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**THE EFFECT OF WORK FLEXIBILITY ON THE PERFORMANCE OF  
FEMALE WORKERS IN THE MSME SECTOR IN PONTIANAK CITY WITH  
WORK-LIFE BALANCE AS A MEDIATING VARIABLE**

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**Abstract**

This investigation attempts to look into the effect of work flexibility on the performance of female workers in the MSME sector in Pontianak City, utilizing work-life balance as a mediating variable. The research adopted a quantitative approach with a survey method. Data was gathered from female workers working in MSMEs Pontianak City. The findings show that work adaptability has a positive and significant impact on work-life balance, work-life balance has a positive and significant impact on worker productivity, job adaptability has a positive and significant impact on worker productivity, and work-life balance is capable to partially mediate the connection on job adaptability or worker productivity. These findings indicate that providing flexible work arrangements can improve the ability of female workers to balance professional and personal responsibilities, thus impacting overall work performance.

**Keywords:** Work Flexibility, Employee Performance, Work-Life Balance, Female Workers, MSME



## INTRODUCTION

The development of the Micro, Small, and Medium Enterprises (MSMEs) sector on Indonesia steadily exhibits substantial advancement, including in Pontianak City. This sector is one of the backbones of the regional economy and the largest absorber of labor, especially women. According to information reported by the Ministry of Cooperatives and SMEs (2022), more than 64% of MSME owners and workers in Indonesia are women, demonstrating the significant role women play in this sector.

Female workers in the MSME sector face a double burden: juggling work demands and household responsibilities. This situation has the potential to impact work-life balance, ultimately impacting their performance. One approach considered effective in addressing this issue is implementing work flexibility, both in the form of flexible hours (flextime) and flexible locations (remote working).

Work flexibility gives employees the freedom to arrange their labor hours and sites based on their requirements, thus improving work-life balance. Several prior investigations have discovered that work flexibility possesses a favorable influence on work-life balance or employee performance (Hasibuan & Siregar, 2025).

However, research specifically examining the context of female workers in MSMEs at the city level, particularly Pontianak, is still limited. This investigation intends to look into the impact of job adaptability on the output of women employees in the MSME sector in Pontianak City, utilizing work-life balance as a mediating variable.

## LITERATURE REVIEW

### Work Flexibility

Work flexibility is described as the ability of an organization or individual to adjust the time, place, and method of work to meet operational and personal needs (Bhave et al., 2020). According to Hill et al., (2008), work flexibility encompasses two main dimensions: time flexibility (flextime) and location flexibility (flexplace), each of which grants workers increased independence in overseeing their work. In the context of MSMEs, work flexibility is often implemented informally because the small scale of the organization allows for direct communication between business owners and employees (Mungkasa, 2020). This makes MSMEs a relatively adaptable work environment to individual needs, including for female workers with dual responsibilities.



Ramadhan & Rahmawati (2024) demonstrate that work flexibility has a positive consequence for employee job satisfaction and performance. Furthermore, Allen et al., (2013) confirmed that employees who receive work flexibility tend to have lower stress levels, higher motivation, and increased productivity. The work flexibility indicators in this study refer to Hill et al., (2008), including: (1) flexibility in working hours (flextime), (2) flexibility in work location (flexplace), and (3) flexibility on the number of working hours (reduced hours).

### **Employee Performance**

Employee performance is the grade and amount of output accomplished by a staffer in executing their tasks according to their given duties (Mangkunegara, 2017). Stephen P. Tim Judge (2018) defines performance as the level of individual achievement in completing tasks that are part of their job.

The performance female workers on the MSME sector is affected by multiple elements, comprising work environment situations, superior support, work-life balance, or the availability of flexibility in working (Sari & Yuniasanti, 2025). Therefore, MSME management needs to pay attention to these aspects in an effort to increase the productivity of its female workforce. The employee performance indicators in this study refer to Mathis & Jackson (2002), including: (1) quantity of work finished, (2) quality of work finished, (3) punctuality in completing work, (4) attendance and discipline, and (5) ability to work collaboratively.

