

# **Flexible Work in E-Commerce: Impact on Engagement Mediated by Satisfaction and Work-Life Balance**

**Nessa Desnari Lopian<sup>1\*</sup> and Sylvia Diana Purba<sup>2</sup>**

**<sup>1,2</sup>Atma Jaya Indonesia Catholic University, Indonesia**

**Corresponding Author: [nesdesnari@gmail.com](mailto:nesdesnari@gmail.com)**

## *Abstract*

*This study was conducted to determine the application of flexible working arrangements for employee engagement, mediated by work-life balance and job satisfaction, in E-Commerce industry. The method employed was purposive sampling as a technique to determine the sample. This study was conducted by distributing Google Form questionnaires using a Likert scale to employees in the E-Commerce industry who are currently or have previously worked under hybrid or flexible working arrangements. Data were collected from 129 respondents and processed using SmartPLS 4.1 software. The criteria in this study are employees who are currently or have previously worked under hybrid or flexible working arrangements in the e-commerce industry. The research offers practical insights for optimizing flexible working arrangements in the e-commerce industry. The findings can guide companies in enhancing policy implementation through clear work guidelines, structured reward systems, employee training, and a strong feedback culture—ultimately improving employee engagement and the quality of human resources.*

*Keywords: flexible working arrangement, work-life balance, job satisfaction, employee engagement*

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## **1. INTRODUCTION**

The rapid development of information and communication technology has changed the way people work across various sectors. Technology, in the form of the internet, is an alternative to strong communication, thereby creating positive impacts on business transactions (Pradana, 2015), known as E-Commerce, one of the most developed sectors in Indonesia. According to Statista (2024), the annual compound growth rate of E-Commerce retail sales in 2024-2029 (by country), Indonesia's growth is 9.57%, 12<sup>th</sup> rank worldwide. E-Commerce is the trading of goods and services using the internet services where the processes of buying, selling, or

transacting products, services, or information are applied over computer networks on the internet (Pradana, 2015). In Indonesia, E-Commerce has become very popular and some of the most popular E-Commerce sites visited are Shopee, Tokopedia, Lazada, Blibli, and JD ID.

The use of E-Commerce in Indonesia has widespread in the society, especially after the COVID-19 pandemic. The COVID-19 pandemic has caused many changes in work systems and patterns. As the pandemic has declined, the government has begun to urge adaptation to the order of new normal. According to Darpin et al. (2023), in this new normal situation, the society must adapt to a combined working system, known as hybrid working as a form of flexible working arrangement (FWA). Companies, nowadays, increasingly adopt flexible working arrangements, which is considered to provide an effective and efficient work pattern.

The FWA includes distributing work, flexible working hours, and various forms of telecommunications. According to Hada et al. (2020), flexible working arrangements help employees stay or feel satisfied in their work, as they offer the freedom to choose the time and place to work. A flexible working arrangement is an opportunity for employees to choose when, where, and for how long they perform work-related tasks (Bal and De Lange, 2015). The FWA system encourages the use of increasingly powerful technology so employees can perform work such as meetings, discussions, and online coordination with peers and superiors.

According to Gartner (2021), flexibility in working from home or office can increase job satisfaction or reduce employee stress, as they have more control over when and where they work. The adoption of remote work creates a new habit of working effectively, even when away from the office, while carrying out daily activities. This FWA becomes very important to enable workers to maintain a balance between work and their personal life. In relation to job satisfaction, when employees enjoy their work, it brings balance and satisfaction. According to Damayanti and Suwanda (2021), when the conditions of an actual job and the reality experienced by freelancers are better than expected it exceeds their requirements, but when the conditions at work are worse than expected, job dissatisfaction occurs. The implementation of flexible working arrangements enables employees to manage their time more flexibly and positively it improves satisfaction for employees. A high level of job satisfaction can bring good benefits for the company. In addition, companies that want to grow and improve performance must consider various factors. One that needs to be considered is employee engagement.

