

**The Effect of Work-Life Balance on Employee Productivity: The
Mediating Role of Employee Mental Health in Indonesia**



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Abstract

This study examines the effect of work-life balance (WLB) on employee productivity (EP), with employee mental health (MH) as a mediating variable, among workers in Indonesia. Grounded in Human Capital Theory, the research conceptualizes work-life balance as a strategic organizational investment that preserves and enhances psychological capital, thereby influencing long-term labor productivity and workforce sustainability.

A quantitative explanatory approach was adopted, utilizing primary data collected through an online survey of 219 respondents selected via purposive sampling. Data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS software. The measurement model demonstrated satisfactory validity and reliability, while the structural model assessed direct effects, mediation, and explanatory power.

The results indicate that work-life balance has a positive and statistically significant direct effect on both employee productivity and employee mental health. However, mental health does not exert a significant direct influence on employee productivity, nor does it significantly mediate the relationship between work-life balance and productivity. The model exhibited relatively low explanatory power ($R^2 = 0.015$ for employee productivity and $R^2 = 0.047$ for mental health), suggesting that structural, organizational, and institutional factors beyond individual psychological variables play a dominant role in shaping productivity outcomes in the Indonesian labor market.

These findings underscore the importance of work-life balance policies as mechanisms for enhancing workforce sustainability and psychological well-being, while highlighting the conditional nature of psychological capital's contribution to productivity in emerging economy contexts. The study contributes to labor economics

and human resource management literature by integrating mental health within a Human Capital framework and offers practical implications for organizations seeking to improve employee productivity through balanced work arrangements and supportive workplace practices. Limitations, including reliance on self-reported data and the cross-sectional design, are acknowledged, along with recommendations for future research.

Keywords: work-life balance, employee productivity, mental health, human capital, PLS-SEM, Indonesia

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Labor productivity is a key determinant of economic growth, particularly in developing economies such as Indonesia. As nations transition through structural economic transformation, the quality of the labor force becomes increasingly central to sustaining competitive advantage and long-term development. Within the framework of Human Capital Theory, employee productivity is not merely an organizational outcome to be maximized in the short term; rather, it is best understood as a form of human capital accumulation in which employees' cognitive, emotional, and psychological capacities determine long-term organizational competitiveness and national economic resilience. Productivity is therefore not solely determined by technical skills or the accumulation of formal education, but is also fundamentally shaped by the depth and quality of workers' internal human capital assets. This perspective is captured by Human Capital Theory, which recognizes health particularly mental health as a critical and often underappreciated component of productive capacity.

The transformation of the global work environment driven by globalization, digitalization, and rapid technological advancement has significantly intensified job demands across sectors. Higher workloads, constant digital connectivity, and the erosion of boundaries between work and personal life have become defining features of modern employment. As proven by Greenhaus & Allen (2011), these conditions generate role conflict and work overload, which have been empirically linked to the depreciation of human capital through burnout, psychological strain, and reduced labor efficiency

In this context, work-life balance (WLB) must be reconceptualized beyond a conventional welfare benefit. It is more appropriately understood as a strategic investment in human capital development that improves employee sustainability and productivity over time. By enabling employees to allocate sufficient time for recovery, rest, and personal engagement, work-life balance not only helps maintain the mental health stock of the workforce but actively builds the psychological and cognitive reserves that sustain long-term labor efficiency. Consequently, work-life balance policies directly influence employees' resilience, innovation capacity, and ability to generate sustained economic output. Conversely, chronic imbalance between work and personal life accelerates the depreciation of human capital through psychological exhaustion, reduced cognitive efficiency, and long-term inefficiencies in labor output. Data from the International Labor Organization indicate that employees working excessive hours are 1.3 times more likely to experience work-related stress, directly threatening the quality of human capital in the labor market (ILO, 2021).

Employee productivity, within the Human Capital framework, reflects the return on accumulated human capital investments. Crucially, this study positions productivity not merely as a short-term organizational performance indicator, but as a reflection of human capital quality embedded within employees' psychological, emotional, and cognitive capabilities. Productivity therefore encompasses not only the quantity of work output but also its quality, efficiency, consistency, and adaptability over time. This integrated perspective connects organizational performance with broader human capital development objectives, including labor quality, workforce sustainability, and national productivity growth. Research in labor economics demonstrates that excessive work pressure, insufficient recovery time, and psychological strain significantly reduce cognitive capacity and labor output, resulting in productivity losses of up to 20–30% at the organizational level (Spector, 2017). Conversely, organizations that invest in work-life balance policies such as

flexible working hours and workload management effectively preserve workers' human capital, generating higher returns in the form of sustained productivity.

Mental health constitutes a fundamental, though intangible, dimension of human capital. Rather than being treated as merely an individual psychological condition, mental health is more precisely framed as an intangible human capital asset that directly enhances creativity, concentration, resilience, and labor efficiency. As an asset, mental health influences cognitive capacity, decision-making quality, problem-solving ability, and emotional regulation all of which are critical inputs to productive labor. Poor mental health, such as chronic stress, anxiety, and emotional exhaustion, erodes this asset and reduces the effective utilization of human capital, generating productivity losses at both the organizational and macroeconomic levels. The World Health Organization (2022) estimates that depression and anxiety disorders alone cost the global economy approximately USD 1 trillion per year in lost productivity, underscoring the economic significance of mental health as a human capital dimension.

Employee well-being is theoretically grounded in Human Capital Theory: healthier employees possess higher productive capacity and stronger adaptive skills, enabling them to sustain performance across varying and challenging work conditions. From this perspective, the preservation of employee well-being is not a peripheral organizational concern, but a strategic priority with direct implications for labor quality and economic competitiveness. Research consistently demonstrates that adequate work-life balance provides employees with sufficient recovery time, enabling them to regulate psychological stress and replenish their mental capital stock. In contrast, according to Allen et al., (2020), prolonged imbalance significantly increases the risk of burnout, depression, and psychological distress, representing a form of human capital depreciation. Employees with poor work-life balance are twice as likely to report symptoms of mental fatigue compared to those with balanced arrangements.

Mental health, in turn, plays a decisive role in determining labor productivity. Employees with strong mental health stocks exhibit higher concentration, motivation, work engagement, and resilience under job demands. Deterioration of mental health capital results in absenteeism and presenteeism conditions in which employees are physically present but cognitively disengaged leading to substantial economic losses. It is estimated that presenteeism alone accounts for over 60% of productivity losses related to mental health problems in organizations (Harvey et al., 2017).

In the Indonesian context, the role of work-life balance in preserving human capital quality is particularly critical. Data from Statistics Indonesia (BPS) indicate that a significant proportion of Indonesian workers exceed the standard 40-hour workweek, particularly in urban and service-sector employment (BPS, 2023). These long working hours represent a structural threat to the maintenance of workers' human capital, as insufficient recovery time leads to the gradual erosion of cognitive and psychological resources. Furthermore, reports from the Indonesian Ministry of Health (2022) reveal an increasing prevalence of emotional mental disorders among the productive-age population, with work-related stress identified as a dominant contributing factor.

Despite the growing recognition of these dynamics, limited empirical research examines how non-cognitive components of human capital such as mental health mediate the relationship between workplace conditions and labor productivity in developing economies. According to Rizky & Hermawan (2023), Most existing studies focus on direct productivity determinants such as education, skills, and working hours, while neglecting the psychological capital dimension. Moreover, studies in Indonesia that explicitly position mental health as a mediating variable within a human capital framework remain scarce.

This research gap is particularly significant given Indonesia's unique labor market characteristics, including long working hours, collectivist cultural values, strong performance pressure, and structural heterogeneity across employment sectors. These contextual factors may intensify the economic consequences of work-life

imbalance on human capital quality and labor output, making it insufficient to rely solely on findings derived from developed economy contexts (Hofstede, 2011).

Therefore, this study examines the effect of work-life balance on employee productivity through the mediating role of mental health, grounded explicitly in Human Capital Theory. Such an approach allows for a more economically rigorous analysis of how organizational conditions influence labor productivity through workers' psychological capital. This study should not merely interpret employee productivity as a short-term organizational outcome, but rather as a reflection of human capital quality embedded within employees' psychological, emotional, and cognitive capabilities. In the contemporary Indonesian labor market, work-life balance policies increasingly function as strategic investments in human capital development because they influence mental health, resilience, innovation, and long-term labor productivity. From a human capital perspective, employees are not simply labor inputs, but productive assets whose well-being determines organizational sustainability and national economic competitiveness. The findings are expected to contribute to labor economics by integrating mental health as a dynamic and often overlooked component of productive capacity in developing economies (Grawitch et al., 2018).

This study extends Human Capital Theory by incorporating mental health as a dynamic and often overlooked component of productive capacity in developing economies. The study is thus entitled: "The Effect of Work-Life Balance on Employee Productivity: The Mediating Role of Employee Mental Health in Indonesia."

1.2. Problem Statement

As Indonesia continues to undergo economic and structural transformation, the quality of its labor force becomes an increasingly critical determinant of sustainable productivity growth. However, prevailing workplace conditions characterized by long working hours, rigid employment structures, and limited

organizational support for psychological well-being present systemic challenges to the maintenance and enhancement of human capital quality.

From a Human Capital Theory perspective, the failure to adequately maintain workers' psychological capital through appropriate work-life conditions represents a form of human capital depreciation. Excessive workloads and insufficient recovery time erode cognitive capacity, reduce emotional resilience, and ultimately diminish labor productivity. Yet, despite these economic implications, work-life balance continues to be undervalued in organizational practice and labor policy, particularly in sectors that prioritize output maximization over worker well-being.

Mental health, as an intangible human capital asset, further complicates this dynamic. In Indonesia, psychological well-being remains a sensitive and under addressed issue in organizational contexts. Social stigma, limited awareness, and insufficient access to professional mental health services frequently prevent employees from addressing psychological difficulties, resulting in the silent deterioration of human capital quality. Unaddressed mental health conditions manifest as reduced concentration, presenteeism, absenteeism, and declining labor productivity representing significant hidden economic costs for organizations and the broader economy.

Additionally, variations in job characteristics and sector-specific employment conditions create heterogeneity in the relationship between work-life balance, mental health, and productivity. Employees in cognitively and emotionally demanding positions face heightened risk of human capital depreciation through psychological strain, while those in physically demanding or economically precarious employment face compounding stressors. These structural differences imply that the economic returns to psychological capital may vary substantially across labor market segments.

Despite the importance of these issues, limited empirical research simultaneously examines work-life balance, mental health, and labor productivity within an economic framework in the Indonesian context. The prevailing tendency in organizational practice to equate longer working hours with higher productivity

overlooks the long-term economic consequences of human capital depreciation through burnout and psychological strain.

Therefore, this study aims to address the following research problems:

1. How does work-life balance, as an investment in human capital, influence labor productivity in Indonesia?
2. What is the effect of work-life balance on employees' mental health as a human capital asset?
3. Does mental health mediate the relationship between work-life balance and labor productivity in the Indonesian labor market?

1.3. Research Objectives

The main objective of this study is to examine the relationship between work-life balance, employee mental health, and labor productivity among Indonesian workers, anchored in Human Capital Theory. Specifically, this research aims to:

1. Analyze the effect of work-life balance as an investment mechanism on labor productivity as an economic output.
2. Examine the impact of work-life balance on employees' mental health as a human capital asset.
3. Investigate the mediating role of mental health in the relationship between work-life balance and labor productivity within the Indonesian labor market.

1.4. Research Benefits

1.4.1. Academic Benefits

Academically, this research contributes to the fields of labor economics, human resource economics, and development economics by integrating psychological well-being into the Human Capital Theory framework. While human capital is traditionally measured through education and formal training, this study broadens the conceptual scope by treating mental health as an intangible but economically significant capital asset. By examining mental health as a mediating variable between

work-life balance and labor productivity, the study strengthens interdisciplinary approaches connecting labor economics with behavioral and organizational psychology. Empirical evidence from the Indonesian context adds value to the existing literature, which is predominantly derived from developed economies. The findings may also serve as a reference for future research on non-cognitive human capital, labor conditions, and sustainable productivity in developing economies.

1.4.2. Practical Benefits

From a practical standpoint, this research provides actionable insights for employers, managers, and human resource practitioners on the economic value of investing in work-life balance and employee mental health. Understanding the labor economics of psychological capital can guide organizations in designing more efficient work systems that reduce human capital depreciation, absenteeism, and presenteeism. The findings encourage the adoption of evidence-based practices such as workload rationalization, flexible working arrangements, and workplace mental health initiatives that yield long-term productivity returns.

1.4.3. Social Benefits

Socially, this study contributes to increasing awareness of mental health as an economic and social imperative, rather than merely a personal welfare issue. By demonstrating the link between work-life imbalance, human capital depreciation, and reduced labor productivity, the research supports advocacy for fairer working conditions and healthier labor cultures in Indonesia. The findings may inform public discourse on the long-term economic costs of neglecting worker psychological well-being.

1.4.4. Personal Benefits for the Researcher

For the researcher, this study develops competencies in labor economics, structural equation modeling, and interdisciplinary analysis. The research process fosters critical thinking regarding the economic dimensions of workplace conditions and enhances the researcher's capacity to connect micro-level behavioral data to macro-level economic outcomes.

1.5. Scope and Limitations

1.5.1. Scope of the Research

This study focuses on examining the effect of work-life balance on labor productivity, with mental health as a mediating variable, within the Indonesian labor market context. Geographically, the research is conducted in Indonesia, with emphasis on urban and semi-urban areas characterized by higher employment density and more formalized work structures. The population consists of employees across various sectors including corporate services, manufacturing, and flexible or non-standard employment arrangements.

The study is bounded by three main constructs: work-life balance as the independent variable (investment mechanism), employee productivity as the dependent variable (economic output), and mental health as the mediating variable (human capital quality). Data were collected through structured online questionnaires.

1.5.2. Limitations of the Research

This study has several important limitations. First, the reliance on self-reported data introduces potential optimism bias and social desirability bias. Responses related to mental health and productivity may reflect perceived rather than actual conditions, which may partially explain the weak explanatory power observed in the structural model.

