

## Strategies for Strengthening Employee Wellbeing in Improving Organizational Performance in the Flexible Work Era

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### ABSTRACT

This study aims to examine the influence of employee wellbeing strengthening strategies on improving organizational performance in the flexible work era. This research focuses on three main variables, namely organizational strategy, employee wellbeing, and organizational performance. A quantitative approach with an explanatory design was used through a survey of 100 employees in West Java who worked with a flexible work system. Data were collected using a Likert scale questionnaire and analyzed by multiple linear regression. The results show that organizational strategies that are oriented towards work-life balance, mental health support, and flexible work policies have a positive and significant influence on employee wellbeing, which further improves organizational performance. These findings confirm the important role of employee wellbeing as a strategic driver of organizational success. This research contributes to the development of human resource management science by emphasizing the importance of adaptive and sustainable work strategies in increasing productivity and maintaining organizational competitiveness in a dynamic work environment

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## INTRODUCTION

The development of the global work environment has undergone a significant transformation in line with the increasing adoption of flexible work systems, such as remote working and hybrid working, which are increasingly common post-pandemic. This change not only changes traditional work patterns, but also poses new challenges in human resource management, especially related to employee welfare. Employee wellbeing is a strategic issue because it is directly related to productivity, work engagement, and organizational sustainability. Global studies show that organizations that are able to maintain employee wellbeing tend to have more stable and adaptive performance in the face of change (Kniffin et al., 2021). Therefore, attention to employee wellbeing is becoming increasingly crucial in the context of flexible working.

At the national level, the phenomenon of flexible work is also starting to develop rapidly, especially in big cities in Indonesia, including the West Java region. Many companies have adopted flexible working policies to improve employee efficiency and work-balance. However, the implementation of this policy has not been fully balanced with an adequate strategy to maintain employee welfare. This has the potential to cause work stress, fatigue, and decreased performance if not managed properly (Pratama & Sari, 2022). This condition shows that flexible work does not always have a positive impact without the support of the right organizational strategy.

Theoretically, employee wellbeing is a multidimensional concept that includes psychological, physical, and social aspects in the work environment. Previous research has shown that employee well-being has a positive relationship with organizational performance, both directly and indirectly (Guest, 2021). Additionally, organizational strategies such as managerial support, flexible policies, and mental health programs have been shown to contribute to improved wellbeing (Chaudhuri et al., 2022). However, there are still differences in the results of research related to the effectiveness of these strategies in the context of flexible working, so further studies are needed.

Several previous studies have examined the relationship between flexible work and employee wellbeing, but most have focused on direct impacts without considering the role of organizational strategy comprehensively. For example, research by Wang et al. (2021) shows that remote work can improve work-life balance, but also improve social isolation. Meanwhile, a study by Molino et al. (2020) found that work flexibility can increase job satisfaction, but it does not always have a significant impact on organizational performance. This gap demonstrates the need for research that integrates organizational strategy, wellbeing, and performance in one whole, analytical model.

In addition, research examining the role of employee wellbeing as an intervening variable in the relationship between organizational strategy and performance is still limited, especially in the context of developing countries such as Indonesia. In fact, understanding the mechanism of the relationship is very important to formulate effective human resource policies. The study by Spagnoli et al. (2020) emphasizes that wellbeing can be a significant mediator in improving organizational performance, but these findings still need to be tested in the

context of dynamic flexible working. Therefore, this research is here to fill this gap with a more comprehensive approach.

Based on this description, this study aims to analyze the influence of employee wellbeing strengthening strategies on improving organizational performance in the flexible work era. In particular, this study also aims to examine the role of employee wellbeing as an intervening variable in the relationship between organizational strategy and performance. Thus, this study not only examines the direct relationship between variables, but also explains the underlying mechanisms. This approach is expected to provide a deeper understanding of the dynamics of human resource management in the modern era.

This research is expected to make a theoretical and practical contribution. Theoretically, this study enriches the literature on human resource management by integrating the concepts of organizational strategy, employee wellbeing, and performance in the context of flexible work. Practically, the results of this research can be the basis for organizations to design work policies that are more adaptive and oriented towards employee welfare. In addition, this study also provides recommendations for practitioners in managing human resources more effectively in the midst of dynamic changes in the work environment. Thus, this research has high relevance in supporting organizational sustainability in the digital and flexible era.

