

The Role of Employee Engagement as Mediation on the Effect of Work Life Balance and Organizational Climate on Employee Performance at PT. Anugerah Agung Alami Bali



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ABSTRACT: The success of a company cannot be separated from the good performance of an employee. Goal Setting Theory by Locke and Latham assumes that there is a relationship between goals and a person's performance in the work they are given. There are many factors that can influence employee performance in a company. Work life balance, organizational climate, Employee Engagement have a positive and significant effect on employee performance at PT. Anugerah Agung Alami Bali, explains that there is a unidirectional and meaningful influence, where Work life balance, Organizational Climate, Employee Engagement increases will tend to be followed by an increase in employee performance. This research aims to analyze and explain the direct influence between Work life balance, Climate Organization and employee performance as well as the indirect influence of work life balance, organizational climate on employee performance through the mediation of Employee Engagement. This research is explanatory research using quantitative research methods, carried out at PT Anugerah Agung Alami Bali with total sampling, where the number of samples studied was 85 people. The analysis tools used are SPSS and Smart-PLS. The results of this research are that work life balance can have a positive and significant influence on employee engagement, organizational climate has a significant positive influence on employee engagement, work life balance has a significant positive influence on employee performance, organizational climate has a significant positive influence on employee performance, Employee Engagement has a positive and significant effect on employee performance. Apart from the direct influence, it was also found that indirect influence in the form of Employee Engagement could partially mediate the influence of Work Life Balance on employee performance and Employee Engagement also succeeded in partially mediating Organizational Climate on employee performance. The conclusion of this research is that hypotheses 1 to 7 are accepted. In this research, the factors that have the greatest impact on improving employee performance at PT are also known. Anugerah Agung Alami Bali, so that management can optimize these factors to improve employee performance.

KEYWORDS: Work life balance, Organizational Climate, Employee Engagement, Employee Performance

I. INTRODUCTION

Performance is a result of work achieved by a person in carrying out a task based on quality, quantity, and work time (Sutrisno, 2016). Performance appraisal in a corporate organization is very important by the success of competencies owned based on employee work results. High focus can increase employee performance productivity. The emergence of low employee performance can cause a company or organization to experience losses which can then damage the quality of a company (Paais, 2018). Problems that occur with employee performance, companies need a role in management with the existence of Human Resources (HR) management to be able to maintain and improve better performance.

The role of human resource management makes a form of responsibility in the company for the management of human resources from various factors to employee performance (Salmah, 2015). The main factors in performance include managing work stress. The relationship between employee performance and work stress is an important thing that requires attention to human resource management. Performance must be effectively maintained to ensure that all employees work at their potential and stress is low (Vanishree Beloor, 2017). Well-managed work stress can improve employees in achieving optimal performance (Hanim, 2016). The impact of high job stress can hinder a person's ability to deal with achieving expected performance and will

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harm the organization. Employees need to consider aspects of work stress that affect employee performance to be able to carry out their main duties and functions properly.

Employee engagement can be improved through analyzing the factors that can influence it by paying attention to the needs of employees, which includes the formation of work-life balance. Therefore, companies must pay more attention to work-life balance to increase employee engagement. Work-life balance is an individual's ability to balance the components of time, energy and pressure in the domain of the work environment and personal life. The term work-life balance refers to individuals who spend sufficient time at their jobs while also spending sufficient time on other activities, such as family, hobbies and community involvement (Smith, 2010). Work-life balance is defined by Fisher and Bulger (2009) as the competing time and energy individuals use to fulfill different roles in their lives. Fisher said that work-life balance is a work stressor that includes four important components, namely first is time, second is behavior, then tension and energy.

