
THE ROLE OF EMPLOYEE ENGAGEMENT AND FLEXIBLE HRM IN IMPROVING EMPLOYEE PERFORMANCE



Afiza¹

Universitas Internasional Batam, Batam, Indonesia
2241210.afiza@uib.edu

Adi Neka Fatyandri²

Universitas Internasional Batam, Batam, Indonesia
adi.neka@uib.ac.id

Evi Silvana Muchsinati³

Universitas Internasional Batam, Batam, Indonesia
evi@uib.ac.id

Abstract

Employee performance is a critical factor for maintaining organizational competitiveness, particularly in specialized service industries such as maritime safety equipment inspection. Employee engagement and flexible human resource management (FHRM) are often considered key drivers of improved job performance. While previous studies have examined the relationship between employee engagement and flexible HR practices, most have focused on sectors such as information technology. Limited research has explored these relationships in the maritime safety service sector, particularly in Indonesia. The study employed a quantitative research method using non-probability sampling with accidental sampling approach. Data were collected from 170 employees across five ship safety equipment inspection companies in Batam (PT Global Marine Safety, PT Sucofindo, PT Devin Marine Safety, PT Mulia Safety Service, and PT Cahaya Samudra Marine). The research utilized PLS-SEM analysis with SmartPLS application, measuring variables through a 10-point Likert scale questionnaire distributed online from November 2024 to January 2025. The results demonstrate that all variables (employee engagement, flexible human resource management, and job performance) exhibit high validity and reliability. Direct path analysis reveals that employee engagement significantly influences both FHRM ($\beta = 0.595, p < 0.001$) and job performance ($\beta = 0.545, p < 0.001$). However, FHRM does not significantly affect job performance directly ($\beta = 0.211, p = 0.093$) and fails to function effectively as a mediator between employee engagement and job performance ($\beta = 0.126, p = 0.069$). This study extends the literature by examining employee engagement and FHRM in the maritime safety sector in Indonesia. The findings suggest that employee engagement plays a more direct and dominant role in enhancing job performance than flexible HR practices. Organizations in specialized service industries should therefore prioritize strategies that strengthen employee engagement to improve performance outcomes.

Keywords: Employee Engagement, Work Performance, Flexible Human Resource Management, Batam

INTRODUCTION

Batam City is an archipelagic city located in the Riau Islands, surrounded by small islands (Novia Rizki & Tipa, 2019). Batam City is located on a very strategic shipping route, which attracts investors and the labor market to invest in Batam City (Utomo et al., n.d.). Companies that provide ship safety equipment inspection services play an important role in ensuring safety at sea. In this industry, employee performance is very important because their work directly impacts safety. In improving performance, employee engagement is a very important factor because it is related to commitment and the desire to do a good job. Employee engagement can improve service quality and work efficiency, which ultimately contributes to the overall performance of the company (Sekhar et al., 2018a).

This relationship can be explained through Social Exchange Theory (SET), which posits that relationships between employees and organizations are based on reciprocal exchanges of resources and support. When employees perceive that the organization provides supportive policies, fair treatment, and opportunities for growth, they are more likely to reciprocate through positive attitudes, stronger engagement, and higher performance. Within this framework, human resource practices such as flexible HR management can be viewed as organizational investments that encourage employees to respond with greater commitment and effort.

At the end of 2021, a former employee of PT Sucofindo Batam Branch sued the company at the Tanjungpinang Industrial Relations Court (PHI) for being unilaterally dismissed after 13 years of service without receiving the severance pay required by law. PT Sucofindo only offered a settlement far below the required amount, starting at IDR 5 million and then increasing to IDR 15 million, which was far from the legal obligation, even though the Batam Manpower Office assessed that he was entitled to IDR 136 million (Roland, 2021). This case shows that management does not support the protection of employee rights and that workers are not involved in strategic decision-making. This relationship can be explained through Social Exchange Theory (SET), which posits that relationships between employees and organizations are based on reciprocal exchanges of resources and support. When employees perceive that the organization provides supportive policies, fair treatment, and opportunities for growth, they are more likely to reciprocate through positive attitudes, stronger engagement, and higher performance. Within this framework, human resource practices such as flexible HR management can be viewed as organizational investments that encourage employees to respond with greater commitment and effort.

