

WORK-LIFE BALANCE AS A MEDIATOR BETWEEN FLEXIBLE WORK ARRANGEMENTS AND JOB PERFORMANCE AMONG WOMEN IN THE BANKING INDUSTRY

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Abstract: *The rising demands of work expectations, combined with the challenges of maintaining work-life balance among female employees, have further emphasised the necessity of flexible work arrangements in the banking industry. This study examines the relationship between flexible work arrangements, work-life balance, and job performance among female banking employees in Malaysia. The Social Exchange Theory was used to explore these relationships. A total of 385 completed questionnaires were collected through an online survey. The partial least squares are employed for a comprehensive structural equation modelling analysis. The results indicated that flexible work arrangements are positively related to job performance, directly and indirectly, through improved work-life balance. The study contributes to the existing literature by highlighting the mediating role of work-life balance and providing practical insights for banking institutions and policymakers. By implementing flexible work arrangements in the working environment, banking institutions can create a supportive culture that improves work-life balance and increases job performance further.*

Keywords: *Flexible Work Arrangements, Work-Life Balance, Job Performance, Female Employees, Banking Industry, Social Exchange Theory*

Introduction

In the past decade, the service sector has emerged as the primary source of employment in Malaysia, significantly contributing to the country's economic growth (*Malaysia's Major Economic Transformation Since 1957 - MIDA | Malaysian Investment Development Authority*, 2024). Among the various service industries, the banking sector serves as a crucial pillar of the national financial system and a key driver of economic stability (Korneev et al., 2023). To stay competitive in an increasingly digital era, banks must embrace new technologies and digitalisation. This transition necessitates that banking personnel continuously adapt to evolving job demands and technological advancements. However, the shift toward digitalisation has heightened the already high-pressure work environment in the banking sector (Zhang et al., 2025). Employees are expected to handle sizable financial transactions, promote a diverse range of financial products, and comply with complex regulatory requirements while maintaining high standards of customer service. These expectations lead to increased stress and anxiety, often impacting employees' mental well-being and work-life balance (Kamboj, 2024).

In the 21st century, women have gained greater rights and broader access to employment opportunities beyond traditional domestic roles, leading to a significant rise in workforce participation (Smith & Sinkford, 2022). As more women enter the labour market, dual-income households have become increasingly common. These households have contributed to improved living standards and enhanced financial stability for families. However, despite these socio-economic advancements, many women continue to face considerable challenges in balancing their professional duties with personal and family responsibilities (Uddin, 2021). The demands of managing multiple roles, such as employee, caregiver, and homemaker, often lead to heightened stress and anxiety. These pressures are further compounded by societal expectations for women to excel in all aspects of life, creating additional strain, especially for those working in demanding sectors like banking (Poongothai et al., 2023). Female employees in the banking industry often face heavy workloads, extended hours, and high-performance expectations, which hinder their ability to maintain a healthy work-life balance. The absence of supportive workplace policies further exacerbates these challenges, making it difficult for women to succeed in such environments.

While flexible work arrangements (FWAs) are widely recognised as an effective strategy to mitigate burnout and improve work-life integration, their adoption remains limited within Malaysia's banking sector. This aversion is driven mainly by concerns over productivity, challenges in performance monitoring, and limited practice on alternative work arrangements (Rouvroye et al., 2023). In view of these challenges, this study aims to investigate the effects of flexible work arrangements and work-life balance on the job performance of female employees in the Malaysian banking industry. Specifically, work-life balance will serve as a mediating role between flexible work arrangements and job performance, with a focus on female employees' ability to balance professional and personal responsibilities. The findings of this study will provide valuable insights into the role of workplace flexibility in fostering an inclusive and supportive work environment in the service industry. This study aligns with the United Nations' Sustainable Development Goal (SDG) 5 - Gender Equality, contributes to developing more equitable and gender-sensitive employment practices within Malaysia's banking sector, supporting long-term growth and social equity.

