

Flexible Working Space for Generation Z Employees in the Banking Sector

Via Lailatur Rizki¹, Imam Abrori², Masyhuri³, Fauzan Muttaqien⁴

^{1,3,4} Management Study Program, Institut Teknologi dan Bisnis Widya Gama Lumajang, Indonesia

² Digital Business Study Program, Business Department, Politeknik Negeri Jember, Indonesia

Email: vialailaturrizki@gmail.com

Keywords:

Flexible Working Space, organizational support, Work-Life Balance, employee performance, Generation Z

Abstract

This study aims to analyze the effect of Flexible Working Space (FWS) and Organizational Support on Employee Performance with Work Life Balance (WLB) as a mediating variable among Generation Z employees in the banking sector in Lumajang City. The research approach uses a quantitative method with primary data collection through a Likert scale-based questionnaire. The research sample consisted of 98 respondents selected using purposive sampling. Data analysis was performed using the Structural Equation Modeling–Partial Least Square (SEM-PLS) method with the help of SmartPLS 4.0 software. The results showed that FWS did not have a significant effect on WLB or employee performance. Conversely, organizational support had a positive and significant effect on WLB and employee performance. In addition, WLB was found to have a significant effect on employee performance and mediated the relationship between organizational support and employee performance, but did not mediate the relationship between FWS and employee performance. These findings confirm that in the context of the regional banking sector, organizational support plays a more strategic role than workplace flexibility in improving work-life balance and the performance of Generation Z employees.

INTRODUCTION

The rapidly changing world of work requires organizations to create an adaptive, innovative work environment that supports employee work-life balance. Mollah et al (2025) state that achieving organizational agility in the digital age requires the right HR strategies, such as skills development, flexible work design, and continuous learning, so that organizational performance can be maintained despite changes and uncertainties. One demographic group that is projected to be the main talent pool in the digital job market is Generation Z, born between 1997 and 2012. In the Indonesian context, Generation Z is the key group most needed to meet this demand (Kolot & Herasyemenko, 2020).

The dynamic changes in today's work environment also extend to the banking sector. Banking is known as a formal and systemic institution with high work discipline, high work demands, and strict performance monitoring. According to (Zebua et al., 2025) employee performance is the result of work achieved by an individual in carrying out the tasks entrusted to them and the extent of their contribution to the organization. This condition poses a unique challenge for Generation Z, who are entering their productive age in the world of work and are more adaptable to technology. This has given rise to flexibility in terms of workspace. One example is Flexible Working Space, which is a highly flexible space that can be used anywhere, anytime, and in accordance with the needs and conditions that support the implementation of work (Ali & Kusdiyanto, 2024). Flexible Working Space enables human resources to work in a flexible space, enjoy comfort at work, and balance work and personal life. (Kurniawan et al., 2024) Flexible working systems cannot be applied to all workers; only workers with a high level of discipline and

initiative are able to implement this method. Research by Adhiati, Palupiningtyas, & Samtono (2025) shows that Gen Z often considers work flexibility as an important aspect for managing personal needs, career goals, and activities. The post-pandemic trend has accelerated the use of Flexible Working Space, such as remote and hybrid working. Many Gen Zers are reluctant to return to full-time office work and prefer work models that give them control over their work-life balance (Soliman, 2025).

This is in line with research (Yogaist et al., 2022) which states that Flexible Working Space has a positive and significant effect on employee performance. However, research (Kattenbach, et al., 2010) states that Flexible Working Space has no significant effect on employee performance. Not only performance, Generation Y and Z, who dominate the workforce, greatly value the balance between personal life and work. (Roopavathi & Kishore, 2021) Work-Life Balance, or the balance between work and personal life, is defined as a state of equilibrium where the demands of work and personal life are balanced. The presence of Flexible Working Spaces can help balance life and work. This aligns with research (Ananda, 2024) indicating that Flexible Working Spaces influence Work-Life Balance.

Work-life balance can be achieved and improved, which is a crucial factor for a company's human resource management division (Wolor et al, 2020) This is to balance employees' work and personal lives in order to improve performance. According to Ma'ruf, (2025) employees are fully involved in their work performance so that they can achieve balance in their work and sensitivity to their overall self-system. Therefore, it is necessary to create a balance between work and personal life, which will affect employee performance. This phenomenon is increasingly relevant to Generation Z employees. A quantitative study involving 413 employees in Indonesia found that Gen Z prioritizes work flexibility and an environment that supports self-development as part of their work-life balance (Mahardika & Nugroho, 2025). Additionally, a survey from The Times Generation Z Project shows that only about 10% of Gen Z want to work full-time in an office, while the majority of Gen Z prefer more flexible work arrangements, including a combination of working from home and the office, as a way to balance their work and personal lives after the COVID-19 pandemic (The Times., 2023). Other research also notes that flexible working hours and work-life balance have a positive influence on Gen Z's productivity, indicating that work policies that support work-life balance can help reduce stress and increase their motivation and engagement in the workplace (Anhar, Suryaningsih, & Fadillah, 2023). Therefore, organizational support, whether in the form of flexible work policies, a supportive work culture, or attention to employee well-being, is one of the key factors influencing both work-life balance and the performance of Generation Z employees.

In order to achieve optimal work-life balance, organizational support plays a crucial role because the policies, culture, and managerial practices implemented by a company can determine the extent to which employees are able to balance the demands of work and their personal lives. Organizational support is defined as a belief that employees have that the organization's values contribute to and care for the well-being of its employees (Rizki et al., 2025). Support includes all forms of attention, policies, and actions taken by the company to meet the needs and interests of employees. According to Permana & Mujanah, (2019) organizational support affects employee performance. The more organizational support for employees increases, the more it will improve employee performance. However, research (Ariyanti & Rijanti, 2022) states that organizational support does not affect employee performance. When organizations support employees and pay attention to employees to achieve organizational goals, employees can balance their personal lives with work and vice versa. The findings of a study by Abrori et al, (2025) reinforce this argument by showing that Generation Z who feel that organizational values and culture are in line with their personal beliefs tend to have a stronger intention to join and pursue a career in the

organization. This alignment of values creates a sense of comfort, attachment, and integration for individuals in the work environment, which ultimately encourages perceptions of organizational support and helps create a better work-life balance.