Second, the findings may not fully represent all employment conditions in Indonesia, particularly rural or highly informal work settings. Third, the cross-sectional design limits the ability to establish causal relationships over time and does not capture the dynamic nature of human capital accumulation and depreciation.

Fourth, the low R-square values indicate that labor productivity in the Indonesian context is largely driven by structural and economic factors beyond individual-level psychological variables. This limitation is acknowledged as theoretically informative rather than methodologically deficient, as it reinforces the

argument that psychological capital returns are conditioned by labor market structures.

Finally, cultural stigma surrounding mental health in Indonesia may affect the candor of respondents in reporting psychological difficulties. Despite these limitations, this research provides valuable insights into the economic dimensions of work-life balance and mental health, contributing to a growing body of knowledge on human capital and sustainable labor productivity in developing economies.

CHAPTER II

LITERATURE REVIEW

This section consists of research findings made by various authors and researchers. To provide an accurate review we must refer to the previous authors and researchers who have done similar research

2.1. Previous Research Findings

Empirical studies on work-life balance, mental health, and employee productivity provide important context for the current research. Interpreted through the lens of Human Capital Theory, these studies collectively demonstrate that investments in employee capability and workplace conditions are foundational to sustaining long-term productivity. Putri and Amran (2021) found that work-life balance has a positive and significant effect on employee performance in the Indonesian banking sector, particularly in task efficiency and service quality. While their study confirmed the behavioral and HR dimensions of this relationship, it did not fully engage a theoretical framework that connects these variables to the broader process of human capital formation, employee capability enhancement, and labor productivity sustainability.

Sari et al. (2022) demonstrated that mental health significantly influences productivity in the service industry, with psychologically healthier employees showing higher work consistency and effectiveness. From a Human Capital perspective, this finding confirms that mental health functions as a form of psychological capital an integral component of human capital formation that determines the quality and sustainability of labor output. However, this study did not include work-life balance as an antecedent, leaving unaddressed the question of how this psychological capital is shaped and replenished through workplace investment conditions. Haar et al. (2019) conducted a cross-national study finding that work-life balance enhances employee well-being, which subsequently improves job

performance. Their findings confirm that the effect of work-life balance on productivity may operate indirectly through psychological capital quality, consistent with the Human Capital investment-return model.

Hadiyansyah and Nugroho (2025) further demonstrated that mental health mediates the relationship between work-related conditions and performance, positioning employees as strategic human capital assets whose psychological well-being generates measurable organizational value. Though their context was limited to specific organizational settings, this finding reinforces the need for an integrated analytical structure that brings together Human Capital Theory, Psychological Capital Theory, and organizational productivity frameworks rather than treating these as separate disciplinary streams. Despite these contributions, studies that explicitly examine mental health as a mediating human capital variable in the Indonesian labor market remain limited, particularly within an economic theoretical framework (Rizky & Hermawan, 2023).

2.2. Theoretical Background

2.2.1. Human Capital Theory

Human Capital Theory, originally developed by Becker (1964) and Schultz (1961), posits that individuals' knowledge, skills, health, and psychological well-being constitute forms of capital that enhance labor productivity and economic output. Just as physical capital generates returns through investment, human capital yields productivity benefits when invested in and maintained. Traditionally, human capital has been associated primarily with formal education and technical training. However, this study integrates Human Capital Theory with Psychological Capital Theory (Luthans et al., 2007) and organizational productivity frameworks into a single analytical structure. Psychological Capital Theory extends human capital by emphasizing the productive value of psychological states specifically hope, efficacy, resilience, and optimism as internal resources that shape employee performance. Together, these frameworks position employees not as operational resources but as strategic human capital assets whose well-being generates organizational and

macroeconomic value creation. Contemporary extensions of Human Capital Theory increasingly recognize health and specifically mental health as a fundamental component of productive capacity, recognizing that the quality of human capital is shaped not only by formal qualifications but by the psychological and emotional resources workers bring to their roles (Grossman, 1972).

Within this framework, the three core variables of this study are reframed as follows:

1. **Work-Life Balance:** A strategic investment mechanism in human capital development. By enabling workers to recover, rest, and maintain personal engagement, work-life balance preserves and enhances employees' cognitive and psychological capital, improves their resilience and innovation capacity, and prevents the depreciation of productive capacity over time. This positions work-life balance as a driver of employee capability enhancement and productivity sustainability.
2. **Mental Health:** A form of psychological capital and an integral component of human capital formation. As a capital asset, mental health enhances concentration, creativity, emotional stability, decision-making quality, and resilience all of which are critical inputs to labor efficiency. Poor mental health represents the deterioration of this asset, resulting in human capital depreciation and diminished organizational and macroeconomic value creation.
3. **Employee Productivity:** The return on human capital investment, broadly defined. Productivity encompasses not only output efficiency the quantity and quality of work completed within a given timeframe but also innovation capacity, adaptability to changing demands, learning and skill acquisition, and long-term workforce competitiveness. This expanded definition situates productivity as a multidimensional reflection of human capital quality rather than a narrow operational metric.

The overall model thus represents an integrated investment–capital quality–output chain, grounded in the convergence of Human Capital Theory, Psychological Capital

Theory, and organizational productivity frameworks: Work-Life Balance (investment condition) → Mental Health Capital (psychological capital quality) → Human Capital Quality → Employee Productivity (economic output). This perspective broadens the analysis beyond organizational efficiency by emphasizing sustainable workforce development and the role of employees as strategic human capital assets. This study extends Human Capital Theory by incorporating mental health as a dynamic, multidimensional component of productive capacity whose returns are conditioned by labor market structure and organizational investment in developing economies.

2.2.2. Work Life Balance

2.2.2.1. Definition of Work-Life Balance

Work-life balance refers to an employee's ability to effectively balance work responsibilities with personal needs and private life. Within the Human Capital framework, work-life balance is not merely a welfare benefit but a strategic organizational investment that preserves and enhances employee capability, enabling the long-term sustainability of productive capacity. Lumunon (2019) defined work-life balance as the capacity of employees to harmonize their professional duties with personal demands. In simple terms, work-life balance describes a condition in which individuals are able to manage their time properly and align their work obligations with family life and personal interests (Witriaryani et al., 2022).

According to Shabrina and Zenita (2019), work-life balance represents a form of balance experienced by individuals in fulfilling work responsibilities, family obligations, and personal life roles. In an organizational context, work-life balance is often implemented through policies and programs designed to reduce stress and role conflict experienced by employees when managing career and family demands (Dennira & Ekowati, 2020).

Furthermore, work-life balance can be understood as the extent to which individuals are equally involved and satisfied in terms of time allocation and psychological engagement in both work roles and personal life roles, such as

relationships with spouses, parents, family members, friends, and the broader community, without experiencing conflict between these roles (Witriaryani et al., 2022).

2.2.2.2. Indicators of Work-Life Balance

Indicators of work-life balance, as identified by Rondonuwu et al. (2018), include the following dimensions:

1. Time Balance

Time balance refers to the extent to which individuals allocate sufficient and appropriate time to both work-related activities and non-work activities, such as spending time with family or engaging in personal interests.

2. Involvement Balance

Involvement balance reflects the degree of psychological engagement and commitment an individual demonstrates toward both work responsibilities and activities outside of work.

3. Satisfaction Balance

Satisfaction balance refers to the level of satisfaction individuals experience with their work activities as well as with aspects of their personal and non-work lives.

2.2.3. Productivity

2.2.3.1. Definition of Work Productivity

In the era of globalization, human resource management has become a crucial foundation for organizations, particularly in maintaining and improving employee work productivity. Companies are increasingly required to manage and develop high-quality human resources in response to rapidly changing environmental dynamics. Within the Human Capital framework, employee productivity is understood broadly as the return on accumulated human capital investment encompassing not only output efficiency, but also employees' capacity for innovation, adaptability, continuous learning, and long-term workforce competitiveness. Employees are therefore positioned not as interchangeable operational resources, but as strategic human

capital assets whose sustained well-being and development generate organizational and macroeconomic value creation. Work productivity, in this expanded sense, refers to the ability of employees to perform their duties effectively, adapt to evolving demands, and contribute innovative and high-quality outputs that meet organizational goals in a timely and responsible manner (Haryo et al., 2018; Santoni et al., 2018).

Work productivity is commonly used as a key benchmark for organizations in evaluating operational performance, both in terms of product quality and quantity. In today's competitive business environment, organizations are expected not only to focus on capital ownership but also to optimize other production factors, such as labor, skills, and natural resources. These factors must work synergistically to achieve organizational objectives efficiently and effectively (Wirawan et al., 2019).

According to Sedarmayanti (2017), productivity is defined as the ability to produce goods or services, generally measured over a specific period. In a broader sense, productivity reflects the comparison between output generated and the total input utilized in the production process.

Furthermore, productivity consists of multiple dimensions that extend beyond simple output ratios. The first dimension is effectiveness, referring to the extent to which performance targets related to quality, quantity, and timeliness are achieved. The second dimension is efficiency, focusing on the optimal use of inputs in producing desired outputs (Ashar et al., 2015). From a Human Capital perspective, two additional dimensions are equally important: innovation capacity, which reflects employees' ability to generate new solutions and adapt to changing work demands; and learning and adaptability, which captures the extent to which employees continuously develop their skills and human capital over time. Together, these dimensions constitute a multidimensional understanding of productivity that positions workforce development, not merely output maximization, as the core objective of productive labor.

2.2.3.2. Indicators of Productivity

To accurately measure work productivity, specific indicators are required. Sutrisno (2017) identified several key indicators of employee work productivity as follows:

1. Ability

Employee ability reflects professionalism at work, which is demonstrated through the possession of relevant skills and competencies that enable employees to complete assigned tasks effectively.

2. Commitment to Improving Performance Outcomes

Employees show determination to continuously improve work results, which contributes to increased productivity and higher output levels within the organization.

3. Work Enthusiasm

Work enthusiasm refers to employees' motivation to perform better than before by consistently improving their performance and evaluating previous work achievements.

4. Self-Development

Self-development involves continuous efforts to enhance personal competencies and skills. Through self-improvement, employees are encouraged to face challenges positively and develop healthy competition, which motivates them to improve their capabilities.

5. Quality

Quality reflects employees' efforts to produce better and higher-quality work outcomes than previous results. Improved quality directly contributes to enhanced organizational productivity.

6. Efficiency

Efficiency refers to the comparison between the resources used and the results achieved during the work process, emphasizing the optimal utilization of inputs to maximize output.

2.2.4. Mental Health

2.2.4.1. Definition of Mental Health

Linguistically, the concept of mental health originates from the term *mental hygiene*. The word *mental* is derived from the Greek language and has a meaning similar to the Latin term *psyche*, which refers to psychological, mental, or spiritual aspects. In the literature, *mental hygiene* is not the only term used to describe mental health. Other terms such as *psychological medicine*, *nervous health*, and *mental health* are also commonly used to convey similar meanings.

According to Kartini Kartono (1989), mental health is characterized by an individual's ability to act effectively, possess clear life goals, integrate personal potential with ongoing efforts, regulate and harmonize various aspects of personality, and maintain inner calmness. Mental health reflects a condition in which an individual does not experience symptoms of mental disorders. Individuals with good mental health are able to live their lives normally and effectively cope with challenges encountered throughout life, including managing stress (Putri, 2015).

Pieper and Uden (2006) described mental health as a condition in which individuals do not experience excessive guilt, have a realistic self-perception, are able to accept personal limitations, can cope with life problems, feel satisfied in social interactions, and experience happiness in life. Similarly, the World Health Organization (WHO, 2001) defines mental health as a state of well-being in which individuals recognize their abilities, are able to cope with everyday stresses, work productively and efficiently, and contribute positively to society.

Furthermore, the American Psychological Association (1958) defined mental health as a condition in which individuals are capable of handling normal life stressors, performing productive and meaningful work, and making positive contributions to their families and communities. Despite variations in terminology, the core essence remains consistent. From a Human Capital perspective, mental health is most accurately understood not merely as an individual clinical condition, but as a form of psychological capital an integral component of human capital formation that directly enhances an employee's concentration, emotional stability,

creative thinking, resilience, and capacity for sustained labor efficiency. Thus, mental health can be concluded as a dynamic capital asset in which individuals with strong psychological well-being possess higher productive capacity, recognize their potential, manage daily stress effectively, perform efficiently, and contribute positively to their organizational and societal environments.

2.2.4.2. Aspects of Mental Health

According to Veit and Ware (1983), mental health consists of two main aspects, as described below:

1. Psychological Distress

Psychological distress refers to a negative or poor mental health condition experienced by individuals. This condition is identified through clinical symptoms that affect both personal and social functioning. The first symptom is anxiety, which may manifest in physical or psychological reactions. The second symptom is depression, characterized by persistent feelings of sadness. The third symptom is the loss of emotional or behavioral control, which can interfere with daily functioning and social interactions.

2. Psychological Well-Being

Mental health exists along a continuum between two opposing extremes: negative and positive states. The negative state is characterized by psychological distress, whereas the positive state is represented by psychological well-being. Psychological well-being reflects a condition of good mental health, which can be identified through indicators such as life satisfaction, emotional attachment, and generally positive feelings. Individuals with high psychological well-being are able to function optimally and experience fulfillment in various aspects of life.

2.3. Hypothesis Development

2.3.1. The Effect of Work-Life Balance on Employee Productivity

According to Human Capital Theory, work-life balance functions as a strategic investment mechanism that preserves and enhances workers' cognitive, psychological, and physical capital. When employees are positioned as strategic human capital assets rather than operational resources, investments in their work-life conditions yield measurable returns in the form of sustained labor output, innovation capacity, and long-term workforce competitiveness. Employees who achieve balance between work and personal life are better positioned to manage their energy and time effectively, enabling more efficient and adaptive labor output. Organizations that implement work-life balance policies effectively reduce human capital depreciation caused by overwork, maintaining the stock of productive capacity and supporting sustainable workforce development (Allen et al., 2020).

