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ANALYSIS OF THE INFLUENCE OF WORK ENGAGEMENT AND WORK-LIFE BALANCE ON EMPLOYEE PRODUCTIVITY THROUGH EMPLOYEE WELL-BEING IN THE SERVICE INDUSTRY WITH A HYBRID WORK ENVIRONMENT

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Abstract

This research aims to analyze the effects of work engagement and work-life balance on employee productivity, with employee well-being as a mediating variable. The background of this research is based on changes in work models that now widely adopt a hybrid work system, especially in the service industry. This study uses a quantitative approach with an explanatory research design. A total of 400 respondents working in a hybrid manner in the service industry in the Surabaya area were selected using the Lemeshow method. Data were collected through questionnaires and analyzed using Structural Equation Modeling (SEM) based on SmartPLS. The results show that work engagement has a positive and significant impact on work productivity and employee well-being. Work-life balance does not have a significant effect on work productivity, but it has a significant effect on employee well-being. Employee well-being has a significant positive impact on work productivity and serves as a significant mediating variable between work engagement and work-life balance on productivity. This study suggests the importance of improving employee well-being as a way to enhance productivity in a hybrid work system.

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INTRODUCTION

The development of information and communication technology has brought major changes in the world of work, especially with the increasing adoption of virtual or hybrid work models (Rañeses et al., 2022) that can be done remotely using technology (Ferrara et al., 2022). The COVID-19 pandemic has further accelerated this shift, forcing many organizations to adopt remote work systems as the new norm (Wiradendi Wolor et al., 2020). These changes bring a variety of benefits, such as time flexibility and reduced operational costs, but they also pose significant challenges for employees, especially in terms of productivity, work engagement, work-life balance, and employee well-being (Wijayati et al., 2022).

In a virtual work environment, work engagement is a big challenge because employees often feel isolated and lack of social interaction that supports emotional attachment to their work (A. B. Bakker & Demerouti, 2017). In addition, the boundaries between personal and work life become increasingly blurred, which can lead to excessive workload and stress that negatively impacts work-life balance (Taris, 2018). If not managed properly, this can decrease employee productivity and increase the risk of burnout (Decuypere & Schaufeli, 2020).

Companies that want to increase productivity need to increase employee engagement by increasing their job satisfaction and instilling a sense of pride in the company (Moletsane et al., 2019). Policymakers and top management are expected to advance employee knowledge and skills related to instilling a sense of pride in where they work (Abdelwahed & Doghan, 2023). This is because the organization's

goals are greater to be achieved when employees "engaged" with his work (Abdulrahman et al., 2022).

Many employees struggle to balance their family and work roles (Isa & Indrayati, 2023). The issue of work-life balance is a compass for workers and employers that is a tool to determine their careers (Obinwanne & Kpaji, 2022), so that in the modern workplace it has become increasingly and more complex, especially for employees who work more flexibly and in a hybrid manner (Udin, 2023). Work-life balance plays an important role in efforts to increase employee productivity (Preena, 2021), in modern companies that result in companies needing to adopt holistic approaches in integrating work-life balance policies (Vitaharsa & Wasino, 2025). This is based on facts on the ground that show that the workforce is more focused on work-life balance than just income where companies are currently filled by the millennial generation who are happy with flexibility and are very close to technology (Wiradendi Wolor, 2020).

Employee well-being can be a continuous competitive advantage for companies in increasing employee productivity (David et al., 2024). Employee well-being, which includes the physical, psychological, and social well-being of employees (Haddon, 2018), being an important factor in bridging the relationship between work engagement and productivity (Kundi et al., 2021) and between work-life balance and productivity (Diener et al., 2018). Several studies have shown that employees who have good well-being tend to be more motivated, more satisfied with their work, and more productive (Ryan & So, 2017). Employee welfare is also an intermediary in efforts to increase employee productivity which is influenced by employee involvement (Rabuana & Yanuar, 2023). However, studies that specifically examined the role of employee well-being as a mediator in this relationship in the context of virtual work is still limited.

Previous research results show that work engagement have a positive relationship with employee productivity in a traditional work environment (A. B. Bakker & Demerouti, 2008), but not many have researched this phenomenon in the context of virtual work. Therefore, further studies are needed to determine strategies and policies to increase employee productivity by increasing efforts to increase work engagement They are first (Naqshbandi et al., 2024). Another study found that work-life balance can increase productivity through stress reduction and increased job satisfaction (Grawitch et al., 2006).

