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The Influence Of Work Life Balance And Employee Engagement On Employee Performance (Case Study At Pt. Pegadaian Branch Palopo)

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Abstrak

Work-life balance reflects the extent to which individuals can integrate and achieve balance between work responsibilities and personal life, while employee engagement includes high levels of employee involvement, motivation and commitment that can have a positive impact on employee productivity and well-being. This research aims to analyze the influence of work life balance on employee performance with employee engagement as a mediating variable at PT. Pegadaian Palopo Branch. This research uses a quantitative approach through a questionnaire given to employees of PT Pegadaian Palopo branch. With a total of 94 respondents using a saturated sampling technique. Data collection in this research uses a questionnaire and will be analyzed with the help of the SmartPLS statistical tool. The results of the analysis show that work life balance has a significant positive influence on employee engagement. Employee engagement also shows a significant positive influence on employee performance. This shows the importance of companies considering work life balance strategies to improve employee performance through increasing employee engagement.

Keywords: Work-life balance; Employee Engagement; Employee Performance

1. Introduction

In the midst of the contemporary era of globalization, business dynamics demand high levels of responsibility. To stay relevant, companies need to design and optimize their resources. In this context, human resources emerge as a critical component that can influence the direction and effectiveness of a company's operations. In an organizational context, human resources emerge as an element that has a significant impact, considering its central role in driving various organizational operations.

One of the factors that contributes to a decline in employee performance is the balance between professional and personal life, known as "Work-Life Balance". [1] provides a perspective on work-life balance, where it is stated that individuals can be committed to work and family, and have good responsibility for activities outside of work. Work-life balance is defined as a balance concept that includes integration between ambition or career with happiness, free time, family aspects and spiritual development. [2] This is closely related to the role of human resources, where this balance is considered a crucial factor for the success and smooth running of employees. To maintain and improve employee performance, a work-life balance system is considered very important.

Apart from that, Employee Engagement has become the main focus in efforts to improve employee performance. When employees are involved, they will have a deep understanding of their role, allowing them to contribute to the best of their [3]. Employee engagement is defined as the deep emotional commitment that employees have to the organization and its mission. In the results of their research regarding employee engagement,

[4] concluded that employee engagement has a significant correlation with the performance results of companies that have employees who feel a deep bond, which tends to create a comfortable work environment and employee satisfaction in working there. Apart from that, productivity, profits, growth and customer satisfaction will also increase.

Pegadaian, as a State-Owned Enterprise (BUMN) in the Indonesian financial sector, develops its operations in three main areas: financing, gold and additional services. PT. Pegadaian (Persero) Palopo Branch is a credit institution managed by the government. This financial institution carries out the distribution of loan funds using adai collateral as its legal basis. The loan distribution process is carried out in a simple, efficient and safe manner with the aim of not placing additional burdens on the borrowing community and preventing new problems from arising after the lending process at the pawnshop. This approach is in accordance with the motto adopted by Pegadaian, namely "Solving Problems Without Problems".

In exploring the problem, this research can focus on awareness of the importance of work-life balance and employee engagement on employee performance. Exploring specific aspects that might influence work-life balance and employee engagement at PT Pegadaian Palopo Branch. This involves understanding human resource policies, workload, work flexibility, and other organizational factors that may contribute to working conditions and employee engagement.

Additionally, companies may face unique challenges based on the characteristics of financial services industries such as pawnshops, where job demands and performance pressures can be more intense. Therefore, deepening these aspects can help in developing more targeted recommendations and strategies to improve work-life balance, employee engagement, and ultimately employee performance.

[4] in their research entitled "The influence of work-life balance and employee engagement on employee performance at PT. Bussan Auto Finance (BAF)" which explains whether work-life balance and employee engagement influence employee performance. The population in the study (Putri&Purnamasari) were all employees of PT. Bussan Auto Finance (BAF) using the SPSS application to analyze data. Different from Putri&Purnamasari, in this research PT. Palopo Branch Pegadaian is used as a research object operating in the financial sector. This research aims to see the extent to which work-life balance and employee engagement influence employee performance at PT Pegadaian Palopo Branch, as well as the statistical tools used to analyze data using SmartPLS.

In connection with the above, the researcher raised the title "The Influence of Work-life balance and Employee Engagement on Employee Performance at PT. Pegadaian Palopo Branch" with the aim of providing a more comprehensive understanding, providing deeper insight into how human resource management policies and practices at PT. Palopo Branch Pawnshop can be repaired or strengthened to support employee welfare. By understanding the relationship between work-life balance, employee engagement, and employee performance, companies can develop more effective strategies and policies to improve employee well-being and productivity.

