Evaluating the Impact of “Work From Home Policy” on Job Performance (Study Case in Indonesia)

Richard S. Hutajulu

1Doctoral Programme in Management, Jakarta State University, Jakarta, Indonesia

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Abstract
To determine the effect of work-from-home on job performance. It proposes work environment, job satisfaction and work motivation as mediating variables, and answers how work-from-home affects employee performance through them in Indonesia. A total of 713 valid respondents who answered the questionnaire came from employees in Indonesia, which were obtained from online social media. The data were tested for validity and reliability with SPSS 25.0 software, then the model was analyzed using Structural Equation Model (SEM) using AMOS 23.0 software. Based on statistical data processing it is known that working from home employees experience greater work motivation so that it can improve job performance, but it has no relationship with job satisfaction and work environment. The study has implications for business practitioner who intend to measure the effectiveness of their work-from-home policies. This is especially pertinent during the Work from Home policy. The original contribution of this study lies within its questionnaire that has been attuned to changes caused by Work from Home policy. This paper offers an important contribution on how the perception of work from home implication to job performance in human resources management academic.

Keywords
work from home; job performance; work motivation; job satisfaction; work environment

INTRODUCTION
Innovations in telecommunications technology increase the possibilities of working from the home. Implications of work-at-home arrangements for the individual’s quality of working life are discussed. Included are discussions of several major aspects of the work experience relevant to quality of working life, analyses of the differences along these aspects between working at home and working at a normal workplace, and speculation about the possible consequences for the individual of the transfer of jobs from employers’ premises to ‘employees’ homes (Shamir, B., & Salomon, I., 1985). The effect of work-from-home on job performance of employees remains debatable (Allen, Golden & Shockley, 2015), thus creating a research gap. Researchers have argued that workers can work at home by utilizing video conference platforms for communication. Home-based work also allows employees...
to be more flexible in making appointments and running errands. Furthermore, they don't need to spend time or money on commuting. Office workers who work from home have increased autonomy. This refers to the extent to which a job allows one to make decisions around the method of how to complete the work. Another benefit of working from home is the chance for employees to modify or choose their own workplaces. Allen, Golden & Shockley (2015) argue that telecommuting will work well when the nature of the job is portable, or it can be done online. Therefore, job performance in a telecommuting environment is heavily affected by the characteristics of the job itself. The main weakness of electronic communication is the level of its information richness, which is defined as the extent to which a medium of communication can create heterogeneity of information content between different frames of reference (Nisar, Prabhakar & Strakova, 2019). Other disadvantages are that it offers no physical separation between work and personal time, and finally, home may be a boring work environment. These disadvantages can create uncertainty impacting on job satisfaction, and lack of satisfaction can lead to lower performance among employees, as gauged by the company’s key performance indicators. It is generally understood that employee performance plays a crucial role in company success and an employee who is satisfied with his or her work performs better than one who is not satisfied (Khan et al., 2016). The work-from-home discussion is always related to electronic communication. Despite its convenience and accessibility in the modern era, many studies (Marshall et al., 2007; Zhang, 2016) have shown evidence of its relative weakness when compared to face-to-face communication. Besides electronic communication, working from home also creates a feeling of isolation among employees. The perception of being isolated is mainly caused by less interaction among employees and their co-workers, supervisors, and manager. Employees may not get recognition and support when needed and this may lead to employee dissatisfaction, as their social needs cannot be fulfilled by working from home (Marshall et al., 2007). Employees find it more difficult to exhibit their work ethic and have achievements recognized by their manager when all communication is conducted electronically. The limitation exists because when employees work from home, they usually submit their work when it is ready, but their manager does not see the process involved in producing a deliverable; some employees may work overtime but their work is only judged by the result, not by the difficulties that employees overcame during the process. The last change is work-life balance. Zhang (2016) contends that when the boundary is blurred, employees are exposed to numerous disturbances by family matters, preventing them from focusing on their work and fulfilling their role in their organization completely. It is also highly probable that family problems can influence their mood at work when everything happens in the same place and time.

Indonesia, as the most densely populated country in Southeast Asia, is home to about 136 million workers (Central Bureau of Statistics Indonesia, 2019). As Indonesia is a seriously affected country, the government took the initiative to implement work-from-home policies in affected cities. The debate about the effectiveness of working from home made companies reluctant to implement the program; therefore, scholars have been urged to study the benefits of it. Some previous studies (Marshall et al., 2007; Zhang, 2016) related to virtual office and telecommuting already exists; nevertheless, a work-from-home policy is not exactly the same as telecommuting. The biggest difference is in its limitations on work locations. While telecommuters can work in other comfortable areas such as coffee shops, people can only work in their home. Thus, they will also be distracted by family matters because isolation does not only affect employees; it affects all family members. The widespread implementation of work-from-home will allow researchers not only to gather data from companies that are ready for telecommuting, but also more importantly
from those companies that are not ready for it and are still struggling to adapt. Moreover, there is little research on this topic from an Indonesian perspective, especially from the perspective of employees.

