



RESEARCH ARTICLE

The Effect of Work-Life Balance and Workload on Employee Performance through Work Engagement

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Abstract

Human resources play a strategic role in determining organizational success, particularly in maintaining employee performance amid increasing job demands and business competition. This study aims to analyze the effect of work-life balance and workload on employee performance through work engagement as a mediating variable at PT Panca Mitra Multiperdana Tbk, Surabaya. This study uses a quantitative approach with an explanatory causal research design. Data were collected from 100 employees selected through purposive sampling and analyzed using Structural Equation Modeling with Partial Least Squares (SEM-PLS). The results show that work-life balance and workload have a positive and significant effect on work engagement. Work engagement also has a positive and significant effect on employee performance. However, work-life balance and workload do not have a significant direct effect on employee performance. In addition, work engagement fully mediates the relationship between work-life balance and employee performance, as well as the relationship between workload and employee performance. The coefficient of determination (R^2) indicates that the research model explains 77.1% of the variation in employee performance, which reflects strong predictive ability. The findings show that employee performance is more strongly influenced by work engagement than by work-life balance and workload directly. Therefore, organizations need to prioritize strategies that enhance work engagement by creating a proper work-life balance and managing workload effectively to improve employee performance.

Keywords

Work-Life Balance; Workload; Work Engagement; Employee Performance.

1 | INTRODUCTION

Human resources shape how a company responds to competition, market pressure, and internal change. In private firms, employees do more than complete assigned tasks; they affect productivity, service quality, innovation, and the firm's ability to retain customers. For that reason, management cannot treat employee performance as a routine administrative issue. It must examine the work conditions, leadership practices, and organizational policies that influence how employees perform. When these factors are managed poorly, performance may decline and weaken business stability. When managed properly, employee performance can support growth, strengthen competitiveness, and help the firm survive in a changing business environment.

The phenomenon of employee performance problems can be clearly observed at PT Panca Mitra Multiperdana Tbk (PMMP), a private company engaged in frozen shrimp processing and export, headquartered in Surabaya. In the first half of 2024, PMMP recorded a net loss of US\$12.84 million, or approximately Rp210.23 billion, due to a decline in sales, which decreased by 40.18% to US\$59.9 million compared to the same period in the previous year. This pressure was triggered by the United States anti-dumping tariff policy on Indonesian shrimp exports, which directly affected the decline in the company's production capacity. This condition caused delays in salary payments to several employees due to the decline in the company's operating income over several months. Since 2024, the company has terminated 37 staff members and 79 daily workers due to the decline in production capacity, in addition to 82 staff members who resigned.

Severe operational pressures have reshaped labor dynamics at PMMP. Workforce reductions have forced remaining employees to handle broader responsibilities, higher task intensity, and tighter production targets. This shift can increase fatigue, reduce recovery time, and weaken employees' ability to balance work demands with personal life. At the same time, uncertainty over the company's financial condition may affect trust, morale, and emotional attachment to the organization. These conditions show that employee performance cannot be assessed only through output targets or attendance records. PMMP offers a clear case for examining how work-life balance, workload, and work engagement interact in shaping employee performance under real organizational pressure.

Work-life balance (WLB) remains a major concern in human resource management because it reflects how employees manage job demands, family roles, personal needs, and recovery time. In private companies, poor balance can create fatigue, stress, and declining commitment, especially when employees face tight deadlines or unstable work schedules. Previous studies show that work-life balance can improve employee performance, although its effect may differ across industries, job types, workload levels, and employee characteristics (Ulhaq & Suratman, 2025). Employees who maintain a healthy balance tend to work with stronger focus, higher motivation, and better emotional stability. This condition allows them to complete tasks more effectively, respond better to work pressure, and sustain productivity over time.