2. Methodology

The data collection method used in this research is a questionnaire. Questionnaire or questionnaire is a data collection technique that is done by giving questions or statements to respondents to be answered. Questionnaires or questionnaires were distributed directly to respondents who had been determined, namely all employees of PT Palopo Branch Pawnshop. The form of questionnaire used in this study is to use a Likert scale to measure a person's attitude and opinion. The questionnaire before being distributed is carried out validity test and reliability test to determine the extent to which the measuring instrument can measure and be consistent in measuring what you want to measure. The data that has been collected will be processed descriptively and verifiably.

3. Result and Discussion

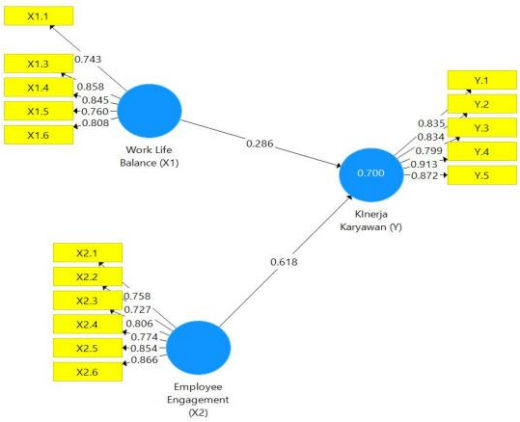
Before the data collected is analyzed using the help of statistical tools, previously the data validity test is carried out through the Validity and Reliability Test, this test aims to evaluate the questionnaire questions filled out by respondents, determining whether the questions are appropriate or not which are used to collect data. Latan and Ghozali (2012) state that research data analysis is the stage after data selection and collection. In this study, the SmartPLS method was used for data analysis. SmartPLS is one of the SEM statistical methods that focuses on variant analysis and is designed to deal with specific problems in missing data, and multicollinearity.

1. Result

The validity test used to assess the validity level of the VB-SEM model in this study is convergent validity. There are two ways to determine the validity of the SEM model with convergent validity techniques, namely looking at the outer loading value (loading factor) and the average variance extracted (AVE) value.

a. Outer loading

The required factor loading value is> 0.7, in the validity test carried out all indicators have a value of> 0.7. the first test results there is still an outer loading value <0.7, namely on item X1.2 and item Y.6. for that the two items must be removed from the model. The results of outer loading processing after the two items are removed, the SEM model that has been declared valid is presented in the figure below:



Gambar.2 Model SEM Outer Loading

b. Average variance extracted

The value that is the measure is avarage variance extracted (AVE) with an expected value> 0.5. The results of the validity test to see the AVE value are shown in the table below:

Tabel. 1 Value Avarage Variance Extracted (AVE)

Variabel	Avarage Variance Extracted (AVE)
Work life Balance (X1)	0,646
Employee Engagement (X2)	0,639
Employee performance (Y)	0,725

Sumber : SmartPls 2023

Based on the results above, it is known that the AVE value of all variables observed in this study is> 0.5 so that it can be said that all variables are valid and can be used to test the SEM model.

1. Reliability Test

Reliability is a consistent measure of indicators in measuring their variables. The values used to determine the level of reliability of the SEM model are Composite reliability and Cronbach Alpha. This type of reliability serves to determine the level of internal reliability of variable indicators.

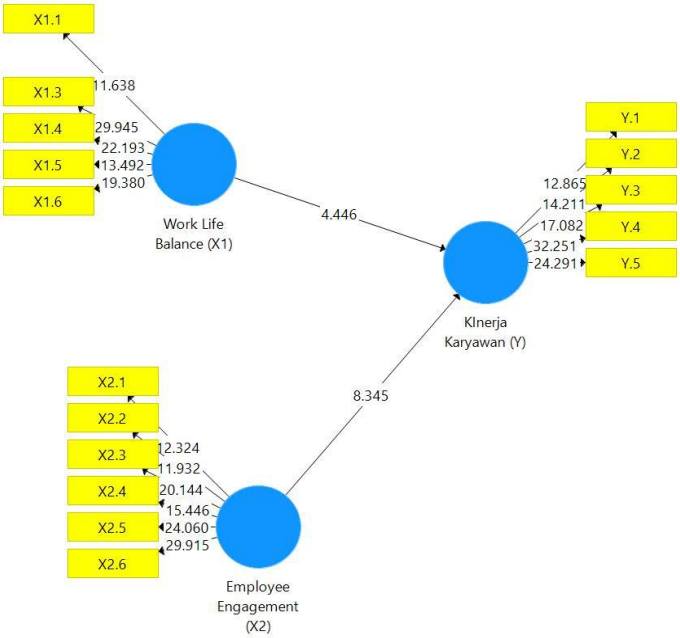
Tabel. 2 Value Composite Reliability dan Cronbach Alpha

Variabel	Cronbach's Alpha	Composite Reliability
Work Life Balance (X1)	0,864	0,914
Employee Engagement (X2)	0,886	0,889
Employee performance (Y)	0,815	0,881

The standard Cronbach's Alpha value of a variable so that it is declared reliable is> 0.6, while the standard value for Composite Reliability is> 0.7. Therefore, based on the table above, it is known that all variables have a Cronbach's Alpha value> 0.6 and a Composite Reliability value> 0.7 so that it can be stated that the SEM model analyzed is reliable.