Several empirical studies support this relationship. Wong et al. (2020) and Guest (2022) found that employees perceiving balance between work and personal life demonstrate higher performance levels. Nguyen et al. (2023) confirmed that work-life balance directly enhances task efficiency in emerging market contexts. From a human capital perspective, improved work-life balance reduces capital depreciation through fatigue and role conflict, yielding higher returns in the form of productivity.

H1: Work-life balance has a positive effect on employee productivity.

2.3.2. The Effect of Work-Life Balance on Employee Mental Health

Work-life balance constitutes a key investment mechanism in the psychological capital stock of workers, which in turn forms a critical component of overall human capital quality. Human Capital Theory, integrated with Psychological Capital Theory, suggests that organizational investments in work-life conditions generate returns not only in immediate output but in the psychological resources employees bring to their roles. Chronic imbalance between work demands and personal life creates conditions for human capital depreciation through emotional exhaustion and psychological distress. Conversely, adequate balance provides

employees with recovery time, enabling the preservation, replenishment, and enhancement of psychological capital (Allen et al., 2020).

Pacheco et al. (2021) and Yang et al. (2022) found that employees with high work-life balance report lower stress levels and better mental well-being. Organizational support for balance, including flexible working hours and humane employment policies, has been demonstrated to enhance emotional stability and reduce the risk of psychological capital depreciation.

H2: Work-life balance has a positive effect on employee mental health.

2.3.3. The Effect of Employee Mental Health on Employee Productivity

Mental health, as a form of psychological capital and an integral component of human capital formation, directly influences cognitive capacity, decision-making quality, creativity, and work engagement, all of which are critical inputs to labor productivity. Employees with high mental health capital exhibit superior task performance, lower absenteeism, stronger innovation potential, and greater resilience to job demands. Deterioration of mental health capital through chronic stress or emotional exhaustion reduces the effective utilization of cognitive resources, constrains adaptability and creative output, and ultimately diminishes the organization's broader human capital value (WHO, 2022).

Harvey et al. (2021) and De Oliveira et al. (2023) found that employees with good mental health demonstrate more consistent work performance, higher innovation rates, and lower absenteeism. Within the integrated Human Capital and Psychological Capital framework, mental health quality determines not only the efficiency with which workers convert their skills into outputs, but also their capacity to learn, adapt, and contribute strategically to long-term organizational competitiveness.

H3: Employee mental health has a positive effect on employee productivity.

2.3.4. The Mediating Role of Employee Mental Health

The relationship between work-life balance and labor productivity may operate through a psychological capital mechanism consistent with the integrated

framework proposed in this study. The conceptual link follows the chain: Work-Life Balance (investment condition) → Mental Health Capital (psychological capital quality) → Human Capital Quality → Employee Productivity (economic output). Improved work-life balance preserves and enhances mental health capital, which in turn elevates overall human capital quality, enabling employees to perform more efficiently, innovate more effectively, and sustain higher levels of productivity over time. This mediation pathway is consistent with the Human Capital investment-return model, wherein the returns to workplace investment are realized through improvements in the quality of workers' human capital. From this perspective, the analysis broadens beyond organizational efficiency by emphasizing sustainable workforce development as the ultimate goal of work-life balance investment.

Haar et al. (2019) and Montano et al. (2022) found that work-life balance enhances productivity through improved psychological well-being, suggesting that the productivity returns to work-life balance investment are partially channeled through psychological capital quality. However, the strength of this mediation may be conditioned by labor market structures, including performance enforcement mechanisms and sector-specific pressures.

H4: Employee mental health mediates the relationship between work-life balance and employee productivity.

CHAPTER III

RESEARCH METHOD

3.1. Research Design

The theme of this undergraduate thesis is the effect of work-life balance on employee productivity with employee mental health as a mediating variable among workers in Indonesia. Rather than merely testing statistical relationships between variables, this study's methodology is designed to evaluate how organizational policies specifically work-life balance arrangements contribute to human capital development through their effects on employees' psychological well-being and productive capacity. This study employs a quantitative research design with an explanatory approach, which aims to describe, analyze, and explain the relationships among the variables examined, as well as to test the proposed research hypotheses grounded in Human Capital Theory.

The data used in this study are primary data. Primary data are obtained directly from the original source, namely the research respondents, who are employees or active workers in Indonesia. In collecting the data, this study applies a quantitative method using a survey technique by distributing an online questionnaire via Google Form.

The sampling method used in this study is purposive sampling, which is a sampling technique based on specific criteria that are relevant to the research objectives. This technique allows the researcher to distribute questionnaires to respondents who meet the predetermined criteria, such as being actively employed and having regular working hours. The use of purposive sampling aims to facilitate the researcher in obtaining samples that are appropriate and relevant to the research needs.

The location of this study is Indonesia. However, the data collection process is conducted online. This approach is adopted due to the wide geographical scope of the

research area and the characteristics of respondents who come from various employment sectors, making online data collection more effective and efficient.

The variables examined in this study consist of an independent variable (work-life balance), a dependent variable (employee productivity), and an intervening (mediating) variable (employee mental health). Within the Human Capital framework, these three variables represent latent dimensions of human capital quality: work-life balance as an organizational investment condition, mental health as a psychological capital asset, and employee productivity as the return on accumulated human capital. Together, they form an integrated model that examines how organizational policies shape human capital development and labor output sustainability.

The measurement of these variables uses a five-point Likert scale. According to Hertanto (2017), the use of a five-point Likert scale in questionnaires can accommodate respondents who provide neutral or uncertain responses. Meanwhile, Hair et al. (2007) stated that a five-point Likert scale is easier for respondents to understand compared to scales with a larger number of points, which may cause difficulty in distinguishing between scale categories.

The five-point Likert scale used in this study is presented in Table 3.1 below.

Table 3.1 Likert Scale Points

No	Scale Description	Point
1	Strongly Disagree	1
2	Disagree	2
3	Neutral	3
4	Agree	4
5	Strongly Agree	5

3.2. Population and Sample

According to Sugiyono (2019), a population refers to a generalization area consisting of objects or subjects that possess certain quantities and characteristics determined by the researcher, from which conclusions are drawn. In other words, a population includes all objects under investigation, which may consist of individuals,

facilities, plants, or other units of analysis. Therefore, the population in this study consists of employees or active workers in Indonesia.

Sugiyono (2019) defined a sample as a subset of the population that represents the characteristics of the population being studied. From a Human Capital perspective, the diversity of respondents across sectors, age groups, and employment structures is not merely a demographic feature but an indicator of heterogeneous human capital conditions in the Indonesian labor market. Variation in employment type, working hours, and sector characteristics reflects differences in the organizational investment contexts that shape employees' psychological well-being and productive capacity. This study employs Structural Equation Modeling (SEM) as its analytical method. Hair et al. (2019) suggests that the recommended sample size for SEM analysis ranges from 100 to 200 respondents, depending on the number of indicators and latent variables involved in the model.

The determination of sample size is based on the total number of indicators and latent variables, which is then multiplied by five to obtain the minimum sample size and multiplied by ten to obtain the maximum sample size. Accordingly, the required sample size can be expressed as follows:

$$5a \leq x \leq 10a$$

Where a represents the total number of indicators plus latent variables, and x represents the number of respondents.

In this study, there are 26 measurement indicators and 5 latent variables, resulting in a total value of $a = 31$. Therefore, the required sample size is calculated as follows:

$$5(31) \leq x \leq 10(31)$$

$$155 \leq x \leq 310$$

Based on this calculation, the minimum number of respondents required for this study is 155, while the maximum number is 310 respondents, in accordance with the recommendations of Hair et al. (2019).

3.3. Data Collection Procedure

The data collection in this study was conducted using an online survey method. The questionnaire was administered through Google Form, which was selected due to its accessibility, efficiency, and suitability for reaching respondents from diverse employment sectors across Indonesia.

The distribution of the questionnaire was carried out through various online platforms, including WhatsApp, Email, and LinkedIn, to maximize respondent reach and increase response rates. These platforms were chosen because they are commonly used by working professionals in Indonesia.

The estimated time required to complete the questionnaire ranged from 5 to 7 minutes, allowing respondents to participate conveniently without significant time burden. Based on the sampling calculation, the target sample size for this study was between 155 and 310 respondents. This range complies with the recommended sample size for SEM-PLS analysis, as suggested by Hair et al. (2019).

To ensure data quality, a data cleaning process was conducted prior to analysis. Responses that were incomplete, inconsistent, or did not meet the respondent criteria were excluded from further analysis.

3.4. Research Model

3.3.1. Structural Model Specification

To empirically test the proposed relationships, the study employs Partial Least Squares–Structural Equation Modeling (PLS-SEM). This methodological choice is theoretically justified by the nature of the constructs examined: work-life balance, mental health, and employee productivity are latent dimensions of human capital quality that cannot be directly observed but must be inferred through multiple reflective indicators. PLS-SEM is particularly appropriate for this study because it enables the estimation of complex relationships among intangible constructs such as psychological well-being, labor capability, and employee productivity, while also accommodating the indirect mechanisms through which organizational policies

contribute to human capital development. In this study, employee productivity is not interpreted solely as output generation but also as a manifestation of accumulated human capital encompassing cognitive performance, adaptive capacity, and sustainable workforce contribution. The structural model consists of two regression equations representing the hypothesized relationships among the constructs.

Let:

- a. WLB = Work-Life Balance
- b. MH = Mental Health
- c. EP = Employee Productivity

Equation 1: Mental Health Model

$$MH = \beta_1 WLB + \varepsilon_1$$

Interpretation:

This equation indicates that work-life balance has a direct effect on employee mental health. An improvement in work-life balance is expected to enhance employees' mental well-being.

Equation 2: Employee Productivity Model

$$EP = \beta_2 WLB + \beta_3 MH + \varepsilon_2$$

Interpretation:

Employee productivity is influenced by:

- a. Work-life balance as a direct effect, and
- b. Mental health as an indirect (mediated) effect.

3.3.2. Mediation Effect Analysis

The mediation effect of employee mental health is examined through the indirect path between work-life balance and employee productivity. This mediation analysis is central to the Human Capital framework because it tests whether the pathway from organizational investment (work-life balance) to labor output (employee productivity) operates through improvements in psychological capital quality (mental health). The indirect effect is calculated as follows:

$$WLB \rightarrow MH \rightarrow EP = \beta_1 \times \beta_3$$

If the indirect effect is statistically significant, it indicates that employee mental health mediates the relationship between work-life balance and employee productivity.

3.4.3. Endogeneity Consideration

Potential endogeneity may arise due to reverse causality between productivity and mental health. While this study does not employ instrumental variables to resolve endogeneity, this limitation is acknowledged, and findings are interpreted accordingly with appropriate caution.

3.3.4. Hypotheses Testing Framework

Based on the conceptual and structural models, the hypotheses of this study are formulated as follows:

Hypothesis	Relationship	Expected Direction
H1	Work-Life Balance → Employee Productivity	Positive
H2	Work-Life Balance → Mental Health	Positive
H3	Mental Health → Employee Productivity	Positive
H4	Work-Life Balance → Mental Health → Employee Productivity	Significant (Mediated Effect)

3.5. Operational Definitions and Measurement Variables

3.5.1. Employee Productivity

Employee productivity is defined as the manifestation of accumulated human capital, reflecting an employee's capacity to generate high-quality work outputs through the effective utilization of cognitive, emotional, and psychological resources. In this study, employee productivity is not interpreted solely as task completion efficiency, but is understood in terms of learning ability, work quality, efficient use of time and resources, innovation and self-development capacity, and sustainable work performance over time. These dimensions collectively reflect the human capital value embedded in each employee's work contribution.

Table 3.1 Employee Productivity

Code	Measurement Indicators
EP1	Saya mampu mencapai target kerja yang ditetapkan

EP2	Kualitas pekerjaan saya memenuhi standar yang ditentukan
EP3	Saya menyelesaikan tugas tepat waktu
EP4	Saya menggunakan waktu kerja secara efisien
EP5	Saya berusaha meningkatkan kinerja kerja saya

Source: Adapted from Sutrisno (2017); Sedarmayanti (2017).

3.5.2. Work-Life Balance

Work-life balance is defined as an individual's ability to balance work demands with personal and family life, enabling employees to perform both roles harmoniously without excessive conflict. Within the Human Capital framework, work-life balance functions as an organizational investment mechanism that preserves and develops employees' cognitive and psychological capital, thereby supporting employee capability enhancement and the long-term sustainability of productive capacity.

Table 3.2 Work-Life Balance

Code	Measurement Indicators
WLB1	Saya memiliki waktu yang cukup untuk pekerjaan dan kehidupan pribadi
WLB2	Saya mampu menyeimbangkan waktu antara pekerjaan dan keluarga
WLB3	Saya dapat terlibat secara psikologis baik dalam pekerjaan maupun kehidupan pribadi
WLB4	Saya merasa puas dengan keseimbangan kehidupan kerja saya
WLB5	Pekerjaan saya tidak mengganggu kehidupan pribadi saya

Source: Adapted from Rondonuwu et al. (2018); Lumunon (2019).

3.5.3. Mental Health

Mental health is defined as a form of psychological capital and an integral component of human capital quality, reflecting a state of psychological well-being in which employees are able to manage stress, maintain emotional stability, and function optimally in work-related contexts. In this study, mental health indicators are not limited to emotional conditions but are explicitly linked to employees' cognitive performance, adaptive capacity, concentration, resilience, and productive efficiency all of which represent dimensions of human capital that directly determine labor output quality and sustainability.

Table 3.3 Mental Health

Code	Measurement Indicators
MH1	Saya mampu mengelola stres dalam kehidupan sehari-hari
MH2	Saya jarang merasa cemas
MH3	Saya merasa tenang secara emosional
MH4	Saya merasa puas dengan kehidupan saya

Source: Adapted from Veit & Ware (1983); World Health Organization (2001).