This study aims to assess the effect of working from home on work performance and answer how it affects employee performance by using the mediating variables of work environment, job satisfaction and work motivation. This new model will make a significant contribution to the knowledge of business people, especially the Indonesian government, who need to measure the work from home policy. It can also serve as fundamental input for governments and companies to decide whether to assess work from home policies or look for other alternatives. The original contribution of this study lies in its questionnaire which has been adapted to changes caused by the Work from Home Policy, as well as in data processing methods.

**Relationships among Research Concepts**

Based on these previous studies, the researcher synthesized the similarities and differences in variables between previous studies. The aim of this research is analyzing the influence of work from home on work environment, job satisfaction, work motivation, and their implication to job performance. Table 1 show adaptation of the relationship between variables based on previous research.

**Job Performance Theory**

Javed, Baloch, and Hassan (2014) defined job performance as generally referring to whether a worker carries out his/her duty well or not. Aguinis (2009) also indicated

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that “the definition of performance does not include the results of an employee’s behavior, but only the behaviors themselves”. Performance refers to the behavior or actions of employees, not the production or the outcome of their work. In another study, performance is considered as a function of an individual ability/skill/effort in a given situation (Lawler & Porter, 1967). Job performance also is “the total expected value to the organization of discrete behavioral episodes that an individual carries out over a standard period” (Motowidlo, S. J., & Kell, H. J., 2012). Task performance and contextual performance are two components to measure employee job performance (Kahya, 2009). In terms of the hospitality industry, the job performance of employees is categorized as when workers apply their specific knowledge and skills to accurately conduct their tasks according to the standard service procedures of accommodation establishments. Employees perform various tasks within the organization, primarily providing guests with functions such as accommodation services, catering services and other additional services and jobs related to features such as finance, accounting, marketing, sales and personnel. All these activities performed by the staff are related to the organization’s goals.

**Work from Home à Work Environment**

Previous studies suggest that telecommuting positively affects work environment and is considered the most relevant literature to form a hypothesis for this research. Researchers argued that working from home can create a more flexible work environment because employees feel free to arrange their own work schedule and workplace environment (Baltes et al., 1999; Allen, Golden & Shockley, 2015). Their personal needs and taste can be fulfilled because they can customize their own working area according to their personality (Gajendran & Harrison, 2007; Easton, S., & Van Laar, D., 2018).

**Work from Home à Job Satisfaction**

Previous studies also suggest that telecommuting can increase job satisfaction. When employees work from home, they don’t need to spend time, money and energy on going to the office or on business trips. They also enjoy not having to wear formal attire during working hours, which allows them a greater match between their work self and true persona. Telecommuters were less stressed and therefore less likely to change jobs leading to lower staff turnover; they are also more satisfied with their daily job activities (Schall, M. A., 2019; Dalkrani, M., & Dimitriadis, E., 2018). Moreover, another study suggested that the relationship between telecommuting and job satisfaction is curvilinear, meaning that its effect will be positive at a lower level of telecommuting (around 15.1 hours per week). But when employees spend a large among of time telecommuting, their satisfaction can decrease due to a feeling of social and professional isolation. The curve is flatter for jobs that are highly independent (Virick et al., 2010; Madell, 2019).

**Work from Home à Work Motivation**

When employees work from home, their work motivation becomes higher because of two primary reasons: productivity and personal life. Employees find it easier to increase their productivity because when they telecommute, they can avoid traffic jams and transportation expenses, and they can even live in a cheaper locations such as a suburb, even if it is not close to their office. They also have a chance to take care of private affairs during working hours, enabling them to seek higher fulfillment of personal life (Akhmetshin et al., 2018; Olafsen, A. H., et al., 2018; Shockley & Allen, 2012; Zhu, Y. Q. et al., 2018).

**Work Environment à Job Performance**

The positive influence of work environment on job performance is corroborated by previous studies (Javed, A., 2019; Zhang, 2016; Jacobo, B., 2020; Belzunegui-Eraso, A., 2020). An enjoyable, healthy, safe and optimal work environment can help employees to produce better performance Belzunegui-Eraso, A., 2020. It is important for compa-
nies to enhance their work environment in order to achieve organizational goals. Javed, A., (2019) found that having a good work environment can increase employees’ motivation and performance in the hotel industry. Furthermore, the research also revealed that job satisfaction mediates the positive relationship between work environment and job performance.