2. Analysis of the Influence Between Variables and Hypothesis Testing

SEM analysis aims to test the magnitude of the influence of independent variables on the dependent variable. The SEM model of the results of the analysis of the influence between variables is shown in the figure below:



Gambar.3 Model SEM influence analysis results

a. Influence between Research Variables

The analysis of the influence of the variables analyzed in this study is the influence of the variables of Employee Engagement (X1), Work Environment (X2), and Employee Performance (Y). The analysis is also used to test the research hypothesis. The magnitude of the influence of these variables is shown in the table below:

Tabel. 3 Direct Influence of Research Variables

Direct influence	T Hitung	T tabel	P values	Cut of value
Work life balance (X1) > Employee Performance (Y)	4.446	1.662	0.000	0.05
Employee Engagement (X2) > Employee Performance (Y)	8.345	1.662	0.000	0.05

b. Hypothesis Testing

1) Effect of Work-life balance on Employee Performance

First Hypothesis: First Hypothesis: It is suspected that work-life balance has a positive and significant effect on employee performance. The results of the T statistical analysis obtained the value of t count = 4.446> t table = 1.662 with a P value of 0.000 or smaller than the Cut off Value of 0.05. This means that the Work-life balance variable on Employee Performance has a positive and significant effect on employee performance. So it can be stated that the first hypothesis is accepted.

2) The effect of employee engagement on employee performance

Second Hypothesis: It is suspected that employee engagement has a positive and significant effect on employee performance has a positive and significant effect on employee performance. The results of the T statistical analysis obtained the value of t count = 8.345> t table = 1.662 with a P value of 0.000 or smaller than the Cut off Value of 0.05. This means that the employee engagement variable on employee performance has a positive and significant effect on employee performance. So it can be stated that the second hypothesis is accepted.

2. Discussion

1) Effect of Work-life balance on employee performance

The results showed that there is a positive and significant relationship between work-life balance and employee performance. Where the results of the T statistical analysis obtained the value of t count = 4.446> t table = 1.662 with a P value of 0.000 or smaller than the Cut off Value of 0.05. The indication of the results of this study states that employees who are able to balance work and personal life can show optimal performance in the corporate environment. These results are in line with the research findings of a study by "Forbes" in 2020, Employees who gain flexibility in determining their schedule (e.g. the ability to determine working hours or work from home options) indicate an increase in job satisfaction, efficiency, and balance between work and personal life. Research by [5] research conducted in the Sri Lankan Telecommunications Industry presents information that the implementation of effective work-life balance practices provides benefits for employees and organizations. The positive impacts include a decrease in stress levels and an increase in employee happiness, both in the work environment and at home. The results showed a strong correlation between work-life balance and employee performance, which had a positive significance level. The findings of this study provide evidence that optimal work-life balance contributes to employee improvement and job satisfaction.

2). Effect of Employee engagement on employee performance

The results showed that there is a positive and significant relationship between employee engagement on employee performance. The results of the T statistic analysis obtained the value of t count = 8.345> t table = 1.662 with a P value of 0.000 or smaller than the Cut off Value of 0.05. The indication from this research is that the level of employee engagement has a significant impact on various aspects of employee performance and organizational success. These results are in line with research findings [6] that employee engagement has a significant effect on employee performance. This is because employee engagement has become one of the main issues in human resource management research, which provides a large number of benefits for companies or organizations. Employee engagement not only creates a high level of loyalty, but also encourages employees to contribute more to improving company performance in line with research conducted [7] The effect of employee engagement on employee performance of PT. MK is very significant.

4. Conclusion

Based on the results of research and discussion in this study, it can be concluded that:

1. In the work life balance variable, there is a positive and significant relationship with the dependent variable, namely employee performance in employees of PT Pegadaian Palopo Branch. The existence of a balance between the demands of work and personal life of employees of PT Pegadaian Palopo Branch has a positive impact on their level of motivation, involvement, and satisfaction in carrying out work tasks.
2. Likewise, the employee engagement variable has a positive and significant relationship with the dependent variable, namely employee performance at PT Pegadaian Palopo Branch. The level of emotional involvement, motivation and commitment of employees to work is positively related to achieving higher performance and productivity targets.

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