For company leaders or top management, increasing employee productivity as well as organizational health can be obtained from increasing various dimensions of employee welfare simultaneously (Edgar et al., 2017) also for sustainable (Annually et al., 2022). This research aims to fill the gap in the literature by exploring how employee well-being mediate the relationship between work engagement, work-life balance, and employee productivity in a virtual work environment.

The novelty offered in this research is that most previous studies examined the relationship between work engagement and productivity, as well as work-life balance and productivity separately. This research offers a new integrative model with employee well-being as a mediating variable, thus providing a more comprehensive understanding. Most studies on work engagement and work-life balance were conducted in physical work environments, while this research focuses on the virtual work context, which has unique challenges such as a lack of social interaction and unclear work deadlines. It employs a psychological, social, and physical well-being approach to assess employee well-being. The utilization of data from virtual work platforms to understand patterns of work engagement and work-related stress.

HYPOTHESES DEVELOPMENT

Work Engagament

Work engagement is a positive and satisfying psychological condition related to work, characterized by three main dimensions: Vigor (spirit), dedication, and absorption (absorbed in work) (Schaufeli et al., 2002). Employees who have a high level of engagement show high enthusiasm for the task, feel inspired, and stay motivated despite tough work challenges. Engagement It is not just job satisfaction, but is a condition of deep emotional and cognitive involvement with the work itself. Engaged employees do not only work for the sake of salary or responsibility, but because they feel that the work is meaningful and part of self-actualization.

The most relevant model in explaining engagement is Job Demands–Resources (JD-R) Model developed by Bakker & Demerouti (A. B. Bakker & Demerouti, 2017). In this model, engagement arises when work resources (such as social support, feedback, autonomy) are able to balance job demands (such as workload or time pressure). This model also shows that work engagement is a path to improving work performance, where employees who have enough resources will be more positively engaged and produce better productivity.

Work-Life Balance

Work-life balance (WLB) defined as the extent to which an individual can meet the demands of work and personal life in a balanced manner (Greenhaus & Allen, 2011). WLB occurs

when there is no conflict between the two domains, either in terms of time, emotions, or energy poured out. According to Kalliath & Brough (2008), WLB consists of: Time balance (allocation of working time and personal time), Involvement balance (emotional involvement and attention), Satisfaction balance (satisfaction in two roles).

Employee Well-Being

Employee well-being (EWB) refers to the quality of psychological, social, and physical well-being experienced by individuals in the context of work. Well-being is not just stress-free, but includes feeling satisfied, meaningful, and connected to the work environment. A popular model for explaining well-being is the PERMA Model by Seligman (2011), which consists of five elements: Positive Emotions – feelings of happiness, satisfaction, and optimism, Engagement – fully engaged in meaningful activities, Relationships – positive relationships with colleagues, Meaning – feeling that work has meaning, Achievement – achieve meaningful goals.

Employee Work Productivity

Employee productivity is defined as the ability of individuals to produce work output in accordance with the target, within a set period of time and quality. Campbell & Wiernik (2015) states that productivity consists of several aspects: Work efficiency, Work initiative, Quality of output, Ability to work together

In a hybrid work model, productivity is no longer measured by physical presence, but by work outcomes. Therefore, productivity is greatly influenced by internal variables such as engagement and well-being, as well as external conditions such as work structure, technology, and leadership style. Study by Diener et al. (2018) affirms that employee well-being is a strong predictor of productivity. Employees who feel healthy, valued, and have positive social relationships show higher work performance. Here is the research framework used.