**Job Satisfaction à Job Performance**

The argument that job satisfaction highly influences employee performance has been confirmed by previous research (Loan, L., 2020; Guzmán, S. A. et al., 2018; Gul, H., et al., 2018; Khan et al., 2016). If job satisfaction is not achieved, then employee performance will be poor, as their productivity will be negatively affected. On the contrary, satisfied employees are motivated to perform their duties to the best degree possible.

**Work Motivation à Job Performance**

It is an effective choice to enhance employees’ performance by increasing their motivation with respect to both personal and organizational goals (Steinbauer, R. et al., 2018). The increase in work motivation of employees is an influential factor in increasing work efficiency and productivity, which is widely understood as a characteristic of good job performance (Breaugh, J., 2018). The positive contribution of work motivation to job performance has also been suggested by Al-Mansoori, S. S. (2018) and Riyadi, S. (2020), who previously conducted research to examine the effect of work environment and work motivation on performance. He further suggested that job satisfaction mediates the effect of work motivation and environment on job performance. Organizational goals have a higher chance of being achieved when employees are highly motivated to do their job. Therefore, companies should pay close attention to it.

**Research Hypotheses**

In line with the results of previous studies, this research posits the following hypotheses:

Based on the literature review above,

![Figure 1. Hypothetical Model](image)

the following hypotheses are proposed:

- **Hypothesis (H1).** Work from home has a positive and significant effect on Work Environment
- **Hypothesis (H2).** Work from home has a positive and significant effect on Job Satisfaction
- **Hypothesis (H3).** Work from home has a positive and significant effect on Work Motivation
- **Hypothesis (H4).** Work Environment has a positive and significant effect on Work Motivation
- **Hypothesis (H5).** Work Environment has a positive and significant effect on Job Performance
- **Hypothesis (H6).** Job Satisfaction has a positive and significant effect on Job Performance
Hypothesis (H6).
Work Motivation has a positive and significant effect on Job Performance

METHOD
For this study, the instrument’s development was based on an extensive literature review and all the items which have been used in previous relevant studies were adopted. Several tests were performed to establish Content Validity, Construct Validity and Reliability of the research instrument.

Questionnaires
To measure the variables in this study, indicators were selected from previous studies, which were then adapted to suit them, which is shown in Table 2.

Table 2. Measurement Scales Questionnaires

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<tbody>
<tr>
<td>My current working hours / patterns suit my personal circumstances</td>
<td>The company has a good workforce.</td>
<td>I have a clear set of goals and aims to enable me to do my job from home</td>
<td>The tasks I have to do at work are in line with what I really want to do at home</td>
<td>I believe in my ability to handle most upsetting problems even from work from home</td>
</tr>
<tr>
<td>My line manager actively promotes flexible working hours / patterns</td>
<td>The business that I work is known as a good employer locally</td>
<td>I have the opportunity to use my abilities at work from home</td>
<td>I do in my work from home is exciting</td>
<td>Finding improved ways to do things, during work from home</td>
</tr>
<tr>
<td>My employer provides adequate facilities and flexibility for me to fit work in around my family life</td>
<td>The working conditions are satisfactory</td>
<td>I am encouraged to develop new skill</td>
<td>I really master my tasks at my job, doing from home</td>
<td>I finish my job responsibilities well without any significant problems even if I work from home</td>
</tr>
<tr>
<td>I feel fairly satisfied with my present job during work from home</td>
<td>Communication in the business that I work ranges to satisfactory levels</td>
<td>I am satisfied with the career opportunities available for me here</td>
<td>Working to implement new ideas in the workplace, during work from home</td>
<td></td>
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</tbody>
</table>

As a measuring tool for the variables above, an identification code is made for each indicator, and it is measured by a 6-point Likert scale, namely:
1 = Strongly Disagree
2 = Disagree
3 = Slightly Disagree
4 = Slightly Agree
5 = Agree
6 = Strongly Agree

Data Analysis
A total of 713 participants provided feedback on the online questionnaire, the characteristics of the respondents are shown in the Table 3.
RESULTS

To ensure that the questionnaire was applied to this study, reliability analysis and validity analysis were conducted using SPSS 25.0. Then the methods of structural equation modeling (SEM) were chosen to analyze the data. The type of data analysis has been widely applied in various fields (Su and Yang, 2010). Compared with other methods, the greatest advantage of SEM is the ability to simultaneously measure the relationship between potential variables in the case of errors (Hair, 2006). Thus, the hypothesis of the relationships between the six variables was verified by using the computer program AMOS 23.0 to estimate path coefficients. Statistical Package for the Social Sciences (SPSS) software was used to find Cronbach’s Alpha reliability analysis and factor analysis. A test of Convergent Validity: Convergent Validity is believed to be acceptable when all item loadings are more than 0.5 (Wixom and Watson, 2001). The reliability of the all constructs is satisfied when Cronbach’s ‘α’ coefficient is over 0.7 for all the constructs (Nunnally, 1978). Table 4 presents Validity & Reliability values and fit indices for the constructs of the model.