Literature Review

Previous research has predominantly examined the effects of flexible work arrangements and work-life balance as separate constructs influencing job performance. The study of Sekhar and Patwardhan (2023) found that flexible work arrangement positively affects job performance, particularly when supervisor support acting as a significant mediator. Employees with supportive supervisors showed enhanced performance under flexible work arrangement. Similarly, Rahman et al. (2020) stated that flexible work arrangement improves employee performance through the mediating effect of innovative work behaviour, especially under remote work conditions triggered by the pandemic. Ab Wahab and Tatoglu (2020) further highlighted that while flexible work arrangement can improve well-being and performance, its success depends on the presence of HR support systems. These studies typically assess the individual effect of flexible work arrangement, or work-life balance on job performance. However, there is limited empirical evidence on the combined influence of these two factors on job performance, revealing a gap in the existing literature. Flexible work arrangements and work-life balance, while distinct, are inherently interrelated and may affect job performance in different ways. For example, flexible work arrangements may help employees manage their time more effectively, supporting a balanced lifestyle that leads to improved performance. However, when employees fail to achieve work-life balance, despite having access to flexible work options, their job performance may still decline (Bett et al., 2022). This highlights the need to actively examine whether flexible work arrangements and work-life balance interact to influence employee outcomes. To address this gap, the present study combined influence of flexible work arrangements and work-life balance on the job performance of female employees in Malaysia's banking sector.

Theoretical Background

The Social Exchange Theory (SET), developed by Blau (1964), posits that relationships, whether social or professional, are built on reciprocal exchanges. This theory suggests that long-term relationships are sustained through mutual benefits, both intrinsic and extrinsic. Individuals tend to anticipate future returns when they offer support or perform a favour for others. In the workplace context, employees often respond to organisational support, such as flexible work arrangements and work-life balance initiatives, through job performance and loyalty. When organisations invest in employee well-being through such practices, employees perceive this support as a form of commitment, which fosters a sense of obligation to reciprocate.

This reciprocal dynamic strengthens when employees feel valued and respected by their employers. In turn, they are more likely to invest additional effort and time into their work, leading to enhanced job performance. The exchange may involve intrinsic rewards, such as recognition, personal development, or a sense of fulfilment, as well as extrinsic benefits like financial incentives, career advancement, or formal awards. These rewards play a critical role in motivating employees and sustaining high performance. Additionally, SET highlights the importance of perceived fairness in relationships (Hatamleh et al., 2023). Employees often assess the balance between their efforts and the rewards they receive; when this balance is disrupted, they may reduce their commitment and engagement, negatively impacting job performance. Flexible work arrangements, such as telecommuting, flexitime, and compressed workweeks, can reduce stress and promote employee well-being, which in turn enhances performance (Loh & Cheng, 2024). Similarly, organisations that prioritise work-life balance enable employees to manage their responsibilities more effectively, contributing to overall job satisfaction and productivity (Marecki, 2023).

Past scholars applied Social Exchange Theory across various organisational contexts (Meira & Hancer, 2021; Nemteanu & Dabija, 2021; Cortez & Johnston, 2020; Maan et al., 2020). They applied SET to examine the relationship between perceived organisational support and psychological empowerment in shaping work engagement and organisational behaviour. The findings underscore the theory's relevance in understanding the positive outcomes of supportive organisational practices. Thus, this study adopts Social Exchange Theory as a theoretical foundation to examine flexible work arrangements and work-life balance that influence the job performance of female employees in Malaysia's banking sector.

Conceptual Framework

This study establishes a solid foundation by utilising Social Exchange Theory (SET) to create a new model suited to the research context while upholding the core principles of reciprocal relationships central to the original theory. Figure 1 illustrates the proposed conceptual framework, which outlines the direct impact of flexible work arrangements on job performance, as well as the mediating role of work-life balance in this relationship. Four hypotheses are developed for this study. Specifically, flexible work arrangements are hypothesised to influence both work-life balance and job performance directly. In addition, work-life balance is expected to mediate the relationship between flexible work arrangements and job performance, while also exerting a direct effect on job performance.

