

The Effect of Flexible Working Arrangement (FWA) and Work Discipline on Employee Performance through Job Satisfaction as a Mediation Variable

Teguh Pambudi^{1*}, Corry Yohana², Tuty Sariwulan³

State University of Jakarta

Corresponding Author: Teguh Pambudi: Teguh.pambudi99@gmail.com

ARTICLE INFO

Keywords: Flexible Working Arrangement, Work Discipline, Job Satisfaction, Employee Performance.

Received : 25, April

Revised : 15, May

Accepted: 07, June

©2026 Pambudi, Yohana, Sariwulan (s):

This is an open-access article distributed

under the terms of the [Creative Commons Atribusi 4.0 Internasional](#).



ABSTRACT

This study aims to examine the effects of *Flexible Working Arrangement* (FWA) and work discipline on employee performance through job satisfaction as a mediating variable among Millennial and Generation Z civil servants in an Indonesian public sector organization. This study employed a quantitative approach using a survey method. The research sample consisted of 215 respondents selected through *proportionate stratified random sampling*. Data were collected using a Likert-scale questionnaire and analyzed using *Structural Equation Modeling-Partial Least Squares* (SEM-PLS). The findings reveal that *Flexible Working Arrangement*, work discipline, and job satisfaction each have a positive and significant effect on employee performance. In addition, *Flexible Working Arrangement* and work discipline positively and significantly influence job satisfaction. Job satisfaction was also found to partially mediate the relationships between *Flexible Working Arrangement* and employee performance, as well as between work discipline and employee performance. These findings suggest that implementing flexible work policies supported by strong work discipline and enhanced job satisfaction can be an effective approach to improving employee performance in Indonesian public sector organizations.

INTRODUCTION

Bureaucratic transformation in Indonesia is entering a new phase that emphasizes flexibility, digitalization, and a balance between work productivity and employee welfare. These changes are in line with the digital transformation trend of the public sector which encourages government organizations to make adjustments to work processes, organizational structures, and human resource management systems to be more adaptive to environmental changes. Zhang et al. (2023) explain that digital transformation has become a strategic need for government organizations to respond to environmental changes, improve organizational efficiency, and meet people's expectations of increasingly dynamic public services. In addition, Lekkas and Souitaris (2023) stated that public sector digitalization encourages bureaucracies to develop more flexible, collaborative, and technology-based work models in supporting organizational effectiveness.

In Indonesia, bureaucratic transformation is one of the government's priority agendas as stated in the Grand Design of National Bureaucratic Reform 2025-2045. Bureaucratic reform is required to create a bureaucracy that is professional, has integrity, is adaptive, and is able to provide quality public services. To achieve this goal, the government needs to ensure that the state civil servants (ASN) have optimal performance as the main capital in the administration of government.

Employee performance is one of the important indicators that reflects the success of the organization in managing human resources. Robbins and Judge (2022) explain that performance includes behaviors and work outcomes that support the achievement of organizational goals. In line with that, Aguinis (2013) stated that performance is the result and work behavior of individuals that contribute to the strategic goals of the organization. In an organization, employees play a strategic role because the success of the organization is greatly influenced by the contribution of its human resources. In line with this, Poláková et al. (2026) argue that employees are a resource that plays an important role in achieving goals and maintaining organizational stability.

The importance of ASN performance is increasingly relevant as the implementation of a results-based performance management system that emphasizes the achievement of *outputs*, *outcomes*, and real contributions to the organization. This is also in line with PermenPANRB Number 6 of 2022 concerning ASN Employee Performance Management which supports the achievement of organizational goals through measurable and sustainable individual performance. Therefore, government agencies are required to build a results-oriented work culture, not just physical presence

As a national ASN management coaching agency, the State Civil Service Agency (BKN) has a strategic role in realizing a professional bureaucracy through the management of the merit system, ASN management coaching, and the development of national personnel policies. Based on Presidential Regulation Number 92 of 2024 and BKN Regulation Number 1 of 2025, BKN is responsible for the implementation of ASN management nationally so that the quality of

performance of BKN employees is an important representation of the successful implementation of bureaucratic reform in Indonesia.

These findings reinforce the urgency of conducting an academic study on the relationship between *Flexible Working Arrangement* (FWA), Work Discipline, Job Satisfaction, and Employee Performance within the State Civil Service Agency (BKN), which is still very limited. As an institution that is a national model for the implementation of the merit system and digitalization of the state civil apparatus, empirical findings in BKN have strategic implications for the formulation of policies or regulations on human resources for the apparatus in the future.

In addition, this research is focused on Millennial and Generation Z ASN because the two generations are productive age groups that dominate the composition of ASN, including within the State Civil Service Agency. Compared to the previous generation, both have characteristics that are closer to the use of digital technology, work flexibility, *work-life balance*, and an adaptive and collaborative work environment. These characteristics make Millennials and Generation Z as relevant groups to review the implementation of *the Flexible Working Arrangement* (FWA). Therefore, this study is expected to provide a more contextual picture of the influence of *Flexible Working Arrangement*, work discipline, and job satisfaction on the performance of ASN in supporting digital bureaucratic transformation.

RESEARCH METHODS

Measurement Model Analysis (*Outer Model*)

The analysis of the measurement model aims to ensure that the indicators used are really able to represent the *unobserved variables* in a valid and reliable manner. The evaluation of the measurement model is carried out through several criteria as follows:

Convergent Validity

Convergent validity indicates the extent to which indicators in one construct have a high correlation with each other. The assessment was carried out through *an outer loading* value with a criterion of ≥ 0.70 and *an Average Variance Extracted* (AVE) value of ≥ 0.50 (Hair et al., 2019).

Discriminant Validity

Discriminant validity aims to ensure that a latent variable has a clear distinction from other latent variables in the model, so that each construct actually represents a different concept. Discriminant validity testing in the PLS-SEM approach can be done in two ways. First, by looking at the cross loading value, where each indicator must have the highest loading value on the construct it is measuring compared to other constructs in the model. Second, using the Fornell-Larcker criterion, which is by comparing the square root of the Average Variance Extracted (AVE) value of a construct with the correlation between other constructs. The square root of AVE must be greater than the correlation with other constructs in order for the distinguishing power of the construct to be adequate. If these two criteria are met, then each latent variable can be declared to have good discriminant validity (Ghozali, 2018).