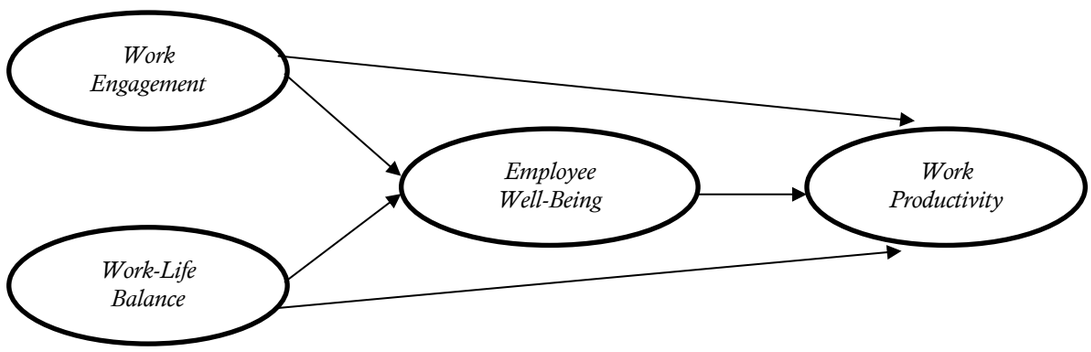

Figure 1. Research Framework

In hybrid work, engagement becomes crucial because employees work with minimal supervision, high flexibility, and great results responsibility. Without engagement, employees tend to lose their way, feel isolated, and experience decreased productivity (A. B. Bakker & Albrecht, 2018). Therefore, engagement can be an intrinsic energy that maintains productivity in a work-based system outcome like hybrid (Lesener et al., 2019).

H1: Work Engagement has a significant effect on Work Productivity

In hybrid work, the boundaries between work and personal life become blurred. Study by Kossek et al. (2014) found that work flexibility does not necessarily lead to WLB if it is not followed by time and role management skills. Employees can experience an always-on culture that increases the risk of stress and Burnout (Medina-Garrido et al., 2017). Previous research has found that WLB has a positive correlation with job satisfaction, organizational commitment, and psychological well-being (Valcour, 2007). However, in some studies, its direct effect on productivity is not always significant, as WLB is more of a protective factor against Burnout, is not the main driver of performance.

H2: Work-Life Balance has a significant effect on Work Productivity

Diener et al. (2018) and Harter et al. (2003) states that organizations that pay attention to the welfare aspect of employees will get results in the form of more stable productivity and low absenteeism rates. This becomes even more crucial in a hybrid context, where performance monitoring is more trust-based and outcome-based, rather than physical presence (Kumari et al., 2025).

H3: Employee Well-Being has a significant effect on Work Productivity

Employees who engaged experiencing the so-called flow experience—a condition in which

one feels deeply immersed in meaningful activity, and this has proven to be a source of job satisfaction, intrinsic motivation, and resilience to stress (Robertson & Cooper, 2010). This explains why in the context of hybrid work—where stress can come from isolation, multitasking, or technology—engagement become an effective source of psychological resilience.

H4: Work Engagement has a significant effect on Employee Well-Being

In the context of hybrid work, flexibility actually allows for the design of personal routines that support well-being (Saridakis et al., 2023). However, companies should still provide a clear framework, such as work time limits, output expectations, and mental health leave, to ensure that the balance can be healthily internalized by employees (Pardosi et al., 2024).

H5: Work-Life Balance has a significant effect on Employee Well-Being

Employee well-being plays a role as a mediating variable in various psychosocial models of organizations. According to Robertson & Cooper (2010), well-being is the key to connecting behavioral variables (such as engagement and balance) with Outcome such as performance and productivity. If engagement high but well-being low, then performance will remain low because it is not supported by a stable psychological condition.

H6: Employee Well-Being is able to significantly mediate the influence of Work Engagement and Work-Life Balance on Work Productivity

METHOD

This study uses a quantitative approach with an explanatory research method, which aims to analyze the causal relationship between work engagement, work-life balance, employee well-being, and employee productivity in a hybrid work environment. The population in this study is workers in the service industry who work in a hybrid manner in the city of Surabaya, East Java, Indonesia. Since the population size is unknown, this study uses the Lemeshow method to determine a representative sample size.

Lemeshow's formula for sample determination:

$$n = \frac{Z^2 \times p \times (1 - p)}{d^2}$$

Where:

Z = The Z value for the 95% confidence level is 1.96

p = Assumed proportions 0.5

d = Margin of error of 5% or 0.05

Based on this calculation, the minimum number of samples needed is 384 respondents. To increase the reliability of the research, the number of samples will be increased to around 400 respondents with purposive sampling techniques.