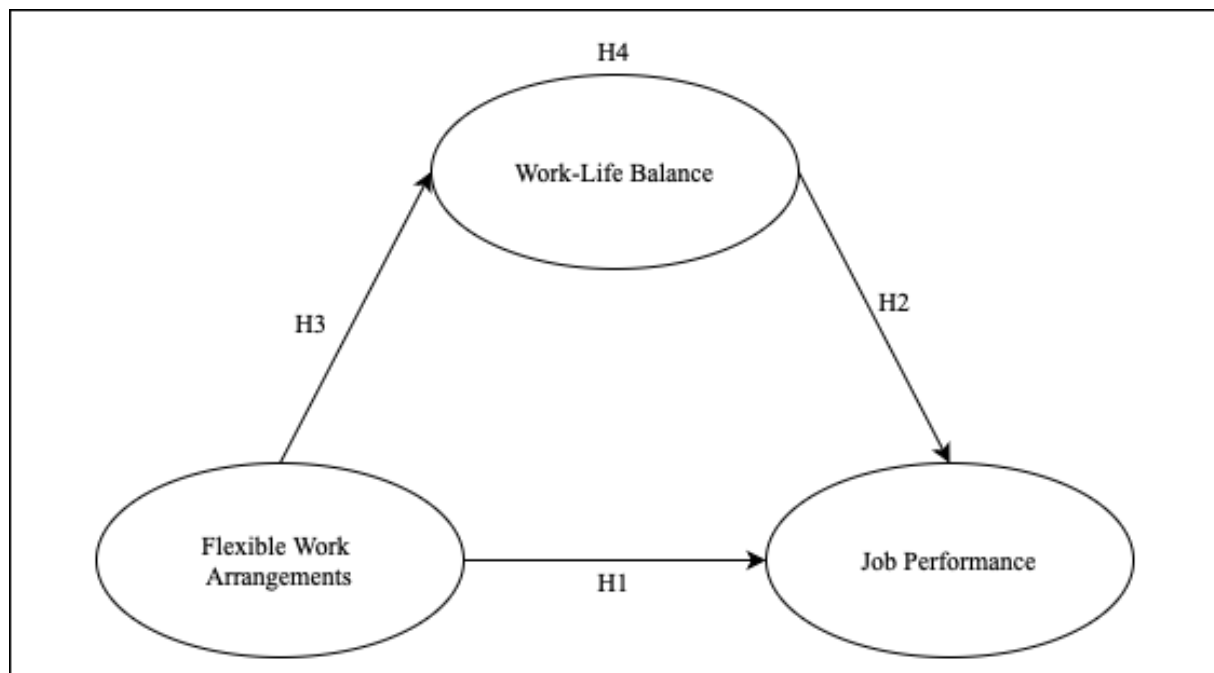


Figure 1. Proposed Conceptual Framework

Job Performance

An organisation's success depends on its employees' job performance. Job performance includes the efficiency and effectiveness of employees in completing their tasks or fulfilling their responsibilities. Different literature has defined job performance in various ways. At its core, job performance can be defined as the measurable behaviour of an individual that generates value for the organisation (Campbell et al., 1993). Additionally, job performance has been described as a multidimensional concept that involves an individual's behaviours, achievements, and job requirements (Vo-Thanh et al., 2020). Job performance can be categorised into two dimensions: task performance and contextual performance. Task

performance directly includes the technical parts of the job, such as completing a specific task. In contrast, contextual performance relates to individual behaviours supporting the organisational environment, which acts as a task catalyst. Various research studies have been conducted to establish an effective working environment and examine the factors that affect employees' job performance.

Binh et al. (2023) examined job performance among 569 bank employees in joint stock commercial banks in Ho Chi Minh City. The study found that organisational culture and knowledge sharing positively influence job performance, primarily through effective leadership and a high degree of openness. Similarly, Chi et al. (2023) found that in a sample of 331 employees working for private companies in the Vietnam service industry, transformational leadership and job satisfaction positively impacted employee performance. Additionally, variables such as the presence of supervisor social support (López-Cabarcos et al., 2023), psychological empowerment (Pacheco & Coello-Montecel, 2023), general cognitive ability (Sackett et al., 2023), workload, and motivation have been shown to affect job performance significantly. However, while previous studies have demonstrated that various factors significantly influence job performance (Rahman et al., 2020; Austin-Egole et al., 2020), limited attention has been given to models that incorporate both work-life balance and flexible work arrangements as key antecedents. Most existing research tends to examine these variables in isolation rather than exploring their combined or interactive effects on employee performance. This gap highlights the need for a more comprehensive understanding of how these two constructs jointly contribute to job performance, particularly within high-demand sectors such as banking.