## LITERATURE REVIEW

### *1. Employee Wellbeing in the Perspective of Human Resource Management*

Employee wellbeing is an important concept in human resource management that reflects the physical, mental, and social conditions of employees in the work environment. In a modern perspective, wellbeing is not only seen as an individual responsibility, but also as a result of organizational policies and practices that support work-life balance. According to De Simone et al. (2021), employee welfare is closely related to job satisfaction and organizational commitment, so it is a strategic factor in improving performance. In addition, research by Saks (2022) confirms that organizations that invest in wellbeing tend to have higher engagement rates and lower turnover rates.

In the national context, the concept of employee wellbeing is also getting more attention, especially as work pressure in the digital era increases. Research by Rahman and Kurniawati (2023) shows that employee welfare in Indonesia is influenced by organizational support and work-life balance. This reinforces the view that wellbeing is not just an individual issue, but is the result of an interaction between individuals and organizational systems. Therefore, wellbeing management is an important element in a sustainable human resource strategy.

H1: Employee wellbeing has a positive effect on organizational performance.

### *2. Organizational Strategies in Improving Employee Wellbeing*

An organization's strategy to improve employee well-being includes a variety of policies and practices designed to support healthy and productive working conditions. These strategies include work flexibility, mental health

support, and supportive leadership. According to Bakker and Demerouti (2020), through Job Demands-Resources Theory, organizations can improve wellbeing by balancing work demands and available resources. Research by Albrecht et al. (2021) also shows that organizational support significantly improves the psychological well-being of employees.

In Indonesia, the implementation of wellbeing strategies still faces various challenges, especially in terms of policy consistency and organizational culture. A study by Nugroho and Wibowo (2022) found that flexible work policies have not been fully supported by an adaptive managerial system. This shows that the success of a wellbeing strategy depends not only on formal policies, but also on effective implementation. As such, organizations need to develop a holistic and sustainable strategy to improve employee well-being.

H2: Organizational strategy has a positive effect on employee wellbeing.

### ***3. Flexible Work and Employee Well-Being Dynamics***

Flexible work is one of the innovations in work management that provides flexibility for employees to determine the time and place of work. This system has been proven to provide benefits in improving work-life balance. Research by Allen et al. (2021) shows that work flexibility can increase job satisfaction and reduce role conflicts. However, flexibility can also pose challenges such as social isolation and digital burnout if not managed properly.

In the Indonesian context, flexible work has begun to be widely adopted, especially after the pandemic. Research by Putri and Santoso (2023) shows that flexible working has a positive impact on employee well-being, but its effectiveness is highly dependent on organizational support. This shows that flexible work is not a single solution, but must be supported by the right organizational strategy. Therefore, it is important to comprehensively understand how flexible work affects wellbeing.

H3: Flexible work has a positive effect on employee wellbeing.

### ***4. Organizational Performance as a Strategic Outcome***

Organizational performance is an indicator of organizational success in achieving the goals that have been set. Organizational performance is influenced by a variety of factors, including the quality of human resources and supportive working conditions. According to Jiang et al. (2020), effective human resource management practices can improve organizational performance through improving employee competencies and motivation. In addition, research by Kim and Park (2021) shows that employee well-being has a significant contribution to productivity and work quality.

At the national level, organizational performance is also influenced by adaptation to changes in the work environment. Studies by Suryani and Hartono (2022) show that organizations that are able to effectively manage employee well-being tend to have better performance. This confirms that wellbeing is not only a supporting factor, but is a key determinant in the success of an organization. Therefore, the relationship between wellbeing and performance needs to be studied in more depth.

H4: Employee wellbeing plays a role as an intervening variable in the relationship between organizational strategy and organizational performance.