Data were collected using an online questionnaire that included a 5-point Likert scale to measure each research variable Work Engagement measured using Utrecht Work Engagement Scale (UWES) (Schaufeli et al., 2002). Work-Life Balance measured by Work-Life Balance Scale (Greenhaus & Allen, 2011). Employee Well-Being measured based on the PERMA model (Seligman, 2011). Employee Productivity is measured using indicators from Campbell & Wiernik (2015). The data obtained will be analyzed using Structural Equation Modeling (SEM) with the help of SmartPLS software. SEM was chosen because it can test the causal relationships between variables while measuring the mediating role of employee well-being.

RESULT AND DISCUSSION

Respondent Characteristics

This study obtained 400 respondents who are workers who work in a hybrid work environment working in the city of Surabaya. The following are the characteristics of respondents who have taken the time to fill out the research questionnaire:

Table 1. Respondent Characteristics

No	Information	Number of Respondents	Percentage (%)
1.	**Gender**		
	Man	182	45.50%
	Woman	218	54.50%
	Total	400	100%
2.	**Age**		
	<25 years old	77	19.25%

	25-34 years old	77	19.25%
	35-44 years old	89	22.25%
	45-44 years old	76	19.00%
	>54 years old	81	20.25%
	Total	400	100%
3.	**Length of Employment in the Company**		
	<1 Year	110	27.50%
	1-3 Years	100	25.00%
	3-5 Years	90	22.50%
	>5 Years	100	25.00%
	Total	400	100%
4.	**Workplace Industry**		
	Finance	72	18.00%
	Technology	77	19.25%
	Education	90	22.50%
	Health	79	19.75%
	Other	82	20.50%
	Total	400	100%
5	**Work Status**		
	Permanent	248	62.00%
	Contract	110	27.50%
	Freelance	42	10.50%
	Total	400	100%

Based on the table above, it shows that 182 research respondents (45.50%) are male and as many as 218 people (54.50%) are female. The age of the respondents <25 years was 77 people (19.25), 25-34 years old as many as 77 people (19.25), 35-44 years old as 89 people (22.25%), 45-44 years old as many as 76 people (19.00%), and >54 years old as many as 81 people (20.25%). The characteristics of respondents based on the length of work in the company have almost the same value, namely the working period <1 year as many as 110 people (27.50%), 1-3 years as many as 100 people (25.00%), 3-5 years as many as 90 people (22.50), and the >5 years of service period as many as 100 people (25.00%).

The majority of respondents work in the education industry with a total of 90 people (22.50%), followed by other industries as many as 82 people (20.50%), the health industry as many as 79 people (19.75%), the technology industry as many as 77 people (19.25%), and the last is the financial industry as many as 72 people (18.00%).

The number of respondents based on the characteristics of work status amounted to 248 people (62.00%) working as permanent employees, 110 people (27.50%) working as contract employees, and the remaining 42 people (10.50%) working as freelancers.

Structural Equation Model (SEM) Analysis

Outer Model Review

External model analysis is used to determine the validity and reliability of the model.

Convergent Validity Test

The results of the convergent validity test can be seen based on the outer loading value on each indicator of each variable that has been calculated. The following are the results of the calculation of outer loading on each indicator of each variable.

Table 2. Convergent Validity Test Results Before Elimination

Variable	Indicator	Outer Loading	Information
Work Engagement	WE1	0.751	Valid
	WE2	0.885	Valid
	WE3	0.732	Valid
	WE4	0.874	Valid
	WE5	0.778	Valid
	WE6	0.779	Valid
	WE7	0.661	Valid
	WE8	0.755	Valid
	WE9	0.704	Valid
	WE10	0.781	Valid
	WE11	0.736	Valid
	WE12	0.726	Valid
	WE13	0.493	Invalid
	WE14	0.679	Valid
	WE15	0.690	Valid
	WE16	0.440	Invalid
	WE17	0.710	Valid
Work-Life Balance	WLB1	0.638	Valid
	WLB2	0.740	Valid
	WLB3	0.708	Valid
	WLB4	0.696	Valid
	WLB5	0.756	Valid
	WLB6	0.679	Valid
	WLB7	0.807	Valid
	WLB8	0.739	Valid
	WLB9	0.754	Valid
	WLB10	0.739	Valid
	WLB11	0.690	Valid
	WLB12	0.874	Valid