On the other hand, workload is also a variable that cannot be ignored in the dynamics of modern organizations. Workload is one of the most important factors influencing work-life balance, where longer working hours beyond normal limits indicate excessive workload (Gisela & Sumaryono, 2024). Work imbalance can lead to work stress and decreased motivation, which ultimately has a negative impact on employee performance. In addition, a workload that is not balanced with individual capacity can cause fatigue and reduce overall employee effectiveness (Imamah *et al.*, 2025). Soelistyawati and Mujanah (2023) also found that high workload without adequate work-life balance negatively affects employee well-being and productivity in private companies.

However, the effect of work-life balance and workload on performance does not occur only through a direct relationship. A psychological factor plays an important role as a bridge in this relationship, namely work engagement. Work engagement is defined as a positive, fulfilling, and work-related mental state characterized by vigor, dedication, and absorption (Wijaya & Soeharto, 2021). Employees with high work engagement tend to show greater contribution and stronger resilience in dealing with job pressures. Research shows a significant positive effect between work-life balance and work engagement, where work-life balance has been proven to meaningfully predict employee work engagement (Wijaya & Soeharto, 2021). Aprilia *et al.* (2025) also found that work engagement has a positive and significant effect on employee performance, indicating that employees who are highly engaged in their work tend to produce more optimal performance.

Although many studies have examined these variables separately, studies that specifically integrate work-life balance and workload as predictors of employee performance with work engagement as an intervening variable remain limited, particularly at PT Panca Mitra Multiperdana Tbk as a private manufacturing company in Surabaya. Several previous studies have explored the role of work engagement as an intervening variable in various contexts, but few have simultaneously integrated it with work-life balance and workload variables (Pashiera & Budiono, 2023). This condition creates a relevant research gap that requires further investigation.

Based on the explanation above, this study specifically aims to: (1) analyze the effect of work-life balance on the work engagement of PMMP employees; (2) analyze the effect of workload on the work engagement of PMMP employees; (3) analyze the effect of work-life balance and workload on the performance of PMMP employees; and (4) analyze the role of work engagement as an intervening variable in the relationship between work-life balance and workload on

employee performance at PT Panca Mitra Multiperdana Tbk in Surabaya.

2 | BACKGROUND THEORY

In this study, the theoretical review serves as the conceptual basis for explaining the relationship among the variables examined, namely work-life balance, workload, work engagement, and employee performance. Each variable is explained briefly based on relevant theories and supported by indicators used in previous studies. The selection of these variables is based on their role in influencing employee performance, both directly and indirectly through work engagement as an intervening variable. This theoretical review is expected to provide a systematic understanding of the concepts, dimensions, and relationships among the variables in this study.

2.1 Employee Performance

Employee performance is an essential factor that determines organizational success because it directly affects productivity and competitiveness. For this reason, organizations need to understand the factors that influence employee performance so that human resource potential can be optimized. In this study, employee performance is influenced by work-life balance, workload, and work engagement. According to Imamah et al. (2025), employee performance reflects an individual's ability to complete tasks and fulfill responsibilities in order to achieve organizational goals. Campbell's theory, as cited in Dewi (2023), states that performance should not only be assessed from final outcomes but also from work processes and behaviors carried out in completing tasks. In addition, performance plays a vital role in organizations because it relates to goal achievement, customer satisfaction, and productivity. Several studies also show that work-life balance and workload have a significant effect on employee performance. Based on these views, employee performance can be understood as the outcomes and work processes that reflect an individual's ability to complete tasks in order to achieve organizational goals. Performance is not only measured by output but also by work behavior and work processes. It also plays a key role in determining productivity, competitiveness, and customer satisfaction.

Previous studies show that employee performance is influenced by various factors, both external and internal to employees. Nur et al. (2025) found that work-life balance affects employee performance through work engagement as a mediator. This finding indicates that performance is not determined solely by working conditions but also by employees' psychological condition. In line with this finding, Aprilia et al. (2025) also found that work engagement is one of the main factors that directly and positively affects employee performance in a significant way. To measure this variable more clearly, several indicators are needed to describe employee performance in more detail. The indicators of employee performance are as follows (Lestari & Yucha, 2025).