Composite Reliability and Cronbach's Alpha

Construct reliability in the measurement model is used to assess the internal consistency of indicators in representing variables that are not directly measured. In the PLS-SEM approach, reliability is evaluated through *Composite Reliability* and Cronbach's Alpha values. The *recommended Composite Reliability* value is ≥ 0.70 , which indicates that the indicator has a good level of internal consistency in measuring constructs. Similarly, Cronbach's Alpha value ≥ 0.70 indicates high reliability, although in early-stage studies values between 0.60–0.70 are still acceptable. Within the scope of PLS-SEM, Composite Reliability is considered more representative than Cronbach's Alpha because it does not assume that all indicators have the same weight, making it more suitable for models with variance-based estimates (Ghozali, 2018).

Inner Model Analysis (Structural Model)

Internal model analysis is carried out to evaluate the relationships between constructs in structural models that have been formulated based on the conceptual framework and research hypotheses. The structural model describes the relationship between exogenous constructs (free variables) and endogenous constructs (bound variables) which aims to explain the direct and indirect influences between research variables. The internal evaluation of the model in the PLS-SEM approach was carried out by assessing the value of the determination coefficient (R-square), the size of the model fit (model fit), and the significance of the relationship between constructs through hypothesis testing (Ghozali, 2018).

Coefficient of Determination (R-square)

The R-square value (R^2) is used to measure how much ability an exogenous construct is capable of explaining endogenous construct variations in the model. The value of R^2 indicates the proportion of the variance of the endogenous variable that can be explained by the exogenous variable that affects it. According to Hair et al. (2019), the R^2 value of 0.75 is categorized as strong (substantial), the value of 0.50 is categorized as moderate (moderate), and the value of 0.25 is categorized as weak (weak). The higher the R^2 value, the greater the model's ability to explain the dependent variables, so that the structural model is judged to be better at predicting the relationship between constructs.

Goodness of Fit (GOF)

The evaluation of model suitability in PLS-SEM can be seen through several model fit indicators, one of which is the *Standardized Root Mean Square Residual* (SRMR) value. The model is declared to have a good fit level if the SRMR value < 0.10 or stricter < 0.08 (Hair et al., 2019). In addition, several studies also consider the value of the Normed Fit Index (NFI), where a value that is closer to 1 indicates a better level of model suitability (Ghozali, 2018). This test aims to ensure that the constructed structural model has complied with the empirical data obtained.

Hypothesis Testing

Hypothesis testing in this study was carried out to analyze the relationships between variables that have been formulated in the structural model. In the PLS-SEM approach, the test is carried out through *a bootstrapping* procedure to obtain the estimated *path coefficient*, t-statistic value, and p-value as

the basis for determining the significance of the relationship between variables. According to Hair et al. (2019), the evaluation of direct and indirect influences in PLS-SEM was carried out through a bootstrapping procedure by looking at t-statistic and p-value. Thus, the decision to accept or reject a hypothesis is based on the results of such statistical testing.

Direct Effects Analysis

Direct influence analysis aims to test the relationship between independent variables and dependent variables according to the research hypothesis. The path coefficient shows the direction and magnitude of the influence between variables in the structural model. The relationship is declared significant if the t-statistic value is greater than 1.96 or the p-value is less than 0.05 at a significance level of 5% (Hair et al., 2019). If the test results show a significant value and the coefficient direction is in accordance with the theoretical conjecture, then the hypothesis is declared accepted.

Indirect Effects Analysis

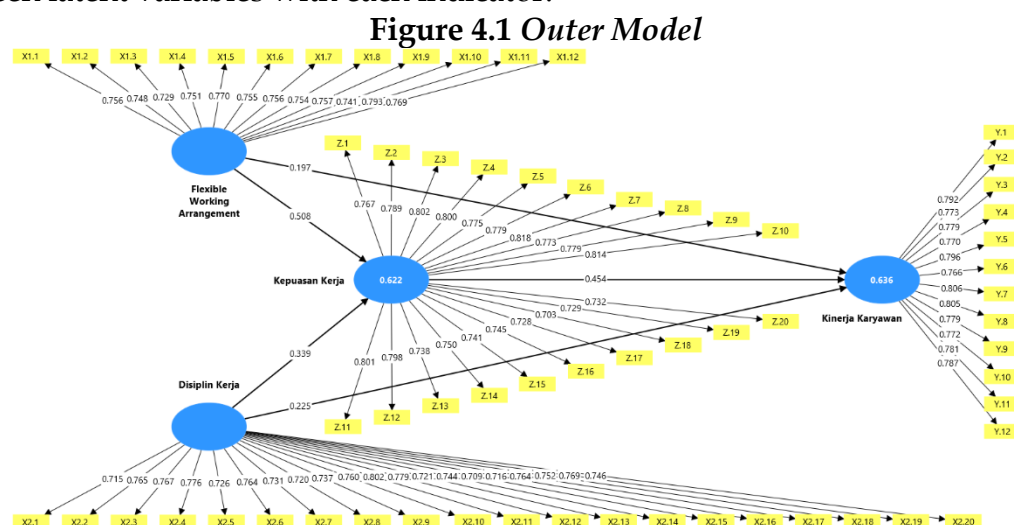
Indirect influence analysis was carried out to find out whether the mediating variable was able to bridge the relationship between independent and dependent variables. The test is done by looking at the significance of the indirect path through the *bootstrapping procedure*. In its interpretation, if the indirect influence is significant and the direct influence remains significant, then partial mediation occurs. On the other hand, if the indirect influence is significant but the direct influence becomes insignificant, then full mediation occurs (Ghozali, 2018).

RESULTS OF RESEARCH AND DISCUSSION

Data Statistical Analysis

Outer Model Testing

The testing of this model aims to be able to ensure the feasibility of being used as a measurement. Through this model analysis, it specifies the relationship between latent variables with each indicator.