E-Commerce implements a remote work system which is considered to have a great impact and opportunity for employees to explore themselves and gain flexibility at work (Azizah et al., 2023). Azizah et al. (2023) found that the remote work system has its own challenges. The productivity of E-Commerce employees in Indonesia is low. This is because the working hours exceed the stipulated regulations, which limit them to eight hours per day in five working days. In addition, flexible working arrangements pose other challenges during implementation. A lack of social interaction and a weak connection with colleagues can be an obstacle in this work system, reducing employees' sense of engagement with work and organizational goals. Besides, the FWA also bring problems related to time management, team coordination, and attention to work-life balance (Ritawaty et al., 2024). The distinctive E-Commerce industry also experiences technological change, increasing demand,

and the need to be flexible in meeting market demands. This industry operates in a dynamic environment that requires a high level of adaptation.

Phaninder (2023) conducted a study on hybrid and work-from-home models within information technology companies in India. The findings indicated that employee engagement tends to increase under remote and hybrid work arrangements. The study concluded that hybrid work models offer several benefits, including enhanced performance, increased family time, improved work-life balance, and, most notably, higher levels of employee engagement. Therefore, it is important to analyze how flexible working arrangements contribute to employee engagement when implemented in a company.

Empirical studies have demonstrated that flexible working arrangements positively influence employee engagement. Ahdianita and Setyaningrum (2024) found that increased flexible working practices significantly enhance employee engagement, which, in turn, leads to improved job performance and a better balance between work and personal life. Similarly, Weideman and Hofmeyr (2020) identified a strong positive relationship between flexible working arrangements and employee engagement. Their findings suggest that when flexibility in work is aligned with key components of engagement, such as vigor, dedication, and absorption, employees tend to exhibit higher levels of involvement and commitment to their work. The implementation of flexible working arrangements is one solution to increase employee engagement, especially for those facing challenges in balancing work and personal life. A flexible working arrangement system has become increasingly relevant because employees in this industry need the flexibility to work with sophisticated technological devices and manage high volumes of work in a short time.

## **2. LITERATURE REVIEW**

This study is grounded in Self-Determination Theory (SDT) as proposed by Ryan and Deci (2002), which emphasizes that human motivation and well-being are influenced by the fulfillment of three basic psychological needs: autonomy, competence, and relatedness. According to the theory, when these needs are supported in the work environment, individuals experience greater intrinsic motivation, psychological well-being, and positive work outcomes.

Flexible working arrangements in this study are viewed as a method to satisfy employees' psychological needs, autonomy, competence, and relatedness by offering them control over work conditions. This leads to improved work-life balance, greater job satisfaction, and stronger organizational connection. When these needs are fulfilled, intrinsic motivation increases, resulting in higher employee engagement.

### **2.1. Flexible Working Arrangement**

Flexible working arrangements are defined as systems that allow employees to manage their work schedules based on individual preferences while remaining aligned with performance goals (Irawati, 2019; Nastiti and Lisandri, 2022). This approach supports more effective and efficient organizational processes (Rahman, 2019) and can enhance productivity by offering employees greater autonomy and

involvement in decision-making (Harter et al., 2022). Several empirical studies (Rawashdeh et al., 2016; Ogueyungbo et al., 2019; Rahman, 2019) identify three main types of flexible work arrangements: flextime, which allows employees to set their own working hours; compressed workweek, where standard hours are completed in fewer days; and telecommuting, which enables remote work by employing modern communication technologies.

## **2.2. Work-Life Balance**

Work-life balance refers to an individual's ability to manage work responsibilities alongside personal and family roles (Clark, 2000; Clarke, Koch, and Hill, 2004). It involves not only the distribution of time but also achieving harmony and minimizing conflict between work and personal life, allowing both domains to positively influence one another. Fisher, Bulger and Smith (2009) state that work interference with personal life (WIPL) and personal life interference with work (PLIW) describe the negative spillovers between work and personal domains, while work enhancement of personal life (WEPL) and personal life enhancement of work (PLEW) reflect the positive influence the domains on each other. According to Schabracq (2003), several factors affect work-life balance: personality characteristics and family characteristics influence both work and personal life, shaping individual development. Job characteristics involve work patterns, demands, and hours, while attitudes reflect knowledge, emotions, and behavioral tendencies.

