

## The Effect Of *Work-Life Balance* On Performance Young Employees With Work Engagement Mediation In Himbara Banking Sector Of Palangka Raya City

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### ABSTRACT

*This study aims to analyze the influence of work-life balance on performance. young employees with work engagement as a mediating variable in the sector The Himbara Banking of Palangka Raya City. The study used a quantitative explanatory approach with a sample of 100 young employees from BNI, BTN, and BRI Banks. Data were analyzed using the PLS-SEM method. through SmartPLS 4. The results showed that work-life balance has a positive and significant effect on employee performance and work engagement. Work engagement also has a positive effect on employee performance and is able to mediate the relationship between work-life balance and employee performance. These findings demonstrate the importance of work-life balance in influencing employee engagement and performance.*

### INTRODUCTION

Employee performance is the work results achieved by individuals or groups in carrying out their duties and responsibilities in accordance with standards set by the organization. According to Byars in Fatmawati and Solin (2024), performance is the final achievement of a person's efforts manifested through the application of skills, behavior, and work attitudes in certain situations. Employee performance is an important indicator of organizational success because it is directly related to productivity, service quality, and competitiveness, especially in the banking sector which is highly dependent on the role of human resources.

In modern organizations, employee performance is determined not only by technical skills, but also by psychological conditions, intrinsic motivation, and the individual's ability to manage job demands. Target pressure, changing work patterns, and high demands for adaptation can affect performance stability if not balanced with effective human resource management (Rahmi *et al.* 2025).

One factor that influences employee performance is *work-life balance*. *Work-life balance* is an individual's ability to balance the demands of work and personal life so that both aspects can run harmoniously. A good work-life balance allows individuals to maintain psychological and physical well-being, which positively impacts job satisfaction and performance. Fabanyo *et al.* (2025) stated that *work-life balance* contributes to increased performance because it helps individuals restore personal resources used at work.

The relevance of *work-life balance* to performance is increasingly evident in the banking sector, particularly in the post-pandemic period. The acceleration of digital transformation and increasing service demands are driving increased intensity and complexity of banking employees' work. According to a 2024 report by the Financial Services Authority (OJK), the Indonesian banking industry recorded positive asset growth, but this was accompanied by increased competency demands and increased human resource workloads. This situation places banking employees under increased work pressure, making managing work-life balance increasingly crucial for maintaining performance.

This challenge becomes increasingly relevant when it is related to the characteristics of the workforce. Central Statistics Agency (BPS) data (2025) shows that approximately 75% of the formal workforce in Central Kalimantan is in the 25–39 age group, dominated by Generation Z and Millennials. This generation is known to have high expectations for work flexibility, career-life balance, and meaning in work (Gallup 2022). However, these expectations often clash with the realities of the banking workplace, which demands high discipline and strict performance targets. This mismatch can result in decreased motivation and increased work stress, ultimately impacting employee performance (Falah 2024).

In explaining this relationship, work engagement is a relevant variable. Work engagement is a positive psychological state characterized by enthusiasm, dedication, and appreciation for one's work. Employees with high levels of work engagement tend to demonstrate better performance and stronger loyalty to the organization (Sukoco *et al.* 2020). Bakker in Riahlati and Pratiwi (2018) states that work engagement is influenced by *job resources*, including work-life balance, as well as *the personal resources* that an individual possesses.

Previous research generally shows that *work-life balance* has a positive effect on employee performance. Ulfah (2024) found that work-life balance has a positive effect on performance, while Fabanyo (2024) found that *work-life balance* has a positive effect on performance. *et al.* (2025) stated that *work-life balance* has a significant effect on employee performance. However, this relationship is not always direct. In many cases, psychological factors act as a connecting mechanism between balanced working conditions and improved performance. Research by Tamba *et al.* (2026) Research shows that the social dimension within an organization has the potential to improve performance through indirect influences mediated by certain variables. These findings indicate that an organization's success in improving performance is determined not only by its core factors but also by the psychological processes developed within individuals. In the banking sector, work

engagement is one factor thought to explain how work-life balance can drive improved employee performance. Employees who are able to maintain a balance between work and personal life demands tend to have higher levels of energy, dedication, and engagement in their work, thus impacting improved performance.