Organizational climate can be one of the triggers for feelings of disappointment with the organization if the existing organizational climate is felt to be unpleasant. An unpleasant organizational climate allows employee engagement to be less good, so that employees become less engaged with their work (in Fany, 2016). Organizational climate is an important variable to research. This is because the organizational climate can affect employee behavior. This behavior will be positive if the organizational climate is created well, such as employees becoming enthusiastic at work, contributing ideas and innovations to the company, and good relationships with other people who are in the same workplace environment. But on the contrary, if the organizational climate is not conducive, it will create unwanted work behavior, such as job dissatisfaction (Ansye, 2016).

The higher the organizational climate in the company, the higher the employee engagement. According to Gallup (2017) defines employee engagement as employees who are engaged, enthusiastic and committed to their work and workplace. The goal of employee engagement is improved business results, in addition to higher levels of employee happiness and satisfaction. Engaged employees feel a stronger bond with the vision and mission of the organization. They build stronger relationships with customers, helping their companies increase sales and profits. Employee engagement is needed by every organization, both private and public sector, so that each employee is able to optimize their abilities and roles at work, feel attached, and express themselves physically, cognitively, and emotionally during the execution of work. That way, companies that have engaged employees will get various benefits. These benefits can be seen through the theory from Marciano (in Hasanah & Budiani, 2019) which says that employee engagement has several advantages, namely increasing productivity, increasing profits, increasing efficiency, reducing turnover, reducing absenteeism, reducing fraud, increasing customer satisfaction, reducing work accidents and minimizing employee complaints. Therefore, employee engagement is very important to have, including at PT Anugerah Agung Alami (Wings Group) Bali.

The effect of employee engagement on employee performance is very important, because the sense of engagement that employees build with the company where they work is important. Their sense of belonging can also provide feedback to management and loyalty to the company. This deliberately built attachment always creates positive criticism on its employees (Surur, 2018).

II. LITERATURE REVIEW

A. Goal Setting Theory

Goal setting theory developed by Locke since 1968 has attracted interest in various organizational issues. According to this theory, individuals have several goals, choose goals, and are motivated to achieve them (Srimindarti, 2012). This theory assumes that the goals individuals have are the main factors that influence the choices they make. Research shows that the specificity and difficulty of goals affect the level of achievement achieved (Arsanti, 2009). More difficult and specific goals tend to result in higher achievement. One of the characteristics of goal setting is the level of difficulty of the goal, which is different will provide different motivation. Goals that are easy to achieve can reduce motivation, while goals that are more challenging but possible to achieve will encourage individuals to be creative and develop their abilities (Ginting and Ariani in Matana, 2017). More difficult goals require greater effort, attention, knowledge and skills than easy goals. Referring to Locke's model (Arsanti, 2009), goal setting theory motivates individuals through four mechanisms: directing attention to goal achievement, helping to organize effort, increasing perseverance, and setting strategies and planned actions. Thus, goal setting can improve individual performance and ultimately improve company performance. In this context, employee performance is assumed to be the goal, while work-life balance, organizational climate, and employee engagement are the determining factors that if implemented properly will achieve optimal employee performance. specificity and difficulty of goals affect the level of achievement achieved (Arsanti, 2009). More difficult and specific goals tend to result in higher achievement. One of the characteristics of goal setting is the level of difficulty of the goal, which is different will provide different motivation. Goals that are easy to achieve can reduce motivation, while goals

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that are more challenging but possible to achieve will encourage individuals to be creative and develop their abilities (Ginting and Ariani in Matana, 2017). More difficult goals require greater effort, attention, knowledge and skills than easy goals. Referring to Locke's model (Arsanti, 2009), goal setting theory motivates individuals through four mechanisms: directing attention to goal achievement, helping to organize effort, increasing perseverance, and setting strategies and planned actions. Thus, goal setting can improve individual performance and ultimately improve company performance. In this context, employee performance is assumed to be the goal, while work-life balance, organizational climate, and employee engagement are the determining factors that if implemented properly will achieve optimal employee performance.