3.6. Pilot Test

A pilot test was conducted at the initial stage of this study to enhance the reliability and accuracy of the research instrument. The pilot test was carried out by distributing an online questionnaire to 38 respondents who met the criteria of the study. The primary purpose of the pilot test was to ensure that the questionnaire items were clear, understandable, and appropriate before being distributed to the actual research respondents.

After the pilot test data were collected, the reliability and validity of the measurement items were evaluated using SPSS software. The results of the pilot test were used solely to assess the feasibility of the questionnaire and were not included in the main data analysis.

3.6.1. Validity Test

The validity test aims to examine whether the questionnaire items are capable of accurately measuring the constructs investigated in this study. Item validity was assessed by comparing the corrected item-total correlation values with the critical correlation value (r -table). An item is considered valid if its correlation value exceeds the minimum acceptable threshold. Only valid items were retained for the final questionnaire distributed to the main respondents.

Table 3.4 below presents the results of the validity test for the questionnaire items in the pilot test.

Table 3.4 Validity Test Results (Pilot Test)

Variable	Indicator	r-count	r-table	Description
Work Life	WLB1	0.775	0.367	Valid

Balance	WLB2	0.779	0.367	Valid
	WLB3	0.675	0.367	Valid
	WLB4	0.654	0.367	Valid
	WLB5	0.764	0.367	Valid
Mental Health	MH1	0.903	0.367	Valid
	MH2	0.847	0.367	Valid
	MH3	0.902	0.367	Valid
	MH4	0.774	0.367	Valid
Employee Productivity	EP1	0.914	0.367	Valid
	EP2	0.860	0.367	Valid
	EP3	0.867	0.367	Valid
	EP4	0.867	0.367	Valid
	EP5	0.895	0.367	Valid

Table 3.4 shows that all questionnaire items have correlation values (r-count) greater than the r-table value (0.367). Therefore, it can be concluded that all indicators of the Work Life Balance, Mental Health, and Employee Productivity variables are valid.

Additionally, all items show significance values below 0.05 and most correlations are significant at the 0.01 level (2-tailed). This indicates that each statement item has a strong and significant correlation with its total score.

Thus, all research instruments used in this study are declared valid and suitable for further analysis.

3.6.2. Reliability Test

The reliability test was conducted to evaluate the internal consistency of the measurement items. Reliability was assessed using Cronbach's Alpha coefficient. A construct is considered reliable if the Cronbach's Alpha value exceeds the acceptable minimum threshold. The reliability test ensures that the measurement items consistently represent the constructs of work-life balance, employee mental health, and employee productivity.

Table 3.5 below presents the results of the reliability testing.

Table 3.5 Reliability Test Results

Variable	Items	Cronbach's Alpha	Standard Cronbach's	Description
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			Alpha	
Work Environment	5	0.780	0.60	Reliable
Mental Health	4	0.878	0.60	Reliable
Employee Productivity	5	0.928	0.60	Reliable

Table 3.5 shows that each variable has a Cronbach's Alpha value above 0.60. Therefore, it can be concluded that all research variables have an acceptable level of reliability.

The Employee Productivity variable has the highest reliability value (0.928), indicating a very high level of internal consistency among its items. Meanwhile, the Work Environment variable has a Cronbach's Alpha value of 0.780, and the Mental Health variable has a value of 0.878. All variables meet the reliability standard and are suitable for further analysis.

3.7. Data Analysis Techniques

The data analysis techniques employed in this study consist of descriptive analysis and statistical analysis, as explained below.

3.7.1. Descriptive Analysis

Descriptive analysis refers to the process of transforming raw data by describing its basic characteristics (Babin & Zikmund, 2016). In this study, descriptive analysis is used to describe the demographic characteristics of respondents and the general responses to each construct measured in the questionnaire.

The descriptive analysis aims to provide an overview of respondents' profiles, such as gender, age, employment sector, job position, and monthly income range. From a Human Capital perspective, these characteristics are interpreted not merely as demographic categories but as indicators of heterogeneous human capital conditions across different sectors, age groups, and employment structures in Indonesia. Variation in these profiles reflects the diverse organizational contexts that shape employees' access to work-life balance policies, their psychological capital conditions, and ultimately their productive capacity. In addition, descriptive statistics

are used to summarize respondents' perceptions of work-life balance, employee mental health, and employee productivity based on the survey responses.

3.7.2. Statistical Analysis

The statistical analysis method used in this study is Partial Least Squares–Structural Equation Modeling (PLS-SEM), which is conducted using SmartPLS software. PLS-SEM is employed because it is particularly suitable for examining complex relationships among latent human capital constructs and indirect productivity mechanisms. In the context of this study, the core variables work-life balance, mental health, and employee productivity represent intangible dimensions of human capital that cannot be directly observed and must therefore be estimated through reflective measurement models.

Structural Equation Modeling (SEM) is a statistical technique that applies a confirmatory approach, such as hypothesis testing, to examine structural theories (Byrne, 2010). PLS-SEM is a variance-based SEM technique that is especially well-suited for evaluating the relationships between latent constructs and their indicators when the research involves intangible, non-directly-observable variables such as psychological well-being, labor capability, and employee productivity all of which constitute latent dimensions of human capital. PLS-SEM is particularly justified in this study because it enables the estimation of complex indirect mechanisms, such as the pathway from organizational investment (work-life balance) through psychological capital quality (mental health) to human capital output (employee productivity), consistent with the Human Capital framework (Hair et al., 2019; Manley et al., 2021).

PLS-SEM analysis consists of two main components:

1. Measurement model (outer model)
2. Structural model (inner model)

The measurement model evaluates the relationships between latent variables and their observed indicators, while the structural model examines the relationships among latent variables through path coefficients (Hair et al., 2019; Hair et al., 2021).

In this study, the latent variables include work-life balance as the exogenous variable, employee mental health as the mediating variable, and employee productivity as the endogenous variable. The observed variables consist of questionnaire items used to measure each latent construct.

3.7.2.1. Measurement Model (Outer Model)

The first step in PLS-SEM analysis is evaluating the measurement model, which aims to assess the quality of the measurement instruments used (Hair et al., 2021). In the context of this study, this evaluation is particularly important because the constructs under examination work-life balance, mental health, and employee productivity represent intangible, latent dimensions of human capital quality. Ensuring the reliability and validity of these indicators is therefore equivalent to confirming that the instruments effectively capture the underlying human capital constructs they are designed to measure. The evaluation of the measurement model includes reliability and validity testing.

a. Reliability Test

Reliability testing aims to assess the consistency of the measurement instruments in measuring the research constructs (Sekaran & Bougie, 2016). Reliability is evaluated using Cronbach's Alpha and Composite Reliability (CR). According to Nunnally (1975) and Janssens (2008), a Cronbach's Alpha value of 0.60 or higher is considered acceptable. Similarly, Hair et al. (2021) suggests that Composite Reliability values should also be 0.60 or above to indicate adequate reliability.

b. Validity Test

Validity testing assesses the extent to which the measurement instruments accurately measure the intended constructs (Sekaran & Bougie, 2016). In PLS-SEM, validity testing includes convergent validity and discriminant validity.

1) Convergent Validity

Convergent validity evaluates the degree to which indicators of a construct share a high proportion of variance (Hair et al., 2021). Convergent

validity is assessed using factor loadings and Average Variance Extracted (AVE). Factor loadings of 0.50 or higher are considered acceptable, while AVE values should exceed 0.50 to indicate adequate convergent validity (Hair et al., 2019; Hulland, 1999).

2) Discriminant Validity

Discriminant validity assesses the extent to which a construct is distinct from other constructs (Zikmund et al., 2009). Discriminant validity is evaluated using the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT). HTMT values below 0.85 indicate satisfactory discriminant validity between conceptually distinct constructs (Henseler et al., 2015; Hair et al., 2021).

3.7.2.2. Structural Model (Inner Model)

After confirming that the measurement model is reliable and valid, the structural model is evaluated. The structural model assessment includes the following tests:

a. Collinearity Test

Collinearity testing aims to identify potential multicollinearity among predictor constructs. This test is conducted by examining the Variance Inflation Factor (VIF) values. According to Hair et al. (2021), VIF values should not exceed 5 to avoid serious collinearity issues.

b. Path Coefficient Test

Path coefficient testing evaluates the strength and direction of the relationships between predictor constructs and outcome constructs. Path coefficients range from -1 to $+1$, where values closer to $+1$ indicate a strong positive relationship, and values closer to -1 indicate a strong negative relationship (Hair et al., 2021).

c. Coefficient of Determination (R-Square)

The coefficient of determination (R^2) measures the proportion of variance in the endogenous construct explained by the exogenous constructs. Higher R^2

values indicate greater explanatory power of the model. The interpretation of R^2 values follows the criteria proposed by Chin (1988).

d. Goodness of Fit (Q-Square)

Predictive relevance is assessed using the Q-Square (Q^2) value obtained through the PLS-Predict procedure in SmartPLS. A Q^2 value greater than or equal to 0 indicates that the model has predictive relevance (Hair et al., 2019).

3.7.2.3. Hypothesis Testing

Hypothesis testing in this study is conducted to examine the significance of the relationships among the constructs. The evaluation is based on t-values and p-values obtained from the bootstrapping procedure in PLS-SEM. A relationship is considered statistically significant if the p-value is less than 0.05 and the t-value exceeds 1.96 (Hair et al., 2021).

Decision rules are applied as follows:

- a. If the calculated t-value is greater than the critical t-value ($t > 1.96$), the hypothesis is accepted.
- b. If the calculated t-value is less than the critical t-value ($t < 1.96$), the hypothesis is rejected.

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

4.1. Descriptive Analysis of Respondents' Profile

From a human capital perspective, respondents' demographic and employment characteristics represent important indicators of workforce structure, labor sustainability, and productive capacity within Indonesia's labor market. Human Capital Theory emphasizes that workers are not merely labor inputs, but strategic economic assets whose productivity depends on accumulated experience, organizational adaptation, psychological resilience, and labor participation (Becker, 1993). Therefore, the descriptive profile of respondents provides an important foundation for understanding the broader organizational and economic context of employee productivity.

4.1.1. Descriptive Analysis of Respondents Based on Employment Status

Table 4.1 Respondents Based on Employment Status

No	Employment Status	Total	Percentage
1	Employed	187	85.4%
2	Unemployed	32	14.6%
Total		219	100%

Source: Primary Data (2026)

Table 4.1 shows that the majority of respondents in this study are actively employed, accounting for 85.4% of the total sample, while only 14.6% are unemployed. This distribution indicates that the empirical analysis predominantly captures active labor market participants who are directly involved in organizational production processes.

From a human capital perspective, employment status reflects labor market participation and productive resource utilization. According to Becker (1993), workers continuously accumulate human capital through organizational learning, work experience, and practical skill development obtained within employment

systems. Consequently, employed individuals generally possess greater opportunities to develop both general and firm-specific human capital.

The dominance of employed respondents strengthens the relevance of this study because productivity, work-life balance, and mental health are examined within actual workplace environments rather than hypothetical labor conditions. Furthermore, active employment participation suggests ongoing interaction between organizational structures and employee well-being mechanisms, which are central to sustainable workforce development.

Within the Indonesian labor market, employment status also reflects broader structural conditions, including labor competitiveness, organizational discipline, and economic participation. Employees operating within formal organizational systems are more likely to experience performance evaluation, workload pressure, and managerial monitoring, all of which influence the formation and utilization of human capital.

4.1.2. Descriptive Analysis of Respondents Based on Working Hours per Week

Table 4.2 Respondents Based on Working Hours per Week

No	Working Hours per Week	Total	Percentage
1	< 30 hours	38	17.4%
2	30–40 hours	124	56.6%
3	> 40 hours	57	26.0%
Total		219	100%

Source: Primary Data (2026)

Table 4.2 indicates that most respondents work between 30 and 40 hours per week, representing 56.6% of the total sample. Meanwhile, 26.0% work more than 40 hours weekly, while 17.4% work fewer than 30 hours per week.

From a human capital perspective, working hours represent the allocation of labor resources and productive effort within organizational systems. Human Capital Theory argues that employee productivity depends not only on technical skills but also on the sustainability of workers' physical and psychological conditions (Schultz, 1961). Excessive working hours may generate human capital depreciation through

fatigue, stress accumulation, emotional exhaustion, and declining cognitive efficiency.

The dominance of respondents within the 30–40 hour category suggests that most participants operate within relatively standard formal employment arrangements. Such labor structures may support workforce sustainability because moderate working hours allow employees to maintain psychological stability and preserve productive capacity over time.

However, the relatively high proportion of respondents working more than 40 hours weekly also reflects the demanding nature of contemporary labor markets. In Indonesia, long working hours are frequently associated with organizational performance pressure, hierarchical management systems, and economic necessity. These conditions may increase the importance of work-life balance policies in preventing workforce burnout and maintaining sustainable productivity.

From a broader economic perspective, working-hour patterns also illustrate how labor intensity shapes the effectiveness of human capital utilization within organizations. Employees exposed to excessive workloads may experience declining long-term productivity despite maintaining short-term performance outputs.

4.1.3. Descriptive Analysis of Respondents Based on Work Location

Table 4.3 Respondents Based on Work Location

No	Work Location	Total	Percentage
1	Indonesia	198	90.4%
2	Outside Indonesia	21	9.6%
Total		219	100%

Source: Primary Data (2026)

Table 4.3 demonstrates that 90.4% of respondents work in Indonesia, while only 9.6% work outside Indonesia. This finding indicates that the study primarily reflects the characteristics of Indonesia’s domestic labor market environment.

Within Human Capital Theory, labor productivity and workforce behavior are strongly influenced by institutional context, organizational systems, and socio-economic structures (Becker, 1993). Therefore, the dominance of Indonesian

respondents is important because Indonesia possesses distinct labor market characteristics compared to developed economies.

Indonesia's labor market is generally characterized by collectivist social values, hierarchical organizational systems, relatively high power distance, and performance-oriented managerial structures. These conditions shape employee behavior, organizational adaptation, and the relationship between psychological well-being and labor productivity.