Several previous studies have examined the influence of Flexible Working Space, organizational support, and Work Life Balance on performance, but not many have focused on Generations Y and Z in the banking sector, especially in developing areas in Lumajang City. In fact, the banking sector faces major challenges in adapting to flexible working patterns after the pandemic and changes in the workforce generation. The urgency of this research lies in banking institutions adapting their work patterns to the preferences of the younger generation without neglecting productivity, where they are able to bridge work flexibility but with measurable results. The researchers are motivated to conduct an in-depth study of the correlation between Flexible Working Space and organizational support, currently using the mediating variable of Work-Life Balance on employee performance, focusing on Generation Z employees in the banking sector in Lumajang City.

This research will enhance our understanding of the interaction between Flexible Working Space and organizational support through Work-Life Balance on employee performance in banking. Institutions can gain new insights and benefits from this study regarding the mediating effect of Work-Life Balance on improving employee performance. The results of this study can also assist human resources departments in creating an environment that fosters creativity, efficiency, and excellence in teaching and learning.

KAJIAN PUSTAKA DAN PEGEMBANGAN HIPOTESIS

Flexible Working Space

Flexible Working Space is a highly flexible space that can be used anywhere, anytime, and in accordance with the needs and conditions that support the performance of work (Ali & Kusdiyanto, 2024). *Flexible Working Space is also an alternative for workers in determining various types of flexibility at work, such as work schedule, work intensity, and work location* (Irawati, 2019). It can be concluded that FWS is a flexible work arrangement that refers to schedules and alternative work locations that give employees control over their time and place of work. Flexible Working Space is divided into 3 types according to Gibson (2020) namely: 1) Contract Flexibility, where workers are assigned to various sectors or jobs, 2) Time Flexibility, where workers work based on an agreed time, 3) Location Flexibility, where workers can work in the right location, for example at home, at the client's place, and other non-office environments. The dimensions of Flexible Working Space according to Gajedran & Harrison (2020) are location freedom, time freedom, and technological connectivity.

Organizational Support

Mathis & Jackson (2006) argue that organizational support is support provided by organizations to employees in the form of training, equipment, expectations, and productive work teams (Darupaksi, 2021). Organizational support is defined as a belief where employees believe that organizational values contribute to and care for the welfare of their employees (Rizki et al., 2025). Organizational support is support provided to employees as a means of enabling them to perform their best in carrying out their work. The dimensions of organizational support (Rhoades, L., & Eisenberg, 2008) are recognition, development, working conditions, and employee welfare.

Work Life Balance

(Roopavathi & Kishore, 2021) Work-life balance is defined as a state of equilibrium in which the

demands of work and personal life are balanced. Work-life balance is an individual's ability to manage and balance their responsibilities at work with their personal life, so that they can run smoothly and do not interfere with each other. The dimensions of WLB (Fisher et al., 2009) ork Interference with Personal Life (WIPL), which is the extent to which work interferes with personal affairs, 2) Personal Life Interference with Work (PLIW), which is the extent to which personal life interferes with work affairs, 3) Personal Life Enhancement with Work (PLEW), which is the extent to which personal life can improve an individual's performance at work, 4) Work Enhancement with Personal Life (WEPL), which is the extent to which work matters can improve an individual's personal life.

Employee Performance

According to (Zebua et al., 2025) Employee performance is the result of work achieved by an individual in carrying out the tasks entrusted to them and the extent of their contribution to the organization. Performance is the results achieved by individual employees in terms of both quality and quantity in carrying out their work in accordance with their duties and responsibilities (Rizki et al., 2023). According to (Robbins, 2016) performance indicators include quality, quantity, responsibility, cooperation, and initiative.

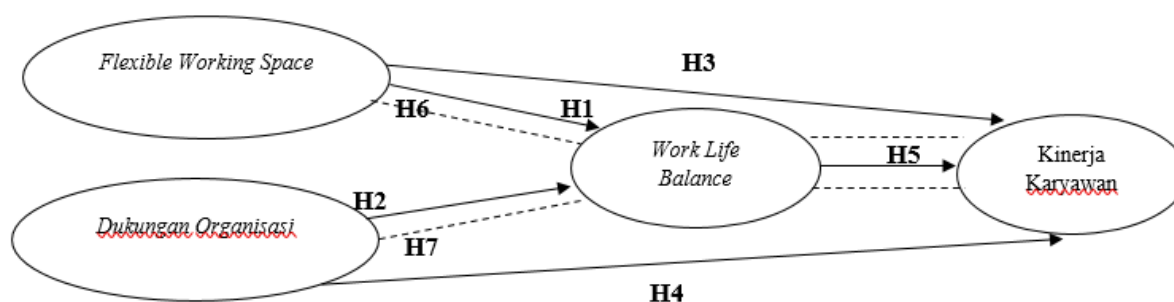


Figure 1. Conceptual Framework
Source : Data processed, 2026.

Based on this conceptual framework, the following hypothesis has been developed:

Flexible Working Space affects Work Life Balance

The development of modern work patterns has encouraged organizations to provide space through Flexible Working Space as a form of adaptation. Flexible Working Space is not only related to the flexibility of work location, but also includes freedom in arranging workspace and completing work. This condition provides opportunities for employees to adjust work demands to personal and family needs, thereby balancing work and personal life. Thus, the implementation of Flexible Working Space plays an important role in improving the balance between employees' work and personal lives (Work-Life Balance).

H1: Flexible Working Space affects Work-Life Balance

Organizational support influences work-life balance.

Organizational support reflects the organization's attention and concern for employees, which is manifested through policies, care, and a supportive work environment. This support creates a sense of security and comfort for employees in carrying out their roles. Employees who feel supported by the organization are better able to manage the demands of work and personal life. This condition helps reduce work stress and encourages a balance between work and personal life.

