfaction, employee engagement and job satisfaction, job satisfaction and employee performance, as well as the mediating roles of job satisfaction in the relationships between work-life balance and employee performance, and between employee engagement and employee performance.

The study was conducted at PT. Hagihara Westjava Industries, located in Sukaluyu, East Telukjambe, Karawang, West Java 41361. As described by Sugiyono in (Imron, 2019), the population refers to the entire group of objects

or subjects that the researcher wants to study. For this study, the chosen population was the 100 office staff members of PT. Hagihara Westjava Industries. Furthermore, as outlined by Sugiyono in (Imron, 2019), a sample constitutes a subset of the population that serves as a source of research data. In this study, the entire population of PT. Hagihara Westjava Industries, consisting of 100 individuals, was considered as the sample.

4. RESULTS AND DISCUSSION

4.1 Research result

Participation in this study included all 100 employees of the company. The relationships among latent variables and their effects were estimated using standardized coefficients. Figure 2 illustrates how these coefficients or scales indicate causality, demonstrating how one latent variable influences another latent variable..

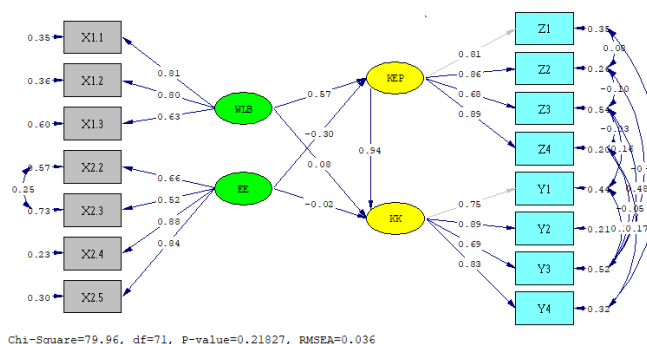


Figure 2. Standardized Coefficient Estimation Results

4.1.1 Validity and Reliability Test

Table 2. Standardized Coefficient Estimation Results

VARIABLE	SLF	E	SLF^2
Work Life Balance (X1)	4.97	1.32	1.6787
Employee Engagement (X2)	8.70	1.76	2.2245
Job Satisfaction (Z)	10.30	1.41	2.5957
Employee Performance (Y)	10.04	1.44	2.5377

Source : Lisrel 8.80 2023

The calculations for the variables are as follows: For the variable 'Work-Life Balance' (X1), the total standardized loading factor (SLF) across its indicators is 4.97, with a total error (e) of 1.32. For the variable 'Employee Engagement' (X2), the total standardized loading factor (SLF) across its indicators is 8.70, accompanied by a total error (e) of 1.76. For the variable 'Job Satisfaction' (Z), the total standardized loading factor (SLF) across its indicators is 10.30, and the total error (e) is 1.41. Lastly, for the variable 'Employee Performance' (Y), the total standardized loading factor (SLF) across its indicators is 10.04, along with a total error (e) of 1.44.

Table 1. Reliability Test Results

VARIABLE	CR	AVE	INFORMATION
(X1)	0.79023	0.55980	RELIABILITY 9794
(X2)	0.83178	0.55828	RELIABILITY 0167
(Z)	0.87963	0.64800	RELIABILITY 2238
(Y)	0.87466	0.63798	RELIABILITY 1629

Source : Lisrel 8.80, 2023

A variable's reliability can be assessed by considering its Composite Reliability (CR) value, which is deemed favorable when it surpasses 0.70. This evaluation involves calculating the ratio of the sum of the squared Total Standardized Loading Factors (SLF) divided by the sum of the squared Total Standardized Loading Factors (SLF) and the Total Error (e). Additionally, the Average Variance Extracted (AVE) value should exceed 0.50. This is determined by dividing the sum of the squared Total Standardized Loading Factors (SLF) of the variable by the sum of the squared Total Standardized Loading Factors (SLF) and the Total Error (e).