However, most of these studies still focus on the direct influence between variables, research that places work engagement as a mediating variable in the banking sector is still limited, especially in the banking sector and the context of medium-sized cities. Based on this description, this study was conducted to examine "The Effect of *Work-Life Balance* on Young Employee Performance with Work Engagement Mediation in the Himbara Banking Sector of Palangka Raya City", so that it can provide empirical evidence and contribute to the development of human resource management strategies that are adaptive to the needs of the younger generation in the sustainable banking world of work.

## RESEARCH METHODS

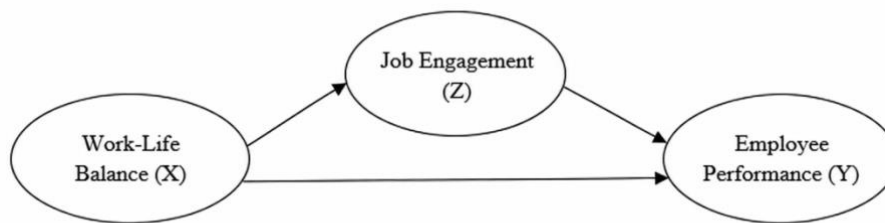
The type of research used is quantitative research with an explanatory approach. According to Sari *et al.* (2023) the explanatory approach is an approach that emphasizes testing the causal relationship between variables through objective data measurement in numerical form and statistical analysis. According to Ali *et al.* (2022) Quantitative research is a form of investigation into social problems conducted by testing theories through measuring variables expressed in numerical form. The data obtained is then analyzed using the *SmartPLS application* to determine the direct and indirect influences between variables.

The object of this study is the Himbara banking sector (BNI Bank, BTN Bank, and BRI Bank) in Palangka Raya City. The reason for choosing these three banks is because they are part of the state-owned banking sector that has a relatively large number of young workers. The subjects of this study are young employees working in the Himbara banking sector in Palangka Raya City. The independent variables in this study are *work-life balance* (X), the mediating variable of work engagement (Z), and the dependent variable is employee performance (Y). All variable indicators are measured using a five-point Likert scale.

In this study, the focus population is young employees working in the Himbara banking sector in Palangka Raya City. Because the exact number of young employees is unknown, *non-probability* sampling with a *purposive sampling method* was used as a data collection technique. The sample criteria include employees working in the Himbara banking sector in Palangka Raya City with an age range of 18-45 years. Then calculated using the Cochran formula and resulting in a sample size of 97.26 which was then rounded up to 100 samples.

The data collection techniques used were observation, unstructured interviews, and questionnaires as the primary instruments. The questionnaires were distributed directly to respondents who met the research criteria and distributed to the target population. social media through bank admin. This method was chosen to obtain relevant data that aligns with the characteristics of the research respondents.

Data analysis was conducted in two stages, the first being descriptive analysis. According to Ibrahim *et al.* (2023), descriptive analysis aims to describe a phenomenon, fact, or event in an orderly and precise manner, thus providing a clear picture of the characteristics of a particular population or region. The second is *Partial Least Square* (PLS) analysis, which is included in the *Structural Equation Modeling* (SEM) method. This method is very appropriate for use in exploratory, prediction-oriented research, as well as in complex research models with many variables and complex relationships between variables (Ghozali and Kusumadewi 2023).



**Figure 1.** Conceptual Framework

### Research Hypothesis

- H<sub>1</sub>:** *Work-life balance* has a positive effect on the performance of young employees in the sector Himbara Banking of Palangka Raya City.
- H<sub>2</sub>:** *Work-life balance* has a positive effect on work engagement of young people in the sector Himbara Banking in Palangka Raya City
- H<sub>3</sub>:** Work engagement has a positive effect on the performance of young employees in the sector Himbara Banking of Palangka Raya City.
- H<sub>4</sub>:** *Work-life balance* has a positive effect on employee performance Youth with Work Engagement as a Mediating Variable in the Himbara Banking Sector of Palangka Raya City.