## **2.3. Job Satisfaction**

Warr et al. (2017) stated job satisfaction is an individual's cognitive and affective evaluation of their work, which involves positive or negative feelings towards various aspects of the job. According to Saks (2020), job satisfaction is an individual's level of satisfaction and happiness with their work, reflecting their perception of the fit between needs, expectations, and job reality. Individuals who are satisfied with their jobs tend to have high levels of happiness and a positive perception of the fit between their needs, expectations, and work reality. Celluci et al. (1978, p.49) discussed five dimensions influencing job satisfaction: (1) salary: when aligned with roles and responsibilities, enhances satisfaction through fair compensation; (2) promotion based on performance: it can serve as a strong motivator; (3) supervision: through effective guidance from superiors, positively affects satisfaction; (4) co-workers: it contributes to a supportive work environment; and (5) type of work: when matched with personal interests and skills, it significantly impacts overall satisfaction.

## **2.4. Employee Engagement**

Engaged employees aim to contribute to the company's success and, simultaneously, to improve their well-being, as well as their careers and benefits. Schaufeli et al. (2002) state that engagement creates a positive relationship between employees and work, enabling them to deal with the demands they face. According to Bakker and Albrecht (2018), employee engagement reflects the simultaneous investment of a person's physical, cognitive, and emotional energy in performing work roles. Lobo and Ashwini (2015) state that employee engagement is the level of commitment and involvement an employee has toward the company and its values. In this case, engaged employees are those who are fully involved and enthusiastic at work and will act in ways that advance the company. The three main dimensions

of employee engagement, according to Schaufeli et al. (2002), are vigor, dedication, and absorption.

Based on Phaninder's (2023) study of information technology companies in India that implemented hybrid work and work-from-home models, the data collected showed an increase in employee engagement when adopting these models. Another study was conducted by Elsafty and Hanafi (2023) to review hybrid work models, manager coaching, and development plans, lumped together under the category of job resources, and their effects on engagement. This study states that the hybrid work model has a statistically significant effect on engagement and that job resources, consisting of the essential components of the hybrid work model and manager coaching, have a significant influence on increasing employee engagement. Thus, the hybrid work model should be considered for enhancing employee engagement.

Priyambodo et al. (2024) found that paying attention to employees' needs can increase employee engagement, including creating work-life balance. It is stated that work-life balance has a positive and significant influence on employee engagement. In that sense, the results of this study indicate that better work-life balance increases employee engagement. Another study conducted by Safria (2022), which focused on Generation Y employees at a bank, shows that there is a significant relationship between work-life balance and organizational culture on employee engagement at the bank. It proves that the balance between work and personal life has an important role in employee engagement in the company where they work.

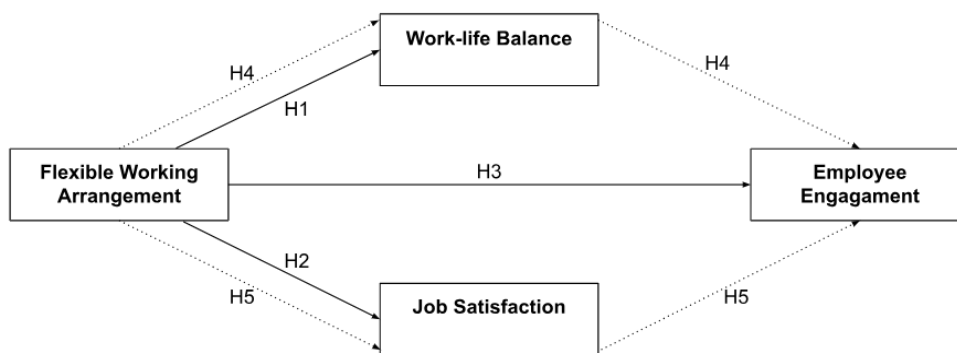
In Aziz-Ur-Rehman and Siddiqui's (2020) research, it is stated that flexible working arrangements are positively and significantly correlated with job satisfaction. Furthermore, Saarenoksa (2021) conducted research on virtual communication and cooperation, productivity in remote work, the effect of distance on job satisfaction, and work-life balance. The results showed that job satisfaction increased due to greater autonomy enabled by the remote work system, as evidenced by employees feeling very satisfied because they have more time for themselves and their families. Research by Rahman (2019) indicates that flexible working arrangements have a positive, significant influence on employee job satisfaction and work-life balance. Jindain and Gilitwala's (2024) found that the hybrid working model, as measured across perceived organizational support, trust, and respect, has a significant positive effect on employee engagement.