As shown in the table 4 all the indices are greater than 0.7 except from the index of work motivation which is marginally accepted, and all items that have load greater than 0.5. Finally, a validity and reliability test on all items were declared valid and reliable.
Confirmatory Factor Analysis

CFA is a measurement model part of SEM and is mainly used to test whether the structure of the scale fits the actual data (Spicer, 2005). Initially, the measurement model in which the six variables were connected with double-headed arrows was completed used AMOS 23.0. However, Table 5 shows that the fit indexes of the model were unreasonable. Therefore, some items with low factor loadings were deleted (Wang, J., et al, 2019).

Table 5. CFA - Initial Model (19 Items)

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<tr>
<th>Model</th>
<th>NPAR</th>
<th>CMIN</th>
<th>DF</th>
<th>P</th>
<th>CMIN/DF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>67</td>
<td>434.702</td>
<td>142</td>
<td>.000</td>
<td>3.061</td>
</tr>
<tr>
<td>Saturated model</td>
<td>209</td>
<td>.000</td>
<td>0</td>
<td></td>
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<tr>
<td>Independence model</td>
<td>38</td>
<td>4014.428</td>
<td>171</td>
<td>.000</td>
<td>23.476</td>
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</table>

Table 6. CFA - Model Fit (12 Items)

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<th>Model</th>
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<tbody>
<tr>
<td>Default model</td>
<td>46</td>
<td>60.407</td>
<td>44</td>
<td>.051</td>
<td>1.373</td>
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<tr>
<td>Saturated model</td>
<td>90</td>
<td>.000</td>
<td>0</td>
<td></td>
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<tr>
<td>Independence model</td>
<td>24</td>
<td>2012.489</td>
<td>66</td>
<td>.000</td>
<td>30.492</td>
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To get the fit model, the initial indicator is 19 items, deleted 7 items (WFH2, WE1, WE2, WM1, JS2, JS4 dan JP4). In this study, 12 indicators were found for the fit model, shown in Figure 2.

Then, the CFA model with 12 items was retested and yielded a suitable fit (P ≥ 0.050). Table 6 describes the CFA model was adjusted to a fit model.
Based on the previous hypothesis, the initial structural model with a null correlation among errors was tested using maximum likelihood (ML). The fit index of the final structural model satisfied conformity (CR ≥ 1.98), Figure 3 shows the standardized path coefficients of the final structural model, which was used to verify the previous hypothesis.

Finally, table 7 presents the standardized Critical Ration of the variables from which we can conclude that all Independent Variables positively effect on the dependent variable (CR >1.98).
There is a positive relationship among work from home and work environment (CR = 8.517).

There is a positive relationship among work from home and work motivation (CR = 7.485).

There is a positive relationship among work from home and job satisfaction (CR = 8.549).

There is a positive relationship work motivation home and job performance. (CR = 10.517).

There is not supported relationship work environment and job performance. (CR = 1.435).

H1  There is a positive relationship among work from home and work environment (CR = 8.517).
H2  There is a positive relationship among work from home and work motivation (CR = 7.485).
H3  There is a positive relationship among work from home and job satisfaction (CR = 8.549).
H4  There is a positive relationship work motivation home and job performance. (CR = 10.517).
H5  There is not supported relationship work environment and job performance. (CR = 1.435).
H6 There is not supported relationship job satisfaction and job performance. (CR = 0.645).

DISCUSSION & LIMITATION

The main objective of this study is to analyze the effect of working from home on work performance in Indonesia. The results of the analysis show that working from home greatly affects the work environment, work motivation and job satisfaction. Work motivation positively affects job performance when working from home. However, work environment and job satisfaction non-significance to job performance when working from home. Finally, this study prove the positive relationship of “work from home” with the “work motivation” and positive implication to “job performance”. This study is focused on an online random survey of employees in Indonesia, so that future researchers can investigate by conducting interviews with companies that implement a permanent work from home policy. The recording and recognition of employee proposals for being more satisfied is another future subject of research arising from this study.

CONCLUSION

Findings of the study reveal that working from home in Indonesia able to improve job performance. This policy able to continued into a permanent policy, it is very positive in contributing to job performance. However, the work environment will be improved, such as infrastructure and facilities needed for employees related to work from home. This policy study will increasingly gain interest from sociologists to reveal insights sociological contribution to the improvement of job performance during a pandemic.

REFERENCES

Javed, Masooma., Balouch, Rifat and Hassan, Fatima. (2014). Determinants of Job Satisfaction and