### **Work-Life Balance**

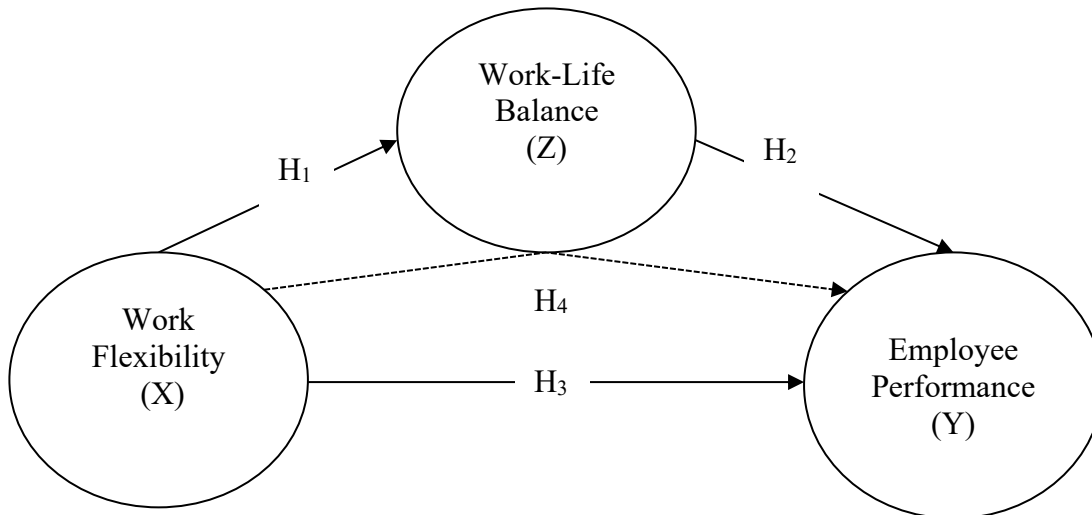
Greenhaus (2011) describes work-life balance in a situation where a person can successfully equilibrate professional requirements with private and household necessities. This idea highlights contentment and healthy performance in both occupational and domestic existence, while reducing friction between them. For female workers on the MSME sector, work-life balance is a particularly relevant issue because they often play dual roles as workers and homemakers.

Research by Haar *et al.* (2014), conducted in various countries, discovered that work-life balance has a meaningful favorable impact on job satisfaction, psychological well-being, and employee performance. Similarly, Mäkikangas et al. (2022) observed that workers possessing a healthy work-life balance demonstrated higher levels of engagement and performance than those without. The work-life balance indicators in this research refer to Greenhaus (2011), including: (1) equalized duration between labor and private existence (time balance), (2) equalized mental engagement between labor and private existence

(involvement balance), and (3) equalized contentment between labor and private existence (satisfaction balance).

### Framework for Thinking

In summary, the framework for thinking used in this research is described as below:



Referring to the aforementioned framework, the subsequent hypotheses are put forth by the present investigation, which are tentative answers:

- H<sub>1</sub>: Work flexibility is suspected to influence the work-life balance of female workers in the MSME sector in Pontianak City.
- H<sub>2</sub>: Work-life balance is suspected to influence employee performance among female workers in the MSME sector in Pontianak City.
- H<sub>3</sub>: Work flexibility is suspected to influence employee performance among female workers in the MSME sector in Pontianak City.
- H<sub>4</sub>: Work flexibility, mediated by work-life balance, is suspected to influence employee performance among female workers in the MSME sector in Pontianak City.

### RESEARCH METHOD

This research employed quantitative methods. Primary data collection involved a survey using a questionnaire. The sample size was 150 female workers in the MSME sector in Pontianak City. The data examination technique utilized was the Structural Equation Model (SEM) strategy, computed through the WarpPLS software. In a variance-based SEM framework, or Partial Least Squares



(PLS), this setup comprises an outer model. The evaluation phase of the outer model is gauged employing validity and reliability tests.