Flexible Work Arrangements and Job Performance

In organisational settings, flexible work arrangements are increasingly recognised as a key component of a positive employee experience. They are valued for their contribution to employee development and organisational effectiveness. Flexible work arrangements benefit both employers and employees by fostering autonomy, improving work satisfaction, and enhancing performance outcomes. In this study, it is conceptualised as organisational resources or privileges granted to employees to support greater autonomy in managing their work responsibilities (Kamp et al., 2024; Crocco & Tkachenko, 2022). These arrangements encompass a variety of practices that allow employees to perform their tasks with increased flexibility. Work flexibility can be broadly classified into two categories: temporal and spatial. Temporal flexibility refers to variability in work hours, including changes in the number and timing of hours worked (Boccoli et al., 2022). Spatial flexibility, on the other hand, pertains to the physical location of work, allowing employees to operate outside the traditional office setting, such as from home, cafés, or any location with internet access (Wessels et al., 2019).

Lorincová et al. (2018) emphasise that businesses striving for high efficiency, competitiveness, and long-term success should prioritise meeting employees' needs and cultivating a supportive work environment. Sekhar and Patwardhan (2021) examined the flexible work arrangements of service firms in India and found that these arrangements positively impact job performance. Employers who adopt flexible work arrangements can enhance employee commitment, attraction, and retention (Williams, 2019). Krishnan and Chinnathambi (2024) identified a positive correlation between flexible work arrangements and job performance. Their study showed that employees with flexible schedules excel in their work. Furthermore, Yamin and Pusparini (2021) demonstrated that flexible work arrangements and perceived organisational support significantly influence employee job performance. Their findings emphasise that these

factors enhance job engagement and overall performance. In the banking sector, where female employees regularly encounter additional challenges in balancing professional and personal responsibilities, flexible work arrangements become particularly essential. By accommodating the dual roles of women, such arrangements can act as a strategic tool to sustain and improve their job performance. Based on this rationale, the following hypothesis is proposed:

H1: Flexible work arrangements positively affect the job performance of female employees in the Malaysian banking sector.

Work Life Balance and Job Performance

In an organisational setting, understanding how work-life balance affects employee job performance is important since it directly influences productivity and job satisfaction (Marecki, 2024). Employees who experience work-life balance tend to be more motivated and less stressed (Ismail et al., 2022). This balance enhances their mental and psychological well-being, encouraging a positive work environment. This will subsequently improve their job performance, leading to higher job engagement and better organisational performance. It is relatively important for female employees with high family commitment as it allows them to manage their personal and professional duties effectively (Kamaruddin et al., 2021).

Susanto et al. (2022b) explored the work-life balance, job satisfaction, and performance of employees working in small and medium enterprises. They discovered that work-life balance positively affects job performance. A higher work-life balance makes employees perform well in their tasks, leading to better firm performance (French et al., 2020). Since work-life conflict has been found to have an adverse impact on employee job satisfaction and performance (Dousin et al., 2019), work-life balance has been found to improve employee job satisfaction and performance (Preena, 2021; Rini et al., 2020). In addition, Faisal et al. (2022) investigated work-life balance, psychological well-being, job satisfaction, and performance of a sample of 433 employees from private banks in Karachi. The outcome of this study exhibits that work-life balance improves job satisfaction and psychological well-being. The enhanced job satisfaction and psychological well-being will further improve job performance.

Wiradendi Wolor et al. (2020) examined how work-life balance influenced the job performance of millennial employees during the COVID-19 pandemic, a time characterised by mandatory remote work. The study, conducted among millennial staff at Honda motorcycle dealerships in Indonesia, found that work-life balance, among other factors, positively affected job performance. Similarly, Ademola et al. (2021) identified a positive relationship between work-life balance and job performance among secondary school teachers. These findings suggest that maintaining a healthy balance between work and personal life is essential for improving performance outcomes. In high-pressure industries such as banking, where female employees manage professional responsibilities alongside family and caregiving roles, work-life balance is essential for sustaining job performance. Based on this, the following hypothesis is proposed:

H2: Work-life balance positively affects the job performance of female employees in the Malaysian banking sector.

