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THE EFFECTS OF WORK FROM HOME AND FLEXIBLE WORKING ARRANGEMENT ON EMPLOYEE PERFORMANCE DURING COVID-19 PANDEMIC

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ABSTRACT

The purpose of this study was to analyze the effects Work from Home (WFH) and Flexible Working Arrangement (FWA), with Work Motivation (MOT) moderation, on Employee Performance (EP). The research is quantitative research. The type of research used based on the research objective is explanatory research. The data analysis technique in this study used Partial Least Square (PLS). This study uses the two-factor theory of Frederick Herzberg. The results obtained that Work from Home has a positive and significant effect on Employee Performance. Work from Home has a positive and significant effect on Work Motivation. Flexible Working Arrangement has a positive and significant effect on Work Motivation. Flexible Working Arrangement has a positive and significant effect on Employee Performance. Work Motivation has a positive and significant effect on Employee Performance. Work from Home, with Work Motivation intervention, does not have a positive and significant effect on Employee Performance. Meanwhile, Flexible Working Arrangement with Work Motivation intervention, also does not have a positive and significant effect on Employee Performance. Flexible working arrangements can be selected by employees based on different work schedules to meet personal or family needs. Companies can adjust work as the new normal for employees who are still working from home to return to full-time work on a hybrid basis. It is important for companies to understand and develop work from home and flexible working arrangements to encourage productive behavior and prevent unproductive behavior considering the role of work motivation in influencing performance.

Keywords: *Work From Home, Flexible Working Arrangement, Work Motivation, Employee Performance*

1. INTRODUCTION

Background

Covid-19 Pandemic has changed the work-pattern in many offices into daring (teleworking) method. This kind of method has changed many things, such as the efficiency of office operational expenses, rent expenses, communication model, and work-related culture. This phenomenon even can enhance the quality of life among the workers, because teleworking can reduce the transportation time including being stucked in traffic jam. Teleworking can ease the workers in balancing between job-related responsibility and their personal lives. The negative side of teleworking is increasing mistakes and miscommunication, because the telecommunication technology cannot fully replace the face-to-face interaction. Based on the theory of media richness, face-to-face interaction provides the capacity to process information, clarify the ambigie matters, and instantly provides feedback, (Daft & Lengel, 1986). In order to overcome these negative effects, the Flexible Working Arrangement (FWA) program has been created by utilizing the advancement of networking technology (Daryoto, 2012). The implementation of FWA has been undergoing a positive trend, which can increase the productivity through the working system that can match with the needs. Other benefits are the improvements in several aspects related to efficiency, gender, culture, technology, and transportation (Fadhila and Wicaksana, 2020). The results of the research conducted by

Pandiangan (2018) and Hameed & Waheed, (2011) show that the implementation of FWA is highly effective and influences the employee performance, which finally will affect the organization effectivity.

Flexible Work Arrangement (FWA) empowers the employees to choose when to start working, where to work, and when to stop. The idea of FWA is to help manage the balance between work-life and personal-life, and the benefits of FWA include the reduction of work-related stress and the increase of work satisfaction overallly among the employees (Leslie et al., 2012). A study on meta-analysis can identify the relationship between FWA and work-family conflicts by deconstructing the flexibility construct. Allen et al. (2013) found that the direction of work-family conflicts (work-family disorder vs. family-work disorder) and the specific form of flexibility (flexible time vs. flexible place; usage vs. availability) makes a difference in the resulted effects. Overallly, the values of significant effects are small.

The business model implemented by CTI is in form of the dispatch of sales team to meet potential users or technology-product sellers and the establishment of good relationship. Introducing the products to be sold and displaying demo products are some among the competences of CTI in order to be recognized by customers. In the beginning of 2020, Covid-19 had spread to Indonesia increasing the number of patients. This phenomenon has significant effect on daily-life overallly, from social-life, religion, education, to workplace. Its effect on workplace is the implementation of Work From Home (WFH). WFH has been a new working culture or “New Normal” in Indonesia. The Indonesian Ministry of Finance issued a concept of WFH by releasing the *Flexible Working Space* (FWS). The increase of organization productivity and performance is what expected from FWS. The implementation of FWS becomes a challenge that can enhance the conflict of work-related matters and pressures. Human resource management must support the fair experience with flexible work relationship, and a more certain resolution is needed in order to avoid misleading employees.