Source: Processed by the author using SmartPLS 4 (2026)

Table 4.1 Convergent Validity Test Results

Variable	Indicator	Loading	Cut off	Verdict	AVE
Flexible Working Arrangement	X1.1	0.756	0.70	Valid	0.573
	X1.2	0.748	0.70	Valid	
	X1.3	0.729	0.70	Valid	
	X1.4	0.751	0.70	Valid	
	X1.5	0.77	0.70	Valid	
	X1.6	0.755	0.70	Valid	
	X1.7	0.756	0.70	Valid	
	X1.8	0.754	0.70	Valid	
	X1.9	0.757	0.70	Valid	
	X1.10	0.741	0.70	Valid	
	X1.11	0.793	0.70	Valid	
	X1.12	0.769	0.70	Valid	
Work Discipline	X2.1	0.715	0.70	Valid	0.561
	X2.2	0.765	0.70	Valid	
	X2.3	0.767	0.70	Valid	
	X2.4	0.776	0.70	Valid	
	X2.5	0.726	0.70	Valid	
	X2.6	0.764	0.70	Valid	
	X2.7	0.731	0.70	Valid	
	X2.8	0.72	0.70	Valid	
	X2.9	0.737	0.70	Valid	
	X2.10	0.76	0.70	Valid	
	X2.11	0.802	0.70	Valid	
	X2.12	0.779	0.70	Valid	
	X2.13	0.721	0.70	Valid	
	X2.14	0.744	0.70	Valid	
	X2.15	0.709	0.70	Valid	
	X2.16	0.716	0.70	Valid	
	X2.17	0.764	0.70	Valid	
	X2.18	0.752	0.70	Valid	
	X2.19	0.769	0.70	Valid	
	X2.20	0.746	0.70	Valid	
Job Satisfaction	Z.1	0.767	0.70	Valid	0.591
	Z.2	0.789	0.70	Valid	
	Z.3	0.802	0.70	Valid	
	Z.4	0.8	0.70	Valid	
	Z.5	0.775	0.70	Valid	
	Z.6	0.779	0.70	Valid	
	Z.7	0.818	0.70	Valid	
	Z.8	0.773	0.70	Valid	
	Z.9	0.779	0.70	Valid	
	Z.10	0.814	0.70	Valid	
	Z.11	0.801	0.70	Valid	
	Z.12	0.798	0.70	Valid	
	Z.13	0.738	0.70	Valid	
	Z.14	0.75	0.70	Valid	
	Z.15	0.741	0.70	Valid	

Variable	Indicator	Loading	Cut off	Verdict	AVE
	Z.16	0.745	0.70	Valid	
	Z.17	0.728	0.70	Valid	
	Z.18	0.703	0.70	Valid	
	Z.19	0.729	0.70	Valid	
	Z.20	0.732	0.70	Valid	
Employee Performance	Y.1	0.792	0.70	Valid	0.615
	Y.2	0.773	0.70	Valid	
	Y.3	0.779	0.70	Valid	
	Y.4	0.77	0.70	Valid	
	Y.5	0.796	0.70	Valid	
	Y.6	0.766	0.70	Valid	
	Y.7	0.806	0.70	Valid	
	Y.8	0.805	0.70	Valid	
	Y.9	0.779	0.70	Valid	
	Y.10	0.772	0.70	Valid	
	Y.11	0.781	0.70	Valid	
	Y.12	0.787	0.70	Valid	

Convergent validity is measuring the validity of reflective indicators as a measure of latent variables that can be seen from the *loading factor* of each variable indicator as well as the AVE value of each variable or dimension. An indicator is said to have good reliability, if the loading factor value is above 0.70. From the table above, it can be seen that the indicators of each construct provide a high convergent validity value, which is all above 0.70 and the AVE value above 0.5. This result means that the indicator shows *good convergent validity*.

a. Results of the Discriminant Validity Test

Discriminant validity is a measurement of validity that aims to find out the extent to which an indicator is able to distinguish the variable it measures from other variables. This test is carried out by comparing the *cross loading* value of each indicator in its construct with the *cross loading* value of other constructs. An indicator is declared to meet discriminant validity if it has a higher correlation value in the construct it measures compared to other constructs. The following are the results of the discriminant validity test:

Table 4.2 Results of the Discriminant Validity Test

Statement Items	Flexible Working Arrangement	Work Discipline	Job Satisfaction	Employee Performance
X1.1	0.756	0.583	0.585	0.551
X1.2	0.748	0.541	0.572	0.493
X1.3	0.729	0.562	0.542	0.458
X1.4	0.751	0.567	0.581	0.516
X1.5	0.770	0.545	0.548	0.524
X1.6	0.755	0.562	0.585	0.548
X1.7	0.756	0.557	0.520	0.536

Statement Items	Flexible Working Arrangement	Work Discipline	Job Satisfaction	Employee Performance
X1.8	0.754	0.527	0.567	0.536
X1.9	0.757	0.525	0.608	0.578
X1.10	0.741	0.576	0.558	0.568
X1.11	0.793	0.555	0.597	0.588
X1.12	0.769	0.528	0.592	0.487
X2.1	0.500	0.715	0.461	0.550
X2.2	0.572	0.765	0.503	0.521
X2.3	0.542	0.767	0.566	0.502
X2.4	0.634	0.776	0.572	0.527
X2.5	0.577	0.726	0.498	0.544
X2.6	0.548	0.764	0.499	0.505
X2.7	0.566	0.731	0.491	0.503
X2.8	0.514	0.720	0.529	0.571
X2.9	0.520	0.737	0.506	0.551
X2.10	0.521	0.760	0.501	0.531
X2.11	0.549	0.802	0.530	0.542
X2.12	0.550	0.779	0.578	0.545
X2.13	0.520	0.721	0.530	0.480
X2.14	0.515	0.744	0.518	0.418
X2.15	0.478	0.709	0.468	0.473
X2.16	0.572	0.716	0.560	0.478
X2.17	0.603	0.764	0.545	0.527
X2.18	0.553	0.752	0.531	0.495
X2.19	0.529	0.769	0.599	0.544
X2.20	0.548	0.746	0.616	0.525
Z.1	0.615	0.564	0.767	0.567
Z.2	0.636	0.609	0.789	0.577
Z.3	0.650	0.622	0.802	0.591
Z.4	0.572	0.561	0.800	0.553
Z.5	0.671	0.570	0.775	0.580
Z.6	0.607	0.565	0.779	0.530
Z.7	0.672	0.610	0.818	0.609
Z.8	0.592	0.530	0.773	0.602
Z.9	0.586	0.606	0.779	0.600
Z.10	0.629	0.597	0.814	0.629
Z.11	0.604	0.601	0.801	0.574
Z.12	0.633	0.526	0.798	0.596
Z.13	0.483	0.493	0.738	0.542
Z.14	0.585	0.509	0.750	0.558
Z.15	0.535	0.500	0.741	0.610
Z.16	0.539	0.561	0.745	0.599
Z.17	0.504	0.428	0.728	0.600
Z.18	0.484	0.452	0.703	0.602
Z.19	0.469	0.460	0.729	0.603