- 1) Accuracy in work
- 2) Achievement of work targets
- 3) Utilization of working time

2.2 Work-Life Balance

In the modern work era, increasingly complex job demands often make it difficult for individuals to divide their time between work and personal life. This condition makes work-life balance increasingly necessary in organizations. According to Maslichah and Hidayat, as cited in Irwandi and Sanjaya (2022), work-life balance refers to an individual's ability to balance work demands and personal life so that both can run harmoniously. According to Hasibuan, as cited in Rainy et al. (2025), this balance is not only related to time allocation but also includes roles, involvement, and satisfaction in both areas of life. Work-life balance matters because it can help employees avoid stress and fatigue while improving well-being and performance (Karimah *et al.*, 2025). The relationship between work-life balance and other variables in this study has been proven by several previous studies. Wijaya and Soeharto (2021) found that work-life balance has a positive and significant effect on work engagement. This means that employees who are able to balance their work and personal lives tend to have stronger engagement with their work. Furthermore, Nur et al. (2025) proved that work-life balance affects employee performance through work engagement as a mediator. This means that the effect of work-life balance on performance is indirect and requires work engagement as a psychological bridge.

Based on these views, good implementation of work-life balance can support optimal employee performance and help organizations achieve their goals. To measure this variable more clearly, several indicators are used to explain work-life balance in more detail. The indicators of work-life balance are as follows (Lestari & Yucha, 2025):

- 1) Balance between working time and personal life
- 2) Commitment in carrying out work
- 3) Satisfaction with work and personal life

2.3 Workload

Every employee has tasks that must be completed within a certain period. The number of tasks and their level of difficulty are referred to as workload. According to Minister of Home Affairs Regulation No. 12 of 2008, workload refers to the number of tasks and responsibilities that employees must complete within a certain period according to organizational standards. Workload includes work volume, level of difficulty, and completion time, all of which must be adjusted to employees' abilities. An imbalanced workload can cause stress, fatigue, and declining performance (Partini, 2025). Meanwhile, according to Kasmir (2019), a proportional workload can improve productivity and work efficiency (Dewi, 2023). Based on these views, workload can be understood as the number of tasks or responsibilities that employees must complete within a certain period according to standards set by the organization. Proper workload management is necessary to support employee performance and organizational goal achievement. The relationship between workload and other variables in this study is supported by several previous studies. Karimah et al. (2025) found that workload has a significant relationship with employees' psychological condition, and work-life balance plays a mediating role in the relationship between workload and work stress. Meanwhile, Imamah et al. (2025) proved that workload has a significant effect on employee performance. Disproportionate workload management can reduce employee effectiveness and overall work productivity.

To measure this variable more clearly, several indicators are needed to describe workload in more detail. The indicators of workload are as follows (Supriatna *et al.*, 2025):

- 1) Amount of work or task volume
- 2) Time pressure or deadlines
- 3) Level of work difficulty

2.4 Work Engagement

Work engagement describes a positive condition in which employees feel enthusiastic, dedicated, and fully involved in their work. Work engagement is a positive psychological condition that reflects employees' level of enthusiasm, dedication, and full involvement in their work (Sari *et al.*, 2024). According to Najeemdeen *et al.*, employee engagement is a positive condition that makes employees feel involved, energetic, enthusiastic, committed, and focused at work. Meanwhile, according to Vorina *et al.*, employees with high engagement tend to be more enthusiastic, focused, and committed to giving their best effort for the organization (Fairnandha, 2021). Work engagement also plays a key role in improving performance and encouraging positive work behavior. In this study, work engagement functions as an intervening variable that connects the effect of work-life balance and workload on employee performance. The role of work engagement as an intervening variable has been proven by several previous studies. Rachman, Mujanah, and Susanti (2021) found that employee engagement has a positive and significant effect on employee performance. Employees who have strong engagement with their work tend to show better performance consistently. Pashiera and Budiono (2023) also proved that work engagement can act as a significant intervening variable in linking working conditions with employee performance. This finding strengthens the position of work engagement as a key psychological factor in this research model.