The balance between work-life and personal-life becomes the main attention for employees who want to seek better life-quality (Soomro et al., 2018). In this case, the balance can be achieved whenever there is harmony between work-life and personal-life (Semlali & Hassi, 2016). Work-life balance becomes an important matter especially during the Covid-19 pandemic, since the beginning of 2020 (Bradham, 2020). Besides, there are many researches concerning that the initiation of work-life balance has offered a balance situation for employees and the company. The Covid-19 pandemic has enabled the employees of PT. CTI to work at home and limit their outdoor activities in order to terminate the virus spread. This policy started from the sales division, which was suggested not to conduct any activities in the office except there was a certain purpose. On contrary, for the divisions related to finance, legal, and logistics, were allowed to keep working in the office.

As time went by, the Covid-19 pandemic emerged in the middle of 2021, hence CTI decided to apply 100% WFH. This decision changed the working style of sales division. Before the implementation of WFH policy, the members of sales division worked outdoor or indoor in order to meet the potential buyers as well as conducting business presentation about product knowledge. But when the WFH policy was applied, the members of sales division only approached and communicated with potential buyers or users through the telecommunication media. The WFH policy also affects the working time into flexible mode, while prior to WFH, the CTI employees were obliged to come to office at 09.00 AM at the latest.

Working at home enables the employees to have more time to handle other purpose. This phenomenon is called *Flexible Working Arrangement* (FWA), in which the employees are given freedom in time and place in accomplishing their works, with the requirement that the work has to be accomplished on-time and matches the management expectation. In 1974, an initial study on FWA has been identified in Scopus database. Elbing et al. (1974) stated that FWA promoted self-management and employee satisfaction. FWA is a working concept that enables the employee to choose the working place and the time to start and stop working, by using online platform (Hopkins & Pedwell, 2021).

Besides FWA, in the literature, the concept of flexibility in working is known in many terms, such as Telecommuting, Work-At-Home, Work From Home (WFH), Remote Working, and Flextime. Based on Scopus database, a study on FWA has been emerging since 1999, when some remote working-software had been introduced. Broadbridge (1999) investigated FWA in business, banking, and retail sector and focussed on the necessary managerial skills. The format of FWA at that time was only limited to the flexibility of time-scheduling for a better work-life balance.

Research Objectives

This research aimed to investigate the effect of Work from Home (WFH) and Flexible Work Arrangement (FWA) on Employee Performance, with Work Motivation as moderating variable, which is then manifested in a conceptual model based on the Two-Factor Theory.

2. LITERATURE REVIEW

Two-Factor Theory

In 1959, Frederick Herzberg, a behavioral scientist developed a two-factor theory (known as the motivation-hygiene theory of Herzberg), which states that there are certain factors in the workplace which cause work dissatisfaction, in which each factor acts independently (Herzberg et al., 1959).

The factors leading to satisfaction (achievement, intrinsic interest in work, responsibility, and advancement), most of them are unipolar, because they contribute a little to work dissatisfaction. On contrary, work dissatisfaction (company policy, administrative practice, supervision, interpersonal relationship, working condition, and salary) contributes a little to work satisfaction (Herzberg, 1964). The hygiene factors (such as status, work safety, salary, incentive, working condition, insurance cover, and holiday) neither provide positive satisfaction nor cause higher motivation, although this dissatisfaction is the result of the absence of employees. The term "hygiene" is used in the context that this maintenance factor is the extrinsic result of the work itself, and covers several aspects such as company policy, monitoring practice, or salary (Hackman & Oldham, 1976).

By sharing knowledge, employees can feel satisfied, and new knowledge can enhance the organization's innovative activities (Shujahat et al., 2018). According to Schultz & Schultz (2010), the Herzberg theory concentrates on the importance of internal work as motivational power for employees. This theory is designed to enhance job enrichment for employees. Herzberg wanted to create opportunities for employees to take part in the job planning, execution, and evaluation. Herzberg suggested to achieve such conditions by:

- a. Reducing part of the control possessed by management toward the employees and enhancing the accountability and responsibility of the employees' work, which finally can enhance the employees' autonomy.
- b. Creating a natural and complete working unit if possible.
- c. Providing feedbacks regularly and sustainably about productivity and performance directly to the employees, not through their supervisor.
- d. Encouraging employees to handle new and challenging tasks, and become experts in certain tasks.