Statement Items	Flexible Working Arrangement	Work Discipline	Job Satisfaction	Employee Performance
Z.20	0.502	0.514	0.732	0.613
Y.1	0.517	0.506	0.601	0.792
Y.2	0.505	0.506	0.574	0.773
Y.3	0.521	0.445	0.594	0.779
Y.4	0.516	0.446	0.541	0.770
Y.5	0.539	0.578	0.629	0.796
Y.6	0.554	0.573	0.598	0.766
Y.7	0.567	0.592	0.623	0.806
Y.8	0.510	0.559	0.608	0.805

Inner Model Testing (Structural Model)

Internal *model* testing (structural model) is carried out to evaluate the relationship between variables in the research model that has been prepared based on a conceptual framework. This evaluation aims to determine the ability of independent variables to explain dependent variables and assess the suitability of the overall research model. Therefore, the *inner model* test in this study was carried out through the test of the determination coefficient (*R Square*), *effect size* (*F Square*), *predictive relevance* (*Q Square*), and *Goodness of Fit* (GOF). The following are the stages of testing the inner model in this study

a. R-Square Determination Coefficient Testing (R^2)

If the previously predicted model has completed the outer model criteria, the next step is to test the structural model (*inner model*) of the R-square score for the construct of this study as follows:

Table 4.14 Determination Coefficient Test Results

Models	R-square	R-square adjusted
Job Satisfaction	0.625	0.622
Employee Performance	0.641	0.636

Source: Processed by the author using SmartPLS 4 (2026)

Based on the results of the structural model test, it is known that the Adjusted *R-Square* value in the Job Satisfaction variable is 0.622. These results show that *Flexible Working Arrangement* and *Work Discipline* together were able to explain the variation in Job Satisfaction by 62.2%, while the remaining 37.8% was influenced by other factors that were not included in the research model. Furthermore, the *Adjusted R-Square* value in the Employee Performance variable is 0.636. This shows that *Flexible Working Arrangement*, *Work Discipline*, and *Job Satisfaction* together were able to explain the variation in Employee Performance by 63.6%, while the remaining 36.4% was influenced by other factors outside the research model. Referring to the criteria put forward by Hair et al. (2022), the *R-Square value* of 0.75 is categorized as strong (*substantial*), 0.50 is categorized as moderate (*moderate*), and 0.25 is

categorized as weak (*weak*). Thus, the *Adjusted R-Square value* for both endogenous variables is in the moderate category.

b. F-square (f^2) testing

In order to know how much an effect an independent latent variable has on a dependent latent variable, the F-Square test needs to be used. According to Ghazali and Latan (2015), the criteria for F-square are as follows:

1. The value of f^2 : 0.02 then the impact is classified as weak at the structural level
2. The value of f^2 : 0.15 then the impact is classified as moderate at the structural level
3. The value of f^2 : 0.35 then the impact is classified as strong at the structural level

Table 4.3
F-Square Test Results

Relationships	F-Square	Categories
Flexible Working Arrangement → Job Satisfaction	0.323	Medium
Work Discipline → Job Satisfaction	0.144	Small
Flexible Working Arrangement → Employee Performance	0.038	Small
Work Discipline → Employee Performance	0.058	Small
Job Satisfaction → Employee Performance	0.215	Medium

Source: Processed by the author using SmartPLS 4 (2026)

Based on the results of the *effect size* (f^2) test, it is known that the effect of *Flexible Working Arrangement* on Job Satisfaction has an *f-square value* of 0.323, which is included in the moderate category. Meanwhile, the effect of Work Discipline on Job Satisfaction has an *f-square value* of 0.144, which is included in the small category. Furthermore, the effect of *Flexible Working Arrangement* on Employee Performance has an *f-square value* of 0.038, while the effect of Work Discipline on Employee Performance is 0.058. Both relationships are included in the small category. The effect of Job Satisfaction on Employee Performance has an *f-square value* of 0.215, which is included in the moderate category. These results show that *Flexible Working Arrangement* has a greater effect on Job Satisfaction than Work Discipline. In addition, Job Satisfaction has a greater contribution to Employee Performance than the direct influence of *Flexible Working Arrangement* and Work Discipline, based on the above analysis, it can be concluded that the role of Job Satisfaction is quite important in the research model.

c. Q-Square Testing (Q^2)

Q-Square testing (Q^2 *predictive relevance*) was performed to evaluate the model's ability to predict endogenous variables. According to Hair et al. (2022), the model is said to have *predictive relevance* if the

Q^2 value is greater than 0. In addition, a Q^2 value of 0.02 indicates small predictive ability, 0.15 indicates medium predictive ability, and 0.35 indicates large predictive ability. The following are the results of the *Q-Square* (Q^2) test in this study.

Table 4.4
Q- Test Results

Endogenous Variable	Q^2 Predict
Job Satisfaction	0.606
Employee Performance	0.533

Source: Processed by the author using SmartPLS 4 (2026)

Based on the table above, it can be seen that all endogenous variables have a Q^2 value greater than zero, namely 0.606 for Job Satisfaction and 0.533 for Employee Performance. These results show that the structural model has good *predictive relevance*, so it is feasible to use it to explain the relationship between variables in the study.

d. Goodness of *Fit* (GOF) Test

The Model Fit (*Goodness of Fit*/GOF) test was conducted to evaluate the level of conformity between the research model and the analyzed data. According to Hair et al. (2022), fit model testing aims to assess whether the built model meets the criteria so that it is suitable for use in hypothesis analysis and testing.