B. Effect of Work Life Balance on Employee Engagement

According to Adame et al. and Chandra (Nwagbara, 2020), work-life balance is the ability of individuals to meet needs at work, maintain commitments in family life, and non-work responsibilities such as hobbies and studies. Fisher, Bulger, and Smith (2009) define work-life balance with four dimensions: 1) WPL (Work Interference With Personal Life) refers to the extent to which work interferes with personal life, and 2) PLIW (Personal Life Interference With Work) refers to the extent to which personal life interferes with work. According to Robbins & Judge (2017), employee engagement is the involvement, satisfaction, and enthusiasm of employees in their work. Employee engagement improves employees' performance, commitment, and motivation towards the company. Nadira's research (2019) shows a significant effect of work-life balance on employee engagement, where an increase in work-life balance increases employee enthusiasm, dedication, and concentration at work. Based on the above, the following research hypothesis can be made:

Hypothesis 1 (H1): Work Life Balance has a positive effect on Employee Engagement

C. Effect of Organizational Climate on Employee Engagement

According to Litwin and Stringer (in Shandy, 2017), organizational climate is a work environment condition that can affect individual behavior and company performance. Employees feel happy, valuable, and useful if the company climate is good and pleasant. Davis and Newstrom's research (in Wiratama, 2018) explains that organizational climate determines the extent to which individuals can survive in the organization. Brown & Leigh (in Wiratama, 2018) state that organizational climate is important for companies because it creates a comfortable and pleasant work environment for employees. Research by Shandy Aulia and Unika Prihatsanti showed a positive relationship between organizational climate and work engagement in members of SABHARA POLDA Central Java Semarang, with an effective contribution of twelve percent and eighty-eight percent influenced by other factors. Based on the above, the following research hypothesis can be made:

Hypothesis 2 (H2): Organizational Climate has a positive effect on Employee Engagement.

D. Effect of Work Life Balance on Employee Performance

Lingga (2020) states that the work-life balance variable has a significant partial effect on the employee performance variable. Dina (2018) proves that simultaneously work-life balance produces a significant effect on performance. According to Badrianto et al. (2021) and Arifin et al. (2022) work-life balance has a positive and significant effect on employee performance. However, Rahmawati et al. (2021) state that work-life balance produces a negative and insignificant effect on employee performance variables.

Based on the above, the following research hypothesis can be made:

Hypothesis 3 (H3): Work life balance has a positive effect on employee performance

E. Effect of Organizational Climate on Employee Performance

Organizational climate describes the characteristics of the organization (Aziz & Hussin, 2017). Keith Davis (1982: 104) in Setiawan (2016) explains that organizational climate is the human environment in which employees work. Like the air in a room, organizational climate affects everything that happens in the organization and vice versa. Organizational climate is considered a 'bridge' that connects management factors and employee behavior in realizing performance (Hardjana, 2013). Performance is the result of a process or work (Tucunan, Supartha, & Riana, 2014). According to Gorda (2006) in Tucunan et al. (2014), performance is the result of work contributed by employees related to their duties and responsibilities. Performance depends on the ability, effort, and opportunities it gets (Amawiyah, 2020). Karundeng's research (2013) shows that organizational climate has a significant influence on employee performance. Research by Maria Rini Kustrianingsih and Maria Magdalena Minarsih (2016) also shows that organizational climate has a positive and significant effect on employee performance. A poor organizational climate can hinder employees' work and reduce their enthusiasm (Pasaribu & Indrawati, 2016). Based on the above, the following research hypothesis can be made:

Hypothesis 4 (H4): Organizational Climate has a positive effect on Employee Performance.