To measure this variable more clearly, several indicators are used to explain work engagement in more detail. The indicators of work engagement are as follows (Nafiza *et al.*, 2026).

- 1) Vigor
- 2) Dedication
- 3) Absorption

3 | METHOD

This study uses a quantitative approach with an explanatory research design. The aim is to explain the causal relationship among work-life balance, workload, work engagement, and employee performance. The study was conducted at PT Panca Mitra Multiperdana Tbk Surabaya, a private company engaged in fishery product processing and export. The population of this study consists of all active employees of PT Panca Mitra Multiperdana Tbk. Since the population is relatively large and not all members can be reached, this study uses purposive sampling. This sampling technique selects respondents based on specific criteria that fit the research objectives. The respondent criteria are as follows: (1) active employees of PT Panca Mitra Multiperdana Tbk, (2) employees with at least six months of work experience so that they have understood the company's work conditions and environment, and (3) employees who are directly involved in the company's operational activities. The sample size was set at 100 respondents. This number meets the minimum requirement for SEM-PLS analysis, which recommends a sample size of at least 5 to 10 times the number of research indicators.

This study uses primary data obtained directly from respondents through questionnaires. The research instrument was developed based on indicators adapted from relevant previous studies. The work-life balance

variable is measured using indicators of time balance, involvement balance, and satisfaction balance. The workload variable is measured through indicators of work targets, working conditions, use of working time, and work standards. The work engagement variable is measured based on the dimensions of vigor, dedication, and absorption. Meanwhile, employee performance is measured through indicators of work quality, work quantity, timeliness, effectiveness, and work responsibility.

The measurement scale used in this study is a five-point Likert scale. A score of 1 indicates strongly disagree, 2 indicates disagree, 3 indicates neutral, 4 indicates agree, and 5 indicates strongly agree. This scale is used to measure respondents' perceptions of each statement in the questionnaire. Data analysis was carried out using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) with the assistance of SmartPLS software. SEM-PLS was selected because it can test complex relationships among variables, analyze models with intervening variables, and does not require normally distributed data. The analysis stages include: (1) outer model testing to evaluate convergent validity, discriminant validity, and construct reliability; (2) inner model testing to assess the coefficient of determination (R^2) and the direct effects among variables; and (3) mediation effect testing, or indirect effect testing, to determine the role of work engagement in mediating the effect of work-life balance and workload on employee performance. Hypothesis testing was conducted using the bootstrapping method with a significance level of 5 percent. A hypothesis is accepted when the t-statistic value is greater than 1.96 and the p-value is less than 0.05.

4 | RESULTS AND DISCUSSION

4.1 Results

4.1.1 Convergent Validity

The outer loading test is used to assess how strongly each indicator represents the construct or latent variable being measured. An indicator is considered valid when its outer loading value is above 0.70, as this value indicates a strong relationship between the indicator and the construct. However, in model development research, indicators with values between 0.60 and 0.70 may still be retained if the AVE and Composite Reliability values meet the required standards. The decision to retain an indicator should be based on theoretical reasoning and the overall quality of the model, not merely on statistical thresholds.

Table 1. Results of the Outer Loading Test

Variable	Indicator	Outer Loading
Work-Life Balance	X1_1	0.790
Work-Life Balance	X1_2	0.757
Work-Life Balance	X1_3	0.839
Work-Life Balance	X1_4	0.881
Workload	X2_1	0.923
Workload	X2_2	0.733
Workload	X2_3	0.890
Workload	X2_4	0.692
Employee Performance	Y1	0.907
Employee Performance	Y2	0.802
Employee Performance	Y3	0.847
Employee Performance	Y4	0.643
Work Engagement	Z1	0.672
Work Engagement	Z2	0.828
Work Engagement	Z3	0.744
Work Engagement	Z4	0.843