Flexible Work Arrangement and Work-Life Balance

Work-life balance has emerged as a significant factor in both academic research and organisational discussions, especially within multinational corporations. Its impact on employee well-being and overall organisational performance has been established as an

essential factor in modern human resource management practices. Kerdpitak and Jemsittiparsert (2020) indicate that work-life balance involves managing personal responsibilities alongside professional duties. It refers to how individuals meet their business and personal obligations without overlap. Organisations should ensure that employees have adequate time to address their personal needs and commitments. Gragnano et al. (2020) emphasise the importance of individual differences in the work-life balancing process by comparing the effects of work-family and work-health balance on job satisfaction among different employees. The balance between work and life is sometimes not crucial for certain employees, while the work-health balance may be more relevant.

Numerous studies have highlighted the importance of achieving a healthy balance between professional and personal life. For instance, Subramaniam et al. (2015) investigated the role of flexible work arrangements in enabling women to manage their domestic and personal responsibilities more effectively. Their findings demonstrated that flexible work arrangements positively impact women's ability to achieve work-life balance, and in turn, influence their decision to remain in the workforce. Similarly, Brega et al. (2023) examined two key dimensions of flexible work arrangements—availability and accessibility—and concluded that such practices serve as valuable organisational resources. These resources are shaped by workplace culture and dynamics and play a central role in supporting employees' efforts to maintain a balanced lifestyle.

In the study of Shanker (2023), flexible work arrangements include several components that individually and jointly help improve the overall well-being of employees. The implementation of various flexible work arrangements positively influences work-life balance. Like Irshad et al. (2021) and Lonska et al. (2021), the government imposed flexible work arrangements during the COVID-19 pandemic. With this implementation, the employees were more productive and less stressed, resulting in a favourable relationship between flexible work arrangements and work-life balance (Indradewa & Prasetyo, 2023). William and Singh (2024) demonstrated that flexible work arrangement policies reduce the interference of work with personal life, thereby enhancing employees' work-life balance. Flexible work arrangements have been found to revitalise employees by enabling them to manage their personal, social, and professional responsibilities more effectively (Hasim et al., 2024). This relationship is particularly relevant for female employees, who often shoulder additional caregiving and domestic duties alongside their professional roles. Given these considerations, flexible work arrangements are expected to play a critical role in supporting work-life integration among women in the workforce. Therefore, the following hypothesis is proposed:

H3: Flexible work arrangements positively affect the work-life balance of female employees in the Malaysian banking sector.

The Mediating Role of Work-Life Balance

This study examines work-life balance as a mediator in the correlation between flexible work arrangements and job performance, linking these arrangements to improved job outcomes through their positive effect on employees' ability to balance personal and professional responsibilities. Brega et al. (2023) have shown that flexible work arrangements enhance work-life balance by granting employees greater autonomy over their work schedules. Indradewa and Prasetyo (2023) found that flexible work arrangements encourage employees to be more productive and adaptable, demonstrating a positive relationship between these arrangements and work-life balance. Susanto et al. (2022b) emphasised that employees with a higher work-

life balance tend to excel in their tasks. Similarly, Faisal et al. (2022) discovered that work-life balance significantly affects job performance by enhancing job satisfaction and psychological well-being.

Based on the above discussion, when women effectively manage both professional duties and personal responsibilities, their job performance is likely to improve. Given that flexible work arrangements can support work-life balance, and both factors significantly influence performance, it is important to investigate how work-life balance mediates this relationship. Therefore, the following hypothesis is proposed:

H4: Work-life balance mediates the relationship between flexible work arrangements and job performance among female employees in the Malaysian banking sector.