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F. Effect of Employee Engagement on Employee Performance

Employee engagement is a concept that is believed to improve employee performance. Employee engagement includes physical (energy expended while working), cognitive (desire for the organization, leader, and working conditions), and emotional (feelings towards the organization and leader) self-expression during their performance (Kahn, 1990). This concept touches almost all aspects of human resource management and has a better predictive influence on the two-way relationship between employees and companies in performance measurement compared to previous concepts such as job satisfaction, employee commitment, and organizational citizenship (Markos & Sridevi, 2010). The influence of employee engagement on performance is very important because the sense of attachment that employees build with the company is crucial. Sense of belonging also provides positive feedback to management and increases loyalty to the company. This purposefully built attachment creates positive criticality in employees (Surur, 2018). Based on the above, the research hypothesis can be made as follows:

Hypothesis 5 (H5): Employee Engagement has a positive effect on Employee Performance

G. The Effect of Work Life Balance on Employee Performance Through Employee Engagement as a Mediating Variable

Work-life balance is when a person gets time to spend with family, free time to relax, communicate with coworkers, and get the job done well. Findings (Soomro et al., 2018) work-life balance determines the time available for employees to fulfill their work and family responsibilities. Employees who are unbalanced between work and life can lead to poor productivity and poor company performance. This proves that Employee Engagement successfully mediates between work-life balance and employee performance. The work-life balance variable has a positive influence on the level of employee performance mediated by Employee Engagement. That way, the better the work-life balance will affect the level of employee performance so that Employee Engagement will also be better. Based on the above, the following research hypothesis can be made: Hypothesis 6 (H6): Employee Engagement mediates the effect of Work life Balance on Employee Performance.

H. The Effect of Organizational Climate on Employee Performance Through Employee Engagement as a Mediating Variable

Organizational Climate and Employee Engagement have a positive and significant role in influencing Employee Performance. The relationship between a warm organizational climate with commitment and communication to the organization has a positive impact on Employee Engagement, which is then reflected in attitude, determination, and dedication to work. In addition, the results of this study are in line with previous findings by Yuanawati, A., & Askafi, E. (2022), strengthening the validity and relevance of findings that support the important role of Organizational Climate and Employee Engagement in improving employee work effectiveness.

Hypothesis 7 (H7): Employee Engagement mediates the effect of Organizational Climate on Employee Performance.

To make it clearer about the direction and purpose of the research as a whole, it is necessary to describe a conceptual in this study is *work life balance*, organizational climate and *employee engagement* have a positive and significant effect on the performance of employees of PT Anugerah Agung Alami (Wings Group) Bali.

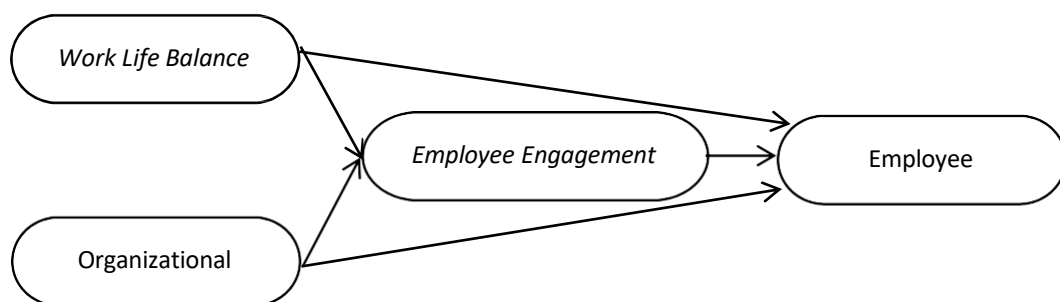


Figure 1. Research conceptual framework

III. RESEARCH METHODOLOGY

This research uses a quantitative approach, which basically involves a deductive-inductive approach. This research aims to examine the influence of Variable X (Work Life Balance, Organizational Climate) on Variable Y (Employee Engagement and Employee Performance). To analyze the influence of each variable, simple linear regression analysis techniques are used. This type of research was chosen because researchers want to know how much influence Employee Engagement as mediation on Work-Life Balance and Organizational Climate on Employee Performance. This study consists of two variables, namely the independent variable (X) which includes Work Life Balance and Organizational Climate, and the dependent variable (Y) which includes Employee Engagement and Employee Performance at PT Anugerah Agung Alami (Wings Group) Bali. The research was

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conducted at PT Anugerah Agung Alami (Wings Group) Bali. This location was chosen because the observation shows that this company is still facing problems both in terms of human resources and organization, but has the potential to be improved so that it can improve performance in the future. Sampling was conducted using Proportionate Stratified Random Sampling. Based on the data, the number of warehouse employees and shipping employees at PT Anugerah Agung Alami is 542 employees. Because this population is relatively large, the error tolerance in this study is 10% (0.1). Using the Slovin formula, a sample size of 84.423 was obtained, which was then rounded up to 85 respondents.