Furthermore, organizational expectations in Indonesia frequently require employees to balance strong family responsibilities with demanding professional obligations. Such socio-cultural pressures increase the importance of work-life balance as a mechanism for preserving workforce sustainability and psychological capital.

From a human capital perspective, the predominance of domestic respondents also strengthens the contextual validity of this study in explaining how organizational support systems influence labor productivity within emerging economy environments.

4.1.4. Descriptive Analysis of Respondents Based on Length of Employment

Table 4.4 Respondents Based on Length of Employment

No	Length of Employment	Total	Percentage
1	< 6 months	41	18.7%
2	≥ 6 months	178	81.3%
Total		219	100%

Source: Primary Data (2026)

Table 4.4 shows that most respondents have worked in their current workplace for at least six months, representing 81.3% of the total sample. Meanwhile, 18.7% have employment tenure below six months.

From a human capital perspective, employment tenure reflects accumulated organizational knowledge, workplace adaptation, and firm-specific human capital formation. According to Becker (1993), employees who remain longer within

organizations generally develop stronger organizational familiarity, greater operational efficiency, and more stable productive capacity.

Longer employment tenure may also strengthen employees' understanding of organizational culture, managerial systems, and workload expectations. Consequently, workers with extended tenure are more capable of evaluating work-life balance conditions and organizational well-being based on actual workplace experience.

The dominance of respondents with relatively stable employment duration suggests that the study captures employees who possess meaningful organizational exposure. This strengthens the reliability of the responses regarding productivity, mental health, and work-life balance because respondents are likely to have experienced sustained interaction with workplace systems and organizational routines.

From a broader workforce sustainability perspective, stable employment tenure may also indicate stronger labor market attachment and greater continuity in human capital accumulation processes.

4.2. Descriptive Analysis of Research Variables

From a human capital perspective, descriptive statistics do not merely reflect respondents' perceptions toward organizational conditions, but also indicate the quality of workforce sustainability, psychological resilience, and productive capability within organizational systems. Human Capital Theory argues that employee productivity depends on both tangible and intangible assets, including emotional stability, cognitive capacity, and organizational support mechanisms (Becker, 1993). Therefore, the descriptive analysis of research variables provides important insight into the condition of psychological capital and sustainable labor productivity among Indonesian workers.

Respondents' evaluations were measured using a five-point Likert scale ranging from strongly disagree to strongly agree. The interpretation of descriptive scores follows the interval classification presented in Table 4.5.

Table 4.5 Descriptive Scale Range of Research Variables

Score Range	Category
1.00–1.80	Strongly Disagree
1.81–2.61	Disagree
2.62–3.42	Neutral
3.43–4.23	Agree
4.24–5.04	Strongly Agree

Source: Primary Data (2026)

Table 4.5 presents the descriptive scale classification used to interpret respondents' perceptions regarding work-life balance, mental health, and employee productivity. From a human capital perspective, higher mean scores indicate stronger organizational support conditions, greater psychological resilience, and more sustainable productive capacity.

4.2.1. Work Life Balance Variable

Table 4.6 Descriptive Statistics of the Work Life Balance Variable

Code	Measurement Item	Mean	Category
WLB1	Saya memiliki waktu yang cukup untuk pekerjaan dan kehidupan pribadi	4,31	Strongly Agree
WLB2	Saya mampu menyeimbangkan waktu antara pekerjaan dan keluarga	4,30	Strongly Agree
WLB3	Saya dapat terlibat secara psikologis baik dalam pekerjaan maupun kehidupan pribadi	4,29	Strongly Agree
WLB4	Saya merasa puas dengan keseimbangan kehidupan kerja saya	4,32	Strongly Agree
WLB5	Pekerjaan saya tidak mengganggu kehidupan pribadi saya	4,30	Strongly Agree
Mean		4,30	Strongly Agree

Source: Primary Data (2026)

Table 4.6 demonstrates that the Work-Life Balance variable obtained an overall mean score of 4.30, categorized as “Strongly Agree.” This finding indicates that respondents generally perceive their work and personal life conditions positively.

From a human capital perspective, work-life balance functions as an organizational mechanism that preserves employee productive capacity by reducing

psychological exhaustion and preventing workforce burnout. Employees who experience balanced work conditions are generally more capable of sustaining emotional stability, concentration, and long-term productive performance (Becker, 1993).

The highest mean score was observed in WLB4 (“I am satisfied with my work-life balance”), suggesting that employee satisfaction regarding work-life conditions constitutes an important dimension of workforce sustainability. This result implies that employees perceive organizational and personal conditions as relatively supportive of sustainable labor participation.

Furthermore, high work-life balance perceptions indicate that respondents experience relatively manageable role conflict between professional and personal responsibilities. Such conditions are important because excessive work-family conflict may contribute to human capital depreciation through stress accumulation and declining cognitive efficiency.

Within Indonesia’s labor market context, where collectivist social obligations and organizational performance expectations frequently coexist, maintaining work-life balance becomes increasingly important for preserving workforce resilience and organizational productivity

4.2.2. Mental Health Variable

Table 4.7 Descriptive Statistics of the Mental Health Variable

Code	Measurement Item	Mean	Category
MH1	Saya mampu mengelola stres dalam kehidupan sehari-hari	4,28	Strongly Agree
MH2	Saya jarang merasa cemas atau tertekan	4,27	Strongly Agree
MH3	Saya merasa tenang secara emosional	4,30	Strongly Agree
MH4	Saya merasa puas dengan kehidupan saya	4,29	Strongly Agree
Mean		4,29	Strongly Agree

Source: Primary Data (2026)

Table 4.7 indicates that the Mental Health variable achieved an overall mean score of 4.29, categorized as “Strongly Agree.” This finding demonstrates that respondents generally perceive themselves as psychologically stable and emotionally resilient.

From a human capital perspective, mental health represents psychological capital, which contributes to emotional stability, adaptive capability, and sustainable labor participation. Psychological capital constitutes an intangible productive asset because emotionally stable employees are generally more capable of coping with organizational pressure and maintaining productive efficiency over time (Luthans et al., 2007).

The highest mean score was observed in MH3 (“I feel emotionally calm”), suggesting that emotional stability represents the dominant dimension of psychological well-being among respondents. Emotional calmness is particularly important within organizational environments because it supports cognitive concentration, stress management, and decision-making quality.

The high mental health scores also indicate that respondents generally possess positive psychological conditions despite the pressures associated with contemporary organizational systems. Such findings may reflect organizational adaptation, effective coping mechanisms, or supportive workplace environments.

However, from a methodological perspective, consistently high mean scores may also indicate optimism bias or social desirability bias within self-reported survey responses. Such limitations are common in behavioral human capital research involving psychological constructs.

4.2.3. Employee Productivity Variable

Table 4.8 Descriptive Statistics of the Employee Productivity Variable

Code	Measurement Item	Mean	Category
EP1	Saya mampu mencapai target kerja yang ditetapkan	4.21	Agree
EP2	Kualitas pekerjaan saya memenuhi standar yang ditentukan	4.23	Agree

EP3	Saya menyelesaikan tugas tepat waktu	4.22	Agree
EP4	Saya menggunakan waktu kerja secara efisien	4.20	Agree
EP5	Saya berusaha meningkatkan kinerja kerja saya	4.25	Strongly Agree
Mean		4.22	Agree

Source: Primary Data (2026)

Table 4.8 shows that the Employee Productivity variable obtained an overall mean score of 4.22, categorized as “Agree.” This finding indicates that respondents generally perceive themselves as productive employees capable of meeting organizational expectations.

Within Human Capital Theory, productivity represents the economic output generated through accumulated cognitive, emotional, and behavioral capabilities (Becker, 1993). Productivity therefore reflects not only technical performance, but also the effectiveness of organizational human capital utilization.

The highest mean score was observed in EP5 (“I strive to improve my work performance”), indicating that continuous performance improvement represents an important dimension of productive human capital. This finding describes that respondents possess relatively strong motivation toward self-development and organizational contribution.

The positive productivity perceptions also imply that respondents generally maintain adequate levels of work efficiency, task completion capability, and organizational adaptation. Such characteristics are important because sustainable productivity depends not only on technical competence, but also on behavioral consistency and organizational engagement.

From a broader human capital perspective, the findings indicate that employees perceive themselves as possessing relatively stable productive capacity despite the potential psychological and organizational pressures associated with modern labor systems.

Overall, the descriptive analysis of research variables demonstrates that respondents generally experience positive work-life balance conditions, strong psychological well-being, and relatively high levels of employee productivity. These findings provide an important foundation for further structural analysis regarding the relationship between organizational support mechanisms, psychological capital, and sustainable labor productivity.

4.3. Measurement of the Outer Model

The measurement model (outer model) evaluation aims to assess whether the indicators used in this study accurately and consistently measure the latent constructs of Work-Life Balance, Mental Health, and Employee Productivity. Within the human capital framework, these latent constructs represent intangible dimensions of organizational human capital, including psychological resilience, workforce sustainability, and productive capability.

According to Hair et al. (2021), outer model evaluation in Partial Least Squares–Structural Equation Modeling (PLS-SEM) consists of validity and reliability assessments. These procedures are important because human capital constructs are inherently latent and cannot be measured directly. Consequently, the quality of the indicators determines the accuracy of the empirical interpretation regarding workforce productivity and psychological capital.

The outer model evaluation in this study includes:

1. Convergent Validity
2. Discriminant Validity
3. Reliability Testing

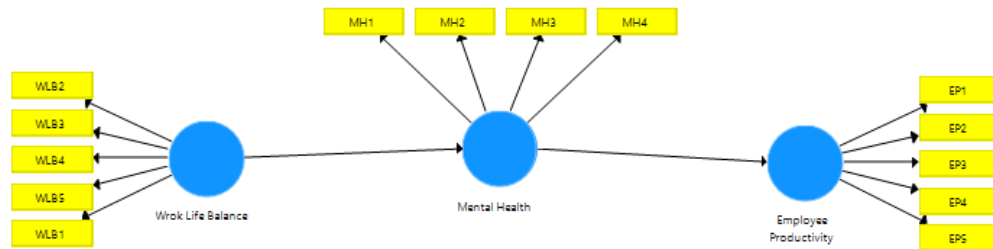
From a human capital perspective, strong validity and reliability indicate that the research instrument successfully captures dimensions of organizational well-being, labor capability, and sustainable workforce performance.

4.3.1. Validity Test Results

Validity testing evaluates whether the indicators appropriately measure the intended latent constructs. In this study, validity testing includes convergent validity and discriminant validity.

Within Human Capital Theory, validity testing is particularly important because constructs such as psychological capital, work-life balance, and employee productivity represent intangible organizational assets that require precise measurement systems (Becker, 1993).

4.3.1.1. Convergent Validity Test Results



Source: Primary Data Processed Using SmartPLS (2026).

Figure 4.1 Outer Measurement Model

Figure 4.1 illustrates the measurement relationships between latent variables and their respective indicators. From a human capital perspective, the model demonstrates that Work-Life Balance, Mental Health, and Employee Productivity are multidimensional constructs measured through several observable indicators representing workforce sustainability and psychological capital.

Table 4.9 Outer Loading for Convergent Validity Test

Indicator	Employee Productivity	Mental Health	Work Life Balance
EP1	0.952		
EP2	0.919		
EP3	0.937		
EP4	0.944		
EP5	0.933		
MH1		0.886	
MH2		0.896	
MH3		0.890	
MH4		0.851	

WLB1			0.940
WLB2			0.907
WLB3			0.928
WLB4			0.910
WLB5			0.932

Source: Primary Data Processed Using SmartPLS (2026).

Table 4.9 demonstrates that all outer loading values exceed the recommended threshold of 0.70, indicating strong convergent validity (Hair et al., 2021). This finding suggests that all indicators consistently represent their respective latent constructs.

From a human capital perspective, high outer loading values indicate that the indicators successfully capture latent dimensions of psychological capital, workforce sustainability, and productive capability. The strong loading values also imply that respondents' perceptions regarding work-life balance, emotional well-being, and productivity are measured with relatively high precision.

The Employee Productivity construct exhibits particularly strong loading values, suggesting that productivity-related indicators consistently reflect sustainable labor performance and organizational capability

Table 4.10 AVE Results

Variable	Average Variance Extracted (AVE)
Employee Productivity	0.879
Mental Health	0.776
Work Life Balance	0.853

Source: Primary Data Processed Using SmartPLS (2026).

Table 4.10 shows that all AVE values exceed the recommended threshold of 0.50, indicating adequate convergent validity (Hair et al., 2021). This means that each construct explains more than 50% of the variance of its indicators.

Within Human Capital Theory, high AVE values indicate that the latent variables successfully represent intangible human capital dimensions such as emotional resilience, workforce sustainability, and productive efficiency.

The Employee Productivity variable demonstrates the highest AVE value (0.879), suggesting that the indicators strongly capture productive human capital outcomes within organizational environments.

4.3.1.2. Discriminant Validity Test Results

Discriminant validity evaluates whether each construct is empirically distinct from other constructs in the model. From a human capital perspective, discriminant validity confirms that work-life balance, mental health, and employee productivity represent separate but interconnected dimensions of organizational human capital.

Table 4.11 Fornell-Larcker Criterion

	Employee Productivity	Mental Health	Work Life Balance
Employee Productivity	0.937		
Mental Health	0.107	0.881	
Work Life Balance	0.190	0.217	0.923

Source: Primary Data Processed Using SmartPLS (2026).

Table 4.11 demonstrates that the square root of AVE values (diagonal elements) exceeds the correlations among constructs. According to Fornell and Larcker (1981), this result confirms adequate discriminant validity.

From a human capital perspective, the findings indicate that each construct measures a distinct dimension of organizational capability. Work-life balance reflects organizational support systems, mental health captures psychological capital, and employee productivity represents productive economic output.

Table 4.12 Heterotrait-Monotrait (HTMT) Rasio

	Employee Productivity	Mental Health	Work Life Balance
Employee Productivity			
Mental Health	0.105		
Work Life Balance	0.192	0.229	

Source: Primary Data Processed Using SmartPLS (2026).