Jamaludin and Kamal (2023) conducted a study on oil and gas companies in Kuala Lumpur, involving respondents from various departments. a found that remote work is significantly associated with job satisfaction. As remote work increases, job satisfaction will increase as well. Natasya and Awaluddin's (2021) found that job satisfaction has a positive, significant effect on employee engagement as job satisfaction can influence employee engagement. Employee satisfaction can also foster a culture of development and growth where they work. Vorina et al. (2017) found a positive relationship between employee engagement and job satisfaction among residents from various regions of the Savinja Statistical Region.

There are five hypotheses that this study tries to test:

**H1:** Flexible working arrangements have a significant effect on work-life balance in E-Commerce industry employees.

- H2:** Flexible working arrangements have a significant effect on job satisfaction in E-Commerce industry employees.
- H3:** Flexible working arrangements have a significant effect on employee engagement in E-Commerce industry employees.
- H4:** Flexible working arrangements have a significant effect on employee engagement mediated by work-life balance in E-Commerce industry employees.
- H5:** Flexible working arrangements have a significant effect on employee engagement mediated by job satisfaction in E-Commerce industry employees.



**Figure 1.** Path Diagram

Source: Author (2025)

### 3. METHODOLOGY

#### 3.1. Data Collection

This research uses primary data collected by distributing questionnaires to e-commerce industry employees via Google Forms. In addition, this study uses secondary data from research journals, scientific books, and other sources relevant to the object under study.

#### 3.2. Sampling

The population in this study consists of employees that have experienced working under flexible arrangements, regardless of age or gender. To determine the sample, a purposive sampling technique was used, selecting subjects based on the following criteria: employees are currently working or have previously worked under hybrid or flexible working arrangements in the e-commerce industry. Following Roscoe's (1975) recommendation, the sample size ranges between 30 and 500 participants. In line with this guideline, the study initially targeted 100 respondents and ultimately obtained data from 120 e-commerce industry employees.

### 3.3. Measures

This research applied a quantitative method, collecting data through questionnaires completed by respondents based on their opinions and experiences. Flexible working arrangements were measured using 13 items adapted from Aura and Desiana (2023). Work-life balance was assessed with 4 items from Fisher, Bulger, and Smith (2009). Job satisfaction was measured based on the instrument by Purba et al. (2024), while employee engagement was measured using 8 items from Otoo and Rather (2024). The questionnaire utilized a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Data were analyzed using Structural Equation Modeling (SEM) with SmartPLS 4.1 software. Partial Least Squares-SEM (PLS-SEM) was employed to measure and evaluate relationships among variables within the conceptual model (Iba and Wardhana, 2023, p. 509), through the assessment of both the outer model and the inner model.

## 4. RESULTS AND DISCUSSION

This study uses a sample of 129 respondents from the e-commerce industry, collected via a digital questionnaire. The majority respondents work outside the office for 1-2 days a week. The demographic data of the respondents are shown in Table 1 below.

**Table 1.** Respondent Characteristics

Variable	Description	Frequency
<b>Gender</b>	Male	73
	Female	56
<b>Age</b>	< 24 years old	30
	24-30 years old	50
	31-40 years old	43
	41-50 years old	6
<b>Highest Level of Education</b>	High School	12
	Diploma	21
	Bachelor's Degree	59
	Master's Degree	36
<b>Company Name</b>	Doctorate	1
	Shopee	36
	Lazada	22
	Blibli.com	17
	Tokopedia	16
	Tiktokshop	9
	Bukalapak	8
	Sociolla	7
	Astro	4
	JD.ID	3
	Halodoc	2
	Ginee	2
Pinhome	2	
<b>Years of Work Experience</b>	Bhinneka.com	1
	< 1 year	21
	1-3 years	53
	4-6 years	32
>6 years	23	

Variable	Description	Frequency
<b>Status</b>	Unmarried	76
	Married	48
	Single Parent	5
<b>Frequency of Working Outside the Office per Week</b>	1-2 days	69
	3-4 days	44
	>4 days	16

Source: Primer Data (2025).