4.1.2 Hypothesis Test

Table 2. Hypothesis Results

HYPOTHESIS	VARIABLE	TOTAL and Indirect Effects	PROBABILITY	INFORMATION
H1	X1-Y	1.52	>1.98	Rejected
H2	X2-Y	-0.50	>1.98	Rejected
H3	X1-Z	5,29	>1.98	Accepted
H4	X2-Z	-3,14	>1.98	Rejected
H5	ZY	7,63	>1.98	Accepted
H6	X1-ZY	12.9 2	>2.46	Accepted
H7	X2-ZY	4.49	>2.46	Accepted

Source : Lisrel 8.80, 2023

4.2 Research Discussion

Based on the obtained results of data processing, the following conclusions can be drawn:

- H1: Work-Life Balance does not exhibit a significant effect on employee performance, as the total effect of Work-Life Balance on Employee Performance is calculated to be 1.52.
- H2: Employee Engagement also does not demonstrate a significant effect on employee performance, as the total effect of Employee Engagement on Employee Performance is recorded as -0.50.
- H3: Work-Life Balance does indeed influence Employee Performance, considering that the total effect of Work-Life Balance on Job Satisfaction amounts to 5.29.
- H4: Employee Engagement does not show a significant effect on Job Satisfaction, as the total effect of Employee Engagement on Job Satisfaction is found to be -3.14.
- H5: Job Satisfaction does impact employee performance, with the total effect of job satisfaction on employee performance measuring 7.63.
- H6: Work-Life Balance has an impact on Employee Performance when mediated by Job Satisfaction, as indicated by the total effect of Work-Life Balance on Employee

Performance mediated by Job Satisfaction, which is 12.92.

- H7: Employee Engagement influences Employee Performance when mediated by Job Satisfaction, with the total effect of Employee Engagement on Employee Performance mediated by Job Satisfaction being 4.49.

It is noteworthy that the standard probability value is 1.984 (approximately 1.98). This value corresponds to the standard in the t-distribution table and can be computed using the Excel formula "=TINV(0.05, Number of Samples - Number of Variables)", resulting in a standard t-table value of 1.98.

5. CLOSING

5.1 Conclusion

Based on the research findings obtained through the utilization of the Lisrel data processing application and the application of various hypothesis tests within this study, the following conclusions can be drawn:

- Work Life Balance does not exert a significant impact on Employee Performance at PT. Hagihara Westjava Industries.
- Employee Engagement does not yield a significant influence on Employee Performance at PT. Hagihara Westjava Industries.
- Work Life Balance significantly and positively influences Employee Job Satisfaction at PT. Hagihara Westjava Industries.
- Employee Engagement does not have a significant influence on Employee Job Satisfaction at PT. Hagihara Westjava Industries.
- Job Satisfaction exhibits a positive and significant influence on Employee Performance at PT. Hagihara Westjava Industries.
- Work Life Balance demonstrates a positive and significant influence on the Performance of Employees at PT. Hagihara Westjava Industries, and this influence is mediated by Job Satisfaction.

7. Employee Engagement holds a positive and significant effect on Employee Performance at PT. Hagihara Westjava Industries, and this effect is mediated by Job Satisfaction.

5.2 Suggestion

Based on the aforementioned results of the discussion, the researcher offers the following recommendations to the company:

1. Enhance Work-Life Balance: The company is advised to prioritize increasing Employee Job Satisfaction by focusing on fostering a better work-life balance for its employees. This entails enabling employees to effectively manage their work responsibilities alongside their personal commitments. Improved time allocation between work and personal life contributes to higher job satisfaction.
2. Emphasize Equilibrium: It is essential to establish a harmonious balance among work-related engagements, personal life, and employee satisfaction. Implementing effective strategies to achieve this equilibrium can significantly enhance employee satisfaction.
3. Create Supportive Work Environment: To elevate Employee Engagement, the company should invest in creating a comfortable work environment. This involves providing adequate infrastructure and resources that contribute to employee well-being and job engagement.
4. Promote Growth Opportunities: The company should prioritize employee growth and development by offering regular training programs. Continuous development initiatives contribute to improved employee performance and consequently enhance job satisfaction.