Employee Performance

Employee becomes a key element in an organization. The success or failure in an organization depends on employee performance. According to Hazucha et al. (1993), employee performance can be measured by several indicators, which are:

1. Job Autonomy
During Work from Home (WFH), employees are expected to have more flexibility on how to handle their tasks, which is known as job autonomy.
2. Perceived Organizational Support
Perceived Organizational Support is how far the employees believe that their organization can appreciate their contribution, care of their welfare, and fulfil their socio-emotional needs.
3. Distributive Justice
Distributive Justice is related to a fair resource allocation. On contrast to a fair process which is related to administration, this distributive justice concentrates on the result. This kind of justice is provided in physical form, such as facility or profit that can be acquired by employees, and non-physical form such as working-time flexibility, working-place flexibility, and so on.

Work from Home (WFH)

Working from Home (WFH) terminology according to Huuhtanen (2016), is a work done by an worker (employee, independent worker, house-worker) especially, or only in certain time, in a location far from office, using telecommunication media as working tool. There are four indicators showing the understanding of WFH (Mungkasa, 2020), which are:

1. Selection of workplace, related to time and distance efficiency (tele);
2. Total or some substitution of daily commuter;
3. The intensity of remote-working activity, related to time-length and frequency;
4. The availability of communication and information technology.

Flexible Working Arrangement (FWA)

Menezes & Kelliher (2011) stated that flexible work is a working condition that enables employees to vary the load, time, or location of their works. Work-related flexibility can be treated as a category, which is basically separated from working time and working place organization. The indicators of FWA in an organizational context can be measured in several forms (Allen et al., 2013), such as:

1. Telecommuting, enables employees to conduct their office works from one place to another with technological assistance (computer and internet)
2. Flexible time, enables employees to choose when to start and finish the work based on the time requirement made by the organization.

3. Job sharing, is a form of work arrangement whereas two or more employees are maintained to work part-time in order to replace a full-time employee.

Work Motivation

Work motivation is a set of energetic power coming from the inner-side or outer-side of an employee to conduct the work-related behavior (Pinder, 2015). Motivation is a someone's internal disposition to observe and approach the positive insentive and avoid the negative one. Insentive is an event which is available in the workplace (Deckers, 2010). Motivation can be used as a tool to predict someone's behavior, in which this can vary among individuals and must be frequently combined with skills and environmental factors to influence the employee's behavior and performance.

The Relationship between Work from Home (WFH) and Work Motivation (MOT)

During the pandemic, remote working becomes a new phenomenon in the new normal. Thus, some problems may arise such as: 1) Whether the employee works at home alone or being surrounded by children, hence difficult to focus; 2) No supervision from superior, how to stay controlled; 3) Many disturbances occur, starting from refrigerator, television, and social media, the employee may not realize it. A study from Castrillon (2021) revealed that an employee working remotely adds 26 working-hours monthly, adding almost one extra working-day weekly. When the working-hour increases, the stress also increases.

The Relationship between Work from Home (WFH) and Employee Performance (EP)

Covid-19 pandemic affects various working systems, especially the company labor system. The implementation of WFH uses the online concept with the supervision from superiors. Employees conduct their working activities through online media application such as: Whatsapp, Telegram, Zoom, Google Meet, and company's official website. The research conducted by Setiawan & Fitrianto (2021) proved that working from home can result significant effect on employee performance during Covid-19 pandemic.

The Relationship between Flexible Work Arrangement (FWA) and Work Motivation (MOT)

A newer study observed how far the flexibility in work-arrangement becomes the main effort to enhance motivation. Basically, the flexibility in work-arrangement is a tease, which means that it is a way to attract an employee in order to join and connected with the organization. A study conducted by Lee et. al. (2011) found that whenever an employee feels the support from superior personally, he / she will be more willing to work and make commitment. Another study shows the correlation between alternative work-arrangement and motivation, in which the work-related flexibility results in the increase of work satisfaction, which in turn, lower the intention to quit (Azar et al., 2018). The ssignificant decrease of turnover rate reduces the cost of training for new employees (Fassina et al., 2019). The research by Petak & Miller (2019) also stressed that flexibility increases the level of motivation, which in turn will increase the organization's productivity.