Previous research (Sekhar et al., 2018b) tested three main hypotheses emphasizing the linkage between Employee Engagement and Job Performance with Flexible Human Resource Management as a mediating variable in the context of the IT industry in India. Previous research results indicate that FHRM is an important factor that mediates the connection between employee engagement and performance, but empirical support is still relatively limited to certain industries and countries. This study tests a similar model in a different context, namely the ship safety equipment inspection service sector in Batam, Indonesia, and also expands the research model by adding a fourth hypothesis that separates the testing of the direct influence of FHRM on employee performance from the mediating role of FHRM. Thus, this study not only expands the study framework into various industries and national settings, but also provides a more detailed analysis of the role of FHRM both as an independent variable and as a mediator in influencing employee performance. The present

study was carried out to tackle the issues of improving work effectiveness and competitiveness in an increasingly competitive industrial environment, where good employee engagement can increase motivation and work quality, which has a positive impact on company performance (Sari & Hadijah, 2016). Flexibility in implementing HRM allows companies to adapt to employee needs and preferences, which has been proven to increase motivation and work discipline (Idrus et al., 2021).

REVIEW OF LITERATURE

Social Exchange Theory

This study is grounded in Social Exchange Theory (SET), which explains how relationships between employees and organizations develop through reciprocal exchanges of resources and support. According to this theory, when employees perceive favorable organizational treatment—such as supportive leadership, fair policies, or flexible work arrangements—they feel obligated to reciprocate through positive behaviors, including higher engagement, commitment, and improved job performance. In the context of human resource management, flexible HR practices can be interpreted as organizational resources that signal trust and support toward employees. In return, employees respond with greater engagement and dedication to their work, which can ultimately enhance individual and organizational performance. Therefore, SET provides an appropriate theoretical foundation for understanding how employee engagement and flexible HR management influence job performance.

Flexible Human Resource Management

FHRM (Flexible Human Resource Management) is a management practice that directly or indirectly affects the skills, behavior, and learning capacity of employees. This is achieved through adaptive management such as flexible adjustments to employee structure, work methods, training programs, and incentive plans (Chen & Li, 2015). FHRM (Flexible Human Resource Management) can impact job performance by influencing the level of individual participation in the work environment. In other words, FHRM policies or practices implemented in a company can make employees more engaged or feel more connected to their work. Engaged employees tend to be more enthusiastic and have a deeper emotional attachment to their work. Because they feel more committed, they usually perform activities outside their main responsibilities or officially assigned tasks. This is known as contextual performance, which refers to activities that are not listed in the official job description but still have a positive impact on the work atmosphere, such as helping colleagues or showing more initiative (Sekhar et al., 2018b).

Employee Engagement

Employee engagement is a crucial factor for success, as revealed in various studies. This study investigates various aspects of employee participation in diverse contexts. Thus, there is no single definition that explains employee engagement as the extent to which they are involved in and pay attention to their work. This view is supported by the fact that employee participation is a process of integrating employees into specific job positions. Employee participation reflects an employee's positive attitude toward the organization and their initiative in achieving organizational goals (Otoo & Rather, 2024).

Job Performance

Job characteristics are one of many factors that influence work performance, which has been proven to have a significant correlation with an individual's performance improvement (Wirastuti et al., 2023). Other studies show that job satisfaction has a significant positive correlation with employee performance; employees who are satisfied with their jobs tend to be more productive and efficient (Farsole, 2023). A multidimensional approach that considers personal elements, work environment, and job design is very important to increase employee productivity in addition to organizational and individual factors (Song, 2024). Even psychological elements such as mental availability and the ability to adapt to work also play an important role in consistently improving work performance (Pala'langan1 & Satrya2, 2023).

Hypothesis Development

A study shows that high employee engagement can significantly improve employee performance in various industrial sectors (K et al., 2023). Other studies also show that strong employee engagement can provide employees with self satisfaction in achieving organizational goals and demonstrate high performance (Mishra & Biswal, 2024) Research in Oman also shows various factors that can encourage employee engagement, such as organizational support and reward systems that directly improve employee performance at all management levels (Al-Haziati, 2024). In the automotive industry, there is a significant correlation between employee engagement and better performance perceptions. This shows that engagement is very important for work output (Mahusay & Cornelio, 2024).

Hypothesis 1 (H1): Employee engagement has a positive effect on job performance.

Work flexibility in modern workplaces not only increases employee engagement, but is also essential for maintaining productivity and loyalty (GP, 2022). Flexible work policies have been shown to enhance human resource management efficiency by creating a work environment that supports work-life balance and strengthens employees' emotional attachment (Yamin & Pusparini, 2022). Other studies also indicate that employee engagement has a significant influence on innovation and work efficiency across various industrial sectors (Salmah et al., n.d.). Therefore, the level of employee participation in an organization is proportional to the company's ability to develop flexible and adaptive HRM strategies (Fitriani & Widhianto, 2024). Employee engagement has been proven to be an important component in building a flexible HRM system across various business sectors. Studies show that employee engagement acts as a mediator in the relationship between work flexibility and performance improvement, confirming its crucial role in the implementation of Flexible Human Resource Management (FHRM) strategies (Shilpakar et al., 2024). Additional research indicates that employee engagement can further strengthen the impact of HR flexibility on employee creative performance, particularly in dynamic and technology-based industries (Parveen & Rizq, 2024).