Employee Well-Being	EWB1	0.758	Valid
	EWB2	0.692	Valid
	EWB3	0.704	Valid
	EWB4	0.821	Valid
	EWB5	0.648	Valid
	EWB6	0.653	Valid
	EWB7	0.837	Valid
	EWB8	0.796	Valid
	EWB9	0.641	Valid
	EWB10	0.489	Invalid
	EWB11	0.721	Valid
	EWB12	0.781	Valid
	EWB13	0.729	Valid
	EWB14	0.837	Valid
	EWB15	0.763	Valid
	EWB16	0.706	Valid
	EWB17	0.774	Valid
	EWB18	0.744	Valid
	EWB19	0.740	Valid
	EWB20	0.767	Valid
Employee Work Productivity	PRD1	0.653	Valid
	PRD2	0.877	Valid
	PRD3	0.862	Valid
	PRD4	0.785	Valid
	PRD5	0.809	Valid
	PRD6	0.790	Valid
	PRD7	0.737	Valid
	PRD8	0.844	Valid
	PRD9	0.782	Valid
	PRD10	0.848	Valid
	PRD11	0.844	Valid
	PRD12	0.803	Valid

Based on the calculation of outer loading in the table above, there is still an outer loading value < 0.5. This indicates that the indicator is not valid for use in measurement. These three indicators must be eliminated to obtain a valid outer loading value for all indicators. The following are the results of the convergent validity test after elimination.

Table 3. Convergent Validity Test Results After Elimination

Variable	Indicator	Outer Loading	Information
Work Engagement	WE1	0.760	Valid
	WE2	0.892	Valid
	WE3	0.731	Valid
	WE4	0.883	Valid
	WE5	0.798	Valid
	WE6	0.772	Valid
	WE7	0.657	Valid
	WE8	0.764	Valid
	WE9	0.714	Valid
	WE10	0.777	Valid
	WE11	0.731	Valid
	WE12	0.706	Valid
	WE14	0.682	Valid
	WE15	0.697	Valid
	WE17	0.716	Valid
Work-Life Balance	WLB1	0.638	Valid
	WLB2	0.739	Valid
	WLB3	0.707	Valid
	WLB4	0.696	Valid
	WLB5	0.756	Valid
	WLB6	0.680	Valid
	WLB7	0.807	Valid
	WLB8	0.739	Valid
	WLB9	0.754	Valid
	WLB10	0.739	Valid
	WLB11	0.689	Valid
	WLB12	0.873	Valid

Employee Well-Being	EWB1	0.752	Valid
	EWB2	0.697	Valid
	EWB3	0.704	Valid
	EWB4	0.816	Valid
	EWB5	0.655	Valid
	EWB6	0.658	Valid
	EWB7	0.835	Valid
	EWB8	0.795	Valid
	EWB9	0.638	Valid
	EWB11	0.716	Valid
	EWB12	0.778	Valid
	EWB13	0.732	Valid
	EWB14	0.843	Valid
	EWB15	0.759	Valid
	EWB16	0.715	Valid
	EWB17	0.774	Valid
	EWB18	0.743	Valid
	EWB19	0.744	Valid
	EWB20	0.771	Valid
Employee Work Productivity	PRD1	0.653	Valid
	PRD2	0.877	Valid
	PRD3	0.862	Valid
	PRD4	0.785	Valid
	PRD5	0.809	Valid
	PRD6	0.789	Valid
	PRD7	0.737	Valid
	PRD8	0.844	Valid
	PRD9	0.782	Valid
	PRD10	0.848	Valid
	PRD11	0.844	Valid
	PRD12	0.803	Valid

Based on the results of the convergent validity test calculation after elimination, an outer loading value was obtained, the overall indicator of which had an outer loading value of > 0.5. This shows that all indicators are valid to continue to take measurements.

Discriminant Validity Test

The value of the discriminant validity test is based on the results of the AVE test or the average extracted variant shown in the following table.

Table 4. Results of the Discriminant Validity Test

Variable	Average Varian Extracted (AVE)	Information
Work Engagement	0.570	Valid
Work-Life Balance	0.543	Valid
Employee Well-Being	0.556	Valid
Work Productivity	0.648	Valid

Based on the results of the calculation in the table, it was obtained that the AVE value for each variable has a > value of 0.5 so that it can be said that each variable has valid data to be used to make measurements.