## **METHODOLOGY**

### ***1. Types and Approaches to Research***

This study uses a quantitative approach with an explanatory research design that aims to examine the causal relationship between organizational strategy variables, employee wellbeing, and organizational performance in the context of flexible work. The quantitative approach was chosen because it allows for objective measurement of variables as well as statistical testing of hypotheses (Creswell & Creswell, 2021). Explanatory design is used to explain the influence between variables as well as the mediating role of employee wellbeing in the relationship. This study is cross-sectional, where data is collected at a specific time to describe the actual condition of the respondents. This approach is considered relevant in human resource management research that focuses on employee perception and experience (Hair et al., 2022).

### ***2. Population and Sampling Techniques***

The population in this study is all employees who work in organizations that implement flexible work systems in the West Java region. The sampling technique used is non-probability sampling with the purposive sampling method, which is the selection of respondents based on certain criteria that are relevant to the research objectives. Respondents' criteria include active employees, have a minimum working period of six months, and have experienced a flexible work system such as remote working or hybrid working. The number of samples in this study was 100 respondents, which is considered adequate for linear regression analysis in accordance with the principle of sample size in social research (Tabachnick & Fidell, 2020). The selection of this technique aims to obtain more specific data and in accordance with the characteristics of the research.

### ***3. Data Collection Techniques and Research Instruments***

The data in this study was collected using a structured questionnaire with a five-point Likert scale, ranging from strongly disagree to strongly agree. The research instrument was developed based on indicators adapted from previous research that were relevant to the variables studied. Organizational strategy variables are measured through indicators of managerial support, work flexibility, and welfare policies. Employee wellbeing variables include aspects of work-life balance, mental health, and job satisfaction. Meanwhile, organizational performance is measured through productivity, work effectiveness, and quality of work results (Podsakoff et al., 2020). Before use, the instrument was tested for validity and reliability using the Pearson and Cronbach's Alpha correlation test, with an alpha value above 0.70 as a good indicator of reliability (Field, 2021).

#### **4. Research Implementation Procedure**

This research was carried out through several systematic stages. The first stage is the preparation of research instruments based on literature reviews and research variables. The second stage is the trial of the instrument to a number of respondents to ensure validity and reliability. The third stage is the distribution of questionnaires online using digital platforms to respondents who meet the criteria. The fourth stage is the collection and processing of the data that has been obtained. The last stage is data analysis and interpretation of results to answer the research objectives. This procedure is designed to ensure the accuracy of the data and the consistency of research results (Saunders et al., 2021).

#### **5. Data Analysis Techniques**

The data analysis in this study used multiple linear regression techniques to test the influence between independent and dependent variables, as well as identify the role of intervening variables. Before the regression analysis was carried out, a classical assumption test was carried out which included normality, multicollinearity, and heteroscedasticity tests to ensure the feasibility of the model. The analysis was conducted using SPSS software which is commonly used in quantitative research. In addition, significance tests are carried out through the t-test and the F test to determine the partial and simultaneous influence between variables (Ghozali, 2021). The interpretation of the results was carried out systematically to explain the relationship between variables according to the proposed hypothesis.

### **RESEARCH RESULTS**

#### **1. Overview of Respondents and Data Testing Stages**

This study involved 100 respondents who were active employees in organizations in the West Java region that had implemented a flexible work system. All respondents met the purposive sampling criteria, namely having a minimum working period of six months and having experienced hybrid work patterns, remote working, or flexible working hours. After the data was collected, the analysis was carried out in stages starting from the description of the respondent's characteristics, the quality testing of the instrument, the testing of classical assumptions, to the testing of hypotheses through multiple linear regression. This analysis flow is carried out so that the results of the study not only show statistical relationships, but also explain the feasibility of the instruments and models used.

Descriptively, the study respondents were dominated by productive-age employees who worked in the service, administration, and private companies sectors that had adopted work flexibility. This composition is relevant to the focus of the research because the group is the party that most directly feels the influence of organizational strategies on wellbeing and work performance. The dominance of respondents from a flexible work environment indicates that the research context has been in accordance with the research objectives. Thus, the data obtained is considered representative to explain the condition of employee wellbeing in the flexible work era.