Table 4.5
Model Fit Test Results

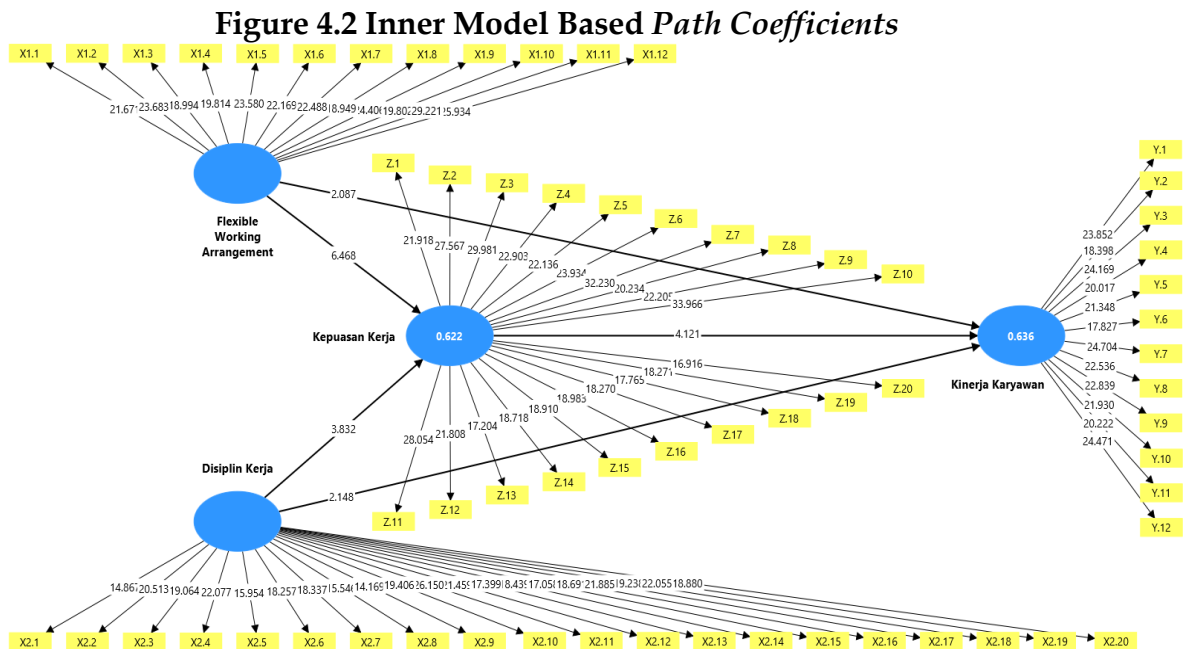
Table of Contents	Saturated model	Estimated model
SRMR	0.056	0.056
d_ULS	6.446	6.446
d_G	3.594	3.594
Chi-square	3691.022	3691.022
NFI	0.712	0.712

Source: Processed by the author using SmartPLS 4 (2026)

The value of the fit model can be seen from the NFI and SRMR values. An NFI value close to 1 and a small SRMR of 0.8 indicates that the model is well formed and acceptable. From the results above, an NFI value of 0.712 was obtained which is close to 1 and an SRMR value of $0.056 < 0.08$. Thus, it can be interpreted that the model formed is good and acceptable.

e. Probability/Significance Value (P-Value) Testing

According to Ghazali, (2015), the dimensions of variables that have been valid can be calculated in order to observe the acquisition of the coefficient significance parameter. This is aimed at being able to find out and analyze positive and negative impacts, and whether they are strong or not strong based on the required P value is less than 0.05 while the required t-statistic is greater than 1.96. Below is a picture of the results of the SmartPLS *inner model* based on the *path coefficient*:



Source: Processed by the author using SmartPLS 4 (2026)

Based on Figure 4.2 above, the path coefficient value is shown in the table below:

Table 4.6 Value Path Coefficient

Hypothesis	Original Sample (O)	T statistics (O/STDEV)	P values	Verdict
Flexible Working Arrangement -> Job Satisfaction	0.508	6.468	0.000	Significant
Work Discipline -> Job Satisfaction	0.339	3.832	0.000	Significant
Flexible Working Arrangement -> Employee Performance	0.197	2.087	0.037	Significant
Work Discipline -> Employee Performance	0.225	2.148	0.032	Significant
Job Satisfaction -> Employee Performance	0.454	4.121	0.000	Significant

Source: Processed by the author using SmartPLS 4 (2026)

Based on the path coefficients value in the figure above, the hypothesis of this study can be interpreted as follows:

1) H1: The Effect of Flexible Working Arrangement on Job Satisfaction

The test results showed that the Flexible Working Arrangement had a positive and significant effect on job satisfaction, so the first hypothesis was accepted. This is evidenced by the path coefficient value ($\beta = 0.508$) which shows the direction of a positive relationship, a t-statistic value of 6.468 (> 1.96), and a p-value of 0.000 (< 0.05). These findings indicate that the better the implementation of the Flexible Working Arrangement, the higher the level of employee job satisfaction.

2) H2: The Effect of Work Discipline on Job Satisfaction

The test results showed that work discipline had a positive and significant effect on job satisfaction, so the second hypothesis was accepted. This is evidenced by the path coefficient value ($\beta = 0.339$), the t-statistic value of 3.832 (> 1.96), and the p-value of 0.000 (< 0.05). These results show that improving work discipline will increase employee job satisfaction.

3) H3: The Effect of Flexible Working Arrangement on Employee Performance

The results show that the Flexible Working Arrangement has a positive and significant effect on employee performance, so the third hypothesis is accepted. This is evidenced by the path coefficient value ($\beta = 0.197$), the t-statistic value of 2.087 (> 1.96), and the p-value of 0.037 (< 0.05). These findings show that the implementation of the Flexible Working Arrangement is able to improve employee performance, although the magnitude of the effect is relatively small compared to the effect on job satisfaction.

4) H4: The Effect of Work Discipline on Employee Performance

The test results showed that work discipline had a positive and significant effect on employee performance, so the fourth hypothesis was accepted. This is evidenced by the path coefficient value ($\beta = 0.225$), the t-statistical value of 2.148 (> 1.96), and the p-value of 0.032 (< 0.05). Thus, the higher the level of work discipline that employees have, the better the performance produced.

5) H5: The Effect of Job Satisfaction on Employee Performance

The test results showed that job satisfaction had a positive and significant effect on employee performance, so the fifth hypothesis was accepted. This is evidenced by the path coefficient value ($\beta = 0.454$), the t-statistic value of 4.121 (> 1.96), and the p-value of 0.000 (< 0.05). These findings indicate that the higher the level of job satisfaction felt by employees, the higher the performance produced.