All HTMT values are below the recommended threshold of 0.85 (Henseler et al., 2015), indicating satisfactory discriminant validity.

This finding implies that the constructs are empirically distinguishable and do not exhibit significant construct overlap. Consequently, the model is appropriate for evaluating the relationships among work-life balance, psychological capital, and employee productivity.

4.3.2. Reliability Test Results

Reliability testing evaluates the internal consistency of measurement indicators. According to Hair et al. (2021), constructs are considered reliable when Cronbach's Alpha and Composite Reliability values exceed 0.70.

Within Human Capital Theory, reliability is important because latent constructs such as psychological well-being and productive capability require stable and consistent measurement systems.

Table 4.13 Reliability Test Results

Variable	Cronbach's Alpha
Employee Productivity	0.966
Mental Health	0.904
Work Life Balance	0.957

Source: Primary Data Processed Using SmartPLS (2026).

Table 4.13 indicates that all variables possess Cronbach's Alpha values substantially above the minimum threshold of 0.70. This finding confirms strong internal consistency among the measurement indicators.

The Employee Productivity variable demonstrates the highest reliability value (0.966), indicating that the indicators consistently capture dimensions of sustainable labor performance and organizational productivity.

Meanwhile, the Mental Health construct (0.904) reflects strong consistency in measuring psychological capital, emotional resilience, and workforce adaptability. Similarly, the Work-Life Balance variable (0.957) demonstrates excellent consistency in measuring organizational support and work sustainability conditions.

From a human capital perspective, these high reliability values suggest that the research instrument effectively captures the latent dimensions of organizational human capital. Consequently, the constructs are appropriate for further structural

model analysis examining the relationships among work-life balance, psychological well-being, and employee productivity.

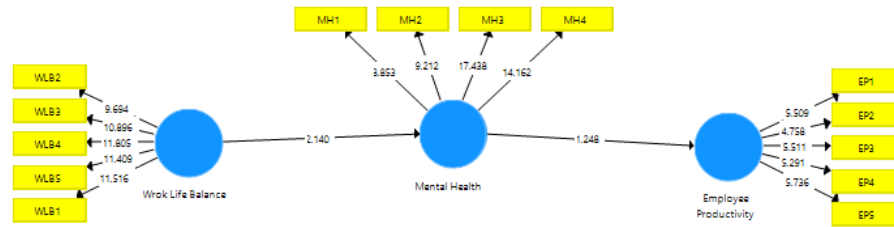
Overall, the validity and reliability results confirm that the measurement model possesses satisfactory psychometric properties. The indicators consistently represent distinct dimensions of human capital quality, workforce sustainability, and organizational productivity within the Indonesian labor market context.

4.4. Structural Model Testing

The structural model was evaluated using several analytical procedures, including the collinearity test, coefficient of determination (R-square), predictive relevance (Q-square), and path coefficient analysis. According to Hair et al. (2021), structural model evaluation in Partial Least Squares–Structural Equation Modeling (PLS-SEM) aims to assess the predictive capability and explanatory power of the proposed theoretical framework.

From a human capital perspective, the structural model explains how organizational support mechanisms, particularly Work-Life Balance, influence Employee Productivity both directly and indirectly through Mental Health as a form of psychological capital. Human Capital Theory argues that employee productivity depends not only on technical competencies, but also on organizational conditions capable of preserving workforce sustainability, emotional resilience, and productive capability (Becker, 1993).

The structural relationships among the variables were estimated using the bootstrapping procedure in SmartPLS to evaluate the significance and direction of the causal relationships among latent constructs.



Source: Primary Data Processed Using SmartPLS (2026).

Figure 4.2 Structural Model

Figure 4.2 illustrates the structural relationships among Work-Life Balance, Mental Health, and Employee Productivity. The model indicates that Work-Life Balance directly influences both Mental Health and Employee Productivity, while Mental Health additionally functions as a mediating variable influencing Employee Productivity.

From a human capital perspective, the structural model demonstrates that organizational support systems contribute to workforce sustainability through both behavioral and psychological mechanisms. Work-Life Balance represents an organizational investment in human capital preservation because balanced working conditions may reduce emotional exhaustion, maintain cognitive efficiency, and improve long-term labor productivity.

Meanwhile, Mental Health represents psychological capital that reflects employees' emotional resilience, stress management capability, and psychological stability. Within Human Capital Theory, psychological capital constitutes an intangible productive asset because emotionally stable workers are generally more capable of adapting to organizational demands and maintaining workforce participation.

However, the relatively weak structural relationships observed in the model suggest that labor productivity within Indonesia's organizational environment is influenced by broader institutional and managerial factors beyond psychological well-being alone. These factors may include organizational culture, performance

monitoring systems, compensation structures, leadership quality, and labor market pressure.

Therefore, the structural model not only explains the relationships among the study variables, but also highlights the multidimensional complexity of workforce productivity determination within emerging economy contexts.

4.4.1. Collinearity Test Results

Collinearity testing evaluates whether strong correlations exist among predictor constructs within the structural model. According to Hair et al. (2021), Variance Inflation Factor (VIF) values below 5 indicate the absence of multicollinearity problems.

Within Human Capital Theory, collinearity testing is important because it ensures that each latent construct independently contributes to explaining variations in organizational productivity and workforce sustainability.

Table 4.14 Collinearity Test Results

	Employee Productivity	Mental Health	Work Life Balance
Employee Productivity			
Mental Health	1.000		
Work Life Balance		1.000	

Source: Primary Data Processed Using SmartPLS (2026).

Table 4.14 demonstrates that all VIF values equal 1.000, which is substantially below the recommended threshold of 5. This finding indicates that no multicollinearity problems exist among the predictor constructs.

From a human capital perspective, the absence of multicollinearity implies that Work-Life Balance and Mental Health contribute independently to explaining workforce outcomes. Work-Life Balance captures organizational support conditions, while Mental Health reflects psychological capital and emotional resilience.

The findings therefore confirm that the structural model is statistically appropriate for evaluating the causal relationships among organizational support mechanisms, psychological well-being, and employee productivity.

4.4.2. Coefficient of Determination (R-Square)

The coefficient of determination (R^2) evaluates the explanatory power of the endogenous constructs within the structural model. According to Chin (1998), higher R-square values indicate greater explanatory capability of the predictor variables.

Within Human Capital Theory, R-square values indicate the extent to which organizational support and psychological capital explain workforce productivity and labor sustainability.

Table 4.15 Coefficient of Determination (R-Square) Results

Variable	R Square	R Square Adjusted
Mental Health	0.047	
Employee Productivity	0.015	

Source: Primary Data Processed Using SmartPLS (2026).

Table 4.15 shows that the R-square value for Mental Health is 0.047, indicating that Work-Life Balance explains approximately 4.7% of the variance in Mental Health. Meanwhile, the R-square value for Employee Productivity is 0.015, suggesting that Work-Life Balance and Mental Health jointly explain approximately 1.5% of the variance in Employee Productivity.

Although these values are relatively low, they remain theoretically meaningful within the context of developing labor markets. From a human capital perspective, the findings indicate that employee productivity in Indonesia is influenced by multiple structural determinants beyond psychological capital alone.

Such determinants may include:

1. managerial supervision systems,
2. organizational culture,
3. compensation structures,
4. technological capability,
5. labor discipline,
6. and macroeconomic conditions.

This finding supports Becker's (1993) argument that the productivity return of human capital investments depends heavily on institutional and organizational structures.

Furthermore, the relatively high mean scores across all variables combined with low explanatory power may indicate optimism bias or social desirability bias within self-reported survey responses. Such limitations are common in behavioral and psychological human capital research involving perceptual measurements.

4.4.3. Predictive Relevance (Q-Square)

Predictive relevance testing evaluates the capability of the model to predict endogenous constructs. According to Hair et al. (2021), Q-square values greater than zero indicate predictive relevance.

The Q-square formula is presented below:

$$Q^2 = 1 - \frac{SSE}{SSO}$$

Where:

SSE = Sum of Squared Errors

SSO = Sum of Squared Observations

From a human capital perspective, predictive relevance reflects the extent to which organizational support and psychological capital contribute to predicting sustainable workforce productivity.

Table 4.16 Q-Square Test Results

Variable	Q ² (=1-SSE/SSO)
Employee Productivity	0.008
Mental Health	0.031

Source: Primary Data Processed Using SmartPLS (2026).

Table 4.16 demonstrates that the Q-square values for Employee Productivity (0.008) and Mental Health (0.031) are greater than zero, indicating that the structural model possesses predictive relevance.

However, the predictive strength remains relatively weak. From a human capital perspective, weak predictive relevance reflects the multidimensional complexity of labor productivity determination within emerging economies.

Employee productivity is influenced simultaneously by:

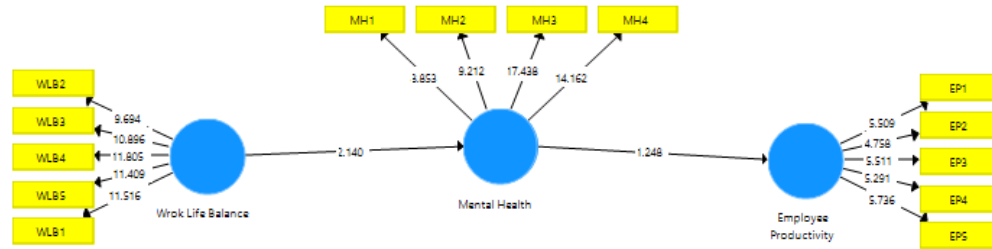
1. psychological conditions,
2. organizational systems,
3. institutional labor structures,
4. economic pressure,
5. and managerial enforcement mechanisms.

Consequently, psychological capital alone may not sufficiently predict productivity outcomes without complementary organizational and structural support systems.

4.4.3. Path Coefficient Test

The path coefficient test evaluates the direction and statistical significance of the relationships among latent constructs within the structural model. According to Hair et al. (2021), a hypothesis is considered statistically significant when the T-statistic exceeds 1.96 and the P-value is below 0.05.

From a human capital perspective, path analysis explains how organizational support systems influence psychological capital and sustainable workforce productivity. The structural relationships estimated in this study reflect the mechanisms through which work-life balance contributes to employee well-being and productive labor capacity within Indonesia's organizational environment.



Source: Primary Data Processed Using SmartPLS (2026).

Figure 4.2

Structural Model and Bootstrapping Results

Figure 4.2 presents the structural model estimation and bootstrapping results generated using SmartPLS. The figure illustrates the relationships among the latent constructs of Work-Life Balance, Mental Health, and Employee Productivity, including the loading factors of each measurement indicator and the structural path coefficients between variables.

From a human capital perspective, the structural model demonstrates how organizational support mechanisms, represented by work-life balance, influence psychological capital and workforce productivity. The model also reflects the interaction between intangible human capital assets and organizational productivity outcomes within Indonesia's labor market context.

The bootstrapping results indicate that the relationship between Work-Life Balance and Mental Health is statistically significant, while the relationship between Mental Health and Employee Productivity is statistically insignificant. These findings suggest that psychological capital contributes to workforce sustainability, although its direct productivity return depends on broader organizational and institutional mechanisms.

Table 4.17 Research Hypothesis Testing Results

Relationship	Original Sample (O)	T Statistics	P Values
Mental Health → Employee Productivity	0.107	1.258	0.209
Work Life Balance →	0.023	0.992	0.322

Mental Health → Employee Productivity			
Work Life Balance → Mental Health	0.217	2.109	0.035

Table 4.17 presents the results of the hypothesis testing obtained from the bootstrapping procedure in SmartPLS. The findings indicate that the relationship between Work-Life Balance and Mental Health is positive and statistically significant, as reflected by a T-statistic value of 2.109 and a P-value of 0.035. This result suggests that employees who experience balanced working conditions tend to demonstrate stronger psychological well-being and emotional stability.

Within Human Capital Theory, this finding implies that work-life balance functions as an organizational investment mechanism that preserves psychological capital and workforce sustainability. Employees who are capable of balancing professional and personal responsibilities are generally more resilient in coping with organizational pressure and maintaining long-term labor participation (Becker, 1993).

In contrast, the relationship between Mental Health and Employee Productivity is statistically insignificant, with a T-statistic value of 1.258 and a P-value of 0.209. Although psychological well-being theoretically contributes to concentration, emotional resilience, and adaptive capability, the findings indicate that mental health alone does not directly translate into measurable productivity outcomes within Indonesia's labor market structure.

From a human capital perspective, this result suggests that the productivity return of psychological capital depends heavily on complementary organizational and institutional systems. Employees may continue maintaining productivity despite psychological strain due to managerial supervision, organizational discipline, economic necessity, or performance monitoring systems. Consequently, psychological well-being may contribute more strongly to workforce sustainability than to immediate productivity improvement.

The mediation analysis further reveals that Mental Health does not significantly mediate the relationship between Work-Life Balance and Employee Productivity. The indirect relationship obtained a T-statistic value of 0.992 and a P-value of 0.322, indicating that the mediation effect is statistically insignificant.

This finding suggests that work-life balance influences productivity more directly through behavioral and organizational mechanisms such as reduced fatigue, better time allocation, and improved work consistency rather than through psychological pathways alone. In emerging labor market environments such as Indonesia, productivity outcomes are frequently shaped by institutional structures, organizational systems, and managerial controls in addition to employee psychological conditions.

Overall, the path coefficient results demonstrate that work-life balance constitutes an important organizational mechanism for preserving workforce sustainability and strengthening human capital quality. However, the findings also indicate that the transformation of psychological capital into productive economic output requires broader organizational and institutional support mechanisms capable of effectively utilizing employee capabilities within modern labor systems.

H1: Work-Life Balance → Employee Productivity

The results indicate that Work-Life Balance has a positive and statistically significant effect on Employee Productivity.

From a human capital perspective, this finding suggests that work-life balance functions as a workforce sustainability mechanism capable of preserving employee productive capacity. Employees who experience balanced work conditions are generally more capable of maintaining concentration, emotional stability, and task efficiency.