Table 1. Respondent Characteristics

Features	Category	Frequency	Percentage
Gender	Male	46	46.0%
	Women	54	54.0%
Age	20–29 years old	38	38.0%
	30–39 years old	41	41.0%
	40 years and above	21	21.0%
Tenure	6 months–2 years	27	27.0%
	3–5 years	44	44.0%
	>5 years	29	29.0%
Flexible Work Patterns	Hybrid	49	49.0%
	Remote	28	28.0%
	Flexible working hours	23	23.0%

Table 1 shows that respondents are fairly evenly distributed across different demographic categories. Most of the respondents have a working period of three to five years, so they are considered to have a good understanding of organizational policies and flexible work dynamics. In addition, the dominance of hybrid work patterns indicates that the flexible working system is not solely in the form of full work from home, but also a combination of face-to-face work and remote work. This condition is important because it shows that the results of the research reflect actual work flexibility practices in the field.

## 2. Descriptive Statistical Results of Research Variables

Descriptive analysis was carried out to determine the tendency of respondents' responses to variables of organizational strategy, employee wellbeing, and organizational performance. This study uses the Three Box Method to interpret respondents' answer scores. This method helps to group the level of respondents' perception into low, medium, and high categories so that the reading of the results becomes more systematic. The results of the analysis showed that the three research variables were in the high category, which means that respondents generally gave a positive assessment of the organization's strategy, wellbeing condition, and organizational performance level.

Table 2. Three Box Method Criteria

Scores	Criteria
50.00 – 100.00	Low
100.01 – 150.00	Medium
150.01 – 250.00	High

Based on the criteria in Table 2, the total average value of each variable was then mapped to see the position of respondents' perceptions. The

organization's strategy obtained the highest score on the indicators of work flexibility and managerial support. Employee wellbeing obtained a high score, especially in the aspects of work-life balance and job satisfaction. Meanwhile, organizational performance also shows a high trend, especially in indicators of effectiveness and work quality.

Table 3. Descriptive Statistical Results of Variables

Variabel	Average Score	Total Score	Category
Organizational Strategy	4,18	209.0	High
Employee Wellbeing	4,09	204.5	High
Organizational Performance	4,14	207.0	High

Table 3 shows that the organizational strategy variable has a total score of 209.0 and is in the high category. These findings show that respondents feel relatively good organizational support in the form of flexible work policies, attention to mental health, and efforts to maintain work-life balance. Employee wellbeing was also in the high category with a score of 204.5, which indicates that respondents generally felt quite well psychologically and socially in their work environment. The organizational performance received a score of 207.0, which indicates that a flexible work environment, if managed appropriately, is still able to support organizational productivity.

### 3. Quality Test of Research Instruments

Before hypothesis testing, the research instrument is tested first through validity and reliability tests. The validity test is performed by comparing the correlation value of the item to the total score of the variable. The entire item is declared valid if the calculated correlation value is greater than the specified critical value. Meanwhile, reliability is measured using Cronbach's Alpha to ensure the internal consistency of the instrument. The test results show that all instrument items are valid and reliable, making them suitable for use in advanced analysis.

Table 4. Summary of Validity and Reliability Tests

Variabel	Number of Items	Range r calculation	Validity Statement	Cronbach's Alpha	Reliability Description
Organizational Strategy	9	0.532-0.791	All items are valid	0.882	Reliabel
Employee Wellbeing	9	0.517-0.804	All items are valid	0.871	Reliabel
Organizational Performance	8	0.548-0.786	All items are valid	0.859	Reliabel

Table 4 shows that all variables have Cronbach's Alpha values above 0.70. This indicates that the instrument has a good level of internal consistency and is

able to measure research constructs stably. Thus, the questionnaire used has qualified as an adequate data collection tool. These findings also strengthen the methodological quality of the research because the results of hypothesis testing are based on instruments that have been proven to be reliable.

**4. Classic Assumption Test**

Before the regression model is interpreted, this study first conducts a classical assumption test which includes normality, multicollinearity, and heteroscedasticity tests. The normality test was performed using the Kolmogorov-Smirnov, while the multicollinearity test was observed through tolerance values and variance inflation factor. The heteroscedasticity test was carried out by looking at the residual significance in the regression model. The test results show that the entire model meets the basic assumptions of regression, so it can be used for hypothesis testing.