The measurement model is evaluated employing validity and reliability. This validity is gauged utilizing the association level between the reflective indicator results and the latent variable results. Convergent validity is able to assessed from factor loadings (Zalviwan et al., 2020). Discriminant validity can be determined by the loading and cross-loading values. For work flexibility (X), work-life balance (Z), or employee performance (Y), Cronbach's Alpha reliability may be utilized. This figure indicates the reliability of every marker in the framework. The lowest score is 0.70, whereas the perfect score is 0.8 or 0.90.

Reliability testing is evaluated using Cronbach's Alpha, along with Composite Reliability. Reflective indicators must be eliminated from the measurement model if they possess a factor loading score under 0.4 (Ghozali, 2016). The structural model (inner model) depicts functional link between latent variables. Testing on the structural model is done in order to examine the relationship on latent constructs, ike the coefficient of determination (R-square) score, with the resulting figures classified as 0.02 (minor), 0.15 (moderate), and 0.35 (significant). This is solely feasible for endogenous constructs with reflective indicators (Ghozali, 2016).

## RESULTS AND DISCUSSION

### Evaluation of the Measurement Model (Outer Model)

Measurement model analysis is carried out using validity or reliability tests. The validity level in the SEM-PLS analysis is divided into convergent and discriminant validity. The factor loading value in this study was found to be greater than 0.50, thus meeting the criteria for convergent validity (Sholihin & Ratmono, 2013).

In evaluating discriminant validity, it is recommended that the latent variable have an Average Variance Extracted (AVE) score over 0.50, thereby guaranteeing that the objects in this research satisfy the criteria for discriminant validity. Reliability testing is observable from Composite Reliability scores exceeding 0.70 or Cronbach's Alpha exceeding 0.60 (Sholihin & Ratmono, 2013), thus demonstrating high reliability, as shown in Table 1.

**Table 1.**  
**Validity and Reliability Testing of Latent Variable Results**

Item	Factor Loading	Composite Reliability	Cronbach Alpha	AVE
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<b>Work Flexibility (X)</b>				
WF 1	(0.729)			
WF 2	(0.562)			
WF 3	(0.785)			
WF 4	(0.813)	0,867	0,814	0,730
WF 5	(0.749)			
WF 6	(0.674)			
<b>Employee Performance (Y)</b>				
EP 1	(0.766)			
EP 2	(0.782)			
EP 3	(0.703)			
EP 4	(0.565)			
EP 5	(0.708)			
EP 6	(0.766)	0,909	0,888	0,710
EP 7	(0.841)			
EP 8	(0.689)			
EP 9	(0.659)			
EP 10	(0.573)			
<b>Work life balance (Z)</b>				
WLB 1	(0.782)			
WLB 2	(0.724)			
WLB 3	(0.772)			
WLB 4	(0.786)	0,871	0,822	0,723
WLB 5	(0.727)			
WLB 6	(0.566)			

Source: Output, WarPLS 8.0 (2026)

Based on Table 1, each statement item in this study is declared valid because it has a value >0.4, which meets the criteria for convergent validity. The p-value also meets the requirement, having a value of <0.001 (<0.05) for all indicators. A further gauge of convergent validity is the AVE score. Sholihin and Ratmono (2013:73) assert that AVE is also utilized to assess convergent validity, with the standard being AVE >0.50.

Referring on the reliability test findings in Table 1, the composite reliability score for work flexibility is 0.867, the composite reliability score for employee performance is 0.888, and the composite reliability score for work-life balance is



0.871. The suggested composite reliability score is over 0.7 (Sholihin & Ratmono, 2013:73). It is observed that every Composite Reliability figure is >0.7, which implies that they have satisfied the dependability standards.