The Relationship between Flexible Work Arrangement (FWA) and Employee Performance (EP)

The research conducted by Mallafi & Silvianita (2021) shows that FWA and WLB has a significant effect on employee performance, either partially or simultaneously. Witriaryani et al. (2022) also found that FWA, although indirectly Work Performance, has several effects when Employee Engagement is introduced as a mediation factor. This finding suggested a full-mediation effect of Employee Engagement on Job Performance. Besides, Employee Engagement was also found to mediate the relationship between Work-Life Balance and Job Performance.

The Relationship between Work Motivation (MOT) and Employee Performance (EP)

The existence of motivation will stimulate the employees to utilize all their efforts in order to show maximum performance. The success of a company can be achieved by increasing the employee performance. In order to increase such performance, a company must motivate or encourage its employees to work better by providing appreciation, acknowledgement, opportunity for achievement, more meaningful work, better working condition, work-safety, and monetary incentives. Based on the research by Ady & Wijono (2013), work motivation, which can be in forms of achievement, acknowledgement, working condition, and salary, have simultaneous and significant effect on employee performance.

3. RESEARCH METHODOLOGY

This research used a quantitative approach. A quantitative research depends on numerical data, such as statistics and its measurements. This research used objective data in order to draw a conclusion. Based on its objective, this research is an explanatory research, which aims to reveal the influence of independent variables (work from home, flexible working arrangement) and intervening variable (work motivation) on the dependent variable (employee performance), either partially or simultaneously.

The structural model or *inner model* shows the relationship between construct variables. Structural Equation Modelling in this research was analyzed by using PLS in order to test the hypotheses.

4. RESULTS AND DISCUSSION

Respondents' Demographics

The data of respondents based on data collection process can be seen in Table 1 below:

Table 1 Frequency Distribution

Based on Age			
No.	Age	Number	Percentage
1.	< 23 Years Old	20	13.33%
2.	23 – 27 Years Old	20	13.33%
3.	28 – 31 Years Old	25	16.67%
4.	32 – 35 Years Old	34	22.67%
5.	36 – 39 Years Old	29	19.33%

6.	40 – 43 Years Old	13	8.67%
7.	> 43 Years Old	9	6.00%
	Total	150	100%
Based on Education			
No.	Education Level	Number	Percentage
1.	High School	33	22%
2.	Diploma	11	7%
3.	S1	90	60%
4.	S2	16	11%
5.	Total	150	100%
Based on Working Experience			
No.	Length of Work	Number	Percentage
1.	< 5 Years	39	26%
2.	5 – 8 Years	23	15%
3.	> 8 Years	88	59%
4.	Total	150	100%
Based on the Access to Workplace			
No.	Access	Number	Percentage
1.	Apartment / House	42	28%
2.	Daily Commuter	108	72%
3.	Total	150	100%

Source: Research Primary Data - 2022 (Processed)

Outer-Model Test (Measurement Model)

This research model was analyzed by using Partial Least Square (PLS) assisted with the SmartPLS 3.0 software. PLS is an alternative method in Structural Equation Modeling (SEM), which can be used to overcome the problems in the relationship among variables that are very complex with small sample size (30-100 samples) having non-parametric assumptions, which means that the data does not refer to any kind of distribution (Yamin and Kurniawan, 2009).

Convergent Validity

Convergent Validity is reflected by loading factor. According to Hair et al. (1998) loading factor less than 0.3 is considerable to meet the minimum level, loading factor between 0.3 and 0.4 is assumed better, and loading factor greater than 0.5 is generally significant.

Discriminant Validity

Discriminant Validity is reflected by the cross-loading value of construct measurement. A measurement model has good discriminant validity when the correlation between the construct and the indicator is greater than the correlation between the indicator and other construct. After conducting data analysis by using SmartPLS 3.0, the results of cross-loadings can be seen in Table 2 as follow:

Table 2 Validity Test with Cross-Loadings

	EP	FWA	MOT	WFH
EP1	0.590	0.346	0.475	0.298
EP2	0.762	0.521	0.612	0.544
EP3	0.794	0.447	0.557	0.703
EP4	0.778	0.567	0.469	0.643
FWA1	0.610	0.847	0.484	0.618
FWA2	0.550	0.847	0.489	0.388
FWA3	0.416	0.755	0.560	0.266
MOT1	0.613	0.548	0.844	0.544
MOT2	0.417	0.496	0.729	0.316
MOT3	0.604	0.398	0.790	0.554
MOT4	0.564	0.501	0.746	0.495
WFH1	0.597	0.295	0.572	0.780
WFH2	0.646	0.508	0.584	0.881
WFH3	0.611	0.290	0.450	0.826
WFH4	0.570	0.591	0.323	0.636

Source: Research Primary Data - 2022 (Processed)

From the result of *cross-loading* in Table 2, the correlation coefficient between a construct and its indicators is greater than the correlation between an indicator and other constructs. Therefore, it can be concluded that all construct or latent variables have good discriminant validity. The next evaluation is comparing the value of square-root AVE with the correlation between constructs. The recommended value is that the square-root AVE must be greater than the correlation between constructs (Hair et al., 2019). A good AVE value should be greater than 0.50. In this research, the AVE and the square-root AVE of each construct can be seen in Table 3 as follow:

Table 3 Construct Validity

	<i>Average Variance Extracted (AVE)</i>	\sqrt{AVE}
EP	0.541	0.736
FWA	0.668	0.817
MOT	0.606	0.778
WFH	0.618	0.786

Source: Research Primary Data - 2022 (Processed)

Based on Table 3, all constructs have the AVE values greater than 0.50, with the smallest value of 0.541 for the Employee Performance (EP) variable, and the highest value is 0.668 for the Flexible Working Arrangement (FWA) variable. Such values have met the requirement based on the minimum recommended value of AVE, which is 0.50 (Hair et al., 2019). In this research, the correlation between a construct and the square-root AVE can be seen in Table 4 below:

Table 4 Fornell-Larcker Criterion

	EP	FWA	MOT	WFH
EP	0.736			
FWA	0.646	0.818		
MOT	0.715	0.622	0.779	
WFH	0.770	0.526	0.625	0.786

Source: Research Primary Data - 2022 (Processed)

From Table 3 and Table 4, it can be concluded that the square-root AVE of each construct is greater than its correlation coefficient, thus the constructs have good discriminant validity.

Composite Reliability

Besides using the convergent validity and discriminant validity, the outer model can also be measured by using the composite reliability. A construct is said reliable if the composite reliability is greater than 0.7. The results of PLS for the composite reliability are shown in Table 5.

Table 5 Construct Reliability

Variable	Composite Reliability
EP	0.823
FWA	0.858
MOT	0.860

Source: Research Primary Data - 2022 (Processed)

Table 5 shows that the composite reliability of all constructs are greater than 0.7 (Hair et al., 2019). Hence, all construct have good reliability based on the minimum required value.

Inner-Model Test (Structural Model)

Inner-model can be evaluated by observing the r-square value of dependent construct and the t-statistics in path-coefficient test. Higher r-square means the better the predicted model. The value in path coefficients shows the significance level in hypothesis testing.

Coefficient of Determination Test

Analysis of Variance (R^2) or Determination Test is used to observe the effect of independent variable on the dependent variable, of which the result can be seen in Table 6 below:

Table 6 R-Square

	R-Square	R-Square Adj.
EP	0.711	0.706
MOT	0.510	0.503

Source: Research Primary Data - 2022 (Processed)

Table 6 shows that WFH and FWA can explain the construct variability of Employee Performance as much as 70.6%, and the remaining 29.4% can be explained by other constructs, that are not in the scope of this research. Meanwhile, Work Motivation can explain the construct variability of Employee Performance as much as 51%, and the remaining 49% is explained by other constructs.

Hypothesis Testing

This section comprises the results of r-square, parameter coefficient, and t-statistics. The significance value between construct, t-statistics, and p-values can be seen to find out whether a hypothesis is accepted. In this research, the hypothesis testing was performed with the assistance of SmartPLS (*Partial Least Square*) version 3.0 software.