## RESULTS AND DISCUSSION

### Respondent Characteristics

The characteristics of the respondents in this study were age, work institution, length of service, and monthly income. In this study, 100 respondents were young employees in the Himbara banking sector in Palangka Raya City. Data were obtained from the results of filling out questionnaires based on the criteria. Based on age, respondents were predominantly aged 18-28 years (58%) and aged 29-45 years (42%). In addition, respondents were dominated by BNI bank employees (42%), BTN bank employees (40%), and BRI bank employees (18%).

Based on the duration of work, it is dominated by employees who have worked for more than 2 years at 31%, followed by 1-2 years at 28%, a range of 6-11 months at 26 %, a range of 2-5 months at 9% and less than 2 months at 6%. Based on income, the amount of

income is dominated by 2-5 million at 75%, followed by income of 6-9 million at 23% and income of less than 2 million at 2%.

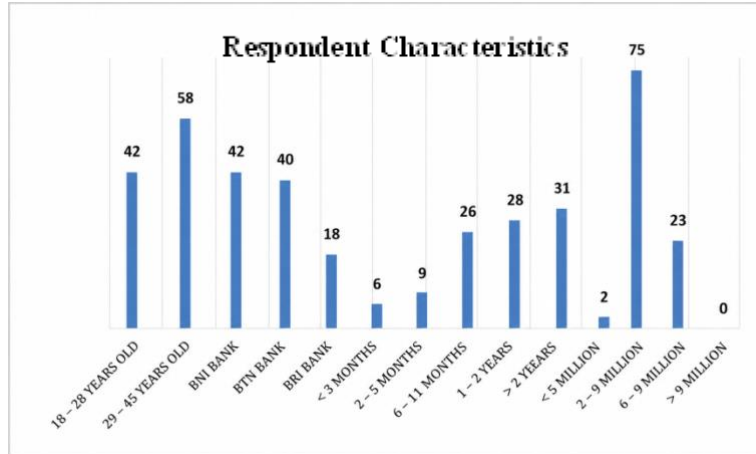


Figure 2. Respondent Characteristics

**Measurement Model (Outer Model)**

**Convergent Validity**

Convergent Validity , namely the level of correlation between indicators used in measuring the construct. An indicator is said to be valid if it has a high correlation with the latent construct. Assessment is carried out through the *outer loading value* and *Average Variance Extracted (AVE)*. If the *outer loading value*  $\geq 0.70$ , the indicator is considered to have a strong correlation with the construct, while the AVE value  $\geq 0.50$  indicates that the construct is able to explain 50% of the indicator's variance (Ghozali and Kusumadewi 2023) .

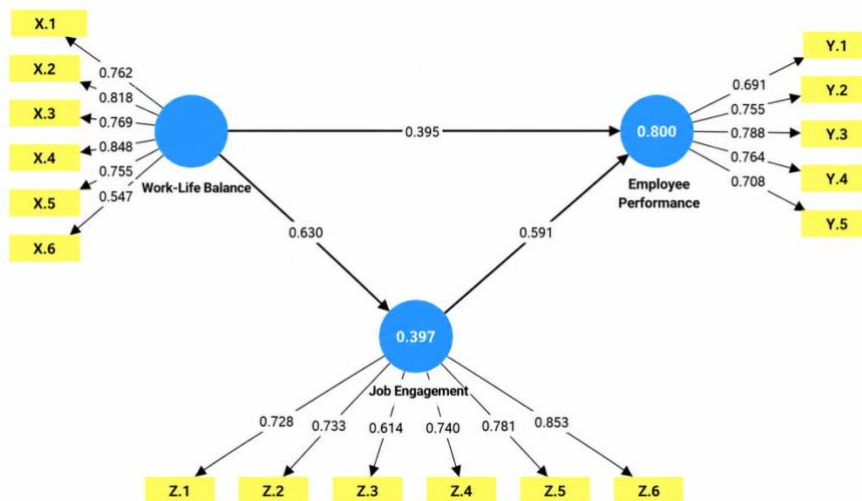
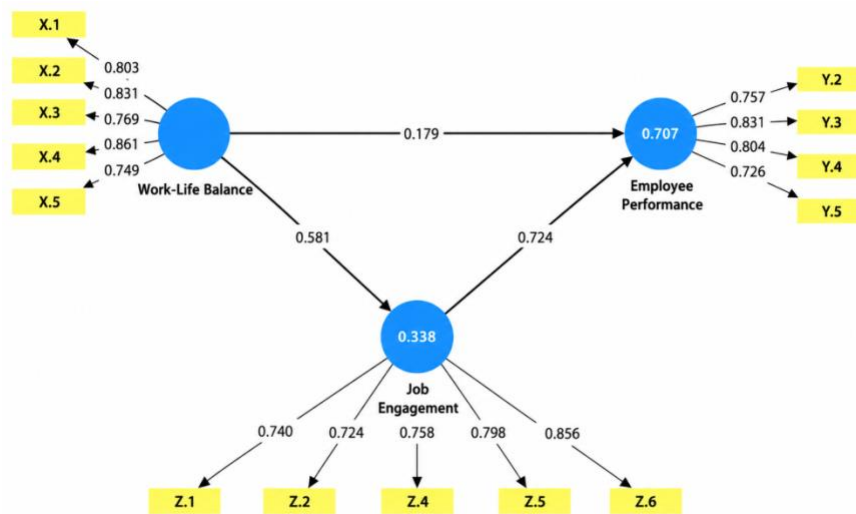