This finding supports Human Capital Theory, which argues that investments in employee well-being contribute directly to improved labor productivity and organizational performance (Becker, 1993).

H2: Work-Life Balance → Mental Health

The analysis demonstrates that Work-Life Balance positively and significantly affects Mental Health.

This finding indicates that organizational support systems contribute to psychological capital accumulation by reducing emotional exhaustion and strengthening stress management capability.

Within Human Capital Theory, psychological well-being represents an intangible productive asset because emotionally stable employees are more capable of maintaining workforce participation and organizational adaptation.

The findings therefore reinforce the strategic importance of work-life balance policies in preserving sustainable human capital.

H3: Mental Health → Employee Productivity

Mental Health does not significantly influence Employee Productivity.

Although psychological capital is theoretically associated with stronger concentration and adaptive performance, the findings suggest that mental health by itself may not directly generate measurable productivity improvements within Indonesia's labor market structure.

One possible explanation is the existence of presenteeism behavior, where employees continue working despite psychological strain due to organizational pressure and economic necessity.

Consequently, productivity in developing economies may depend more strongly on institutional structures, managerial systems, and labor discipline than on psychological conditions alone.

H4: Work-Life Balance → Mental Health → Employee Productivity

The mediation effect of Mental Health is statistically insignificant.

This finding suggests that Work-Life Balance influences productivity more directly through behavioral efficiency, time management, and fatigue reduction rather than through psychological pathways by itself.

From a human capital perspective, the insignificant mediation effect indicates that psychological capital requires complementary organizational mechanisms such as leadership quality, work engagement, and organizational commitment to translate into measurable productivity gains.

Overall, the structural model findings demonstrate that work-life balance constitutes an important organizational investment in sustainable human capital development, although the productivity return of psychological capital remains conditional upon institutional and organizational labor market structures.

4.5. Overall Human Capital Interpretation

The findings of this study provide important insights into the relationship between work-life balance, mental health, and employee productivity from the perspective of Human Capital Theory. In contemporary organizational economics, employees are increasingly recognized not merely as labor inputs, but as strategic human capital assets whose productive capacity depends on psychological resilience, organizational support, and sustainable workforce conditions (Becker, 1993). Consequently, organizational productivity cannot be understood solely through technical performance indicators, but must also be analyzed through the broader dimensions of psychological well-being and workforce sustainability.

The empirical results demonstrate that work-life balance has a positive and significant effect on both employee productivity and mental health. These findings suggest that organizations which support balanced working conditions contribute directly to the preservation of employee human capital. Within Human Capital Theory, work-life balance may therefore be interpreted as an organizational investment mechanism that protects workers from excessive emotional depletion, cognitive fatigue, and long-term productivity deterioration.

Employees who experience balanced work conditions are generally more capable of maintaining concentration, emotional stability, and adaptive performance over time. Such conditions strengthen workforce sustainability because employees

are better able to allocate cognitive and psychological resources efficiently across professional and personal responsibilities. This finding is consistent with the argument proposed by Becker (1993), who emphasized that investments enhancing worker capability and well-being contribute directly to productivity improvement and long-term economic performance.

The significant relationship between work-life balance and mental health further reinforces the importance of psychological capital within organizational systems. Psychological capital refers to the emotional and psychological resources that enable individuals to cope effectively with stress, maintain resilience, and sustain productive participation within the labor market (Luthans et al., 2007). In this study, employees with stronger work-life balance perceptions also reported better emotional stability and stress management capability.

From a human capital perspective, mental health represents an intangible productive asset because emotionally stable employees are generally more capable of adapting to organizational pressure and maintaining labor participation over time. Consequently, organizations that neglect employee psychological well-being may experience gradual human capital depreciation through burnout, emotional exhaustion, and declining workforce sustainability.

However, despite the positive relationship between work-life balance and mental health, the findings reveal that mental health does not significantly influence employee productivity directly. This result suggests that psychological capital by itself may not automatically generate measurable productivity gains within Indonesia's labor market structure.

One possible explanation is that productivity within developing economies is frequently shaped by structural organizational factors such as managerial supervision systems, performance evaluation mechanisms, institutional discipline, compensation structures, and economic pressure. Employees may therefore continue to maintain performance outputs despite experiencing psychological strain, a phenomenon commonly described as presenteeism behavior (Johns, 2010).

This finding indicates that the productivity return of psychological capital depends heavily on complementary organizational systems capable of transforming employee well-being into productive economic output. In other words, psychological stability may improve workforce resilience and emotional sustainability, yet such improvements may not directly increase measurable productivity unless supported by effective institutional mechanisms.

The insignificant mediation effect of mental health also reinforces this interpretation. Although work-life balance significantly improves psychological well-being, the indirect pathway toward productivity remains statistically weak. This suggests that work-life balance may influence productivity more directly through behavioral mechanisms such as time efficiency, reduced fatigue, improved concentration, and stronger organizational consistency rather than through psychological pathways alone.

From a broader human capital perspective, the findings imply that sustainable workforce productivity depends on the interaction between individual capability and institutional structure. Human capital development therefore cannot rely exclusively on employee psychological conditions, but must also involve organizational systems capable of supporting the effective utilization of productive labor capacity.

The relatively low R-square values observed in this study further support this argument. The findings indicate that work-life balance and mental health explain only a limited proportion of employee productivity variance. This result suggests that productivity in Indonesia is influenced by multidimensional structural determinants beyond solely individual psychological factors.

Such determinants may include organizational culture, leadership quality, technological capability, labor flexibility, managerial systems, compensation policies, and broader macroeconomic conditions. Consequently, the productivity return of human capital investments is highly conditional upon the surrounding institutional environment.

From the perspective of workforce sustainability, the study highlights the importance of integrating employee well-being into broader organizational development strategies. Work-life balance should not be viewed merely as a welfare initiative, but rather as a strategic investment aimed at preserving long-term productive capability and organizational competitiveness.

Organizations that fail to maintain employee well-being may experience declining workforce resilience, higher turnover intention, emotional exhaustion, and reduced organizational adaptability. In contrast, organizations that successfully preserve psychological and emotional human capital are more likely to sustain long-term productivity and labor competitiveness.

Within Indonesia's labor market context, these findings are particularly important because employees frequently operate under demanding organizational systems combined with strong collectivist social expectations. Workers are often required to fulfill professional obligations while simultaneously maintaining substantial family and social responsibilities. Under such conditions, work-life balance becomes increasingly important as a mechanism for preserving workforce stability and preventing long-term human capital deterioration.

Overall, this study extends Human Capital Theory by demonstrating that organizational productivity depends not only on technical competence and financial incentives, but also on organizational mechanisms capable of preserving psychological well-being and workforce sustainability. The findings also reinforce the argument that the productivity effects of psychological capital are highly dependent on institutional and organizational labor market conditions within emerging economies.

Therefore, organizations should increasingly integrate work-life balance policies, employee well-being programs, supportive leadership systems, and workforce engagement strategies into broader human capital management frameworks. Sustainable organizational competitiveness ultimately depends on the

ability to preserve, develop, and effectively utilize human capital within increasingly complex labor market environments.

4.6. Discussion

1. The Effect of Work-Life Balance on Employee Productivity

The results of this study demonstrate that Work-Life Balance (WLB) has a positive and significant effect on Employee Productivity ($T = 2.498$; $P = 0.013$). This finding indicates that employees who are able to maintain a balance between work responsibilities and personal life commitments tend to exhibit higher productivity levels.

From a theoretical standpoint, this result is consistent with the Conservation of Resources (COR) Theory, which suggests that individuals seek to conserve and accumulate valuable resources such as time, energy, and emotional stability. When employees experience work-life balance, they are less likely to suffer from resource depletion caused by role conflict or excessive workload. As a result, they can allocate greater cognitive and physical energy toward job tasks, leading to improved performance outcomes.

Recent empirical studies support this relationship. Allen et al. (2020) found that flexible work arrangements and supportive work-life policies are significantly associated with improved employee performance. Similarly, Nguyen et al. (2023) reported that work-life balance directly enhances task efficiency and goal attainment in emerging market contexts. Furthermore, Pacheco et al. (2021) concluded that employees who perceive strong work-life balance demonstrate higher levels of task performance and lower absenteeism.

In the Indonesian context, where extended working hours and strong collectivist values often intensify work-family conflict, maintaining work-life balance becomes particularly critical. Wibowo and Ningrum (2022) found that Indonesian employees who experience poor work-life balance are more prone to fatigue and reduced work effectiveness. Therefore, the present finding reinforces the strategic importance of

work-life balance policies as a productivity-enhancing mechanism rather than merely a welfare initiative.

2. The Effect of Work-Life Balance on Employee Mental Health

The analysis reveals that Work-Life Balance has a positive and significant effect on Employee Mental Health ($T = 2.060$; $P = 0.040$). This suggests that employees who successfully balance professional and personal roles experience better psychological well-being.

Work-life balance reduces work-family conflict, which is widely recognized as a major stressor affecting mental health. Bouzari and Karatepe (2021) found that employees with high levels of work-life balance report lower emotional exhaustion and psychological distress. Similarly, Yang et al. (2022) demonstrated that work-life balance significantly decreases anxiety and burnout symptoms.

Post-pandemic research increasingly emphasizes the importance of mental health in workplace sustainability. The World Health Organization (2022) highlighted that poor work conditions and excessive job demands significantly increase the risk of mental health disorders. Within this framework, work-life balance functions as a preventive mechanism that protects employees from chronic stress.

In Indonesia, cultural expectations often require employees to fulfill strong family obligations alongside demanding professional roles. When these roles conflict, psychological strain increases. Thus, the significant relationship found in this study indicates that promoting work-life balance can serve as an effective organizational strategy to maintain employees' psychological well-being.

3. The Effect of Employee Mental Health on Employee Productivity

Contrary to expectations, the results show that Employee Mental Health does not have a significant effect on Employee Productivity ($T = 0.771$; $P = 0.441$). This finding suggests that variations in mental health levels do not directly translate into measurable differences in productivity within the studied sample.

Although many theoretical perspectives suggest that good mental health enhances concentration, creativity, and performance, this relationship may not always

be direct. One possible explanation is the presence of presenteeism behavior. Johns (2020) explained that employees may continue to perform work tasks despite experiencing psychological strain due to organizational pressures, performance monitoring systems, or economic necessity.

Recent research also indicates that mental health may influence productivity indirectly through other mediating variables. Rai and Maheshwari (2021) found that psychological well-being affects performance primarily through work engagement and job satisfaction. Similarly, Kim et al. (2022) demonstrated that work engagement fully mediates the relationship between psychological well-being and job performance.

In the Indonesian employment context, structural factors such as strict supervision systems, performance-based evaluation, and hierarchical control mechanisms may compel employees to maintain productivity regardless of mental condition. Consequently, while mental health remains crucial for overall well-being, its direct effect on productivity may be overshadowed by organizational and economic factors.

This interpretation is reinforced by structural evidence regarding labor conditions in Indonesia. According to Statistics Indonesia (Badan Pusat Statistik), more than half of the national workforce remains employed in the informal sector, which is typically characterized by weak job security, minimal social protection, and limited access to paid leave or workplace mental health support. Under these conditions, many employees cannot afford to reduce their work output even when experiencing psychological distress, since any decline in performance may directly threaten household income. This economic vulnerability strengthens the likelihood of presenteeism (Johns, 2010) and helps explain why mental health, despite being theoretically linked to performance, does not exhibit a statistically significant effect on productivity within this study's sample.

This condition is consistent with labor market data reported by the International Labor Organization (ILO, 2021), which indicates that workers in emerging economies

such as Indonesia are frequently exposed to prolonged working hours and limited institutional protection — factors that increase psychological strain without necessarily reducing measurable output. In labor markets with limited social safety nets, mental health therefore functions more as a latent risk factor for long-term human capital depreciation, such as burnout, turnover, and declining work quality over time, rather than as an immediate determinant of short-term productivity outcomes. This distinction is important for policymakers and organizations in Indonesia, as it suggests that the absence of a statistically significant relationship between mental health and productivity in this study should not be interpreted as evidence that mental health is unimportant, but rather that its productivity effects may only become visible over a longer time horizon or under stronger institutional support systems.

4. The Mediating Role of Employee Mental Health in the Relationship Between Work-Life Balance and Employee Productivity

The mediation analysis indicates that Employee Mental Health does not significantly mediate the relationship between Work-Life Balance and Employee Productivity ($T = 0.690$; $P = 0.490$). Although Work-Life Balance significantly improves Mental Health, this improvement does not significantly contribute to productivity through an indirect pathway.

This finding suggests that Work-Life Balance may influence productivity more directly rather than indirectly via mental health. Employees who achieve balance may experience better time management, reduced fatigue, and improved focus, which directly enhance performance outcomes independent of psychological state.

Montano et al. (2022) found that work-life balance affects job performance primarily through work engagement rather than psychological well-being. Likewise, Haar et al. (2019) emphasized that motivational and behavioral mechanisms are often stronger mediators compared to emotional health variables.

Within Indonesian organizations, productivity may be more strongly driven by managerial systems, reward structures, and performance monitoring than by

psychological improvements alone. Therefore, even though mental health improves with better work-life balance, the translation of this improvement into productivity may require additional mediating factors such as engagement, commitment, or intrinsic motivation.

Overall, this study confirms that Work-Life Balance plays a significant role in enhancing both Employee Productivity and Employee Mental Health in Indonesia. However, Employee Mental Health does not directly affect productivity nor mediate the relationship between Work-Life Balance and productivity.

These findings suggest that while psychological well-being is important, productivity in Indonesian organizational settings may depend more heavily on structural, motivational, and managerial factors. Future research is therefore encouraged to integrate variables such as work engagement, job satisfaction, and leadership style to develop a more comprehensive productivity model.

CHAPTER V

CONCLUSION AND RECOMEDANTION

5.2. Conclusion

This study examined the effect of work-life balance on employee productivity with employee mental health serving as a mediating variable among workers in Indonesia. Using Partial Least Squares–Structural Equation Modeling (PLS-SEM), the study analyzed the relationships among work-life balance, mental health, and employee productivity from the perspective of Human Capital Theory and workforce sustainability.