H2: Organizational support affects work-life balance

Flexible working spaces affect employee performance

Flexible working spaces give employees the freedom to determine their work location and arrangements, which is considered to increase work effectiveness and efficiency. Theoretically, workplace flexibility can increase autonomy and comfort at work, thereby having a positive impact on performance. However, in the context of the banking sector, which has strict regulations and relies on internal organizational systems, workplace flexibility may not necessarily be optimally implemented. Therefore, the effect of FWS on employee performance needs to be tested empirically.

H3: Flexible Working Space affects employee performance.

Organizational support influences employee performance

Organizational support reflects the extent to which an organization provides attention, resources, and emotional support to employees. Employees who feel valued and supported tend to show higher commitment and performance. In the banking context, support in the form of guidance from superiors, training, and work facilities are important factors in achieving performance targets.

H4: Organizational support affects employee performance.

Work-life balance affects employee performance

Work-life balance allows employees to manage the demands of work and personal life in a balanced manner. Employees who have a good work-life balance tend to have more stable psychological conditions, lower stress levels, and higher work focus. Thus, WLB is expected to have a positive effect on employee performance.

H5: Work-life balance affects employee performance.

The mediating role of work-life balance

Flexible working spaces and organizational support can theoretically improve employee performance by enhancing work-life balance. Work flexibility and organizational support are expected to reduce role conflict and work fatigue, thereby improving employee performance. Therefore, WLB is tested as a mediating variable in this relationship.

H6: Flexible working space affects employee performance through work-life balance.

H7: Organizational support affects employee performance through work-life balance.

METHODS

The approach used is quantitative, and the primary data collected consists of the statistical target population of this study, which is Generation Z banking employees in the city of Lumajang. This study uses a purposive sampling method with the following criteria: 1) Employees are Generation Z born between 1997 and 2005, 2) Employees have worked for at least 1 year, 3) Employees work in the marketing department. In this case, the sample involved 98 employees. The research instrument was administered via Google Form, and respondents provided answers based on a Likert scale category: strongly agree, agree, neutral, disagree, and strongly disagree.

The research results were obtained through hypothesis testing using SEM analysis, specifically using the PLS technique with SmartPLS 4.0.9.9 software. According to (Hair, et al, 2022) there are two stages of analytical procedures, namely measurement model testing and structural model testing. The measurement model (outer model) is a measurement model that connects indicators (manifest variables) with their constructs (latent variables), while the structural model testing (inner model) is a structural model that connects latent variables in the study. Data testing and the utilization of theoretical and empirical research were conducted to analyze the results and findings,

which were then compiled into a conclusion. There are also considerations that can be taken into account, which will be used as suggestions for further research.

RESULTS AND DISCUSSION

Outer Model Measurement

In this measurement model, there are three main criteria for assessing instrument quality, namely convergent validity, discriminant validity, and reliability using Cronbach's Alpha.

In the convergent validity test, an indicator can be declared valid if the outer loading value is > 0.70 , which indicates that more than half of the indicator variance can be substantially explained by the latent construct.

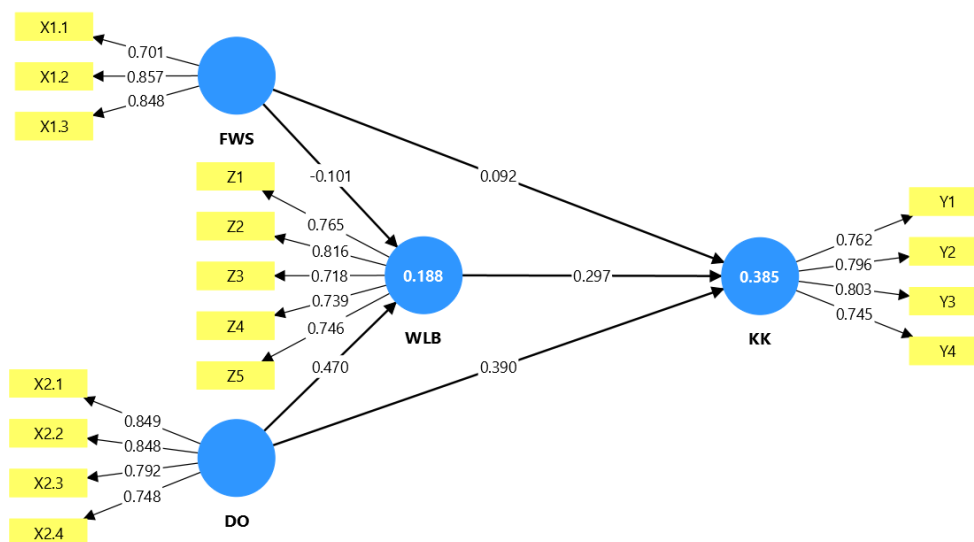


Figure 2. *Outer Model*
Source : Data processed, 2026

Based on the results of the PLS-SEM analysis in Figure 2, it was found that Flexible Working Space contributed to the formation of its latent variable, where all indicators comprising this variable had outer loading values > 0.70 . The same was also seen in the variables of organizational support, work-life balance, and employee performance, which showed that all indicators were able to reflect their constructs.

The following are the outer loading values:

Tabel 1. Outer Loading Value

Indicator	Organizational Support	Flexible Working Space	Employee Performance	Work Balance	Life
X1.1		0,701			
X1.2		0,857			
X1.3		0,848			
X2.1	0.849				
X2.2	0.848				
X2.3	0.792				
X2.4	0.748				
Y1			0.762		
Y2			0.796		
Y3			0.803		

Y4	0.745
Z1	0.765
Z2	0.816
Z3	0.718
Z4	0.739
Z5	0.746

Source : Data processed, 2026.

Based on Table 1.1, all indicators in the research variables of Flexible Working Space, Organizational Support, Work-Life Balance, and Employee Performance show outer loading values >0.70 . Thus, it can be concluded that all indicators used in this study are valid and able to reflect their latent variables well.