The number of *stratified* sample members is carried out by sampling by *Proportionate Stratified Sampling* which can be explained as the following table:

Table 1. Population and sample of PT Anugerah Agung Alami

No.	Region	Population			Sample		
		Warehouse	Shipping	Total	Warehouse	Shipping	Total
1	Denpasar	75	180	255	12	28	40
2	Klungkung	38	65	103	6	10	16
3	Buleleng	31	63	94	5	10	15
4	Jembrana	25	45	70	4	7	11
5	Badung	5	15	20	1	2	3
Total		174	368	542	27	58	85

The data collected is quantitative data derived from primary sources. The data analysis technique uses Structural Equation Modeling (SEM-PLS) with the help of SmartPLS 3 software. Before interpreting the results of the analysis using SEM-PLS, the validity and reliability requirements of the model must be met, namely the outer model which includes convergent validity, discriminant validity, and composite reliability. After being declared valid, inner model testing and hypothesis testing are carried out.

IV. RESEARCH RESULTS AND DISCUSSION

A. Results

Outer Model Evaluation

The highest loading factor value on the work life balance variable is 0.955, namely Time Balance for work (X1.1.2). The highest loading factor value on the organizational climate variable is 0.967, namely Working according to quality standards (X2.4.2). The highest outer loading value on the employee engagement variable is 0.963, namely Persistence in facing difficulties at work (Y2.1.3). The highest outer loading value on the employee performance variable is 0.970, namely Conformity of work results to quality standards (Y2.1.3). All of these results can explain that all indicators that measure each variable are valid. All of these indicators have also met the requirements for the AVE value, which is greater than 0.50.

The highest loading factor value. This evaluation is carried out by comparing the square root of average variance extracted (VAVE) value of each latent variable with the correlation between other latent variables in the model. The results of the discriminant validity examination (Table 5.9) show that the AVE value is greater than 0.50, and the four latent variables studied have a square root of average variance extracted (VAVE) value greater than the correlation coefficient between other variables. Thus, the results obtained indicate that it has good discriminant validity.

Table 2. Composite Discriminant Validity

Variables	AVE	√ AVE	Work Life Balance (X1)	Organizational Climate (X2)	Employee Engagement (Y1)	Employee Performance (Y2)
Work Life Balance (X1)	0,843	0,918	0,918			
Organizational Climate (X2)	0,838	0,916	0,905	0,916		
Employee Engagement (Y1)	0,889	0,943	0,881	0,871	0,943	
Employee Performance (Y2)	0,867	0,931	0,907	0,907	0,909	0,931

Composite reliability aims to evaluate the reliability value between the indicator blocks of the constructs that form them. The

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results of the composite reliability assessment in the measurement model (Table 3), it appears that the value of the four latent variables is above 0.70, so that the indicator block is declared reliable (reliable) measuring variables In accordance with the results of evaluating the convergent and discriminant validity of each indicator, and the composite reliability for the indicator block obtained, it can be concluded that the indicators on each latent variable are valid and reliable measures.