Table 5. Summary of the Classical Assumption Test

Test	Indicator	Results	Remarks
Normality	Sig. Kolmogorov-Smirnov	0.200	Normally distributed data
Multikolinearitas	Tolerance	0.621-0.774	Multicollinearity does not occur
	VIF	1.292-1.611	Multicollinearity does not occur
Heteroskedastisitas	Sig. Glejser	>0.05	Heteroscedasticity does not occur

Based on Table 5, the normality significance value of 0.200 indicates that the data is distributed normally. A tolerance value that is above 0.10 and a VIF value that is below 10 also indicates that there is no high correlation between independent variables that can damage the model. In addition, the heteroscedasticity test showed a significance value above 0.05, so the regression model was declared free of heteroscedasticity problems. Thus, the regression model in this study is eligible to conduct hypothesis testing inferentially.

**5. H1 Hypothesis Testing: The Effect of Employee Wellbeing on Organizational Performance**

The first hypothesis states that Employee Wellbeing Has a Positive Effect on Organizational Performance. To test this hypothesis, a simple regression was used with employee wellbeing as an independent variable and organizational performance as a dependent variable. The results of the analysis show that employee wellbeing has a positive and significant regression coefficient on organizational performance. These findings show that improving employee wellbeing is followed by an increase in the organization's effectiveness, productivity, and quality of work.

Table 6. H1 Regression Test

<b>Independent Variables</b>	<b>Beta</b>	<b>t count</b>	<b>Sig.</b>	<b>Verdict</b>
Employee Wellbeing → Organizational Performance	0.641	8.734	0.000	H1 accepted

Table 7. Coefficient of Determination H1

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>
Wellbeing → Organizational Performance	0.641	0.411	0.405

Table 6 shows that the significance value of 0.000 is smaller than 0.05 with a beta coefficient of 0.641. This means that employee wellbeing has a positive and significant effect on organizational performance, so that H1 accepted. As for Table 7, it can be seen that the Adjusted R Square value of 0.405 indicates that 40.5% variation in organizational performance can be explained by employee wellbeing. These findings emphasize that wellbeing is not just a by-product of organizational policies, but a strategic factor that makes a real contribution to organizational performance.

### **6. H2 Hypothesis Testing: The Influence of Organizational Strategy on Employee Wellbeing**

The second hypothesis states that Organizational strategy has a positive effect on employee wellbeing. The organizational strategy in this study is represented by managerial support, attention to mental health, and work policies that support work-life balance. The results of the regression analysis show that organizational strategies have a strong positive influence on employee wellbeing. These findings show that when organizations are more adaptive and supportive, employee well-being conditions also improve significantly.

Table 8. H2 Regression Test

<b>Independent Variables</b>	<b>Beta</b>	<b>t count</b>	<b>Sig.</b>	<b>Verdict</b>
Strategi Organisasi → Employee Wellbeing	0.706	9.912	0.000	H2 accepted

Table 9. Coefficient of Determination H2

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>

Strategi Organisasi → Employee Wellbeing	0.706	0.498	0.493
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Based on Table 8, the beta coefficient value of 0.706 with a significance level of 0.000 indicates that organizational strategy has a positive and significant effect on employee wellbeing. Thus, H2 accepted. The Adjusted R Square value of 0.493 in Table 9 shows that 49.3% of the variation in employee wellbeing can be explained by organizational strategy. These results strengthen the argument that organizational policies that favor employee welfare are an important determinant in building a healthy work environment.

**7. H3 Hypothesis Testing: The Effect of Flexible Work on Employee Wellbeing**

The third hypothesis states that Flexible work has a positive effect on employee wellbeing. In this study, flexible work was analyzed as a strategic component that specifically describes the flexibility of time and workplace felt by respondents. The test results show that flexible work has a positive and significant influence on employee wellbeing. This means that the higher the respondents' perception of the quality of flexible work implementation, the higher the level of well-being they feel.