Table 2. Discriminant validity test value – Fornell Larcker criterion

Variabel	Dukungan Organisasi	Flexible Working Space	Kinerja Karyawan	Work Life Balance
Organization Support	0.801			
Flexible Working Space	0.451	0.805		
Employee Performance	0.557	0.301	0.777	
Work Life Balance	0.424	0.111	0.472	0.758

Source : Data processed, 2026.

Discriminant validity is used to assess the extent to which a construct is truly different from other constructs in the model. Discriminant validity in this study uses the Fornell-Lacker criterion approach. Based on Table 2, the AVE square root values for each variable are greater than the correlation values with other variables below them. The AVE square root values for the variables of organizational support (0.801), Flexible Working Space (0.805), employee performance (0.777), and Work Life Balance (0.758) are greater than the correlation values of each variable with other constructs. Thus, it can be concluded that all variables in this study have met the criteria for discriminant validity.

The reliability values are presented in the following table:

Table 3. Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
Flexible Working Space	0.752	0.838	0.846	0.648
Organization Support	0.826	0.840	0.884	0.656
Employee Performance	0.783	0.788	0.859	0.603
Work Life Balance	0.814	0.822	0.870	0.574

Source : Data processed, 2026.

The reliability of the constructs in Table 3 was measured using three main indicators, namely Cronbach's Alpha, Composite Reliability (rho_A), and Composite Reliability (rho_C or CR). All constructs in this study successfully showed values above the required threshold, which is > 0.70 for all three parameters. According to (Hair et al, 2021) the Cronbach's Alpha value indicates a good level of internal reliability, which indicates that the indicators in each construct consistently

represent similar constructs in each measurement. The Composite Reliability (CR) values for both rho_A and rho_C also have the recommended threshold values. The value for rho_A ranges from 0.788 to 0.840, while for rho_C it ranges from 0.844 to 0.870. These values indicate excellent composite reliability, as they exceed the minimum value of 0.70.

Inner Model Measurement

According to (Hair et al, 2021) inner models are used to assess the relationships between latent constructs contained within the research framework.

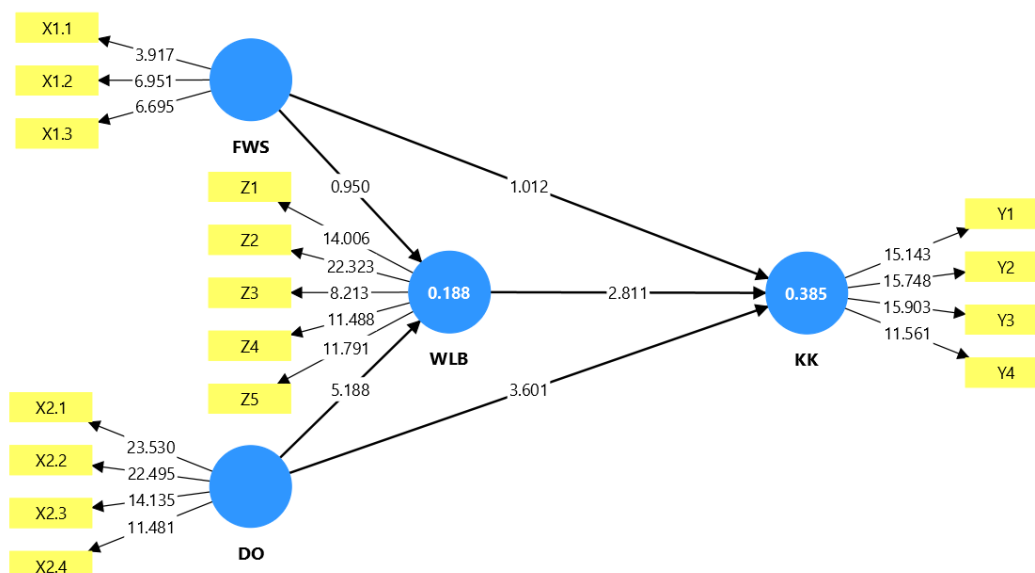


Figure 3. Inner Model
 Source : Data processed, 2026

Figure 3 shows the results of structural model testing (inner model) that describes the causal relationship between latent variables in the study, namely Flexible Working Space (FWS) and Organizational Support (DO) as exogenous variables, Work Life Balance (WLB) as a mediating variable, and Employee Performance (KK) as an endogenous variable. The values shown on the arrow paths indicate the T-Statistics values used to test the significance of the influence between variables. Flexible Working Space (FWS) shows an insignificant influence, where the T-Statistic value produced is below 1.96, namely 0.950 for Work Life Balance and 1.012 for employee performance. Organizational Support (OS) shows a strong and significant effect, marked by a T-Statistic value of 5.188 for Work-Life Balance and 3.601 for Employee Performance. Both of these values are well above the critical value of 1.96. The Work Life Balance (WLB) path as a mediating variable shows that WLB has a significant effect on employee performance with a T-Statistic value of 2.811.

Goodness of Fit Test

The Goodness of Fit test is conducted to assess the extent to which the overall structural model fits the data used in the PLS-SEM approach.

Goodness of Fit

$$Q^2 = 1 - [(1 - R^2) \times (1 - R^2)]$$

$$Q^2 = 1 - (0.188 \times 0.385)$$

$$= 1 - (0.812 \times 0.615)$$

$$= 1 - 0.049938$$

$$Q^2 = 0,5006 \rightarrow 0.501$$

The calculation results show a Q2 value of 0.501. This value indicates that the diversity of research data that can be explained by the constructed structural model is 50.1%. Meanwhile, the remaining 49.9% is explained by other factors outside this research model. In accordance with the criteria, because the Q2 value is >0 ($0.501 > 0$), this research model is considered to have good predictive relevance and is suitable for use in hypothesis testing.