Logically, high employee engagement reflects active participation, strong emotional commitment, and meaningful contributions from employees within the organization. Engaged employees are more likely to provide feedback, share ideas, and express their needs regarding more effective and flexible ways of working. This, in turn, encourages organizations to respond by developing more adaptive HR practices, such as flexible work arrangements, hybrid systems, and dynamic performance management. Moreover, organizations with high levels of employee engagement are more motivated to sustain and

enhance that engagement by creating supportive work environments, including the implementation of Flexible Human Resource Management (FHRM). In this sense, employee engagement is not only an outcome of flexible policies but also a key driver that pushes organizations to continuously develop and refine flexible and responsive HR practices. Therefore, it can be concluded that higher employee engagement leads to a stronger drive for organizations to implement and develop FHRM. Hence, the following hypothesis is proposed:

Hypothesis 2 (H2): Employee engagement has a positive effect on FHRM.

Flexible Human Resource Management (FHRM) represents a tactical method to workforce management that emphasizes an company's ability to adapt to change and employee needs. Research has shown that work flexibility significantly improves employee performance because they feel more satisfied with their jobs and experience less work-related stress (Mandalahi et al., 2024). In the logistics industry, flexible work systems are demonstrated to increase employee satisfaction (Amrin & Abadi, n.d.). According to other studies, work flexibility has a beneficial effect on work-life balance and employee performance, making FHRM an important practice for increasing work productivity (Ananda, n.d.). According to a meta-analysis conducted across various industries, a significant is a strong correlation between work flexibility and improved performance, job satisfaction, and commitment to the organization (Çivilidağ & Durmaz, 2024). Flexible Human Resource Management (FHRM) enables organizations to support optimal employee performance and respond quickly to change. Studies show that work flexibility improves employee performance, particularly by helping maintain balance and reduce stress in the workplace (Mandalahi et al., 2024).

Hypothesis 3 (H3): Flexible human resource management has a positive effect on employee performance.

Previous research show that employee engagement in FHRM practices serves as an crucial link between organizational flexibility strategies and increased employee productivity (Kavitha SR, 2025). According to Liu et al. (2024), engagement is an important component in optimizing the connection between flexibility components and job outcomes in digital and dynamic environments. Additional studies in the Indonesian startup industry found that work flexibility indirectly improves team performance through collaboration and support from superiors (Pradipta & Martdianty, 2023). According to Suparman (2024), engagement is an important factor in identifying how flexible work systems impact better productivity levels for employees in the manufacturing industry. According to Zhang (2024), he found that positive flexible HR practices improve employee performance through engagement as a mediating variable. Additionally, research conducted on Indonesian public companies (5 public) shows that employee engagement bridges the connection between human resource development and work enthusiasm, which impacts better organizational performance levels (Kurniawan et al., 2024).

Hypothesis 4 (H4): Flexible Human Resource Management as a mediator between employee engagement and job performance.