Reliability Test

The reliability test is reflected in the composite reliability value and Cronbach's alpha value obtained from the measurement as described in the following table.

Table 5. Reliability Test Results

Variable	Composite Reliability	Cronbach's Alpha
Work Engagement	0.948	0.945
Work-Life Balance	0.927	0.923
Employee Well-Being	0.957	0.955
Work Productivity	0.952	0.950

Based on the results of the calculation in the table, it was found that all composite reliability and cronbach's alpha values in each variable had a > value of 0.6. This shows that the data on each variable is reliable or reliable to be used in making measurements.

Inner Model Analysis

Internal model analysis is used to test the ability of variables to connect with each other.

Coefficient of Determination Test (R^2)

The coefficient of determination indicates the weakness or strength of a research model, this also reflects the ability of exogenous variables to explain the variability of endogenous variables. The results of the determination coefficient test are as follows.

Table 6. Determination Coefficient Test Results (R^2)

Variable	R^2 Value
Employee Well-Being	0.827
Work Productivity	0.738

Based on the test results in the table above, the determination coefficient value for the employee well-being variable was 0.827 or 82.7%. This figure means that the measurement of employee well-being variables can be explained by work engagement variables and work-life balance variables of 82.7% and the remaining 17.3% are explained by other variables outside of this study.

Meanwhile, the work productivity variable has a determination coefficient value of 0.738 or 73.8%. This shows that the work productivity variable can be explained through the variables of work engagement, work-life balance, and employee well-being by 73.8% and the remaining 26.2% is explained by other variables outside the study.

Total Coefficient of Determination Test (Q^2)

Total determination coefficient testing is used to assess how well the research conducted provides results against the research model. The value of the total determination coefficient can be searched using the formula:

$$Q^2 = 1- (1-R21) (1-R22)$$

Where:
Q^2 = Total Determination Coefficient
R^2 = Coefficient of Determination

The results of the calculation based on the above formula are:

Q^2 = 1 – (1 – 0.827) (1 – 0.738)
= 1 – (0.173) (0.262)
= 1 – 0.0453
= 0.9547

Based on the calculation through the formula above, a total determination coefficient value of 0.9547 or 95.47% was obtained, which means that the relationship of research contribution to the research model, both direct and indirect influences, was 95.47% and the remaining 4.53% can be explained by other variables outside the research model.

Hypothesis Testing Analysis

This research was conducted using the help of the SmartPLS4 program application with the fit model obtained as follows.

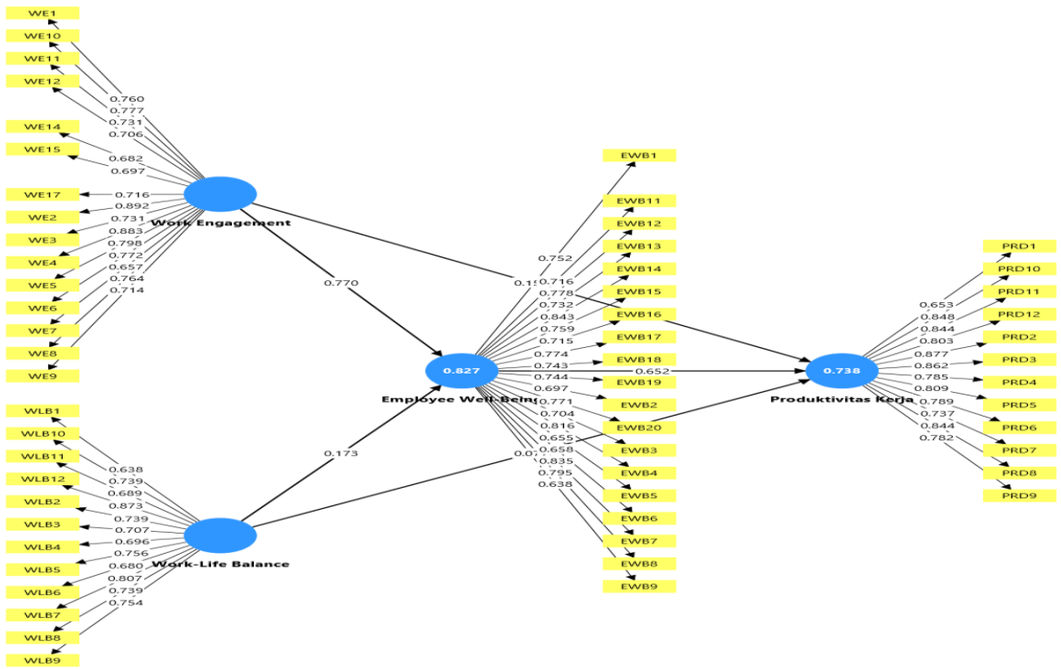

Figure 2. Research Fit Model

Direct Impact Testing

The following are the results of direct testing of endogenous variables against exogenous variables:

Table 7. Direct Impact Test Results

Hipotesis	Path Coefficient	Standard Deviation	T-Stastitics	P-Values	Information
WE → PRD	0.158	0.053	3.003	0.003	Positive, Significant
WLB → PRD	0.077	0.052	1.501	0.134	Positive, Insignificant
EWB → PRD	0.652	0.059	10.977	0.000	Positive, Significant
WE → EWB	0.770	0.041	18.904	0.000	Positive, Significant
WLB → EWB	0.173	0.048	3.610	0.000	Positive, Significant

The relationship between work engagement and employee productivity in a hybrid work environment.

The table above shows that the results of the direct influence test calculation have a path coefficient value of 0.158, standard deviation of 0.053, t-statistics of 3.003 with a p-value of 0.003 which means that the work engagement variable has a positive and significant effect on the employee work productivity variable.

The relationship between work-life balance and employee productivity in a hybrid work environment.

Based on the table, it can be seen that the path coefficient value is 0.077, the standard

deviation value is 0.052, the T-Statistics is 1.501, and the P-Value is 0.134. This shows that the work-life balance variable to the employee work productivity variable has a positive and insignificant effect.

The relationship between employee well-being and employee productivity in a hybrid work environment.

The table above shows that the results of the calculation of the direct influence test have a path coefficient value of 0.652, standard deviation of 0.059, t-statistics of 10.977 with a p-value of 0.000 which means that the influence of the employee well-being variable on the employee work productivity variable has a positive and significant effect.

The relationship between work engagement and employee well-being in a hybrid work environment.

Based on the table, it can be seen that the path coefficient value is 0.770, the standard deviation value is 0.041, the T-Statistics is 18.904, and the P-Value is 0.000. This shows that the influence of variable work engagement on the variable employee well-being has a positive and significant effect.

The relationship between work-life balance and employee well-being in a hybrid work environment.

The table above shows that the results of the calculation of the direct influence test have a path coefficient value of 0.173, standard deviation of 0.048, t-statistics of 3.610 with a p-value of 0.000 which means that the influence of the work-life balance variable on the employee well-being variable has a positive and significant effect.

The first and strongest finding from this study is that work engagement has a significant effect on employee productivity. In highly flexible hybrid working conditions, work engagement is the main source of psychological energy for employees. Engaged employees tend to exhibit positive behaviors such as high morale, dedication, and emotional engagement to tasks—which ultimately affect work output directly.

These findings are in line with the research of Bakker and Demerouti (2007) within the framework of Job Demands-Resources (JD-R) Model, which states that engagement is the result of the interaction between job demands and available resources. Engagement Allow employees to survive in complex working conditions, such as hybrid models, which are minimally supervised but demand high accountability.

Furthermore, research by Bakker (2017) shows that engagement It is not only correlated with performance, but also with retention intention, organizational engagement, and mental health. In this context, companies that invest time and resources to improve engagement Employees—for example, through two-way communication, feedback, and recognition of contributions—will see a systemic increase in productivity.

Interestingly, the study found that work-life balance does not have a significant effect on work productivity. Even though work-life balance Often associated with job satisfaction and loyalty, in this study, no strong direct relationship was found to be in the works output (Greenhaus & Allen, 2011). This may be due to employees' subjective perceptions of balance that are not necessarily reflected in actual work performance.

The research of Allen et al. (2015) indicates that in hybrid or remote work schemes, the phenomenon "boundary blurring", where the boundaries between work time and personal time become blurred. Even if one feels they have flexible time, the pressure to stay responsive, the workload of digital work, and the expectation of being "always available" can actually disrupt balance and decrease work effectiveness. Therefore, work-life balance without a strategy engagement and organizational support may not be enough to drive increased productivity.