Figure 3. Initial Algorithm Calculation Results

Based on Figure 3 , the initial algorithm calculation results show that several indicators have *loading factor values*  $< 0.70$ , including X6, Z3, and Y1. These indicators were then removed and the calculations were repeated in stages.



**Figure 4.** Final Algorithm Calculation Results

After recalculating, in Figure 4. The final algorithm calculation results show that *the loading factor value* of all indicators is  $<0.70$ . Then, an evaluation is carried out on *the Average Variance Extracted (AVE) value* of all latent variables. Based on *the algorithm calculation results*, it is known that all latent variables have an AVE value greater than 0.5. Each AVE value of the latent variables *work-life balance*, work engagement and employee performance is 0.646, 0.603, and 0.609. Therefore, the convergent validity test has met the assumptions and can be continued to the next testing stage.

**Discriminant Validity**

*Discriminant Validity*, which is a measure that indicates the extent to which a construct differs from other constructs in the research model. Discriminant validity testing can be carried out using the *Fornell-Larcker Criterion* and *cross-loading criteria*. In the *Fornell-Larcker* approach, The assumption *criterion* is met if the square root of the AVE of the latent variable is greater than the correlation of the construct with other constructs. Furthermore, the resulting AVE value must meet the minimum requirement of  $\geq 0.50$ , indicating that more than 50% of the indicator variance can be explained by the measured latent construct. (Ghozali and Kusumadewi 2023). Furthermore, in the *cross loading approach*, *the cross loading value* on the original construct must be greater than *the cross loading value on the original construct. loading* on other constructs.

**Table 1.** Square Root Value of AVE - *Fornell-Larcker Criterion*

Latent Variables	Work engagement	Employee performance	Work-life balance
Work engagement	0.777		
Employee performance	0.780	0.828	
Work-life balance	0.581	0.600	0.804

Source: *SmartPLS Output 4, 2026*

Based on Table 1. The square root value of AVE - *Fornell-Larcker The criterion* is known that each latent variable's square root AVE value is greater than its correlation value with other latent variables. This can be stated that the discriminant validity test using the square root AVE approach has met the assumptions.

**Table 2.** *Cross Loading Values*

Indicator	<i>Work-life balance</i>	Work engagement	Employee performance
X1	<b>0.803</b>	0.512	0.574
X2	<b>0.831</b>	0.393	0.453
X3	<b>0.769</b>	0.444	0.487
X4	<b>0.861</b>	0.539	0.478
X5	<b>0.749</b>	0.425	0.393
Z1	0.576	<b>0.740</b>	0.573
Z2	0.325	<b>0.724</b>	0.582
Z4	0.464	<b>0.758</b>	0.648
Z5	0.404	<b>0.798</b>	0.589
Z6	0.467	<b>0.856</b>	0.795
Y2	0.446	0.520	<b>0.757</b>
Y3	0.539	0.632	<b>0.831</b>
Y4	0.465	0.851	<b>0.804</b>
Y5	0.485	0.485	<b>0.726</b>

Source: *SmartPLS Output 4, 2026*

Based on Table 2, *the cross-loading values* show that the *cross-loading value* of each latent variable indicator is greater than the *cross-loading value* of the other latent variable indicators. This indicates that the discriminant validity test has met the assumptions.