#### 4.1. Outer Model Test

In SmartPLS, the outer model analyzes how the indicators used to measure latent variables are connected to one another. The implementation of this test focuses on the validity and reliability of research indicators.

##### 4.1.1. Outer Loadings Test

**Table 2.** Outer Loadings

No.	Variabel	Indicator	Outer Loading
1.	Flexible working arrangement	FWA1	0.788
		FWA2	0.726
		FWA3	0.788
		FWA4	0.735
		FWA5	0.775
		FWA6	0.723
		FWA7	0.762
		FWA8	0.709
		FWA9	0.724
		FWA10	0.712
		FWA11	0.727
		FWA12	0.786
		FWA13	0.726
2.	Work-life balance	WLB1	0.760
		WLB2	0.893
		WLB3	0.845
		WLB4	0.683
3.	Job satisfaction	JS1	0.683
		JS2	0.642
		JS3	0.752
		JS4	0.742
		JS5	0.747
		JS6	0.782
		JS7	0.772
		JS8	0.651
		JS9	0.764
		JS10	0.718
		JS11	0.726
		JS12	0.753
4.	Employee engagement	JS15	0.681
		JS16	0.684
		EG1	0.786
		EG2	0.645
		EG3	0.811
		EG4	0.795
		EG5	0.821
		EG6	0.833

No.	Variabel	Indicator	Outer Loading
		EG7	0.766
		EG8	0.822

Source: Data Processed (2025).

Table 2 shows that, after excluding JS13 and JS14, all outer loadings exceed the 0.6 threshold, which is acceptable according to Chin (1998, pp.295-336), who determined the acceptable value between 0.6 and 0.7 depending on the context and nature of the data. Additionally, all indicators have AVE values of 0.5 or higher, indicating validity (Kusumah, 2023). Table 3 confirms the validity of all variables used in the study.

**Table 3.** Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
Flexible working arrangement	0.933	0.942	0.555
Work-life balance	0.809	0.875	0.639
Job satisfaction	0.929	0.938	0.522
Employee engagement	0.911	0.928	0.619

Source: Data Processed (2025).

In measuring reliability, the Cronbach's Alpha value is greater than 0.6, and the Composite Reliability is greater than 0.7. Based on the data processing, the data obtained is valid.

#### 4.1.2. Mean Score

In Table 4, based on respondents' results, employee engagement in the e-commerce industry is rated highest and stronger than the other variables.

**Table 4.** Mean Score

Variable	Mean
<b>Flexible working arrangement</b>	
Flextime schedule	4.08
Compressed workweek	4.08
Telecommuting	4.19
Overall mean score	4.12
<b>Work-life balance</b>	
Work Enhancement of Personal Life (WEPL)	4.09
Personal Life Enhancement of Work (PLEW)	4.15
Overall mean score	4.12
<b>Job satisfaction</b>	
Overall mean score	4.16
<b>Employee engagement</b>	
Overall mean score	4.18

Source: Data Processed (2025).

### 4.1.3. Discriminant Validity Test

**Table 5.** Fornell-Larcker Criterion

	EG	FWA	JS	WLB
EG	0.787			
FWA	0.568	0.745		
JS	0.571	0.714	0.723	
WLB	0.175	0.446	0.383	0.799

Source: Data Processed (2025).

**Table 6.** Heterotrait-Monotrait Ratio

Variable	EG	FWA	JS	WLB
EG				
FWA	0.605			
JS	0.612	0.751		
WLB	0.201	0.505	0.442	

Source: Data Processed (2025).