Table 4. R-Square Value

	R-Square	R-Square adjusted
Employee Performance	0.385	0.366
Work Life Balance	0.188	0.171

Source : Data processed, 2026

Based on Table 4, the Work Life Balance variable has an R^2 value of 0.188. This indicates that the Flexible Working Space and Organizational Support variables are able to explain 18.8% of the variability in Work Life Balance. The remaining 81.2% is explained by variables or factors outside the scope of this study. Employee Performance variable: The R^2 value is 0.385. This indicates that the variables of Flexible Working Space, Organizational Support, and Work-Life Balance together contribute 38.5% to employee performance. The remaining 61.5% is influenced by other factors not examined in this study.

Table 5. Hypothesis Testing Measurement

	<i>Original sample (O)</i>	<i>Sample mean (M)</i>	<i>Standard deviation (STDEV)</i>	<i>T Statistics</i>	<i>P Values</i>	Keterangan
FWS → KK	0.092	0.104	0.091	1.012	0.311	Not Significant (H rejected)
FWS → WLB	-0.101	-0.085	0.107	0.950	0.342	Not Significant (H rejected)
DO → KK	0.390	0.386	0.108	3.601	0.000	Significant (H accepted)
DO → WLB	0.470	0.474	0.091	5.188	0.000	Significant (H diterima)
WLB → KK	0.297	0.303	0.106	2.811	0.005	Significant (H accepted)
FWS → WLB → KK	-0.030	-0.026	0.036	0.833	0.405	Not Significant (H rejected)
DO → WLB → KK	0.139	0.144	0.059	2.379	0.017	Significant (H accepted)

Source : Data processed, 2026

Based on Table 5, the following is the development of the hypothesis.

a. The Effect of Flexible Working Space on Work-Life Balance

The first hypothesis shows that Flexible Working Space does not have a significant effect on Work-Life Balance, as evidenced by a T-Statistic value of 0.950 (below 1.96) and a P-Value of 0.342 (above 0.05). In fact, the negative path coefficient (-0.101) indicates that workplace flexibility tends to reduce the quality of work-life balance, although not significantly. Contextually, this finding refutes the assumption that “working from anywhere” is the solution to work-life balance for Generation Z. For banking employees in Lumajang who work based on numerical targets, unlimited flexibility is often interpreted as a requirement to “always be on call.” As a result, the boundary between rest time and obligations such as finding customers, follow-ups, etc., has become a common practice.

The test results show that Flexible Working Space (FWS) does not have a significant effect on Work-Life Balance (WLB) among Generation Z employees in the banking sector in Lumajang City. Theoretically, workplace flexibility is seen as providing autonomy and freedom for employees in managing their work and personal lives. However, these findings indicate that workplace flexibility does not necessarily automatically improve work-life balance. In the banking context, especially in marketing, demanding targets, strict performance monitoring, and expectations to always be responsive to customers blur the line between work and personal time. These findings show that implementing Flexible Working Space without clear workloads and time limits can potentially cause role conflicts and work fatigue. This is also reinforced by the findings of research (Rosén, L., & Bergqvist, 2016) and (Urrejola-Contreras, 2023) Unclear tasks, work targets, and time limits can increase role confusion and conflict at work.

b. The Influence of Organizational Support on Work-Life Balance

Organizational support has been proven to have a positive and highly significant influence on work-life balance (H2). This is indicated by a high T-statistic value of 5.188 and a P-value of 0.000. The path coefficient value of 0.470 confirms that organizational support is a dominant factor. For Gen Z, support in the form of empathetic superiors, supportive coworkers, and clear office policies provides a sense of psychological safety. When a marketer feels fully supported by the bank in facing target pressures, their stress levels decrease dramatically. It is this support that makes them feel that their lives are balanced, not just physical freedom in their work location.

The results of the study show that organizational support has a positive and significant effect on work-life balance. These findings are in line with organizational support theory, which explains that perceived organizational support reflects the extent to which employees feel valued and cared for by the organization, which in turn affects their work attitudes and psychological well-being (Eisenberger et al., 1986). Organizational support, manifested through fair policies, supportive supervisors, and a comfortable work environment, helps employees reduce work pressure and balance work demands with their personal lives. The implication for banking organizations is that efforts to improve the work-life balance of Generation Z employees are not enough through formal policies alone, but need to be realized in the form of tangible support from supervisors and day-to-day management. Forms of support such as clear direction, open communication, and work mentoring have proven to be more effective in maintaining employee psychological well-being than general organizational programs (Piecuch-Jodłowiec, 2024). Additionally, (Dhand et al., 2025) states that Generation Z is more sensitive to psychosocial pressures and more open to mental health issues, so support that is easily accessible and does not cause stigma will be more readily accepted and have a positive impact on their work-life balance.

c. The Effect of Flexible Working Space on Employee Performance

Flexible Working Space has no effect on Employee Performance, with a T-Statistic result of 1.012 and a P-Value of 0.311. The low coefficient value (0.092) indicates a very minimal contribution. This can be explained by the highly regulated nature of the banking industry. The credit administration and customer service processes in Lumajang are still highly dependent on office infrastructure (secure intranet access, physical files). Gen Z marketers realize that working remotely (e.g., in a cafe) actually slows down coordination with the analyst or administration team. Therefore, physical presence in an office with complete facilities has proven to be more effective in supporting sales performance (closing) than working outside the office.

The test results show that Flexible Working Space does not have a significant effect on employee performance. In general, work flexibility is often considered to improve performance because it provides comfort and increases work motivation. However, in the banking sector, employee performance is largely determined by team coordination, smooth access to internal systems, and adherence to strict work procedures (Bernard, 2025; Talukder, Vickers, & Khan, 2018)). Banking work activities are interdependent and must be carried out in a timely manner, so that workplace flexibility is not a major factor affecting performance. Therefore, banking organizations need to be selective in implementing flexible work policies and tailor them to the characteristics of the job. These findings are also reinforced by research findings at the branch level, which show that team coordination and smooth work processes have a greater influence on branch performance and financial results than workplace flexibility (Siddique & Islam, 2023).

d. The Effect of Organizational Support on Employee Performance

Organizational support for employee performance has a T-Statistic value of 3.601 and a P-Value of 0.000. A positive path coefficient of 0.390 indicates that the greater the organizational support, the higher the performance of Gen Z marketers. In the world of marketing, support is the “fuel” for performance. Gen Z employees work more aggressively and confidently pursue targets when they are equipped with thorough product knowledge training and clear strategic direction from supervisors. These statistics prove that banks' investment in human resource development and support facilities has a far greater impact on performance profitability than investment in location flexibility.