Table 4.7 Value Indirect Effects

Hypothesis	Original Sample (O)	T statistics (O/STDEV)	P values	Verdict
Flexible Working Arrangement -> Job Satisfaction -> Employee Performance	0.231	3.465	0.001	Significant
Work Discipline -> Job Satisfaction -> Employee Performance	0.154	2.744	0.006	Significant

Source: Processed by the author using SmartPLS 4 (2026)

6) H6: The Effect of Flexible Working Arrangement on Employee Performance through Job Satisfaction

The test results showed that job satisfaction was able to mediate the influence of *the Flexible Working Arrangement* on employee performance, so the sixth hypothesis was accepted. This is evidenced by the value of the indirect path coefficient ($\beta = 0.231$) which indicates the direction of positive influence, a t-statistical value of 3.465 (> 1.96), and a p-value of 0.001 (< 0.05). These findings indicate that the implementation of a good Flexible Working Arrangement can increase job satisfaction, which in turn has an impact on improving employee performance. Thus, job satisfaction acts as a mediating variable that strengthens the relationship between *the Flexible Working Arrangement* and employee performance.

7) H7: The Influence of Work Discipline on Employee Performance through Job Satisfaction

The test results showed that job satisfaction was able to mediate the influence of work discipline on employee performance, so the seventh hypothesis was accepted. This is evidenced by the value of the indirect path coefficient ($\beta = 0.154$) which indicates the direction of positive influence, a t-statistical value of 2.744 (> 1.96), and a p-value of 0.006 (< 0.05). These findings indicate that improving work discipline will increase job satisfaction, which ultimately has an impact on improving employee performance. Thus, job satisfaction plays a mediating variable in the relationship between work discipline and employee performance.

DISCUSSION

The Effect of Flexible Working Arrangement on Performance

Based on the results of the research that has been carried out, it can be concluded that *the Flexible Working Arrangement* has a positive and significant effect on the Performance of Employees in the State Civil Service Agency of the Republic of Indonesia. The results were shown by the path coefficient value of 0.197, the T-statistical value of 2.087 (> 1.96), and the p-value of 0.037 (< 0.05), so that the first hypothesis (H1) was accepted. These findings show that the better the implementation of *the Flexible Working Arrangement*, the higher the employee performance shown in job completion, achievement of work targets, quality of work results, and the ability to work together in supporting the achievement of organizational goals. The results of the descriptive analysis also showed that the *Flexible Working Arrangement* variable obtained an average value of 4.22 with the very good category. The *task autonomy* indicator obtained the highest average score, while *workplace flexibility* obtained the lowest average score. This condition shows that BKN employees in general have felt flexibility in managing how to complete work, although the flexibility of the work location still needs to be optimized according to the characteristics of the tasks of each work unit.

The Effect of Work Discipline on Performance

Based on the results of the research that has been carried out, it can be concluded that Work Discipline has a positive and significant effect on Employee Performance in the State Civil Service Agency of the Republic of Indonesia. The

results were shown by the path coefficient value of **0.225**, the *T*-statistical value of **2.148** (>1.96), and the *p*-value of **0.032** (<0.05). These results show that the higher the level of work discipline that employees have, the better the performance produced in carrying out their duties and responsibilities. Thus, the second hypothesis (H2) is accepted. The results of the descriptive analysis also showed that the Work Discipline variable obtained an average score of **4.44** with the very good category. The indicator of compliance with working time obtained the highest average value of **4.49**, while the indicator of responsible use of work facilities obtained the lowest average value of **4.42**, although all indicators were still in the very good category. These results indicate that the implementation of work discipline in the BKN environment has gone very well and is one of the factors that support the improvement of employee performance.

The Effect of Job Satisfaction on Performance

Based on the results of the research that has been conducted, it can be concluded that Job Satisfaction has a positive and significant effect on Employee Performance in the State Civil Service Agency of the Republic of Indonesia. The results were shown by the path coefficient value of 0.454, the *T*-statistical value of 4.121 (>1.96), and the *p*-value of 0.000 (<0.05). These findings show that the higher the level of job satisfaction felt by employees, the higher the performance produced in carrying out their duties and responsibilities. Thus, the third hypothesis (H3) is accepted. The results of the descriptive analysis also showed that the Job Satisfaction variable obtained an average score of 4.17 with the very good category. The relationship with colleagues indicator obtained the highest average score of 4.37, while the reward indicator obtained the lowest average score of 3.95 in the good category. The findings indicate that in general employees are satisfied with their work, although there is still room to increase satisfaction in the aspect of the remuneration received.

The Effect of Flexible Working Arrangement on Job Satisfaction

Based on the results of the research that has been conducted, it can be concluded that the *Flexible Working Arrangement* has a positive and significant effect on Employee Job Satisfaction in the State Civil Service Agency of the Republic of Indonesia. The results were shown by the path coefficient value of 0.522, the *T*-statistical value of 6.135 (>1.96), and the *p*-value of 0.000 (<0.05). These findings show that the better the implementation of the *Flexible Working Arrangement*, the higher the level of job satisfaction felt by employees. Thus, the fourth hypothesis (H4) is accepted. The results of the descriptive analysis also showed that the *Flexible Working Arrangement* variable obtained an average value of 4.21 with a very good category. The task autonomy indicator obtained the highest average score, while the workplace flexibility indicator obtained the lowest average score, although all indicators were still in the very good category. The findings indicate that the implementation of the *Flexible Working Arrangement* in the BKN environment has gone well and is able to provide a positive work experience for employees.

The Effect of Work Discipline on Job Satisfaction

Based on the results of the research that has been conducted, it can be concluded that Work Discipline has a positive and significant effect on Employee

Job Satisfaction in the State Civil Service Agency of the Republic of Indonesia. The results were shown by the path coefficient value of 0.339, the T-statistical value of 3.832 (>1.96), and the p-value of 0.000 (<0.05). These results show that the higher the level of work discipline that employees have, the higher the job satisfaction felt by employees. Thus, the fifth hypothesis (H5) is accepted. The results of the descriptive analysis also showed that the Work Discipline variable obtained an average score of 4.44 with the very good category. The indicator of compliance with working time obtained the highest average value of 4.49, while the indicator of responsible use of work facilities obtained the lowest average value of 4.42, although all indicators were still in the very good category. The findings show that the culture of work discipline in the BKN environment has been implemented very well so that it is able to create a positive work experience for employees.