In Table 5, the values of the three variables are shown to be greater than those of the other variables. It is reported that the variables studied meet the criteria for good discriminant validity. The AVE square root value that is higher than the value of other variables indicates that the Fornell-Larcker Criterion value is acceptable. In the HTMT method, table 6, presents the HTMT values, all of which are below the threshold of 0.9, confirming that the variables are free from discriminant validity issues (Kusumah, 2023). So, these variables are declared valid.

## 4.2. Inner Model Test

### 4.2.1. R-Square Test

According to Chin (1998), the R-Square value is categorized as strong (>0.67), moderate (>0.33), or weak (>0.19). Table 7 presents the R-square results, indicating that the independent variable explains 37.7% of the variance in employee engagement and 50.6% in job satisfaction, both of which are categorized as moderate. Meanwhile, its influence on work-life balance is 19.3%, which is considered weak.

**Table 7.** R-Square

Variable	R-square	R-square adjusted
EG	0.391	0.377
JS	0.510	0.506
WLB	0.199	0.193

Source: Data Processed (2025).

### 4.2.2. Goodness of Fit (GOF) Test

Goodness of Fit (GOF) is a concept used to assess how well a proposed model or distribution fits the observed data. The GOF test is commonly used to compare observed and expected frequencies in the data and to determine whether the

difference between them is small enough to be due to chance or statistically significant. The research model is deemed suitable if the SRMR is less than 0.08 (Hooper et al., 2008). Then, according to Ringle et al. (2024), the NFI value is assessed: the closer it is to 1.0, the higher the suitability of the research model.

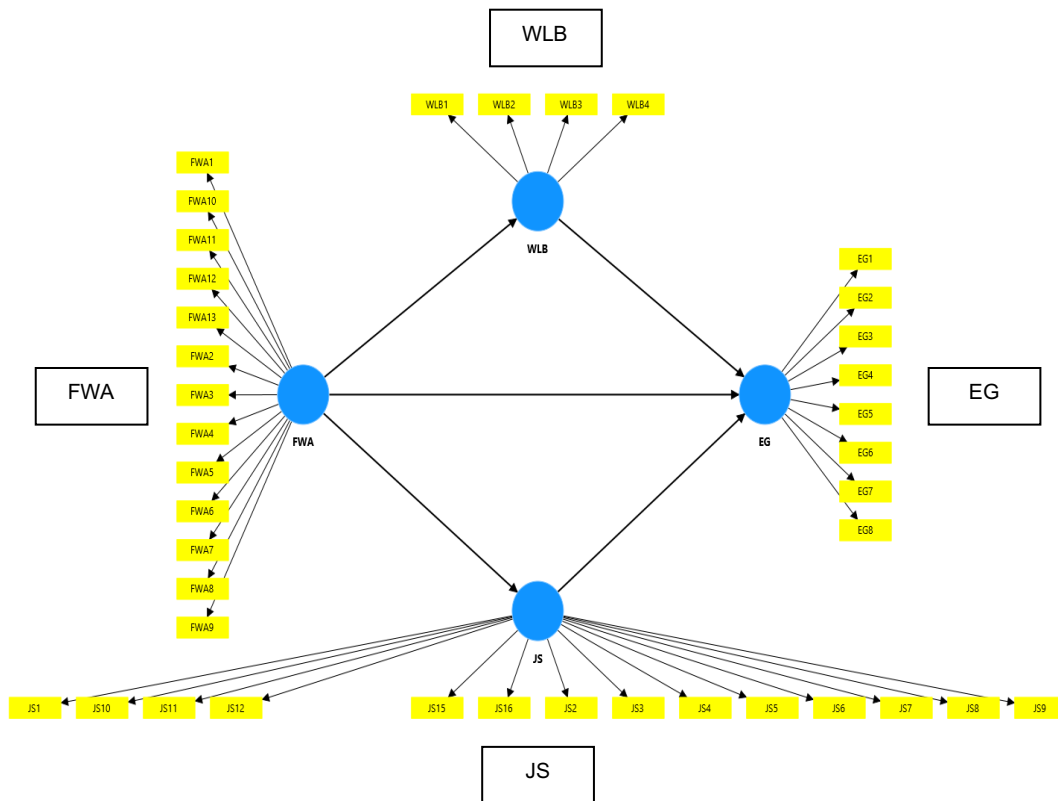
**Table 8.** Goodness of Fit

Category	Saturated model	Estimated model
SRMR	0.070	0.071
d-ULS	3.782	3.877
d_G	1.963	1.965
Chi-square	1193.320	1195.367
NFI	0.687	0.687

Source: Data Processed (2025).