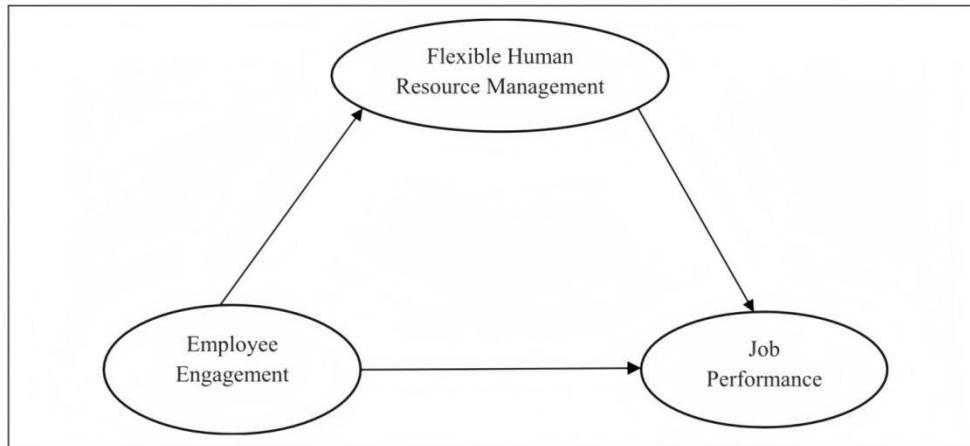


Figure 1. Research Model

RESEARCH METHOD

This study employed a quantitative research design to examine the relationships between employee engagement, Flexible Human Resource Management (FHRM), and job performance among employees working in ship safety equipment inspection service companies in Batam. The research involved 170 employee respondents from five companies operating in the maritime safety inspection sector, namely PT Global Marine Safety, PT Sucofindo, PT Devin Marine Safety, PT Mulia Safety Service, and PT Cahaya Samudra Marine. These companies play an important role in ensuring the safety and compliance of ship equipment inspections within the maritime industry. Based on the demographic profile, the sample was dominated by young workers, particularly those aged between 21–26 years, indicating that the workforce in this sector is largely composed of early-career employees.

The sampling technique used in this study was non-probability sampling with an accidental sampling approach, where respondents were selected based on their accessibility and willingness to participate in the research (Sugiyono, 2015). This approach was chosen due to the limited accessibility to complete employee lists and operational constraints within the participating companies. Although probability sampling methods such as stratified or random sampling could provide stronger representativeness, the accidental sampling technique allowed the researcher to obtain sufficient data within the available time and organizational access. Respondents who voluntarily completed the questionnaire were included as participants in the study.

The determination of the sample size followed the guidelines for Partial Least Squares Structural Equation Modeling (PLS-SEM) proposed by Hair et al. (2014), which recommend a minimum sample size of five to ten times the number of measurement indicators used in the research model. This study used a total of 17 indicators across the three research variables. Therefore, the minimum recommended sample size was calculated as $17 \times 10 = 170$ respondents, which was considered adequate for conducting PLS-SEM analysis.

Data were collected through a structured questionnaire distributed online using Google Forms between November 2024 and January 2025. The questionnaire was distributed to employees regardless of their job position in order to capture broader perspectives within the organization. The measurement instrument consisted of several statements designed to

measure the research variables, including Employee Engagement (EE), Flexible Human Resource Management (FHRM), and Job Performance (JP). The items used in the questionnaire were adapted from established instruments in previous studies, with modifications to suit the context of ship safety equipment inspection service companies, thereby ensuring content validity and relevance to the research setting. The employee engagement variable was measured using eight indicators, flexible human resource management using four indicators, and job performance using five indicators.

Responses to the questionnaire were measured using a 10-point Likert scale, ranging from 1 (strongly disagree) to 10 (strongly agree). The use of a 10-point scale was intended to provide greater sensitivity in capturing respondents' perceptions and to allow a wider variation in responses. Each indicator was presented in coded form to facilitate the process of data classification and analysis.

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the support of the SmartPLS 4 software application. The data analysis process consisted of two main stages. The first stage involved the evaluation of the measurement model (outer model), which aimed to assess the validity and reliability of the research constructs. Convergent validity was evaluated using factor loading values greater than 0.60 and Average Variance Extracted (AVE) values of at least 0.50. Reliability was assessed through Cronbach's Alpha values greater than 0.60 and Composite Reliability values greater than 0.70, following the criteria suggested by Hair et al. (2014).

The second stage involved the evaluation of the structural model (inner model) to test the relationships between variables and examine the proposed hypotheses. This stage included analyzing path coefficients (β), T-statistics, and p-values obtained through the bootstrapping procedure in SmartPLS. A relationship between variables was considered statistically significant when the T-statistic value was greater than or equal to 1.96 and the p-value was less than or equal to 0.05 at the 5% significance level (Hair, Sarstedt et al., 2014). Additionally, mediation analysis was conducted to examine whether Flexible Human Resource Management acts as an intermediary variable between employee engagement and job performance.

RESULTS AND DISCUSSION

According to the collected demographics information, most participants in this research consisted of women, at 58.8%, and male respondents numbered 41.2%, indicating relatively balanced gender representation with a predominance of woman participants. In terms of age, most participants fell into the 21-26 age range, accounting for 63.5%, reflecting that the majority of respondents were young workers. The over-30 age group was the smallest, at only 5.9%, indicating that there were few senior employees in this sample. In terms of highest level of education, most respondents were high school graduates at 51.8%, while doctoral graduates were the smallest group at 0.6%, reflecting that the majority of workers in these companies had a secondary education background. Based on company origin, the largest number of respondents came from PT Global Marine Safety at 32.9%, while PT Mulia Safety Service and PT Cahaya Samudra Marine each only accounted for 10% of respondents, indicating the dominance of respondents from one major company. Regarding tenure, most participants had worked for 1-5 years (67.6%), while only 2.4% had worked for more than 10 years, indicating that most of the workforce was in the junior to

mid-level category. Finally, in terms of monthly income, the majority of respondents had an income in the range of IDR 3,000,000-IDR 7,000,000 (72.4%), and only 7.1% had an income of more than IDR 10,000,000, indicating an income distribution that leans towards the lower middle class.