Based on the outer loading test results, most indicators for the variables of Work-Life Balance, Workload, Employee Performance, and Work Engagement have values above 0.70, indicating that they meet the criteria for convergent validity. Although several indicators, namely X2_4 (0.692), Y4 (0.643), and Z1 (0.672), have values within the range of 0.60 to 0.70, these indicators can still be retained because they remain within the acceptable tolerance range and are supported by AVE and Composite Reliability values that meet the required criteria. Therefore, all indicators in this study are declared valid, capable of representing their measured constructs, and suitable for further analysis in the structural model, or inner model.

4.1.2 Average Variance Extracted (AVE)

The Average Variance Extracted (AVE) test is used to assess convergent validity, namely the ability of indicators to explain the latent variable being measured. A construct is considered to meet convergent validity when it has an AVE value greater than 0.50. This value indicates that the construct is able to explain more than 50% of the variance of its indicators.

Table 2. Results of the Average Variance Extracted (AVE) Test

Variable	Average Variance Extracted (AVE)
Work-Life Balance	0.669
Workload	0.665
Employee Performance	0.649
Work Engagement	0.600

Based on the Average Variance Extracted (AVE) test results, all research variables, namely Work-Life Balance, Workload, Employee Performance, and Work Engagement, have AVE values above 0.50. This means that all variables meet the criteria for convergent validity. These results indicate that the indicators of each variable are able to explain the construct being measured properly. Therefore, all constructs in this study are declared valid and suitable for further analysis in the structural model, or inner model.

4.1.3 Discriminant Validity

The discriminant validity test using the Heterotrait-Monotrait Ratio (HTMT) method aims to measure the extent to which one construct differs from other constructs in the research model. A construct is considered to meet discriminant validity when the HTMT value is less than 0.90. Some literature uses a stricter threshold of less than 0.85; however, values below 0.90 are generally still acceptable.

Table 3. Results of the Discriminant Validity Test

Path	HTMT (Heterotrait-Monotrait Ratio)
Employee Performance → Workload	0.238
Work Engagement → Workload	0.192
Work Engagement → Employee Performance	0.703
Work-Life Balance → Workload	0.318
Work-Life Balance → Employee Performance	0.553
Work-Life Balance → Work Engagement	0.660

Based on the HTMT test results, the relationship between Employee Performance and Workload obtained a value of 0.238. This value is below the maximum threshold of 0.90, indicating that the two variables have a clear level of distinction and meet the criteria for discriminant validity. Based on the Heterotrait-Monotrait Ratio (HTMT) test results, all pairs of research variables, namely Work-Life Balance, Workload, Work Engagement, and Employee Performance, have HTMT values below 0.90. Therefore, all variables meet the criteria for discriminant validity. These results indicate that each construct in this study can be clearly distinguished from the others, and there is no overlap among the variables. Therefore, all constructs have good discriminant validity and are suitable for further analysis in the structural model, or inner model.

4.1.4 Reliability Test

The reliability test was conducted to measure the internal consistency of the indicators in explaining the latent variables examined in this study. This test aims to ensure that the indicators used have an acceptable level of reliability. In this study, reliability was assessed using Cronbach's Alpha and Composite Reliability values.

Table 4. Results of the Reliability Test

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)
Work-Life Balance	0.839	0.875	0.890
Workload	0.870	1.038	0.887
Employee Performance	0.820	0.856	0.879
Work Engagement	0.775	0.768	0.856

Based on the reliability test results, all research variables, namely Work-Life Balance, Workload, Employee Performance, and Work Engagement, have Cronbach's Alpha, Composite Reliability (rho_a), and Composite Reliability (rho_c) values above the minimum threshold of 0.70. Therefore, all variables meet the reliability criteria. Although the

rho_a value for the Workload variable slightly exceeds 1.00, with a value of 1.038, this condition may occur in PLS estimation due to very high correlations among indicators. Since the Cronbach's Alpha value of 0.870 and the Composite Reliability (rho_c) value of 0.887 meet the reliability criteria, the Workload construct can still be considered reliable. These results indicate that all indicators in each variable have good internal consistency, measure their constructs consistently, and are reliable. Therefore, all constructs in this study are suitable for further analysis in the structural model, or inner model.