Research Methodology

The study examined female employees in Malaysian banking institutions. According to a statistical report by the Association of Banks in Malaysia (2024), Kuala Lumpur and Selangor have the highest concentration of banking institutions. Consequently, these regions were chosen as the sampling locations. A pre-test was conducted to ensure content validity, and experts from banking-related fields were consulted for their feedback. A pilot study was conducted to confirm the reliability of each construct, utilizing a five-point Likert scale (1 = strongly disagree, 5 = strongly agree) to measure the items. Data was collected through an online questionnaire from March to June 2024. A purposive sampling method was employed to gather responses from female banking employees. The survey was created using Google Forms, a free tool for designing and distributing online surveys. The Google Forms link was converted into a Quick Response (QR) code to facilitate participation, which was then shared via social platforms such as Facebook and WhatsApp. According to Krejcie and Morgan (1972), when the population exceeds 75,000, a minimum sample size of 384 is necessary. Given that the population of Malaysian female employees in the banking industry is approximately 199,022 (Bank Negara Malaysia, 2024), 400 responses were collected to enhance accuracy and reliability. After excluding incomplete submissions, 385 complete and usable responses were retained, resulting in a 96.25 percent response rate. The sample size is deemed adequate, allowing for partial least squares structural equation modeling for data analysis (Reinartz et al., 2009).

A well-validated measurement scale from previous research was adapted. The 10-item flexible work arrangements measure developed by Legesse Bekele and Mohammed (2020) was utilized in this study. One sample item was, "I can choose when to start and end my working hours." The inter-item consistency scores for flexible work arrangements were 0.938, indicating good reliability. Work-life balance was operationalized with 14 items adapted from Hayman (2005). Sample items included: "My personal life suffers because of work," "I neglect personal needs because of work," and "I put my personal life on hold for work," with a Cronbach's Alpha value of 0.963, suggesting good reliability. The eight items measuring job performance, developed by Tsui et al. (1997), were also used. Sample items were: "I strive for higher quality work than required," "I expect to be promoted faster than average," and "I am far more knowledgeable than others in my area of expertise." The Cronbach's Alpha value for job performance was 0.921, demonstrating good reliability for each item.

The respondents were categorised into five age groups: 18-29 (n = 107, 28.5 percent), 30-39 (n = 76, 20.3 percent), 40-49 (n = 75, 20.0 percent), 50-59 (n = 79, 21.1 percent), and 60 and above (n = 38, 10.1 percent). Most female employees were Chinese (n = 142, 37.9 percent), and a

majority (n = 164, 43.7 percent) were married. Furthermore, most female employees had completed their bachelor's degree (n = 173, 46.1 percent), and many (n = 133, 35.5 percent) had worked for over 10 years. Most of them (n = 153, 40.8 percent) held senior executive or supervisory roles in the banking industry, with a significant portion (n = 105, 28.0 percent) earning an annual income between RM 60,001 and RM 100,000.

Data Analysis

This study utilised a self-reported survey method, and there was a possibility that “the tested relationships among the constructs might be distorted by the effect of common method variance, which poses a significant issue that has the potential to threaten the validity of research findings” (Rodríguez-Ardura & Meseguer-Artola, 2019). Therefore, a variance inflation factor (VIF) method ensures the absence of common method bias (Kock, 2015). All the VIF values of the constructs were below 3.3, indicating that common method bias did not exist in this dataset (Kock, 2015). A partial least squares approach was utilized for this study since it maximized the model-explained variance (Hair et al., 2011). SmartPLS Version 4.1.0 was employed to conduct a two-stage analytical approach to assess the measurement and structural models (Ringle et al., 2015). This method is particularly effective for exploratory research as it handles complex models with multiple constructs and is robust against small sample size (Hair et al., 2017).

Measurement Model Assessment

The measurement model illustrates the relationships between the latent constructs and their indicators. In this study, all indicators were reflective measurements. Construct validity was assessed to evaluate the measurement model. As shown in Table 1, most of the indicator loadings for the constructs exceeded the threshold value of 0.700 (Hair et al., 2017). For composite reliability and Cronbach's Alpha, all constructs achieved a value of at least 0.700, as noted by Gefen et al. (2000). Based on these results, the measurement model demonstrated sufficient convergent validity.