Table 3. Composite Reliability Check

Variables	Composite Reliability	Cronbach's Alpha
Work Life Balance (X1)	0,980	0,976
Organizational Climate (X2)	0,976	0,972
Employee Engagement (Y1)	0,982	0,979
Employee Performance (Y2)	0,987	0,986

Inner Model Evaluation

The structural model is evaluated by model relevance which measures how well the model works. Q2 is based on the coefficient of determination of all dependent variables. The magnitude of Q2 has a value with a range of $0 < Q2 < 1$, the closer to the value of 1 means the better the model. The calculation of Q2 predictive relevance model is as shown in Table 4 below:

Table 4. Structural Model Evaluation Results (inner Model)

Structural Model	Variables	R Square
1	Employee Engagement (Y1)	0,807
2	Employee Performance (Y2)	0,892
Calculation: $Q^2 = 91 - [1 - R1^2] (1 - R2)^2$ $Q^2 = (1 - [1 - 0.807^2] (1 - 0.892^2)) = 0.928$		

The value of $Q2 = 0.928$ and close to the value of 1, so it can provide evidence that the structural model has a good goodness-fit model. This result also means that 92.8% of the data can be explained by the model, while the remaining 17.2% is explained by errors or other variables not included in the model.

Hypothesis Testing

The recapitulation of the results of the path coefficient validation test on each path for direct effects presented in Table 5 provides information for hypothesis testing as follows:

Table 5. Hypothesis Testing Results of Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Hypothesis
Work Life Balance (X1) -> Employee Engagement (Y1)	0,515	0,492	0,151	3,419	0,001	Accepted
Organizational Climate (X2) -> Employee Engagement (Y1)	0,404	0,425	0,157	2,580	0,010	Accepted
Work Life Balance (X1) -> Employee Performance (Y2)	0,277	0,275	0,118	2,346	0,019	Accepted
Organizational Climate (X2) -> Employee Performance (Y2)	0,318	0,328	0,134	2,372	0,018	Accepted
Employee Engagement (Y1) -> Employee Performance (Y2)	0,388	0,377	0,116	3,350	0,001	Accepted

Work Life Balance (X1) is proven to have a positive and significant effect on Employee Engagement (Y1). This result is indicated by a positive path coefficient of 0.001 with a T-statistic = 3.419 (T-statistic > 1.96), so hypothesis 1 (H1): Work Life balance has a positive effect on Employee Engagement (Y1) can be proven. The results of the analysis obtained mean that the higher the Work Life balance, the higher the Employee Engagement.

Organizational Climate (X2) is proven to have a positive and significant effect on Employee Engagement (Y1). This result is indicated by a positive path coefficient of 0.010 with a T-statistic = 2.580 (T-statistic > 1.96), so hypothesis 2 (H2): Organizational

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Climate has a positive effect on Employee Engagement can be proven. The results of the analysis obtained mean that the higher the Organizational Climate, it will be able to increase Employee Engagement.

Work Life Balance (X1) is proven to have a positive and significant effect on Employee Performance (Y2). This result is indicated by a positive path coefficient of 0.019 with a T-statistic = 3.350 (T-statistic > 1.96), so hypothesis 3 (H3): Work Life Balance has a positive effect on Employee Performance can be proven. The results of the analysis obtained mean that the higher the Work Life Balance, it will be able to improve Employee Performance.

Organizational Climate (X2) is proven to have a positive and significant effect on Employee Performance (Y2). This result is indicated by a positive path coefficient of 0.018 with a T-statistic = 2.372 (T-statistic > 1.96), so hypothesis 4 (H4): Organizational Climate has a positive effect on Employee Performance can be proven. The results of the analysis obtained mean that the higher the Organizational Climate, it will be able to improve Employee Performance.

Employee engagement (Y1) is proven to have a positive and significant effect on Employee Performance (Y2). This result is indicated by a positive path coefficient of 0.001 with a T-statistic = 3.350 (T-statistic > 1.96), so hypothesis 5 (H5): Employee engagement has a positive effect on employee performance can be proven. The results of the analysis obtained mean that the higher the employee engagement, the higher the employee performance.