The Effect of *Flexible Working Arrangement* on Performance through Job Satisfaction

Based on the results of the research that has been conducted, it can be concluded that Job Satisfaction is able to mediate the influence of Flexible Working Arrangement on Employee Performance in the State Civil Service Agency of the Republic of Indonesia. The results were shown by the value of the indirect path coefficient of 0.231, the T-statistical value of 3.465 (>1.96), and the p-value of 0.001 (<0.05). In addition, the results of the calculation of Variance Accounted For (VAF) showed a value of 53.97%, so that Job Satisfaction plays a role as partial mediation in the relationship between Flexible Working Arrangement and Employee Performance. This shows that the Flexible Working Arrangement is able to improve Employee Performance both directly and through increasing Job Satisfaction. Thus, the sixth hypothesis (H6) is accepted.

The Effect of Work Discipline on Performance through Job Satisfaction

Based on the results of the research that has been conducted, it can be concluded that Job Satisfaction is able to mediate the influence of Work Discipline on Employee Performance in the State Civil Service Agency of the Republic of Indonesia. The results were shown by the indirect path coefficient value of 0.154, the T-statistical value of 2.834 (>1.96), and the p-value of 0.005 (<0.05). In addition, the results of the Variance Accounted For (VAF) calculation showed a value of 40.63%, so that Job Satisfaction plays a role as partial mediation in the relationship between Work Discipline and Employee Performance. This shows that Work Discipline is able to improve Employee Performance both directly and through increasing Job Satisfaction. Thus, the seventh hypothesis (H7) is accepted.

CONCLUSION

Based on the results of data analysis using the *Structural Equation Modeling-Partial Least Squares* (SEM-PLS) method on 260 respondents of Millennial and Generation Z ASN at the State Civil Service Agency of the Republic of Indonesia, the conclusion was obtained as follows:

Flexible Working Arrangement (FWA) has a positive and significant effect on Employee Performance.

The results of the study show that the better the implementation *Flexible Working Arrangement* Through the flexibility of working hours, the flexibility of the work location, and the autonomy in the implementation of work, the higher the performance of employees. The implementation of FWA provides flexibility for employees to manage how to work more effectively without reducing the achievement of organizational targets. These findings prove that the FWA policy implemented in the State Civil Service Agency is able to support the improvement of quality, effectiveness, and achievement of employee performance.

Work Discipline has a positive and significant effect on Employee Performance.

The results of the study show that the higher the level of work discipline of employees, the higher the performance produced. Compliance with organizational regulations, responsibility in completing work, and consistency in carrying out tasks according to work standards have been proven to be able to improve the quality and effectiveness of work implementation. Thus, work discipline is one of the important factors that supports the achievement of optimal employee performance in the State Civil Service Agency of the Republic of Indonesia.

Flexible Working Arrangement (FWA) has a positive and significant effect on Job Satisfaction.

The results of the study show that the implementation of FWA is able to increase employee job satisfaction through the creation of a balance between personal and work life, increased flexibility in carrying out tasks, and increased organizational trust in employees. This condition makes employees feel more comfortable, appreciated, and have a more positive work experience so as to increase their job satisfaction.

Work Discipline has a positive and significant effect on Job Satisfaction.

The results of the study showed that employees who had a high level of work discipline tended to feel better job satisfaction. Compliance with rules, orderliness at work, and the ability to complete tasks according to organizational standards create an orderly and conducive work environment so as to provide a sense of comfort and satisfaction at work.

Job Satisfaction has a positive and significant effect on Employee Performance. The results of the study prove that the higher the level of job satisfaction felt by employees, the higher the performance produced. Employees who feel satisfied with their work tend to have higher motivation, commitment, and work morale so that they are able to produce better quality work, achieve optimal organizational targets, and make greater contributions to the organization.

Job Satisfaction is able to partially mediate the influence of Flexible Working Arrangement (FWA) on Employee Performance.

The results of the study show that the implementation of *Flexible Working Arrangement* Not only improving employee performance directly, but also increasing job satisfaction which further has an impact on improving employee performance. The role of partial mediation suggests that job satisfaction is an

important mechanism that reinforces FWA's influence on performance, although FWA still has a direct influence on employee performance.

Job Satisfaction is able to partially mediate the influence of Work Discipline on Employee Performance.

The results of the study show that work discipline not only has a direct effect on improving employee performance, but also increases job satisfaction which then encourages performance improvement. These findings show that job satisfaction is a mechanism that strengthens the relationship between work discipline and employee performance. Thus, an increase in work discipline followed by an increase in job satisfaction will result in more optimal employee performance in the State Civil Service Agency of the Republic of Indonesia.

ADVICE AND RECOMMENDATIONS

Flexible working arrangement

Based on the results of the descriptive analysis, the flexibility indicator in determining the work location obtained the lowest average score of 4.28, while the flexibility indicator in determining the time to carry out work obtained the highest average score of 4.44. Although all indicators are in the very good category, the results show that worksite flexibility still has room for optimization. Therefore, the State Civil Service Agency is advised to expand the implementation of work site flexibility on the type of work that allows it to be carried out remotely or hybrid without reducing the quality of public services. In addition, organizations need to continue to strengthen digital infrastructure support through optimizing the use of MyASN, SI-ASN, e-Kinerja applications, electronic correspondence, electronic signatures, and online collaboration platforms so that the implementation of the Flexible Working Arrangement can run more effectively, safely, and accountably.

Work Discipline

Based on the results of the descriptive analysis, the indicator of responsible use of work facilities obtained the lowest average score of 4.41, while the indicator of compliance with working time obtained the highest average score of 4.49. The findings show that the culture of employee discipline within the State Civil Service Agency has been running very well, but the use of work facilities still needs to be improved. Therefore, organizations are advised to strengthen supervision over the use of work facilities, increase employee awareness about the effective and efficient use of state assets, and conduct regular socialization regarding responsibilities in the use of work facilities. These efforts are expected to be able to strengthen work discipline while supporting the increase in employee productivity.