The findings demonstrate that work-life balance has a positive and significant effect on employee productivity. This result indicates that employees who are able to maintain balanced professional and personal responsibilities tend to demonstrate higher levels of productive performance. From a human capital perspective, work-life balance functions as an organizational mechanism that preserves productive labor capacity by reducing emotional exhaustion, role conflict, and cognitive fatigue. Employees with balanced work conditions are generally more capable of maintaining concentration, efficiency, and sustainable work performance over time.

The study also reveals that work-life balance has a positive and significant effect on employee mental health. This finding suggests that balanced working conditions contribute positively to psychological well-being, emotional stability, and stress management capability. Within Human Capital Theory, mental health represents psychological capital, which strengthens workforce resilience, adaptability, and sustainable labor participation. Consequently, organizational support for work-life balance should not merely be interpreted as a welfare initiative, but rather as a strategic investment in long-term human capital development.

However, the results indicate that employee mental health does not have a statistically significant effect on employee productivity. This finding implies that

psychological well-being alone may not directly generate measurable productivity outcomes within Indonesia's labor market structure. Productivity in developing economies appears to be strongly influenced by broader institutional and organizational factors such as managerial supervision systems, performance evaluation mechanisms, organizational discipline, compensation structures, and economic pressure.

The mediation analysis further demonstrates that mental health does not significantly mediate the relationship between work-life balance and employee productivity. This finding proves that work-life balance affects productivity more directly through behavioral efficiency, time allocation, reduced fatigue, and organizational consistency rather than through solely psychological mechanisms.

From a broader human capital perspective, the findings indicate that sustainable workforce productivity depends not only on individual psychological conditions, but also on organizational systems capable of transforming employee well-being into productive economic output. Human capital development therefore requires an integrated organizational approach combining employee well-being, supportive leadership, workforce engagement, and institutional effectiveness.

The relatively low explanatory power of the model also suggests that employee productivity in Indonesia is multidimensional and influenced by structural determinants beyond psychological variables alone. Consequently, productivity enhancement strategies should incorporate broader organizational and institutional dimensions in addition to employee well-being policies.

Overall, this study contributes to the Human Capital Theory literature by demonstrating that work-life balance constitutes an important organizational investment capable of strengthening workforce sustainability and productive capacity. The findings also reinforce the argument that the productivity return of psychological capital is highly dependent on organizational and institutional labor market conditions within emerging economies such as Indonesia.

5.3. Recommendations

Based on the findings of this study, several recommendations can be proposed for organizations, employees, and future researchers.

Organizations are encouraged to recognize work-life balance as a strategic component of human capital management rather than merely an employee welfare program. Companies should increasingly implement flexible and sustainable work arrangements capable of reducing excessive workload pressure and preventing workforce burnout. Such policies may include flexible working hours, hybrid work systems, mental health support services, and employee wellness programs designed to preserve long-term workforce productivity.

Furthermore, organizations should strengthen supportive leadership systems and organizational cultures that prioritize workforce sustainability. Employee productivity cannot rely solely on technical competence and performance monitoring systems, but must also involve organizational mechanisms capable of preserving emotional resilience and psychological well-being.

Organizations are also encouraged to integrate employee engagement, organizational learning, and professional development programs into broader human capital development strategies. Sustainable productivity depends not only on short-term performance outcomes, but also on the organization's ability to maintain employee adaptability, resilience, and long-term productive capability.

For employees, maintaining work-life balance is important not only for personal well-being but also for sustaining long-term career productivity and professional development. Employees should develop effective time management strategies, stress management capability, and healthy work routines to preserve psychological resilience and adaptive capacity within increasingly demanding organizational environments.

Future researchers are encouraged to expand the analytical framework by incorporating additional variables capable of explaining productivity dynamics more comprehensively. Variables such as work engagement, organizational commitment,

leadership quality, organizational culture, compensation systems, digital capability, and job satisfaction may provide deeper understanding regarding the mechanisms through which psychological capital influences organizational productivity.

Future studies may also employ longitudinal approaches to evaluate the long-term effects of work-life balance and psychological well-being on workforce sustainability. Comparative studies across industries, organizational structures, and national labor market systems may further enrich the understanding of human capital productivity within emerging and developed economies.

In conclusion, sustainable organizational competitiveness increasingly depends on the ability to preserve, develop, and effectively utilize human capital. Consequently, organizations that prioritize employee well-being, workforce sustainability, and psychological resilience are more likely to achieve long-term productivity and organizational stability within increasingly dynamic labor market environments.

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APPENDICES

KUESIONER

LAMPIRAN KUESIONER PENELITIAN

The Effect of Work-Life Balance on Employee Productivity: The Mediating Role of Employee Mental Health in Indonesia

BAGIAN I

Lembar Persetujuan Responden (Informed Consent)

Survei ini dilakukan semata-mata untuk kepentingan penelitian akademik. Seluruh jawaban responden akan dijaga kerahasiaannya dan bersifat anonim. Tidak ada jawaban benar atau salah. Partisipasi Anda bersifat sukarela, dan Anda dapat menghentikan pengisian kapan saja tanpa konsekuensi apa pun.

Dengan melanjutkan pengisian kuesioner ini, Anda menyatakan bersedia menjadi responden dalam penelitian ini.

☐ Ya, saya bersedia menjadi responden

BAGIAN II

Kriteria Responden (Screening)

1. Apakah Anda sedang bekerja saat ini?
☐ Ya
☐ Tidak
2. Jam kerja Anda per minggu rata-rata:
☐ < 30 jam
☐ 30–40 jam
☐ > 40 jam
3. Lokasi kerja Anda berada di:
☐ Indonesia
☐ Luar Indonesia
4. Lama masa kerja di tempat kerja saat ini:
☐ < 6 bulan
☐ $\geq$ 6 bulan

Catatan:

Responden yang tidak memenuhi kriteria (tidak bekerja, bekerja di luar Indonesia, atau masa kerja < 6 bulan) dapat diarahkan untuk mengakhiri survei.

BAGIAN III

Data Demografis Responden

1. Jenis kelamin:
 - ☐ Laki-laki
 - ☐ Perempuan
2. Usia:
 - ☐ 18–25 tahun
 - ☐ 26–35 tahun
 - ☐ 36–45 tahun
 - ☐ > 45 tahun
3. Sektor pekerjaan:
 - ☐ Swasta
 - ☐ Pemerintah
 - ☐ UMKM
 - ☐ Freelancer
 - ☐ Lainnya: _____
4. Jabatan:
 - ☐ Staf
 - ☐ Supervisor
 - ☐ Manajer
 - ☐ Lainnya: _____
5. Pendapatan bulanan:
 - ☐ < Rp5.000.000
 - ☐ Rp5.000.000 – Rp10.000.000
 - ☐ > Rp10.000.000

BAGIAN IV

Instrumen Penelitian

Petunjuk Pengisian

Berikan penilaian Anda terhadap pernyataan berikut dengan memilih salah satu jawaban:

Skor	Keterangan
1	STS (Sangat Tidak Setuju)
2	TS (Tidak Setuju)
3	N (Netral)
4	S (Setuju)
5	SS (Sangat Setuju)

A. Work-Life Balance (Keseimbangan Kehidupan Kerja)

Kode	Pernyataan	STS	TS	N	S	SS
WLB1	Saya memiliki waktu yang cukup untuk pekerjaan dan kehidupan pribadi	☐	☐	☐	☐	☐
WLB2	Saya mampu menyeimbangkan waktu antara pekerjaan dan keluarga	☐	☐	☐	☐	☐
WLB3	Saya dapat terlibat secara psikologis baik dalam pekerjaan maupun kehidupan pribadi	☐	☐	☐	☐	☐
WLB4	Saya merasa puas dengan keseimbangan kehidupan kerja saya	☐	☐	☐	☐	☐
WLB5	Pekerjaan saya tidak mengganggu kehidupan pribadi saya	☐	☐	☐	☐	☐

B. Kesehatan Mental

Kode	Pernyataan	STS	TS	N	S	SS
MH1	Saya mampu mengelola stres dalam kehidupan sehari-hari	☐	☐	☐	☐	☐
MH2	Saya jarang merasa cemas atau tertekan	☐	☐	☐	☐	☐
MH3	Saya merasa tenang secara emosional	☐	☐	☐	☐	☐
MH4	Saya merasa puas dengan kehidupan saya	☐	☐	☐	☐	☐

C. Produktivitas Karyawan

Kode	Pernyataan	STS	TS	N	S	SS
EP1	Saya mampu mencapai target kerja yang ditetapkan	☐	☐	☐	☐	☐
EP2	Kualitas pekerjaan saya memenuhi standar yang ditentukan	☐	☐	☐	☐	☐
EP3	Saya menyelesaikan tugas tepat waktu	☐	☐	☐	☐	☐
EP4	Saya menggunakan waktu kerja secara efisien	☐	☐	☐	☐	☐

EP5	Saya berusaha meningkatkan kinerja kerja saya	☐	☐	☐	☐	☐
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BAGIAN V

Penutup

Terima kasih atas kesediaan Anda meluangkan waktu untuk mengisi kuesioner ini. Partisipasi Anda sangat berarti dan berkontribusi dalam pengembangan penelitian akademik mengenai keseimbangan kehidupan kerja, kesehatan mental, dan produktivitas karyawan di Indonesia atau propinsi tertentu.

Uji Coba

Work Life Balance

Correlations

		WLB1	WLB2	WLB3	WLB4	WLB5	TOTALWLB
WLB1	Pearson Correlation	1	.613**	.381*	.316	.517**	.775**
	Sig. (2-tailed)		.000	.041	.095	.004	.000
	N	29	29	29	29	29	29
WLB2	Pearson Correlation	.613**	1	.240	.439*	.562**	.779**
	Sig. (2-tailed)	.000		.209	.017	.002	.000
	N	29	29	29	29	29	29
WLB3	Pearson Correlation	.381*	.240	1	.378*	.455*	.675**
	Sig. (2-tailed)	.041	.209		.043	.013	.000
	N	29	29	29	29	29	29
WLB4	Pearson Correlation	.316	.439*	.378*	1	.255	.654**
	Sig. (2-tailed)	.095	.017	.043		.182	.000
	N	29	29	29	29	29	29
WLB5	Pearson Correlation	.517**	.562**	.455*	.255	1	.764**
	Sig. (2-tailed)	.004	.002	.013	.182		.000
	N	29	29	29	29	29	29

TOTALWLB	Pearson Correlation	.775**	.779**	.675**	.654**	.764**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	29	29	29	29	29	29

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Mental Health

Correlations

		MH1	MH2	MH3	MH4	TOTALMH
MH1	Pearson Correlation	1	.759**	.825**	.511**	.903**
	Sig. (2-tailed)		.000	.000	.005	.000
	N	29	29	29	29	29
MH2	Pearson Correlation	.759**	1	.652**	.517**	.847**
	Sig. (2-tailed)	.000		.000	.004	.000
	N	29	29	29	29	29
MH3	Pearson Correlation	.825**	.652**	1	.606**	.902**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	29	29	29	29	29
MH4	Pearson Correlation	.511**	.517**	.606**	1	.774**
	Sig. (2-tailed)	.005	.004	.000		.000

N	29	29	29	29	29
TOTALMHPearson Correlation	.903**	.847**	.902**	.774**	1
Sig. (2-tailed)	.000	.000	.000	.000	
N	29	29	29	29	29

** . Correlation is significant at the 0.01 level (2-tailed).

Employee Productivity

Correlations

		EP1	EP2	EP3	EP4	EP5	TOTALEP
EP1	Pearson Correlation	1	.805**	.682**	.769**	.760**	.914**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	29	29	29	29	29	29
EP2	Pearson Correlation	.805**	1	.775**	.594**	.612**	.860**
	Sig. (2-tailed)	.000		.000	.001	.000	.000
	N	29	29	29	29	29	29
EP3	Pearson Correlation	.682**	.775**	1	.628**	.741**	.867**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	29	29	29	29	29	29
EP4	Pearson Correlation	.769**	.594**	.628**	1	.830**	.867**
	Sig. (2-tailed)						
	N						

EP5	Sig. (2-tailed)	.000	.001	.000		.000	.000
	N	29	29	29	29	29	29
	Pearson Correlation	.760**	.612**	.741**	.830**	1	.895**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	29	29	29	29	29	29
TOTALEP	Pearson Correlation	.914**	.860**	.867**	.867**	.895**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	29	29	29	29	29	29

** . Correlation is significant at the 0.01 level (2-tailed).

Outer Loading

	Employee Productivity	Mental Health	Wrok Life Balance
EP1	0.955		
EP2	0.912		
EP3	0.945		
EP4	0.940		
EP5	0.939		
MH1		0.887	
MH2		0.897	
MH3		0.890	
MH4		0.850	
WLB2			0.909
WLB3			0.930
WLB4			0.910
WLB5			0.928
WLB1			0.939

Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Employee Productivity	0.880
Mental Health	0.776
Wrok Life Balance	0.853

Fornell–Larcker Criterion

	Employee Productivity	Mental Health	Wrok Life Balance
Employee Productivity	0.938		
Mental Health	0.105	0.881	
Wrok Life Balance	0.190	0.216	0.923

Heterotrait–Monotrait Ratio (HTMT)

	Employee Productivity	Mental Health	Wrok Life Balance
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Employee Productivity			
Mental Health	0.105		
Wrok Life Balance	0.192	0.229	

Reliability Test Results

	Cronbach's Alpha
Employee Productivity	0.966
Mental Health	0.904
Wrok Life Balance	0.957

Collinearity Test Results

	Employee Productivity	Mental Health	Wrok Life Balance
Employee Productivity			
Mental Health	1.049		
Wrok Life Balance	1.049	1.000	

Coefficient of Determination (R-Square) Results

	R Square	R Square Adjusted
Employee Productivity	0.040	0.031
Mental Health	0.047	0.042