4.1.5 Inner Model (Structural Model)

The inner model test assesses the structural relationships among variables by examining the coefficient of determination, or R-square. This value indicates how far exogenous variables can explain changes in endogenous variables within the research model. A higher R-square value shows stronger predictive ability, while a lower value suggests that other factors outside the model may also influence the dependent variable. Therefore, the R-square test provides a basis for evaluating the explanatory strength of the structural model before further hypothesis testing.

Table 5. Results of the R-Square Test

Variable	R-Square	Adjusted R-Square
Employee Performance	0.771	0.764
Work Engagement	0.511	0.501

Based on Table 5, the R-square value for Employee Performance is 0.771. This means that work-life balance, workload, and work engagement explain 77.1% of the variation in employee performance, while the remaining 22.9% is explained by other variables outside the research model. Meanwhile, the R-square value for Work Engagement is 0.511, indicating that work-life balance and workload explain 51.1% of the variation in work engagement, while the remaining 48.9% is explained by other variables outside the model. Referring to the criteria of Hair et al. (2019), the R-square value of 0.771 is categorized as substantial, while the value of 0.511 is categorized as moderate. Therefore, this research model has good predictive ability.

4.1.6 Hypothesis Testing (Path Coefficient)

Hypothesis testing was conducted using the bootstrapping method by examining the path coefficient, T-statistic, and p-value. A hypothesis is accepted when the T-statistic value is greater than 1.96 and the p-value is less than 0.05. The results of hypothesis testing are presented in Table 6.

Table 6. Results of Hypothesis Testing (Direct Effect)

Hypothesis	Path	Original Sample	T-Statistic	P-Value	Result
H1	Work-Life Balance → Work Engagement	0.650	6.685	0.000	Accepted
H2	Workload → Work Engagement	0.221	3.339	0.001	Accepted
H3	Work-Life Balance → Employee Performance	0.154	1.532	0.126	Rejected
H4	Workload → Employee Performance	0.104	1.899	0.058	Rejected
H5	Work Engagement → Employee Performance	0.730	7.279	0.000	Accepted

H1: Work-Life Balance has a positive and significant effect on Work Engagement. The test results show a path coefficient of 0.650, with a T-statistic value of 6.685 > 1.96 and a p-value of 0.000 < 0.05. Therefore, H1 is accepted. This means that the better the work-life balance perceived by employees of PT Panca Mitra Multiperdana, the higher their level of work engagement. This result is in line with the study by Wijaya and Soeharto (2021), which found that work-life balance has a positive and significant effect on employee work engagement.

H2: Workload has a positive and significant effect on Work Engagement. The test results show a path coefficient of 0.221, with a T-statistic value of 3.339 > 1.96 and a p-value of 0.001 < 0.05. Therefore, H2 is accepted. This result indicates that the workload perceived by employees of PT Panca Mitra Multiperdana has a positive effect on work engagement. This finding can be interpreted to mean that a properly managed workload may encourage employees to become more involved and motivated in completing their work. This result is consistent with the study by Karimah et al. (2025), which stated that workload has a significant relationship with employees' psychological conditions at work.

H3: Work-Life Balance has a positive and significant effect on Employee Performance. The test results show a path coefficient of 0.154, with a T-statistic value of 1.532 < 1.96 and a p-value of 0.126 > 0.05. Therefore, H3 is rejected. This means that work-life balance does not have a significant direct effect on employee performance at PT Panca Mitra Multiperdana. This result indicates that the effect of work-life balance on employee performance is not direct but requires work engagement as a mediating variable. This finding is in line with the study by Pashiera and Budiono (2023), which stated that the effect of working conditions on employee performance is more strongly mediated by psychological factors such as work engagement.