### Reliability

Reliability testing aims to assess the consistency of indicators in measuring a construct. Reliability can be measured by observing *Composite Reliability* and *Cronbach's Alpha values*. *Composite Reliability* and *Cronbach's Alpha values*  $\geq 0.70$  indicate that the construct has good internal consistency (Ghozali and Kusumadewi 2023).

**Table 3.** *Reliability Test*

Variables	<i>Cronbach's alpha</i>	<i>Composite Reliability</i>
<i>Work-life balance</i>	0.862	0.869
Work Engagement	0.834	0.843
Employee performance	0.790	0.816

Source: *SmartPLS Output 4, 2026*

Based on Table 3, the reliability test shows that each latent variable has a *Composite Reliability* and *Cronbach's Alpha value*  $> 0.7$ . This indicates that the indicators used in this study consistently measure the latent variables.

### Structural Model (Inner Model)

### Coefficient of Determination ( *R-Square* )

The coefficient of determination or *R-Square* aims to show the proportion of endogenous construct variance that can be explained by exogenous constructs. If the  $R^2$  value is 0.75, 0.50, and 0.25, it is categorized as strong, moderate, and weak respectively. (Ghozali and Kusumadewi 2023).

**Table 4.** *R-Square* ( $R^2$ ) Value

Latent Variables	<i>R-Square</i>
Work Engagement	0.338
Employee performance	0.707

Source: *SmartPLS Output 4, 2026*

*R-Square* value is known to be 0.338 for work engagement. This indicates that *work-life balance* explains work engagement by 33.8 percent while 66.2 percent is explained by other variables outside the model studied. Then the *R-Square* value of employee performance is obtained at 0.707 which can be interpreted that *work-life balance* and work engagement explain the performance of young banking employees in Palangka Raya city by 70.7 percent while 29.7 percent is explained by other variables not examined in this study.

### Effect Size ( $f^2$ )

Effect size is used to measure the magnitude of the influence of exogenous constructs on endogenous ones. A value of 0.02 indicates a small effect, 0.15 indicates a medium effect, and 0.35 indicates a large effect (Ghozali and Kusumadewi 2023).

**Table 5.** *f-Square* ( $f^2$ ) Value

	Employee performance	Work Engagement
<i>Work-life balance</i>	0.073	0.510
Work Engagement	1,186	

Source: *SmartPLS Output 4, 2026*

Based on Table 5. The *f-Square* value ( $f^2$ ), it is known that the *f-Square* value The effect of *work-life balance* on employee performance was 0.073, indicating a moderate effect, and *work-life balance* on work engagement was 0.510, indicating a large effect. Furthermore, the value of work engagement on employee performance was 1.186, indicating a large effect.

### Hypothesis Testing

Hypothesis testing in this study was conducted using two models, namely testing the direct effect path model and indirect effect. Testing the direct effect model uses the path coefficient approach (original sample) in the range of -1 to 1. Path coefficient values in the range of 0 to 1 indicate a positive direction. Path coefficient analysis shows the direction of the relationship between variables in a model. To analyze the significance of the relationship between variables, it can be done by comparing the *t-statistic* value with the *t-value* at the specified significance level. The assumption of submitting the significance of the research model uses a *t-table* of 1.96 at a significance level of 5% or less than 0.05 (Hair et al. 2011).

Testing for indirect or mediation effects on a model can use the mediator analysis procedure in PLS developed by Zhao *et al.* (2010) . If the product of  $a \times b \times c$  is positive, it is called *complementary mediation* or *partial mediation* , meaning the direct and indirect effects run in the same direction. If the product of  $a \times b \times c$  is negative, it is called *competitive mediation* or *partial mediation* , meaning the direct and indirect effects run in opposite directions.

The test results from this research are as follows.