The results of the study show that organizational support has a positive and significant effect on employee performance. Theoretically, organizational support can increase employees' sense of appreciation, belonging, and commitment to the organization, which ultimately drives performance improvement. In the context of the banking sector, organizational support in the form of relevant training, guidance and mentoring from superiors, and the provision of adequate work facilities helps to increase employees' confidence and effectiveness in achieving work targets. These findings indicate that improving the performance of Generation Z employees is more effectively achieved through strengthening the organizational support system rather than relying solely on work flexibility. In addition, supervisor support has been proven to play an important role in improving performance, as it can reduce work ambiguity and operational pressure, especially in uncertain working conditions such as during a pandemic (Basnet, Shah, & Subedi, 2024). Yavas & Babakus (2010) state that the organizational support felt by employees, including managerial support and fair treatment, is also related to improved performance both in primary tasks and outside of primary tasks, thereby strengthening employee contributions to the achievement of organizational goals.

e. The Influence of Work-Life Balance on Employee Performance

Work-Life Balance on Employee Performance Work-life balance has been proven to be not just a personal issue, but one that impacts professionalism. The fifth hypothesis (H5) was accepted with a T-Statistic value of 2.811 and a P-Value of 0.005, as well as a path coefficient of 0.297. This data confirms that Gen Z marketers who are happy and do not experience mental exhaustion (burnout) are able to work more productively. Marketing work requires high social energy to convince potential customers. Employees who have sufficient rest time (Work Life Balance) are proven to be able to maintain their stamina and focus to achieve sales targets, compared to those who constantly work overtime.

The results of the hypothesis test show that work-life balance has a positive and significant effect on employee performance. These findings indicate that a balance between work and personal life is an important factor in maintaining employees' mental health, focus, and energy at work. Employees who have a good work-life balance tend to experience lower levels of stress, enabling them to maintain consistent performance over the long term. This finding is also supported by the results of a study by Tiwari et al, (2025) which shows that work-life balance increases job satisfaction, which in turn acts as an intermediary in improving employee performance. In other words, sustainable performance is not only determined by job demands but also by the psychological well-being of employees. Therefore, organizations need to design work policies that support employee life balance as a strategic effort to improve long-term performance.

f. The Mediating Role of Work-Life Balance in the Relationship between FWS and Performance

The Mediating Role of Work-Life Balance in the Relationship between FWS and Performance
The mediation path analysis (H6) showed insignificant results with a T-Statistic value of only 0.833 and a P-Value of 0.405. Statistically, because Flexible Working Space failed to improve Work Life Balance (H1 rejected), this variable also failed to drive performance through the mediation path. This finding confirms that for regional banks, the narrative that “workplace freedom creates happiness that leads to productivity” is not empirically proven among Gen Z marketing employees.

The analysis results show that work-life balance does not mediate the relationship between flexible working space and employee performance. This is because flexible working space has not been proven to significantly improve work-life balance. Theoretically, these findings indicate that workplace flexibility without adequate managerial support is not strong enough to create a life balance that impacts performance. Research by Dousin, Collins, & Kler, (2019) dan Idrovo, Avolio, & Carlier (2021) shows that the success of flexible work is highly dependent on the role of supervisors. Supervisors who understand the boundaries between work and personal life, support work flexibility, and provide active guidance can help employees work more comfortably. Consistent support from supervisors has been proven to increase employee engagement and performance, making it an important factor in determining the success of flexible work policies. Organizations cannot rely on workplace flexibility as the sole strategy for improving performance.

g. The Mediating Role of Work-Life Balance in the Relationship between Organizational Support and Performance

Conversely, the seventh hypothesis (H7) was accepted as an important finding of this study, with a T-Statistic value of 2.379 (> 1.96) and a P-Value of 0.017. This figure proves the mechanism of successful HR management: Organizational support is able to improve the performance of Gen Z marketers through the intermediary of Work Life Balance. This means that management support serves to reduce the pressure of high targets, so that employees' mental health is maintained. It is this balanced mental condition that then becomes the main driver for achieving optimal performance. Without support that creates inner peace, it is difficult to maintain the high performance of Gen Z marketers.

Conversely, the results of the study show that work-life balance acts as a mediator in the relationship between organizational support and employee performance. Strong organizational support helps employees achieve a balance between work and personal life, which ultimately drives improved performance. These findings confirm that work-life balance is an important mechanism that explains how organizational support can translate into better

performance. Social exchange theory and organizational support explain that employees tend to reciprocate the support they receive from both the organization and their superiors with positive attitudes and behaviors, including improved performance (Zahoor, Sair, & Sabir, 2025; Kızıl, 15 C.E.). Furthermore, Özgül, Erkmén, & Karaarslan (2020) state that organizational support is a work resource that helps reduce tension between work demands and personal life, thereby strengthening work-life balance and performance. Implicitly, banking organizations need to build a support system that is integrated with work-life balance policies in order to achieve optimal and sustainable employee performance.

CONCLUSION

This study concludes that Flexible Working Space does not have a significant effect on the Work Life Balance or performance of Generation Z employees in the banking sector in Lumajang City. On the contrary, organizational support has been proven to have a positive and significant effect on Work Life Balance and employee performance. In addition, Work Life Balance plays an important role in improving employee performance and mediating the relationship between organizational support and employee performance. These findings indicate that in the context of regional banking, the quality of organizational support is more decisive for work-life balance and employee performance than the flexibility of workspaces.

RECOMMENDATIONS

Banking companies are advised to prioritize strengthening organizational support by improving leadership quality, clarifying work policies, and providing adequate facilities and training. Additionally, organizations need to manage workloads realistically to support the creation of employee work-life balance, without solely focusing on the implementation of flexible workspaces.