H4: Workload does not have a significant direct effect on Employee Performance. The test results show a path coefficient of 0.104, with a T-statistic value of $1.899 < 1.96$ and a p-value of $0.058 > 0.05$. Therefore, H4 is rejected. This means that workload does not have a significant direct effect on employee performance at PT Panca Mitra Multiperdana. This result suggests that the effect of workload on employee performance is more likely to occur indirectly through work engagement as a mediating variable. This finding is consistent with the study by Imamah et al. (2024), which stated that the impact of workload on employee performance is strongly influenced by employees' psychological conditions.

H5: Work Engagement has a positive and significant effect on Employee Performance. The test results show a path coefficient of 0.730, with a T-statistic value of $7.279 > 1.96$ and a p-value of $0.000 < 0.05$. Therefore, H5 is accepted. This means that the higher the level of work engagement among employees of PT Panca Mitra Multiperdana, the higher the employee performance produced. This result supports the findings of Aprilia, Mujanah, and Fianto (2025), as well as Rachman, Mujanah, and Susanti (2021), who found that work engagement has a positive and significant effect on employee performance.

4.1.7 Mediation Test (Specific Indirect Effects)

The mediating role of work engagement was tested by examining the specific indirect effects using the bootstrapping method. The results of the mediation test are presented in Table 7.

Table 7. Results of the Mediation Test (Indirect Effect)

Hypothesis	Path	Original Sample	T-Statistic	P-Value	Result
H6	Work-Life Balance → Work Engagement → Employee Performance	0.475	5.879	0.000	Accepted
H7	Workload → Work Engagement → Employee Performance	0.161	3.298	0.001	Accepted

H6: Work Engagement mediates the effect of Work-Life Balance on Employee Performance. The test results show an indirect path coefficient of 0.475, with a T-statistic value of $5.879 > 1.96$ and a p-value of $0.000 < 0.05$. Therefore, H6 is accepted. Referring to the non-significant result of H3 and the significant result of H6, work engagement acts as a full mediating variable in the relationship between work-life balance and employee performance. This means that work-life balance can effectively improve employee performance at PT Panca Mitra Multiperdana only when it first increases employee work engagement. This result is in line with the study by Pashiera and Budiono (2023), which found that work engagement plays a significant role as an intervening variable.

H7: Work Engagement mediates the effect of Workload on Employee Performance. The test results show an indirect path coefficient of 0.161, with a T-statistic value of $3.298 > 1.96$ and a p-value of $0.001 < 0.05$. Therefore, H7 is accepted. Referring to the non-significant result of H4 and the significant result of H7, work engagement acts as a full mediating variable in the relationship between workload and employee performance. This indicates that the workload perceived by employees of PT Panca Mitra Multiperdana can affect performance only when it is first mediated by work engagement. This finding strengthens the role of work engagement as a psychological factor that determines how working conditions affect employee performance.

4.2 Discussion

The results of this study show that work-life balance has a positive and significant effect on work engagement. This finding indicates that employees who can balance their work life and personal life tend to have higher levels of enthusiasm, dedication, and involvement in their work. This result is in line with the studies of Wijaya and Soeharto (2021) and Maulidiah et al. (2025), which found that work-life balance is an important factor in improving employee work engagement. This study also found that workload has a positive and significant effect on work engagement. This finding shows that a manageable workload can serve as a challenge that encourages employees to be more focused and involved in their work. This result supports the Job Demands-Resources (JD-R) theory, which explains that certain job demands can increase motivation and work engagement when employees receive adequate resources. Furthermore, work-life balance does not have a direct effect on employee performance. This result indicates that work-life balance does not automatically improve performance but must first increase employee work engagement. This finding is consistent with the study by Pashiera and Budiono (2023), which stated that the effect of working conditions on performance occurs more often through psychological factors such as work engagement.