One of the other important findings is that employee well-being has a positive and significant effect on work productivity. This emphasizes the position of welfare as a driver of performance in the long run. Employees who are mentally healthy, feel valued, and have positive social connections, will be more motivated to get work done with high quality.

Study by Diener et al. (2018) and Harter et al. (2003) Support these findings by stating that organizations that pay attention to employee well-being will get results in the form of more stable productivity and lower absenteeism. This becomes even more crucial in a hybrid context, where performance monitoring is more trust-based and outcome-based, rather than physical presence.

The study also shows that work engagement have a positive and significant effect on employee well-being. Employees who feel fully engaged in their work not only become more productive, but also feel higher psychological well-being. This is in line with the model PERMA of Seligman (Seligman, 2011), which puts "Engagement" as one of the key elements of well-being together with Positive Emotion, Relationship, Meaning and Achievement.

Employees who engaged experiencing the so-called flow experience—a condition in which

one feels deeply immersed in meaningful activity, and this has proven to be a source of job satisfaction, intrinsic motivation, and resilience to stress (Robertson & Cooper, 2010). This explains why in the context of hybrid work—where stress can come from isolation, multitasking, or technology—engagement become an effective source of psychological resilience.

Although not significant to productivity, work-life balance proven to have a positive and significant effect on employee well-being. This means that employees who are able to manage time, roles, and responsibilities in a balanced manner between work and personal life tend to have higher levels of well-being. Research by Kossek et al. (2014) shows that work-life balance has a protective role against stress, fatigue, and burnout.

In the context of hybrid work, flexibility actually provides room to design personal routines that support well-being. However, companies must still provide a clear framework, such as work hour limits, output expectations, and mental health leave, to ensure that the balance can be internalized in a healthy way by employees.

Indirect Influence Testing

The results of hypothesis testing on indirect influences through variable mediation can be seen in the following table:

Table 8. Indirect Influence Test Results

Hipotesis	Path Coefficient	Standard Deviation	T-Stastitics	P-Values	Information
WE → EWB → PRD	0.502	0.052	9.585	0.000	Positive, Significant
WLB → EWB → PRD	0.113	0.034	3.349	0.001	Positive, Significant

Employee well-being mediates the relationship between work engagement and employee productivity.

Based on the table, it can be seen that the path coefficient value is 0.502, the standard deviation value is 0.052, the T-Statistics is 9.585, and the P-Value is 0.000. This shows that the employee well-being variable is able to mediate the influence of the work engagement variable on the employee work productivity variable positively and significantly

Employee well-being mediates the relationship between work-life balance and employee productivity.

The table above shows that the results of the indirect influence test calculation have a path coefficient value of 0.113, standard deviation of 0.034, t-statistics of 3.349 with a p-value of 0.001 which means that the employee well-being variable is able to mediate the influence of the work-life balance variable on the employee work productivity variable positively and significantly.

The results of the indirect pathway analysis show that employee well-being significantly mediates the influence of work engagement and work-life balance on productivity. This means that work engagement is able to improve well-being, and this well-being drives productivity. Work-life balance also improves well-being, which continues to improve work performance directly.

This finding reinforces Fredrickson's concept (2001) in theory Broaden and Build, where positive emotions such as engagement and work meaning expand one's psychological capacity to think creatively, solve problems, and innovate. The effect of work-life balance is more passive and protective, so it immediately encourages work outcomes.

CONCLUSION AND RECOMMENDATION

This research aimed to analyze the influence of work engagement and work-life balance on employee productivity through employee well-being in a hybrid work environment. The findings show that work engagement has a positive and significant effect on both employee well-being and productivity, while work-life balance significantly enhances well-being but does not directly improve productivity. Employee well-being plays a crucial mediating role, strengthening the relationship between engagement, work-life balance, and productivity.

Organizations are advised to develop programs that foster engagement and well-being, such as self-development training, mentoring, recognition of achievements, and psychological support initiatives. Flexibility in working hours should be accompanied by clear boundaries, communication guidelines, and performance-based assessments. Future studies are encouraged to include moderator variables (e.g., generation, leadership style, organizational culture) and apply longitudinal or qualitative approaches to capture deeper dynamics in hybrid work settings. Policymakers may also consider formulating guidelines to ensure employee rights and well-being in flexible work systems.

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