Table 6. Hypothesis Testing Results of Indirect Influence

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T (O/STDEV)	Statistics P Values
Organizational Climate (X2) -> Employee Engagement (Y1) -> Employee Performance (Y2)	0,157	0,154	0,064	2,449	0,015
Work Life Balance (X1) -> Employee Engagement (Y1) -> Employee Performance (Y2)	0,200	0,192	0,093	2,151	0,032

In Table 6, it can be seen that the effect of the work life balance variable (X1) on employee performance (Y2) mediated by employee engagement (Y1) has a p value of 0.032 (<0.050) while for a statistical t value of 2.151, where the statistical t value is greater than 1.96, it means that hypothesis 6 is accepted which means that employee engagement mediates the effect of work life balance on employee performance. Based on the table above, it is also known that the effect of organizational climate (X2) on employee performance (Y2) mediated by employee engagement (Y1) p value of 0.015 (<0.050) while for a statistical t value of 2.449, where the figure is greater than 1.96, then hypothesis 7 is accepted which means employee engagement mediates the effect of organizational climate on employee performance.

B. Discussion

The Effect of Work Life Balance on Employee Engagement

The results of hypothesis testing in this study indicate that work life balance has a significant positive effect on employee engagement. These results provide meaning, the better the work life balance, the more it can increase employee engagement of employees at PT Anugerah Agung Alami. According to Adame et al. and Chandra (Nwagbara, 2020), work-life balance is the ability of individuals to meet needs at work, maintain commitments in family life, and non-work responsibilities such as hobbies and studies. Fisher, Bulger, and Smith (2009) identified four dimensions of work-life balance: 1) WPL (Work Interference With Personal Life) which measures the extent to which work interferes with personal life, and 2) PLIW (Personal Life Interference With Work) which measures the extent to which personal life interferes with work. Robbins & Judge (2017) define employee engagement as employees' involvement, satisfaction, and enthusiasm in their work. Employee engagement encourages employees to give their best performance, be committed to the company, and be motivated to contribute more. Nadira's research (2019) shows that increasing work-life balance has a significant effect on increasing employee engagement because work-life balance affects employee enthusiasm, dedication, and concentration at work.

Effect of Organizational Climate on Employee Engagement

The results of hypothesis testing in this study indicate that, organizational climate has a significant positive effect on employee engagement. These results provide meaning, the better the organizational climate, the more it can increase employee engagement of employees at PT Anugerah Agung Alami. According to Litwin and Stringer (in Shandy, 2017) organizational climate is a condition that occurs in the work environment that can affect individual behavior and company performance. Employees will

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feel happy, valuable, and useful if the climate in the company is also good and pleasant. A study conducted by Davis and Newstrom (in Wiratama, 2018) explains that organizational climate can determine the extent to which individuals can survive in the organization. According to Brown & Leigh (in Wiratama, 2018) organizational climate is important for companies because it can make the environment a comfortable place for all employees so that a pleasant work environment is formed.

The results of this study are in accordance with empirical findings such as: Shandy Aulia and Unika Prihatsanti entitled the relationship between organizational climate and work engagement in members of SABHARA POLDA Central Java Semarang. The results showed that there is a positive relationship between organizational climate and work engagement in members of SABHARA POLDA Central Java Semarang with an effective contribution percentage of 12.5% and 87.5% for other factors that affect work engagement.

Effect of Work Life Balance on Employee Performance

The results of hypothesis testing in this study indicate that, work life balance has a significant positive effect on employee performance. This result means that the better the work life balance, the more it can improve employee performance at PT Anugerah Agung Alami. According to Lingga (2020), the work-life balance variable has a partially significant effect on the employee performance variable. Dina (2018) proves that simultaneously work-life balance produces a significant effect on performance. The results of this study are in accordance with empirical findings such as: Badrianto et al. (2021) and Arifin et al. (2022) work-life balance has a positive and significant influence on employee performance.