REFERENCE

- Abrori, I., Rizki, V. L., Qastalano, R. I., & Nugroho, R. A. (2025). Employer Branding and Person-Organization Fit in Building Career Intention Gen Z. *Al-Kharaj: Journal of Islamic Economic and Business*, 7(4). <https://doi.org/https://doi.org/10.24256/kharaj.v7i4.8028>
- Ali, H., & Kusdiyanto. (2024). The Effect Of Flexible Work Space And Work Discipline On Work Productivity (Study On Employees In The City Of Surakarta). *Journal Economic Resources (JER)*, 7(2), 148–165.
- Ananda, A. (2024). The Influence of Flexible Work on Work-Life Balance and Employee Performance in Human Resource Management. *Devotion : Journal of Research and Community Service*, 5(2), 335–340. <https://doi.org/10.59188/devotion.v5i2.689>
- Anhar, R. A., Suryaningsih, A., & Fadillah, R. N. P. (2023). Pengaruh fleksibilitas jam kerja dan work life balance terhadap peningkatan produktivitas karyawan Gen Z. *Jurnal Manajemen Dan Bisnis Ekonomi*, 3(1).
- Ariyanti, V. M. D., & Rijanti, T. (2022). Pengaruh Kepemimpinan Transformasional, Dukungan Organisasi, dan Self Efficacy Terhadap Kinerja Karyawan pada PERUMDA Air Minum Banyuwili Kabupaten Rembang Vita. *SEIKO : Journal of Management & Business*, 5(2), 60–70.
- Basnet, D., Shah, S., & Subedi, D. P. (2024). Effect of perceived workplace support on employee job performance with the moderating role of self-efficacy in Nepalese commercial banks. *IDJINA: An Interdisciplinary Journal of Innovation in Nepalese Academia*, 3(1), 105–122. <https://doi.org/https://doi.org/10.3126/idjina.v3i1.70285>
- Bernard, S. (2025). Remote work and employees' productivity in Nigerian commercial banks: Evidence from Calabar, Cross River State. *Afropolitan Journal of Management and Business Research*, 20(1), 549–571. <https://doi.org/10.62154/ajmbr.2025.020.01038>
- Darupaksi, S. (2021). Pengaruh Dukungan Organisasi, Kesesuaian Nilai Dan Employee Resilience Terhadap Komitmen Organisasi Pd Bpr Bkk Purwokerto. *Jurnal Ekonomi, Bisnis, Dan Akuntansi*, 22(4), 457–467. <https://doi.org/10.32424/jeba.v22i4.1770>

- Dhand, S., Kar, R., Singh, A., Pathak, U. K., Pandey, A., Subramanian, J., & Randhawa, S. K. (2025). *Transformational HR for Generation Z: Gig Economy Efficiency and Adaptability*. In M. Yadav, A. Pandey, & G. Huçooree (Eds.), *Global Work Arrangements and Outsourcing in the Age of AI*. IGI Global Scientific Publishing. <https://doi.org/10.4018/979-8-3373-1270-5.ch022>
- Dousin, O., Collins, N., & Kler, B. K. (2019). Work–life balance, employee job performance and satisfaction among doctors and nurses in Malaysia. *International Journal of Human Resource Studies*, 9(4), 306–319. <https://doi.org/https://doi.org/10.5296/IJHRS.V9I4.15697>
- Fisher, G. G., Bulger, C. A., & Smith, C. S. (2009). Beyond Work and Family: A Measure of Work/Nonwork Interference and Enhancement. *Journal of Occupational Health Psychology*, 14(4), 441–456. <https://doi.org/10.1037/a0016737>
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & S. (2022). *Partial Least Squares Structural Equation Modeling*.
Hair, J.F., Hult, G.T.M., Ringle, C.M., Sarstedt, M., Danks, N.P., & Ray, S. (2021). *Partial Least Squares Structural Equation Modeling (PLS- SEM) Using R, Practical Assessment, Research and Evaluation*.
- Idrovo, A. M. D. V., Avolio, B., & Carlier, S. (2021). The relationship between telework, job performance, work–life balance and family supportive supervisor behaviours in the context of COVID-19. *Global Business Review*. <https://doi.org/https://doi.org/10.1177/09721509211049918>
- Irawati, E. (2019). Welcoming Flexible Working Arrangement for ASN. *Policy Analysis Journal*, 3(1), 108–113.
- Kattenbach, R., Demerouti, E., Nachreiner, F. (2010). Flexible working times: Effects on employees' exhaustion, work-nonwork conflict, and job performance. *Career Development International*, 15(3), 279–295. <https://doi.org/https://doi.org/10.1108/13620431011053749>
- Kızıl, S. (15 C.E.). The effect of the perception of organizational support and work–family conflict on the job performance of female employees: A mediated model. *Kafkas Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 30(514–534). <https://doi.org/https://doi.org/10.36543/kauibfd.2024.020>
- Kolot, A. M., & Herasymenko, O. A. (2020). Generation Z and socio-labor platform “Work 4.0”: Interaction imperatives. *Demography and Social Economy*, 2, 103–138. <https://doi.org/https://doi.org/10.15407/DSE2020.02.103>
- Kurniawan, R. A., Krisnandi, H., Digidowiseiso, K., & Yaakop, A. Y. (2024). The Effect of Flexible Working Space, Flexible Working Hours and Self Efficacy on The Performance of Interior Designers in South Jakarta. *International Journal of Social Service and Research*, 4(01), 332–343. <https://doi.org/10.46799/ijssr.v4i01.701>
- Ma'ruf, F. (2025). Analisis Work Life Balance, Motivasi Kerja dan Lingkungan Kerja terhadap Kinerja Karyawan. *RIGGS: Journal of Artificial Intelligence and Digital Business*, 4(2), 1677–1682. <https://doi.org/10.31004/riggs.v4i2.726>
- Mahardika, R., Putri, A. R., & Nugroho, S. (2025). Work-life balance, fleksibilitas kerja, dan preferensi kerja Generasi Z di Indonesia. *Collabryzêk Journal of Social Sciences*, 2(1), 15–27.
- Mollah, M. A. ., Amin, M. B., Mia, M. J. ., Shakil, R. M. ., & Rahaman, M. A. (2025). Digital Leadership and Organizational Performance in the Post COVID-19: Mediating Roles of Human Capital Development and Technological Innovation. *Journal of Risk Analysis and Crisis Response*, 15(1). <https://doi.org/https://doi.org/10.54560/jracr.v15i1.569>
- Özgül, B., Erkmen, T., & Karaarslan, E. (2020). Algılanan örgütsel destek ile örgütsel bağlılık ilişkisinde iş–yaşam dengesinin aracılık rolü üzerine bir araştırma. *Business and Management Studies: An International Journal*, 8(5), 4364–4412. <https://doi.org/https://doi.org/10.15295/BMIJ.V8I5.1630>
- Permana, Y. S. W. P., & Mujanah, S. (2019). Analisis Pengaruh Budaya Organisasi, Dukungan Organisasional dan Sistem Penilaian Kinerja Terhadap Kinerja Karyawan Melalui Organizational Citizenship Behavior di Bank Jatim. *Management & Accounting Research Journal Global*, 04(01), 1–14.