Table 1: Measurement Model Result

Constructs	Items	Loadings	AVE	CR	CA
Flexible Work Arrangements	FWA1	0.735	0.642	0.942	0.938
	FWA2	0.823			
	FWA3	0.773			
	FWA4	0.800			
	FWA5	0.877			
	FWA6	0.779			
	FWA7	0.737			
	FWA8	0.816			
	FWA9	0.832			
	FWA10	0.826			
Work-Life Balance	WLB1	0.819	0.677	0.967	0.963
	WLB2	0.817			
	WLB3	0.841			
	WLB4	0.761			
	WLB5	0.839			
	WLB6	0.852			
	WLB7	0.823			
	WLB8	0.791			

	WLB9	0.853			
	WLB10	0.851			
	WLB11	0.819			
	WLB12	0.883			
	WLB13	0.857			
	WLB14	0.700			
Job Performance	JP1	0.845	0.645	0.927	0.921
	JP2	0.809			
	JP3	0.793			
	JP4	0.845			
	JP5	0.798			
	JP6	0.788			
	JP7	0.790			
	JP8	0.756			

Notes: AVE: Average Variance Extracted; CR: Composite Reliability; CA: Cronbach's Alpha

Discriminant validity was examined through the Fornell and Larcker criterion (Chin, 2010; Fornell & Larcker, 1981) and the heterotrait-monotrait (HTMT) ratio (Henseler et al., 2015). Table 2 shows that the square root of each construct's AVE exceeded all the correlations within the same row and same column.

Table 2: Fornell-Larcker Criterion

	JP	FWA	WLB
JP	0.803		
FWA	0.537	0.801	
WLB	0.528	0.596	0.823

The Heterotrait-Monotrait (HTMT) ratio of correlations was employed as a more rigorous approach to assess discriminant validity, as it is widely regarded as superior to the Fornell-Larcker criterion. Consistent with the recommended threshold of 0.85 proposed by Kline (2011), all HTMT values fell below this cutoff, thereby indicating satisfactory discriminant validity. These results, together with other validation assessments, confirm that the measurement model possesses adequate discriminant validity (refer to Table 3).

Table 3: Heterotrait-Monotrait Ratio (HTMT)

	JP	FWA	WLB
JP			
FWA	0.554		
WLB	0.533	0.611	

Structural Model Assessment

The structural model was evaluated using the bootstrapping technique with 400 resamples during the second analysis stage. Table 4 illustrates the predictive power of the structural model, showing the explanatory power (Hair et al., 2017) for the endogenous constructs: JP ($\beta = 0.355$) and WLB ($\beta = 0.356$). This indicates that the explanatory powers for the endogenous constructs are substantial, exceeding the minimum threshold of 0.35 (Hair et al., 2017). All hypotheses received support based on the t-statistics of each proposed hypothesis. The results revealed a positive relationship between FWA and JP ($\beta = 0.346$, $t = 6.218$). This finding aligns with the

study by Sekhar and Patwardhan (2021), which indicated that employees with flexible work arrangements were seen as performing well and exhibiting higher job satisfaction and intention. Furthermore, the results demonstrated that flexible work arrangements positively affected work-life balance ($\beta = 0.596$, $t = 15.218$), which is especially relevant to the previous studies by Shanker (2023) and Irshad et al. (2021). It is suggested that flexible work arrangements incorporate elements that enhance employees' work-life balance. This finding is particularly significant in the banking industry, where employees frequently encounter high stress and demanding schedules. Work-life balance also positively correlated with job performance ($\beta = 0.322$, $t = 5.375$). Lastly, work-life balance was positively linked to job performance, reinforcing the empirical findings of Susanto et al. (2022b), which suggest that employees with a better work-life balance tend to perform better in their jobs. Therefore, hypotheses H1, H2, and H3 were supported.

Table 4 presents the effect sizes (f^2) for each proposed hypothesis. Among the relationships examined, H2 (FWA \rightarrow WLB) demonstrated a large effect size of 0.35, consistent with Cohen's (1988) benchmark. In contrast, H1 (FWA \rightarrow JP) and H3 (WLB \rightarrow JP) exhibited small effect sizes of 0.02, indicating modest contributions to the variance explained. To assess the model's predictive relevance, Stone-Geisser's Q^2 values were calculated, as recommended by Hair et al. (2014). The Q^2 values for the endogenous constructs, Job Performance (JP) at 0.283 and Work-Life Balance (WLB) at 0.349, exceeded zero, demonstrating acceptable predictive relevance in line with Chin et al. (2020).