Table 7 Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t-Statistics (O/STDEV)	p-Value
WFH → MOT	0.411	0.409	0.083	4.925	0.000
WFH → EP	0.481	0.486	0.085	5.637	0.000
FWA → MOT	0.406	0.409	0.086	4.733	0.000
FWA → EP	0.221	0.225	0.082	2.683	0.008
MOT → EP	0.277	0.269	0.080	3.447	0.001

Source: Research Primary Data - 2022 (Processed)

Description:

WFH: Work from Home

MOT: Work Motivation

EP : Employee Performance

FWA: Flexible Working Arrangement

The first hypothesis aims to test whether Work from Home affects Work Motivation. The beta coefficient is 0.411 and t-statistics is 4.925. Thus, the effect is significant, because the p-value is less than 0.05. So, the first hypothesis was accepted. This proves that Work from Home has a positive and significant effect on Work Motivation.

The second hypothesis tests whether Work from Home affects Employee Performance. The beta coefficient is 0.481 and t-statistics is 5.637. Because the p-value is less than 0.05, the second hypothesis was accepted. This proves that Work from Home has a positive and significant effect on Employee Performance.

The third hypothesis tests whether Flexible Working Arrangement affects Work Motivation. The beta coefficient is 0.406 and t-statistics is 4.733. Because the p-value is less than 0.05, the third hypothesis was accepted. This proves that Flexible Working Arrangement has a positive and significant effect on Work Motivation.

The fourth hypothesis tests whether Flexible Working Arrangement affects Employee Performance. The beta coefficient is 0.221 and t-statistics is 2.683. Because the p-value is less

than 0.05, the fourth hypothesis was accepted. This proves that Flexible Working Arrangement has a positive and significant effect on Employee Performance.

The fifth hypothesis tests whether Work Motivation affects Employee Performance. The beta coefficient is 0.277 and t-statistics is 3.447. Because the p-value is less than 0.05, the fifth hypothesis was accepted. This proves that Work Motivation has a positive and significant effect on Employee Performance.

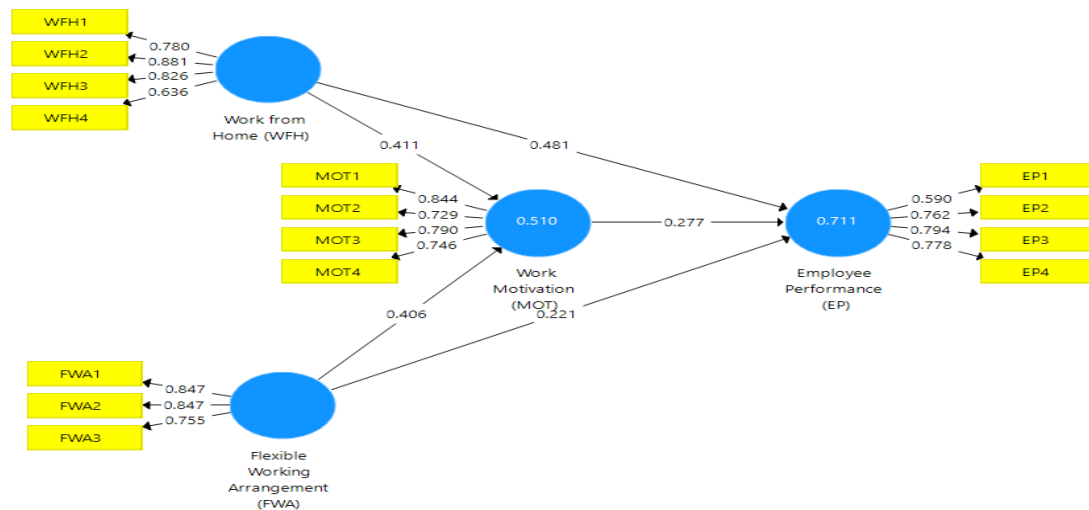


Figure 1 Research Model

Table 8 Direct and Indirect Effects

Exogenous Variable	Moderator	Endogenous Variable	Direct Effect (a)	Indirect Effect (b)	Result
WFH	MOT	EP	0.481	$0.441 \times 0.277 = 0.122$	$a > b$ MOT intervention rejected
FWA			0.221	$0.406 \times 0.277 = 0.112$	$a > b$ MOT intervention rejected

Source: Research Primary Data - 2022 (Processed)

By observing the results in Table 8, the indirect effect of Working from Home on Employee Performance, by the intervention of Work Motivation, is less than the direct effect of Working from Home on Employee Performance ($0.122 < 0.481$). Therefore, the sixth hypothesis was empirically not relevant in this research. In Table 8, the indirect effect of Flexible Working Arrangement on Employee Performance by the intervention of Work Motivation, is less than the direct effect of Flexible Working Arrangement on Employee Performance ($0.112 < 0.221$). Therefore, the seventh hypothesis was empirically not relevant in this research.