Job Satisfaction

Based on the results of the descriptive analysis, the indicator of satisfaction with the remuneration received obtained the lowest average score of 3.95, while the indicator of relationship with colleagues obtained the highest average score of 4.37. These results show that the working relationship between employees has been established very well, but the perception of remuneration is still an aspect that needs attention. Therefore, the State Civil Service Agency is advised to improve the reward system for employees, both through the provision of non-

financial appreciation, such as awards for work achievements, opportunities to participate in competency development, and the provision of career development opportunities according to performance and competence. This step is expected to increase employee job satisfaction while strengthening motivation in achieving organizational goals.

Employee Performance

Based on the results of the descriptive analysis, the indicators of work implementation efficiency and the quality of work results obtained the lowest average score of 4.33, while the indicator of achievement of work targets obtained the highest average score of 4.39. The findings show that employees have been able to achieve work targets very well, but there is still room to improve the efficiency of work processes and the quality of work results. Therefore, the State Civil Service Agency is advised to continue to improve employee competencies through relevant training, strengthen the culture of continuous improvement, and optimize the use of information technology in the work process so that work can be completed more effectively, efficiently, and with quality.

BIBLIOGRAPHY

- Aguinis, H. (2013). *Performance management* (3rd ed.). Pearson Education.
- Ahmad, R., Nawaz, M. R., Ishaq, M. I., Khan, M. M., & Ashraf, H. A. (2023). Social exchange theory: Systematic review and future directions. *Frontiers in Psychology*, 13, Article 1015921. <https://doi.org/10.3389/fpsyg.2022.1015921>
- Anakpo, G., Nqwayibana, Z., & Mishi, S. (2023). The impact of work-from-home on employee performance and productivity: A systematic review. *Sustainability*, 15(5), 4529. <https://doi.org/10.3390/su15054529>
- Austin-Egole, I. S., Iheriohanma, E. B. J., & Nwokorie, C. (2020). Flexible working arrangements and organizational performance: An overview. *IOSR Journal of Humanities and Social Science*, 25(5), 50–59. DOI: 10.9790/0837-2505065059
- State Civil Service Agency. (2026). *Service Memorandum Number 02/KP.11.02/ND/K/2026 concerning the Flexible Implementation of Official Duties within the State Civil Service Agency*.
- Bahasoan, S., & Baharuddin, I. (2023). Work discipline, work motivation and employee performance. *Advances in Human Resource Management Research*, 1(2), 90–101. <https://doi.org/10.60079/ahrmr.v1i2.92>
- Berber, N., Gašić, D., Katić, I., & Borocki, J. (2022). The mediating role of job satisfaction in the relationship between flexible working arrangements and turnover intentions. *Sustainability*, 14(8), 4502. <https://doi.org/10.3390/su14084502>
- Berber, A., Afacan Findikli, M., Marescaux, E., Rofcanin, Y., Mughal, F., & Swart, J. (2023). Exploring the effects of reduced load work arrangements (RLWAs): The role of individual autonomy and workplace-level justice perceptions. *European Management Journal*, 41(5), 720–729. <https://doi.org/10.1016/j.emj.2022.04.002>
- Kelibulin, E. S., Palutturi, S., Arifin, M. A., Indar, Thamrin, Y., Stang, & Rahmadani, S. (2020). The effect of work discipline on employee

- performance (The health office case study of Tanimbar Island). *Medico-Legal Update*, 20(3), 849–853.
- Putra, A. A. G. N. G. P., & Suwandana, I. G. M. (2025). The influence of flexible working arrangement on job satisfaction mediated by work-life balance among organic employees. *Journal of Social Science*, 4(6), 281–295.
- Rachman, A., Yochanan, E., Samanlangi, A. I., & Purnomo, H. (2024). *Quantitative, qualitative and R&D research methods*. Saba Jaya Publisher.
- Rahmawati, Nastiti, R., Normalina, & Irawan, A. (2022). Flexible working arrangement and performance of state civil servants in Banjarmasin during the pandemic. *SPREAD: Scientific Journal of Business and Finance*, 11(1), 51–57.
- Ray, T. K., & Pana-Cryan, R. (2021). *Work flexibility and work-related well-being*. *International Journal of Environmental Research and Public Health*, 18(6), 3254. <https://doi.org/10.3390/ijerph18063254>
- Tapasco-Alzate, O. A., & Giraldo-García, J. A. (2020). Benefits and challenges of teleworking: A case study in a Colombian public organization. *Heliyon*, 6(6), e04233. <https://doi.org/10.1016/j.heliyon.2020.e04233>
- Thwin, N. P. Z. (2023). The impact of flexible working arrangements on employees' performance. *International Journal of Research and Innovation in Social Science*, 7(8)
- Wang, B., Liu, Y., Qian, J., & Parker, S. K. (2021). Achieving effective remote working during the COVID-19 pandemic: A work design perspective. *Applied Psychology*, 70(1), 16–59. <https://doi.org/10.1111/apps.12290>
- Wartenberg, C., Rudolph, C. W., & Zacher, H. (2023). Flexible working arrangements and employee performance: The role of job satisfaction and work-life balance. *Human Resource Management Review*, 33(4), 100923. <https://doi.org/10.1016/j.hrmr.2022.100923>
- Wahyuni, S., & Anwar, Y. (2023). The effect of work discipline and work motivation on employee performance. *International Journal of Economics, Business and Accounting Research (IJEBAAR)*, 7(1), 1–10
- Watters, E. R. (2021). Factors in employee motivation: Expectancy and equity theories. *Journal of Colorado Policing*
- Zhang, X., Zhang, Y., Li, Y., & Liu, H. (2023). How organizational agility drives digital transformation performance in government organizations: The mediating role of dynamic capability. *Sustainability*, 15(21), 15257. <https://doi.org/10.3390/su152115257>
- Zhu, N., Liu, Y., Zhang, J., Liu, J., Li, J., Wang, S., & Gul, H. (2022). How and why non-balanced reciprocity differently influence employees' compliance behavior: The mediating role of thriving and the moderating roles of perceived cognitive capabilities of artificial intelligence and conscientiousness. *Frontiers in Psychology*, 13, 1029081. <https://doi.org/10.3389/fpsyg.2022.1029081>
- Zysman, J., & Costinot, A. (2020). *The influence of work discipline and workload on employee performance (Study on community empowerment for health service employees at California District)*. PT Radja Intercontinental Publishing

Click or tap here to enter text.