Table 10. H3 Regression Test

Independent Variables	Beta	t count	Sig.	Verdict
Flexible Work → Employee Wellbeing	0.583	7.286	0.000	H3 accepted

Table 11. Coefficient of Determination H3

Model	R	R Square	Adjusted R Square
Flexible Work → Employee Wellbeing	0.583	0.340	0.333

Table 10 shows that flexible work has a positive and significant effect on employee wellbeing with a beta value of 0.583 and a significance of 0.000. Thus, H3 accepted. The Adjusted R Square value of 0.333 in Table 11 shows that 33.3% of the variation in employee wellbeing can be explained by flexible work. These findings confirm that work flexibility has strategic value, but its effectiveness still needs to be supported by managerial quality and broader organizational policies.

### 8. H4 Hypothesis Testing: The Intervening Role of Employee Wellbeing

The fourth hypothesis states that Employee Wellbeing plays an intervening variable in the relationship between organizational strategy and organizational performance. To test this hypothesis, a gradual regression was used by comparing the direct influence of organizational strategy on organizational performance before and after incorporating employee wellbeing into the model. The results of the analysis showed that the influence of organizational strategy on organizational performance decreased, but remained significant after employee wellbeing was included. This condition indicates that employee wellbeing acts as a partial mediator.

Table 12. Phased Regression Test for H4

Model	Variabel	Beta	t count	Sig.
Model 1	Organizational Strategy → Organizational Performance	0.612	8.041	0.000
Model 2	Organizational Strategy → Organizational Performance	0.298	3.114	0.002
	Employee Wellbeing → Organizational Performance	0.498	5.228	0.000

Table 13. Simultaneous Test of the Mediation Model

Models	F count	Sig.	Adjusted R Square
Strategi Organisasi dan Employee Wellbeing → Organizational Performance	46.812	0.000	0.478

Table 12 shows that before the intervening variable was included, organizational strategy had a direct influence on organizational performance with a beta of 0.612. After employee wellbeing was included in the model, the beta value of the organization's strategy dropped to 0.298, while employee wellbeing remained significantly influential with a beta of 0.498. These findings suggest the presence of Partial mediation, so that H4 accepted. Furthermore, Table 13 shows that the simultaneous model is significant with a value of F of 46.812 and a significance of 0.000. The Adjusted R Square value of 0.478 shows that the combination of organizational strategy and employee wellbeing is able to explain 47.8% of organizational performance variations.

### 9. Hypothesis Testing Results

After all tests have been conducted, it can be concluded that all hypotheses in this study have received empirical support. Employee wellbeing has proven

to be an important factor that directly improves organizational performance. Organizational strategy has also proven to play a big role in improving employee wellbeing. In addition, flexible work as a form of implementing adaptive policies also strengthens employee welfare. Most importantly, employee wellbeing has been shown to play an intervening role in bridging the influence of organizational strategy on organizational performance.

Table 14. Hypothesis Testing Summary

Hipotesis	Statement	Results
H1	Employee wellbeing has a positive effect on organizational performance	Accepted
H2	Organizational strategy has a positive effect on employee wellbeing	Accepted
H3	Flexible work has a positive effect on employee wellbeing	Accepted
H4	Employee wellbeing plays a role as an intervening variable in the relationship between organizational strategy and organizational performance	Accepted

Overall, the results of this study show that organizations that implement work-life balance-oriented work strategies, mental health support, and flexible work policies are able to build better employee wellbeing. These wellbeing conditions further contribute to a real improvement in organizational performance. Thus, employee wellbeing is not only relevant as an indicator of individual well-being, but also as a strategic mechanism in building organizational excellence. These findings are in line with the research objectives, abstracts, and hypothesis frameworks that have been proposed from the beginning.

## DISCUSSION

The results of the study show that organizational strategies have a positive and significant effect on employee wellbeing, thus supporting the assumption that employee well-being does not arise spontaneously, but is shaped by directed human resource practices. These findings are in line with a systematic review by Bhoir and Sinha (2024) who affirm that well-being-oriented HR practice packages—such as flexibility, managerial support, job security, and attention to mental health—are important foundations for improving employee psychological well-being. In another study, Molnár et al. (2024) also showed that employees assess an organization's well-being strategy as a relevant factor, even though it is often not fully strategically integrated in company policies. The main difference in this study lies in the empirical affirmation that in the context of flexible working in West Java, organizational strategy is not only perceived as important, but actually functions as a direct determinant for improving employee wellbeing.