Table 4: Structural Model Result

H	Path	β	SE	t -statistics	Results	Q^2	f^2	R^2
H1	FWA \rightarrow JP	0.346	0.056	6.218	Supported	0.283	0.119	0.355
H2	FWA \rightarrow WLB	0.596	0.039	15.218	Supported	0.349	0.552	0.356
H3	WLB \rightarrow JP	0.322	0.060	5.375	Supported		0.103	

For H4, a mediation analysis is conducted to evaluate the mediating effect of work-life balance. Table 5 indicates that the indirect effect of work-life balance is significant ($\beta = 0.192$, $t = 5.107$). This shows that work-life balance serves as a significant mediator in the relationship between flexible work arrangements and job performance.

Table 5: Mediation Result

Hypothesis	Path	β	t -value	p-value
H4	FWA \rightarrow WLB \rightarrow JP	0.192	5.107	0.000

Implications

Theoretical Implications

This study expands the application of Social Exchange Theory (SET) within the context of flexible work arrangements, work-life balance, and job performance among female employees in the banking industry. Social Exchange Theory posits that workplace relationships are founded on reciprocal exchanges, where employees respond positively to favourable work conditions. Organisations that implement flexible work arrangements provide women employees with greater autonomy and flexibility, instilling trust and support. In return, they are more likely to reciprocate through increased commitment and productivity. Furthermore, the study underscores work-life balance as the key mediating mechanism in this exchange

relationship. Female employees who experience enhanced work-life balance through flexible work arrangements view their employer's support as a valuable resource, thereby strengthening their relationship with the organisation. This positive perception boosts their job satisfaction and performance. By expanding Social Exchange Theory in these contexts, the findings emphasise how non-monetary benefits, such as flexible work arrangements, influence employees' work behaviour and performance. This study contributes to the broader theoretical discourse by demonstrating that work-life balance connects organisational flexibility with employee outcomes, particularly in demanding work environments in the banking industry.

Practical Implications

The findings of this study offer valuable insights for banking institutions and policymakers aiming to enhance female employee performance through flexible work arrangements, contributing to the achievement of several Sustainable Development Goals (SDGs), particularly SDG 5 (Gender Equality). Well-structured flexible work options can serve as a strategic initiative to improve work-life balance and job performance. Organisations should view flexible work arrangements as a strategic investment in employees' well-being and productivity, particularly for female employees who face challenges in juggling professional and caregiving responsibilities. Implementing flexible work options such as telecommuting, flexible hours, and compressed workweeks allows banking institutions to mitigate employee burnout, enhance work-life balance, and improve job performance, particularly among female employees. These initiatives play a critical role in promoting gender equality in the workplace by supporting the diverse needs of women, enabling them to thrive both professionally and personally.

Furthermore, this study highlights the necessity of embedding flexible work arrangements into formal workplace policies. Policymakers should create clear guidelines and establish performance metrics to evaluate the effectiveness of these arrangements, ensuring they are appropriately implemented and managed. A standardised approach will enable female employees to achieve a better work-life balance without compromising operational efficiency. Additionally, banking institutions should consider developing tailored policies that accommodate the unique requirements of various job roles. Such flexibility can provide significant benefits to female employees, helping them balance personal and professional responsibilities while ensuring that service quality and productivity remain unaffected. This approach will support more inclusive, sustainable, and gender-responsive workplace practices, aligning with the broader objectives of the SDGs.

Conclusion and Future Research

This study investigates the relationship between flexible work arrangements, work-life balance, and job performance among female employees in Malaysia's banking industry. The findings show that flexible work arrangements positively influence job performance, with work-life balance acting as a mediator. By offering flexibility, organisations can improve work-life balance and enhance employee performance. Social exchange theory highlights that organisational support through flexible work arrangements fosters employee commitment and improves job performance. Practically, it emphasises the importance of well-structured and effectively managed flexible work policies in the banking sector.

The limitations of this study present opportunities for future research. Firstly, this study focused exclusively on female employees in the Malaysian banking industry. While it provides valuable insights into gender-specific challenges, the findings may not be generalisable to male employees or those in other industries. Future research should include a broader sample with a cross-sectional design. This study captured insights at a specific point in time, offering an in-depth view of the relationships among the variables examined. While work-life balance and job performance may change over time and with organisational restructuring, a longitudinal

approach in future studies may provide further clarity on the long-term effects of flexible work arrangements. Future research could expand on these findings to explore broader implications.

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