**Structural Model Measurement Evaluation (Inner Model)**

The structural model was tested to examine the relationships between latent constructs. The SEM-PLS model fit test refers to the APC, ARS, AARS, AFVIF, Tenenhaus GoF, SPR, RSCR, SSR, or NLBCDR criteria (Ghozali & Latan, 2015). Table 2 demonstrate that the model establishes the goodness of fit (GoF) criteria in this study:

**Table 2**  
**Reliability Test Results**

No	Criteria	Mark	Information
1	<i>Average Path Coefficient (APC)</i>	0,708	Good - Information
2	<i>Average R-Squared (ARS)</i>	0,505	Good - Information
3	<i>Average adjusted R-squared (AARS)</i>	0,502	Good - Information
4	<i>Average Full Collinearity Vif (AFVIF)</i>	2,678	Good - Information
5	<i>Tenenhaus GoF (GoF)</i>	0,513	Good - Large
6	<i>Sympson's Paradox Ratio (SPR)</i>	1.000	Good - Information
7	<i>R-Squared Contribution Ratio (RSCR)</i>	1.000	Good - Information
8	<i>Statistical Suppression Ratio (SSR)</i>	1.000	Good - Information
9	<i>Nonlinear Bivariate Causality Direction Ratio (NLBCDR)</i>	1.000	Good - Information

Source: Output, WarPLS 8.0 (2026)

The above results establish that the model alignment criteria have been met, with the APC and ARS values being statically significant and AVIF <5. The findings in Table 2 indicate that the requirements for testing the mediation model are accepted. Based on the structural model evaluation results in the table above, the Tenenhaus GoF obtained a score of 0.513, falling into the strong category because the value obtained is  $\geq 0.36$ . Therefore, this model has a high fit in clarifying a consequence on work flexibility and work-life balance on employee performance.

Table 3 shows that the results of Q<sup>2</sup> fall into the predictive relevance category because the value obtained is 0.596, which meets the criteria of >0. This establishes that work flexibility and work-life balance are relevant in predicting employee performance.

With an R<sup>2</sup> value of 0.595, it means that work flexibility or work-life balance have a moderate role on influencing employee performance. Evaluation of the



structural model can be reviewed using the R-squared (R2) value which has a classification that the model is good with a work-life balance (Z) value of 0.415 and an employee performance (Y) score of 0.595 as seen in Table 3.

Table 3
Structural Model Test Results

Table with 3 columns: Konstruk, R-Squared (R²), Q-squared (Q²). Rows include Work life balance (Z) and Employee Performance (Y).

Source: Output, WarPLS 8.0 (2026)

Hypothesis testing in the hypothesis analysis used path coefficients with a p-value ≤ 0.05. All hypotheses were significantly accepted with p-values ≤ 0.05. Work flexibility affected work-life balance by 0.644 with a p-value <0.001. Work-life balance affected employee performance by 0.771 with a p-value <0.001, a high coefficient value compared to the other hypotheses.

Work flexibility affected employee performance by 0.744 with a p-value <0.001, a low coefficient value compared to the other hypotheses. The mediating function of work-life balance bolstered the impact on work flexibility and employee performance by 1.398 with a p-value <0.001, relative to the direct influence between work flexibility and employee performance.

Hypothesis Testing

Table 4
Hypothesis Testing Results

Table with 5 columns: Hypothesis, Track, Coefficient Value, Sig, Information. Rows include H1, H2, H3, and H4.

Source: Output, WarPLS 8.0 (2026)

The Effect of Work Flexibility on Work-Life Balance.

The outcomes of the hypothesis test for the flexibility variable on work-life balance showed a positive or significant result. This is evident from the p-value

The Effect of Work Flexibility on the Performance.....



of  $<0.001$ . This result is considered significant because it meets the criteria ( $<0.05$ ). Therefore, the hypothesis stating that flexibility has a positive or significant consequences for work-life balance is accepted. (H1 is accepted).

#### **The Effect of Work-Life Balance on Employee Performance.**

The outcomes of the examination of hypothesis regarding the work-life balance factor on employee performance displayed a favorable or meaningful outcome. This is apparent from the p-value of  $<0.001$ . This is evident from the p-value of  $<0.001$ . This result is considered significant because it meets the criteria ( $<0.05$ ). Therefore, the hypothesis claiming that work-life balance has a beneficial or meaningful affecting employee performance is accepted. (H2 is accepted).