Effect of Organizational Climate on Employee Performance

The results of hypothesis testing in this study indicate that, organizational climate has a significant positive effect on employee performance. This result means that the better the organizational climate, the more it can improve employee performance at PT Anugerah Agung Alami. Organizational climate is a characteristic that describes the organization (Aziz & Hussin, 2017). Keith Davis (1982: 104) in (Setiawan, 2016) explains that organizational climate is a human environment where employees or members of the organization do their work. Organizational climate is the human environment within the framework of which employees of the organization carry out work. We can't touch it, but it's real. Like the air in a room, organizational climate affects everything that happens in the organization. In turn, the climate is influenced by everything that happens in the organization. organizational climate is considered to have a position as a 'bridge' that connects organizational management factors and employee behavior in realizing performance (Hardjana, 2013). The results of this study are in accordance with empirical findings such as: Karundeng, (2013), Maria Rini Kustrianingsih, Maria Magdalena Minarsih, (2016) the results showed that the organizational climate variable has a positive and significant effect on employee performance. An unnoticed organizational climate will have a negative impact on the organization, this is because employees will experience obstacles in carrying out their work so that a sense of lack of enthusiasm appears in completing their work (Pasaribu & Indrawati, 2016).

The Effect of Employee Engagement on Employee Performance

The results of hypothesis testing in this study indicate that employee engagement has a significant positive effect on employee performance. This result means that the better the employee engagement, the more it can improve employee performance at PT Anugerah Agung Alami. employee engagement itself is a concept that is believed to improve employee performance, because employee engagement itself is a situation where members of an organization carry out their work roles, work and express themselves physically (the energy employees expend when carrying out their work), cognitively (the desires employees have about the organization, leaders and working conditions in the organization) and emotionally (including employees' feelings towards the organization and its leaders) during their performance (Kahn, 1990). Employee engagement is a construct that touches almost all issues in human resource management. This construct is a variable that has a predictive influence on the two-way relationship between employees and companies in terms of measuring their performance, when compared to previous constructs, namely: job satisfaction, employee commitment, and organizational citizenship (Markos & Sridevi, 2010). The results of this study are in accordance with empirical findings such as: Surur, (2018), states that the effect of employee engagement on employee performance is very important, because the sense of engagement that employees build with the company where they work is important. Their sense of belonging can also provide feedback to management and loyalty to the company. This deliberately built attachment always creates positive criticism on its employees.

The Mediating Role of Employee Engagement on the Effect of Work Life Balance on Employee Performance

The results of hypothesis testing in this study indicate that the mediating effect of employee engagement on the effect of work life balance on employee performance is partial. This finding indicates that work-life balance can positively and significantly affect employee performance, even without the mediation of employee engagement. Work-life balance is when a person gets time to

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spend with family, free time to relax, communicate with coworkers, and get the job done well. The results of this study are in accordance with empirical findings such as: Soomro et al., (2018) work-life balance determines the time available for employees to fulfill their work and family responsibilities. Employees who are unbalanced between work and life can lead to poor productivity and poor company performance.

The Mediating Role of Employee Engagement on the Effect of Organizational Climate on Employee Performance

The results of hypothesis testing in this study indicate that the mediating effect of employee engagement on the effect of organizational climate on employee performance is partial. This finding indicates that organizational climate can positively and significantly affect employee performance, even without the mediation of employee engagement. Both Organizational Climate and Employee Engagement have a positive and significant role in influencing Employee Performance. The relationship between a warm organizational climate with commitment and communication to the organization has a positive impact on Employee Engagement, which is then reflected in attitude, determination, and dedication to work. The results of this study are in accordance with empirical findings such as: Yuanawati, A., & Askafi, E. (2022), reinforcing the validity and relevance of findings that support the important role of Organizational Climate and Employee Engagement in improving employee work effectiveness.

CONCLUSIONS

Based on the results of this study, it can be concluded that work-life balance and organizational climate have a positive and significant influence on employee engagement at PT Anugerah Agung Alami Bali. Improvements in work-life balance and organizational climate tend to increase the level of employee engagement, which further contributes to improving their performance. Employee engagement acts as a significant mediator between work-life balance and organizational climate and employee performance, suggesting that effective strategies in managing work-life balance and creating a conducive work environment can have a positive impact on overall organizational performance.

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