Discussions

In this research, the first hypothesis was accepted. Work from Home has a positive and significant effect on Employee Performance. Setiawan & Fitrianto (2021) has proven that

work from home provides a significant effect on employee performance during Covid-19 pandemic.

The second hypothesis was accepted. Work from Home has a positive and significant effect on Work Motivation. The research conducted by Anugrah & Priyambodo (2021), results that work-life balance with the implementation of flexible working-time, can enhance work satisfaction and self-control among the employees, which finally can enhance the performance of them who apply WFH.

The third hypothesis was accepted. Flexible Working Arrangement has a positive and significant effect on Work Motivation. Hada et al. (2020) conducted a research and concluded that FWA can help balance between the work and personal lives for employees.

The fourth hypothesis was accepted. Flexible Working Arrangement has a positive and significant effect on Employee Performance. The research conducted by Mallafi & Silvianita (2021) shows that flexible working arrangement has a significant influence on employee performance, either partially or simultaneously, and the work-life balance variable has also a significant effect on employee performance, either partially or simultaneously.

The fifth hypothesis was accepted. Work Motivation has a positive and significant effect on Employee Performance. The research conducted by Ady & Wijono (2013) revealed that work motivation in forms of achievement, acknowledgement, working condition, and compensation, significantly affects employee performance.

The sixth hypothesis was rejected. Work from Home, with the intervention from Work Motivation, does not have a positive and significant effect on Employee Performance. Thus, Work Motivation cannot enhance the effect of Work from Home on Employee Performance. Remote working is meant as a way of working in an organization, which is partially or totally performed outside the conventional office with the assistance of telecommunication and information technology (DeRossette, 2021). Work Motivation is a set of energetic power coming from the inner-side or outer-side of the employees to start performing the behavior related to their works (Pinder, 2015).

The seventh hypothesis was rejected. Flexible Working Arrangement, with the intervention from Work Motivation, does not have a positive and significant effect on Employee Performance. Thus, Work Motivation cannot enhance the effect of Flexible Working Arrangement on Employee Performance. The flexible working practices have been implemented in many firms to accommodate the employees' need in managing their works and families, hence can lower *role-conflict*, lower *role-overload*, reduce *personal accomplishment*, enhance *work satisfaction* and *intention to stay with the firm* (Yustrianthe, 2008). Globally, work motivation can be categorized into two kinds, which are the theory of endogenous process (individual, cognitive) and the theory of exogenous cause (environment) (Grant & Shin, 2021).

Overall, the role of mediating variable, which is work motivation, does not have a significant role in enhancing the effects of work from home and flexible working arrangement on employee performance. Arman-Incioglu (2016) observed the difference related to age in work motivation, and shows that there is a shift in employees' motive compared to the common motivation that occur along with the increasing age. This means that senior employees are less motivated by work features that are related extrinsically, but more motivated by those with intrinsic benefits. An organization's specific communication pattern is changed into

telecommuting method. For example, a team that communicate by using computer and teleconference system, will take longer time to make a group-decision, compared to the team that meet each other physically.

5. CLOSING

Conclusions

In this research, the conclusions can be resulted as follows:

1. Work from Home has a positive and significant effect on Employee Performance.
2. Work from Home has a positive and significant effect on Work Motivation.
3. Flexible Working Arrangement has a positive and significant effect on Work Motivation.
4. Flexible Working Arrangement has a positive and significant effect on Employee Performance.
5. Work Motivation has a positive and significant effect on Employee Performance.
6. Work from Home, by the intervention of Work Motivation, does not have positive and significant effect on Employee Performance,
7. Flexible Working Arrangement, by the intervention of Work Motivation, does not have positive and significant effect on Employee Performance.

Suggestions

For company management, the hybrid working-time arrangement (on-site and online) becomes a more considerable choice by observing its effect on company performance supported with necessary regulations. The flexible working arrangement can be chosen by employees based on certain schedules in order to fulfil their-own personal or family needs.

In this research, the respondents were only selected from one company. For further research, the number of respondents can be added by observing employees in other sectors in order to make the results more representative.

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