**Table 6.** Results of Hypothesis Test

Structural Model	Original Sample	T-Statistic	P-Values
<i>Direct Effects</i>			
<i>Work-life balance</i> – employee performance	0.179	2,065	0.039
<i>Work-life balance</i> – work engagement	0.581	6,777	0,000
Job engagement – employee performance	0.724	10,763	0,000
<i>Indirect Effects</i>			
<i>Work-life balance</i> – work engagement – employee performance	0.421	6,255	0,000

Source: *SmartPLS Output 4, 2026*

Based on Table 6. The results of the hypothesis test above, the test results for each hypothesis are as follows:

#### **Work - Life Balance influences Employee Performance**

The results of the study indicate that *work-life balance* has a positive and significant effect on employee performance, with an *original sample value* of 0.179, a *t-statistic* of 2.065, and a *P value* of 0.039. This means that the better *the work-life balance* implemented, the higher employee performance will be. Thus, the first hypothesis (H1) is accepted.

This finding aligns with research by Angreni and Mahyuni (2024), which states that *work-life balance* positively impacts employee performance. In the case of young banking employees in Palangka Raya, work-life balance helps reduce stress, maintain physical and mental health, and increase focus. When employees effectively manage their time between work and personal life, they tend to be more productive, disciplined, and deliver optimal results.

#### **Work - Life Balance influences Work Engagement**

The results of the study indicate that *work-life balance* has a positive and significant effect on work engagement, with an *original sample value* of 0.581, a *t-statistic* of 6.777, and a *P value* of 0.000. This means that the better *the work-life balance* implemented, the higher the work engagement will be. Thus, the second hypothesis (H2) is accepted.

This finding aligns with research by Kastanya et al. (2025), which found that *work-life balance* has a positive and significant effect on work engagement. In the case of young banking employees in Palangka Raya, a balance between work and personal life makes employees feel more comfortable, valued, and have a stronger emotional connection to their work. This encourages employees to be more enthusiastic, passionate, and have a higher commitment to carrying out their duties and responsibilities.

#### **Work engagement influences employee performance**

The results of the study indicate that work engagement has a positive and significant effect on employee performance, with an *original sample value* of 0.724, a *t-statistic* of 10.763, and a *P value* of 0.000. This means that the better the work engagement among employees, the better their performance will be. Thus, the third hypothesis (H3) is accepted.

These findings align with research by Chiasiska and Rostiana (2018), which found that work engagement has a positive and significant impact on employee performance. In the case of young banking employees in Palangka Raya, work engagement leads to greater enthusiasm, dedication, and a sense of responsibility for their work. Employees who feel engaged in their work tend to be more focused, actively contribute, and are able to complete tasks optimally, resulting in improved performance.

### **Work - Life Balance influences Employee Performance with Work Engagement as a mediating variable**

The results of the study using the indirect effect model show that *work-life balance* has a positive effect on employee performance with work engagement as a mediating variable, with an *original sample value* of 0.421, *t-statistics* of 6.255 and *P values* of 0.000. This means that the better the *work-life balance* implemented, the employee's work engagement will increase and ultimately affect employee performance. Thus, the fourth hypothesis (H4) is accepted.

This finding aligns with research by Angreni and Mahyuni (2024), which states that *work-life balance* positively impacts employee performance, with work engagement as a mediating variable. In the case of young banking employees in Palangka Raya, a balance between work and personal life makes employees feel more comfortable and motivated at work. This condition increases employee work engagement, such as enthusiasm, dedication, and enthusiasm for their work, thus impacting overall employee performance.

## **CONCLUSION AND SUGGESTIONS**

*Work-life balance* and work engagement jointly have a positive and significant impact on employee performance at the Himbara Banking in Palangka Raya City. Work engagement is the most dominant factor influencing employee performance. Meanwhile, *work-life balance* has a stronger indirect impact on performance through increased work engagement.

Furthermore, the research results also revealed that employee performance is explained by *work-life balance* and work engagement, accounting for 70.7 percent. This suggests that other factors contribute to employee performance. Furthermore, work engagement mediates the relationship between *work-life balance* and employee performance in the banking sector of the Indonesian Banking Association (HIMBARA) in Palangka Raya City. However, *work-life balance* has a moderate effect on employee performance. Therefore, further research is expected to identify other variables, such as work motivation, job satisfaction, or organizational support, that have the potential to have a greater impact on employee performance.

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