The findings that flexible work has a positive effect on employee wellbeing show that flexible work can be a work resource when employees have sufficient control over their time, location, and social boundaries. These results are consistent

with Boccoli et al. (2024) who found that flexibility will improve work-life balance, job satisfaction, and work attachment when followed by adequate boundary control. In the Indonesian context, Nuryanti and Burhan (2025) also reported that workers interpret flexible work arrangements as the freedom to set schedules and work locations according to their responsibilities, and consider these policies important to improve welfare. However, this study is different because it shows a relatively more pronounced positive influence, which can logically be explained by the character of the respondents who mostly work in a hybrid pattern so that they still have access to organizational social support as well as the benefits of work flexibility.

The positive influence of employee wellbeing on organizational performance emphasizes that employee welfare needs to be understood as a strategic asset, not just an additional administrative program. These results are in line with Chomać-Pierzecka et al. (2024) who show that employee psychological well-being is related to the identification of company goals, efficiency, and attachment that ultimately underpins business outcomes. These findings are also consistent with De Neve et al. (2023) who show a positive relationship between workplace wellbeing and company performance, including profitability and market performance, thus reinforcing the argument that organizations with higher levels of wellbeing tend to produce better outputs. Consequently, the theoretical contribution of this research lies in strengthening the view of mutual gains, namely that improving employee welfare and improving organizational performance can run in harmony in the era of flexible work.

The role of employee wellbeing as an intervening variable shows that organizational strategies do not work automatically on performance, but through psychological mechanisms and work experiences that employees feel. These results are in line with Susanto et al. (2022) who found that work-life balance support improves performance through psychological mediators, as well as in line with Salin et al. (2023) who show that high-performance work practices affect aspects of well-being through organizational identification mechanisms. However, this study offers novelty because it places employee wellbeing as the main mediator between organizational strategy and organizational performance in the context of flexible work, not just as an intermediate output or companion variable. Thus, this study expands on previous literature that generally discussed flexibility, satisfaction, or attachment separately, into a more integrative and relevant model for contemporary HR management.

Although all hypotheses are supported, this study has limitations in cross-sectional design, the use of self-report questionnaires, and limited sample coverage to 100 respondents in West Java, so generalization of results needs to be done carefully. These limitations are important to note because the latest literature shows that the issue of remote work welfare is still widespread and is greatly influenced by factors such as the digital burden, the blurring of work-life boundaries, and the quality of internal organizational policies, as reviewed by Ribeiro et al. (2024). In line with that, Dong et al. (2025) emphasized that working from home has the nature of a double-edged sword, so follow-up research should use longitudinal designs, multi-actor data sources such as superiors and HR, and

add moderator variables such as boundary control, work-family conflicts, and supervisor support. In this direction, the development of human resource management science will be better able to explain when the work flexibility strategy really produces sustainable welfare and when it actually poses new risks to organizational performance.

## CONCLUSIONS AND RECOMMENDATIONS

This study concludes that organizational strategies that are oriented towards work-life balance, mental health support, and flexible work policies have been proven to have a positive and significant effect on employee wellbeing, which in turn improves organizational performance. These findings confirm that employee wellbeing plays a role as a strategic mechanism that bridges the relationship between organizational policies and performance, so that it cannot be separated from efforts to increase organizational productivity. Theoretically, this research reinforces the perspective of modern human resource management that places employee well-being as a strategic asset of the organization. Practically, organizations are advised to develop adaptive work policies, strengthen managerial support, and integrate welfare programs in a sustainable manner to increase competitiveness in the era of flexible work.

## ADVANCED RESEARCH

This study has limitations in the use of cross-sectional design and a limited number of samples, so further research is recommended to use a longitudinal approach, expand the scope of the area, and add other variables such as leadership, organizational culture, or work-life boundary control to gain a more comprehensive understanding.

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