In conclusion, the implementation of these recommendations will not only foster a better work-life balance and engagement for employees but also have a positive impact on their overall job satisfaction. By establishing an environment that prioritizes employee well-being and growth, the company can achieve

higher levels of satisfaction and performance among its workforce.

BIBLIOGRAPHY

- Arya Lantara , IW (2018). Influence Motivation Work Against Employee Performance With Satisfaction Work As Intervening Variables At Pt. Indonesia Tourism Development Corporation (ITDC). *Undiksha Journal of Economic Education* , 10 (1).
- Asari , AF (2022). Effect of Work-Life Balance on Employee Performance Through Satisfaction Work on Employment BPJS Employees . *Journal Knowledge Management* , 10 (3).
- Astuti , D., & Suwandi . (2022). The Effect of Employee Engagement on the Performance of Mediated Employees Satisfaction work . *Journal of Economics and Business* , 11 (4).
- Baba Rahim, N., Osman, I., & Arumugam, PV (2020). Linking Work-Life Balance And Employee Well-Being: Do Supervisor Support And Family Support Moderate The Relationship? In *International Journal of Business and Society* (Vol. 21, Issue 2).
- Badrianto , Y., & Ekhsan , M. (2021). Effect of Work-life Balance on Employee Performance in Mediation Commitment Organization . *Jesya (Journal of Economics & Sharia Economics)* , 4 (2), 951-962. <https://doi.org/10.36778/jesya.v4i2.460>
- goddess Trishna Larasati . (2022). HR Problems in Indonesia Currently This Going to Global Competition . *coil* . <https://kumparan.com/dewi-trisna-larasati/perhasilan-sdm-di-indonesia-saat-ini-menuju-kompetisi-global-1xxMzXMAET6/2>
- Hardianto , T., Suci, RP, & Hermawati, A. (2021). Mediation Satisfaction Work : Motivation and Employee Engagement on Nurse Performance . *Journal Knowledge Management* , 7 (3).
- Imron , I. (2019). Influence Analysis Quality Product To Satisfaction Consumer Use

Method Quantitative On CV. Furniture Tangerang Blessing . Indonesian Journal on Software Engineering (IJSE) , 5 (1), 19–28.
<https://doi.org/10.31294/ijse.v5i1.5861>

Yudiani , E., Psychology , F., Raden, U., & Palembang, F. (2017). Employee Engagement Pt. Bukit Asam Persero in terms of spirituality . 3 (1), 21–32.
<http://www.indonesia-investments.com>

Jihan . (2022). Effect of Work-Life Balance and Employee Engagement on Satisfaction Work With Employee Performance As Variable Mediation (Study Empirical at Joy Dental Yogyakarta Clinic) .

Kencana Multi Lestari, S., & Noviansyah , C. (2020). The Effect of Employee Engagement on Employee Performance at Pt. Ray Multi Sustainable Kencana . Collegial , 8 (1).

Mardiani , IN, & Widiyanto , A. (2021). Effect of work-life balance, Environment Work and Compensation on the performance of employees of PT Gunanusa Eramandiri . Jesya (Journal of Economics & Sharia Economics) , 4 (2), 985–993.
<https://doi.org/10.36778/jesya.v4i2.456>

Galih Panji Grace , ABP (2021). The Role of Work-Life Balance on the Performance of Employees Implementing Work From Home (WFH) During the COVID - 19 Pandemic : Study Literature .

Rene, R., & Wahyuni , S. (2018). Effect of Work-Life Balance on Commitment Organization , Satisfaction Work , And Motivation Work Against Individual Performance in Insurance Company Employees In Jakarta. in Journal Management and Business Srivijaya (JMBS) | (Vol. 16, Issue 1).
<http://ejournal.unsri.ac.id/index.php/jmb>
[s](#)

Shindy. (2019). Effect of Work-Life Balance and Burnout on Satisfaction Work In R&D Center Sda Bandung .

Suratman Management Study Program Faculty of Economics UII Yogyakarta, A., & Supriyantiningasih Alumnus of the Management Study Program Faculty of Economics UII Yogyakarta, L. (2019). Influence Culture Organization And Safety Work Against Through Performance Satisfaction Work As Intervening Variables (Vol. 27, Issue 1).