Based on Table 8, the SRMR is smaller than 0.08, and the NFI is close to 1.0. Therefore, the model used in this study is suitable.

### 4.2.3. Hypothesis Test



**Figure 2.** Structural Model

Source: Processed Data (2025).

**Table 9.** Hypothesis Test Result

Hypothesis	(O)	(M)	(STDEV)	T Stat	P Values	Description
H1 FWA > WLB	0.446	0.452	0.087	5.099	0.000	Accepted
H2 FWA > JS	0.714	0.715	0.063	11.386	0.000	Accepted
H3 FWA > EG	0.568	0.573	0.083	6.878	0.000	Accepted
H4 FWA > EG > WLB	-0.056	-0.056	0.044	1.273	0.203	Rejected
H5 FWA > EG > JS	0.254	0.255	0.114	2.230	0.026	Accepted

Source: Data Processed (2025).

Based on the data shown in Table 9, it is concluded that Hypothesis 1 (H1), flexible working arrangements have a positive effect on work-life balance because the p-value of 0.000 is less than the significance value of 0.05 ( $0.000 < 0.05$ ), the t-statistic value of 5.099 is greater than the t-table of 1.96 ( $5.099 > 1.96$ ). Therefore, H1 can be accepted. Furthermore, hypothesis 2 (H2) shows flexible working arrangements have a significant effect on job satisfaction, with a p-value of 0.000 less than the significance value of 0.05 ( $0.000 < 0.05$ ), the t-statistic value of 11.386 is greater than the t-table value of 1.96 ( $11.386 > 1.96$ ), so that H2 is acceptable. Hypothesis 3 (H3) is employee engagement, the p-value of 0.000 is smaller than the significance value of 0.05 ( $0.000 < 0.05$ ), and the t-statistic value of 6.878 is greater than the t-table of 1.96 ( $6.878 > 1.96$ ). Therefore, H3 is accepted. Hypothesis 4 (H4) shows flexible working arrangements have a positive influence on employee engagement, mediated by work-life balance. In this result, it is shown that the p-value of 0.203 is greater than the significance value of 0.05 ( $0.203 > 0.05$ ) and the t-statistic value of 1.273 is smaller than the t-table value of 1.96 ( $1.273 < 1.96$ ). Thus, this result confirms that H4 is rejected. Hypothesis 5 (H5) states flexible working arrangements have a positive influence on employee engagement mediated by job satisfaction because the p-value of 0.026 is smaller than the significance value of 0.05 ( $0.026 < 0.05$ ) and the t-statistic value of 2.230 is greater than 1.96 ( $2.230 > 1.96$ ).

### 4.3. Discussion

#### 4.3.1 Flexible working arrangements have a significant effect on work-life balance

Based on the data generated, flexible working arrangements have a significant influence on work-life balance as they enhance work-life balance, particularly in the e-commerce industry, by allowing employees to manage time more effectively across work and personal domains. This supports the statement of Ugiwisa and Ariffin (2024) that a flexible work system, characterized by adaptable hours and remote work options, can help employees improve and provide an opportunity to have a good balance in work responsibilities and personal life.

#### **4.3.2 Flexible working arrangement has a significant effect on job satisfaction**

The results showed that flexible working arrangements have a significant impact on job satisfaction. FWA in the e-commerce industry provide employees with flexibility in managing their working hours and locations, thereby enhancing their overall job satisfaction. Flexible working arrangements include systems that give employees the freedom to manage their work time and place. Stefanie et al. (2020) and Ahdianita & Setyaningrum's (2024) found that the greater the organization's work flexibility, the higher the employee satisfaction which proves that flexible working arrangements have a significant influence.