The results also show that workload does not have a direct effect on employee performance. This finding indicates that the level of workload is not the only factor that determines performance. Employees can still maintain good performance when they have strong motivation and work engagement. Therefore, the effect of workload on performance occurs more through work engagement. This study proves that work engagement has a positive and significant effect on employee performance. This means that the higher the employees' enthusiasm, dedication, and involvement in their work,

the higher the performance they produce. This result is consistent with the study by Aprilia et al. (2025), which found that work engagement is one of the main factors influencing employee performance.

The main finding of this study is that work engagement fully mediates the effect of work-life balance and workload on employee performance. This result shows that work-life balance and workload cannot improve performance directly but must first increase work engagement. This finding is in line with Nur et al. (2025), who found that work engagement acts as a mechanism that connects work-life balance and employee performance. However, the results of this study differ from Alnagbi et al. (2025), who found that work-life balance mediates the relationship between work engagement and performance. This difference indicates that the relationship among work-life balance, work engagement, and performance may vary across organizations and industry characteristics. At PT Panca Mitra Multiperdana Tbk, work engagement is proven to be the main factor that connects working conditions with employee performance.

This study confirms that work engagement is a key factor in improving employee performance. Therefore, the company needs to create a proper work-life balance and manage workload effectively in order to increase work engagement and ultimately improve employee performance.

5 | CONCLUSIONS AND FUTURE WORK

This study analyzed the effect of work-life balance and workload on employee performance through work engagement at PT Panca Mitra Multiperdana Tbk Surabaya. The SEM-PLS results show that work-life balance and workload have a positive and significant effect on work engagement. Work engagement also has a positive and significant effect on employee performance. However, work-life balance and workload do not have a significant direct effect on employee performance. The mediation test proves that work engagement acts as a full mediator in the relationship between work-life balance and employee performance, as well as between workload and employee performance. This finding indicates that employee performance does not increase directly through work-life balance or workload, but through stronger employee engagement. The R-square value of 0.771 shows that the model has strong predictive ability in explaining variations in employee performance. Practically, the company needs to strengthen work-life balance policies through more reasonable working hours, adequate leave, and concrete employee welfare programs. Management also needs to evaluate workload distribution regularly so that tasks match employee capacity and competence. In addition, the company should improve work engagement through career development, performance rewards, clear communication, and a supportive work environment. These efforts are necessary because unmanaged work pressure can weaken motivation and reduce work quality. This study has limitations because it was conducted in only one company, used cross-sectional data, and involved 100 respondents. Future studies should examine several companies, apply a longitudinal design, and add variables such as job satisfaction, organizational commitment, or leadership style.

ACKNOWLEDGEMENTS

The author expresses praise and gratitude to Allah SWT for His blessings, grace, and guidance, which enabled the completion of this research entitled "The Effect of Work-Life Balance and Workload on Employee Performance with Work Engagement as an Intervening Variable at PT Panca Mitra Multiperdana Tbk." The author also extends sincere appreciation and gratitude to all parties who contributed to the completion of this research. Special thanks are addressed to the academic supervisor for the guidance, support, suggestions, and valuable input provided throughout the research process. The author also expresses gratitude to PT Panca Mitra Multiperdana Tbk for providing the opportunity, support, and access needed to conduct this research. In addition, the author would like to thank all respondents who participated and provided valuable information for this research. Appreciation is also extended to family, friends, and colleagues for their support, motivation, and encouragement during the preparation of this research. Finally, the author hopes that this research can contribute to the development of human resource management studies and provide practical benefits for organizations in improving employee performance through work engagement.

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How to cite this article: Tangpen, L. L., Putriani, A. A. Y., Suparta, I. M. S., & Ardiana, I. D. K. R. (2026). The Effect of Work-Life Balance and Workload on Employee Performance through Work Engagement. *Indonesian Journal Economic Review (IJER)*, 6(2), 795–805. <https://doi.org/10.59431/ijer.v6i2.836>.