- Piecuch-Jodłowiec, J. (2024). *Adapting HRM Practices for Generation Z with a Human-centric Management Approach to Mental Health and Employee Development*. In M. Stor (Ed.), *Human at the Center of the Organization: Visions, Realities, Challenges*. Publishing House of Wrocław University of Economics and Business. <https://doi.org/https://doi.org/10.15611/2024.59.8.07>
- Rhoades, L., & Eisenberg, R. (2008). Perceived Organizational Support: A Review of the Literature. *Journal of Applied Psychology*, 4(87), 698–714.
- Rizki, V. L., Abrori, I., Muttaqien, F., & Irwanto, J. (2023). *Emotional Intelligence, Motivation as a Determinant of Employee Performance* (Issue Tcecis). Atlantis Press International BV. https://doi.org/10.2991/978-94-6463-346-7_41
- Rizki, V. L., Fadah, I., Komang, I., & Permadi, O. (2025). Peran Green HRM dan Dukungan Organisasi terhadap Kepuasan Kerja melalui Organizational Citizenship Behavior. *YUME : Journal of Management*, 8(1), 1006–1014.
- Robbins, Stephen P., T. A. J. (2016). *Perilaku Organisasi Edisi 16*. Salemba Empat.
- Roopavathi, S., & Kishore, K. (2021). ISSN NO : 0022-1945 The Impact Of Work Life Balance On Volume XII , Issue X , October / 2020 Page No : 31. *Journal of Interdisciplinary Cycle Research*, XII(April), 31–37.
- Rosén, L., & Bergqvist, F. (2016). *Dold styrning och disciplinerade känslor: En kvalitativ studie om medarbetares upplevelser av flexibelt arbete*. <http://uu.diva-portal.org/smash/get/diva2:894044/FULLTEXT01>
- Siddique, M. A., & Islam, M. R. (2023). Relational coordination among service providers: Impact of HPWS on functional and unit-level banking performance. *International Journal of Strategic Decision Sciences*, 14(1), 1–17. <https://doi.org/https://doi.org/10.4018/IJSDS.318449>
- Soliman, I. (2025). *Only one in 10 Gen Z workers want full-time office work, study finds*. *People Management*. <https://www.peoplemanagement.co.uk/article/1907101/one-10-gen-z-workers-want-full-time-office-work-study-finds>
- Talukder, A. K. M., Vickers, M., & Khan, A. M. (2018). Supervisor support and work-life balance: Impacts on job performance in the Australian financial sector. *Personnel Review*, 47(3), 727–744. <https://doi.org/https://doi.org/10.1108/PR-12-2016-0314>
- The Times. (2023). *The Times Generation Z Project: Attitudes to work and lifestyle*. Aeen: Asociacion Espanola de Escuelas de Negocios. https://www.aeen.org/data-shows-that-generation-z-is-leading-the-return-to-the-office/?utm_source=chatgpt.com
- Tiwari, N., Gohain, K., Kedia, R., & Jain, D. C. (2025). Balancing work and life: A key to employee performance and well-being. *International Journal for Multidisciplinary Research*, 7(4). <https://doi.org/https://doi.org/10.36948/ijfmr.2025.v07i04.54804>
- Urrejola-Contreras, G. P. (2023). Relationship between mental fatigue and burnout syndrome in remote workers during the COVID-19 pandemic: An integrative review. *Revista Brasileira de Medicina Do Trabalho*, 21(3). <https://doi.org/https://doi.org/10.47626/1679-4435-2022-1003>
- Wolor, C. W., Solikhah, S., Fidhyallah, N. F., & Lestari, D. P. (2020). Effectiveness of work-life balance on employee performance. *Management Science Letters*, 10(13), 3119–3126. <https://doi.org/https://doi.org/10.5267/j.msl.2020.5.003>
- Yavas, U., & Babakus, E. (2010). Relationships between organizational support, customer orientation, and work outcomes: A study of frontline bank employees. *International Journal of Bank Marketing*, 28(3), 222–238. <https://doi.org/https://doi.org/10.1108/02652321011036477>
- Yogaist, I., Hendra, & Lukito, H. (2022). The Influence of Flexible Working Space and Work-Life Balance on Employee Performance with Gender as Moderation. *Budapest International Research and Critics Institute-Journa*, 5(3), 19686–19696.
- Zahoor, Q., Sair, S. A., & Sabir, S. A. (2025). Exploring the Sequential Pathways of Work-Life Balance and Effort. *The Critical Review of Social Sciences Studies*, 3(1), 2238–2253. <https://doi.org/https://doi.org/10.59075/7zvn8a41>

Zebua, T. N., Lumbanraja, P., Gultom, P., & Utara, U. S. (2025). *the Effect of Flexible Working Space (Fms) on Employee Performance With Job Satisfaction As a Mediating Variable At the Bps-Statistics in Deli.* 1–10.