#### **4.3.3 Flexible working arrangement has a significant effect on employee engagement**

Hypothesis 3 is accepted because the results indicate that FWA positively influence employee engagement. The implementation provides e-commerce employees with greater autonomy over their work, schedules, and personal management. Such system enables employees to optimize their productivity according to their individual needs.

Ahdianita and Setyaningrum (2024) demonstrate that flexible working arrangements significantly influence work engagement. It means that an increase in the FWA system can affect employee work engagement. In the e-commerce industry, the more flexible the work system is, the higher the employee engagement. The FWA implementation gives employees more control over themselves, their work, and working time.

#### **4.3.4 Flexible working arrangement does not affect employee engagement through work-life balance**

The results of the test show that FWA do not significantly affect employee engagement mediated by work-life balance. Hypothesis 4 is rejected. Organizational factors, work culture, and individual characteristics influence the effectiveness of flexible working arrangements in the e-commerce industry. When these factors are not conducive, the implementation of flexible arrangements may negatively impact outcomes such as work-life balance.

Nahdiah and Khalid (2024) achieve similar results showing that work-life balance does not have a significant effect on employee engagement. On the other hand, Priyambodo et al. (2024) state that companies need to pay attention to employee needs as a specific factor in increasing employee engagement, among others is by creating a work-life balance. This means that work-life balance is an important factor. Still, in the context of FWA, work-life balance does not strongly influence employee engagement.

#### **4.3.5 Flexible working arrangement has a significant effect on employee engagement through job satisfaction**

In the last hypothesis, namely hypothesis 5, it was proven that FWA have a significant effect on employee engagement through job satisfaction as a mediating variable. E-commerce employees who are satisfied with their jobs tend to feel engaged and contribute more to the company. A high level of satisfaction makes e-

commerce industry employees more engaged and committed to their companies. Which is in line with Natasya and Awaluddin (2021) state that job satisfaction has a positive and significant effect on employee engagement. This means that if job satisfaction changes, it will affect employee engagement.

## **5. CONCLUSION**

Based on the analysis above, there are 4 accepted hypotheses and 1 rejected hypothesis. In general, implementing a flexible work system can foster work-life balance among employees in the e-commerce industry. In addition, these results show that employee freedom to determine the time and place of work can increase the satisfaction in their work. Employee engagement, supported by a flexible working system, encourages employees to be more productive in their work as flexible working arrangements and work-life balance can influence employee engagement. However, work-life balance is not a suitable mediator of the relationship between flexible working arrangements and employee engagement. The results also found that employee job satisfaction is strengthened by the implementation of FWA, which, in turn, affects employee engagement in the company.

The results of this study can provide advice in the form of evaluating the implementation of flexible working arrangements. Evaluation is conducted to optimize the management and implementation of this policy within the company. Companies need to explain in detail to employees regarding clear, flexible work guidelines. In this case, expectations regarding working hours, restrictions on communication outside working hours, limitations on operational working hours, and flexible working hours are key to reaching an understanding between the company and the employees. Companies can create a reward system for employees based on real contributions. Management can appreciate employees who achieved the targets or make innovations in their work by providing bonuses, incentives, or other non-monetary awards. The company can also develop a clear career path, conducting employee training and improve expertise in the relevant fields, such as digital marketing, data analytics, and other technologies. Increased employee expertise will improve the quality of human resources and the company. In addition, companies need to build or strengthen a feedback culture to continuously evaluate their environmental situation.

This study examined work-life balance as a mediating variable but found it did not mediate the relationship between FWA and employee engagement in the e-commerce industry. Future research is encouraged to explore alternative mediators that may be more contextually appropriate and to investigate the dimensions of work-life balance in greater detail. As the study focused solely on the e-commerce sector, further research could be extended to other industries—such as banking, tech startups, or advertising—that also implement flexible work arrangements. Additionally, future studies may consider incorporating additional relevant variables, such as leadership style and organizational culture, to provide deeper insights into the factors influencing employee engagement and to inform more comprehensive human resource management strategies.

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