#### **The Effect of Flexibility on Employee Performance.**

The outcomes of the hypothesis examination involving the flexibility factor on employee performance exhibited a favorable and meaningful finding. This is manifest from the p-value of  $<0.001$ . This outcome is regarded vital because it fulfills the standard ( $<0.05$ ). Thus, the hypothesis asserting that flexibility has a positive or significant consequences for employee performance is accepted (H3 is accepted).

#### **The Effect of Work Flexibility Mediated by Work-Life Balance on Employee Performance.**

The examination of how work flexibility contributes to employee performance, as bridged by work-life balance, obtained a p-value of  $<0.001$ . This result indicates significance because it meets the significance criteria ( $<0.05$ ). Hypothesis testing of work flexibility in employee performance via work-life balance as a mediator showed a coefficient value of 1.388 with a favorable orientation. Based on the trial outcomes, the hypothesis claiming that work-life balance can bolster the consequences of work flexibility in employee performance is accepted (H4 is accepted).

## **CONCLUSIONS**

1. Work flexibility scored well on the conceptual level, indicating that female workers in the MSME sector in Pontianak City perceive their work flexibility to be in good condition. This is manifest from the findings of the hypothesis test, which asserts that work flexibility has a beneficial and meaningful impact on work-life balance. The hypothesis test for the work flexibility variable in work-life balance showed a coefficient value of 0.644 with a positive direction. It can be concluded that if female workers in the MSME



- sector in Pontianak City have good work-life flexibility, it can improve their work-life balance.
2. Work-life balance scored well on the conceptual level, indicating that female workers in the MSME sector in Pontianak City perceive their work-life balance to be in good condition. This is manifest from the findings of the hypothesis test, which asserts that work-life balance has a beneficial and meaningful consequences for employee performance. The hypothesis test for the work-life balance factor on employee performance displayed a coefficient value of 0.711 with a favorable orientation. It is inferable that a superior work-life balance among female workers in the MSME sector in Pontianak City can improve their performance.
  3. Work flexibility scored well conceptually, indicating that female workers in the MSME sector in Pontianak City perceive their work flexibility to be good. This is manifest from the findings of the hypothesis test, which exhibited that work flexibility has a beneficial and meaningful impact in employee performance. Hypothesis testing of the work flexibility factor in employee performance displayed a coefficient value of 0.744, with a favorable trend. It is inferable that a superior work flexibility among female workers in the MSME sector in Pontianak City can improve their performance.
  4. The consequences of work flexibility on employee performance, as channeled by work-life balance, produced a p-value of  $<0.001$ . This result indicates significant results because it meets the significance criteria ( $<0.05$ ). Hypothesis testing of the work flexibility variables on employee performance via work-life unity as a establishes variable showed a coefficient value of 1.388, with a positive trend. Referring on the test findings obtained, the hypothesis that work-life balance can mediate the consequences of work flexibility in employee performance is supported.
  5. Referring on the coefficient of determination signifies that the consequences of work flexibility and work-life balance in employee performance is 59.5%, whilst the rest of them 40.5% is attributed to different factors not examined here.

### **Suggestions**

Referring on the research outcomes, the authors provide the following recommendations:

1. Recommendations for Institutions



- a. In terms of work flexibility, implementing flexible work practices on MSMEs in Pontianak has significant potential to increase productivity and loyalty among female employees. Considering the dual roles often played by women as professionals and homemakers, the right approach can reduce burnout and absenteeism.
- b. Regarding work-life balance, the investigators also propose that attaining a stable work-life balance is more than just personal well-being for female employees in Pontianak's MSME sector, but also a strategic investment for business owners. In a city with strong social characteristics like Pontianak, supporting women's dual roles can have a direct impact on business operational stability.
- c. In terms of employee performance, the researchers also recommend that improving the performance of female employees in MSMEs in Pontianak must consider both technical competency and an inclusive work environment. At the MSME level, performance improvement is often more effective when implemented through a personalized and practical approach.

## 2. Recommendations for Future Researchers

It is recommended that future researchers use this study as a reference for subsequent investigations. Several other factors influence the performance of female employees in the MSME sector in Pontianak City. Therefore, future researchers can develop variables and other factors that can improve employee performance targets, particularly for female workers in the MSME sector.

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