Table 1. Demographic data

Demographics	Number of Respondents	Percentage (%)
Gender		
Female	100	58,8%
Male	70	41,2%
Total	170	100
Age		
18-21 years	37	21,8%
21-26 years	108	63,5%
26-30 years	15	8,8%
.> 30 years	10	5,9%
Total	170	100
Highest level of education		
High School	88	51,8%
Diploma / Bachelor's Degree	77	45,3%
Master	4	2,45
Doctor	1	0,6%
Total	170	100
Place of Work		
PT. Global marine safety	56	32,9%
PT. sucofindo	47	27,6%
PT. Destini marine safety	33	19,4%
PT. Mulia safety service	17	10%
PT. Cahaya samudra marine	17	10%
Total	170	100%
Length of Employment		
< 3 years	115	67,6%
4-6 years	40	23,55
7-9 years	11	6,5%
> 10 years	4	2,4%
Total	170	100
Monthly Income		
< 3.000.000	19	11,2%
3.000.000 - 7.000.000	123	72,4%
7.000.000 - 10.000.000	16	9,4%
> 10.000.000	12	7,1%

Total	170	100
--------------	------------	------------

*Source: Processed Data (2025)

The questionnaire in this study was independently developed by the researcher and distributed online via using Google Forms from November 2024 to January 2025. To measure the indicators for each variable, a 10-point Likert scale was used, covering statements ranging from strongly disagree, disagree, neutral, agree, and strongly agree. Each indicator was compiled in the form of statements presented in a coded format to facilitate data grouping. The independent variable in this study was coded EE (Employee Engagement), and the dependent variable was coded JP (Job Performance), while the mediating variable was coded FHRM (Flexible Human Resource Management). All variables were measured through a series of structured questions that had been tailored to the research objectives.

Validity Test Results

Table 2. Outer loading and AVE (Average variance extracted)

Variable Name	Setting Item	Outer Loading's	A	CR	AVE
Employee engagement	EE1	0,780	0,887	0,910	0,560
	EE2	0,800			
	EE3	0,813			
	EE4	0,787			
	EE5	0,703			
	EE6	0,621			
	EE7	0,759			
	EE8	0,704			
Flexible human resource management	FHRM1	0,805	0,786	0,862	0,609
	FHRM2	0,784			
	FHRM3	0,750			
	FHRM4	0,782			
Job performance	JP1	0,780	0,807	0,866	0,564
	JP2	0,761			
	JP3	0,743			
	JP4	0,693			
	JP5	0,776			

*Source: SmartPLS 4, Processed data, 2025

Based on the analysis results, it is stated that all research constructs are valid and have good reliability. Overall, the measurement instrument has convergent validity and adequate reliability, as the factor loading values for all items are greater than 0.6. The Composite

Reliability (CR) value is greater than 0.7, and the Average Variance Extracted (AVE) value mostly meets the minimum value of 0.5 (Hair, William, et al., 2014).

Reliability Test Results

Table 3. Cronbach’s and Composite Reliability

Variable	Cronbach’s	Composite Reliability	Description
Employee Engagement	0,887	0,910	Reliable
Flexible Human Resource Management	0,786	0,862	Reliable
Job Performance	0,807	0,866	Reliable

* Source: SmartPLS 4, Processed data, 2025

Based on the reliability test results, the variables of employee engagement, flexible human resource management, and job performance have a Cronbach's alpha >0.6, which can be considered reliable, and have a composite reliability >0.7, which can also be considered reliable. This means that all three variables have good consistency and reliability (Hair, William, et al., 2014). This indicates that the company's management system has been working well in terms of employee engagement, flexible human resource management, and supporting employee performance. With a high level of employee engagement, the company can build emotional involvement and commitment among employees towards their work. Flexible human resource management also allows the company to adapt to changes and different employee needs.

Inner Model

Table 4. Direct effect

Indicator	Path Coefficients	T Statistic	P Value	Result
EE → FHRM	0,595	7,219	0,000	Supported
EE → JP	0,545	4,201	0,000	Supported
FHRM → JP	0,211	1,679	0,093	Not supported

*Source: SmartPLS 4, Processed data, 2025

The results of the analysis show that of the three hypothesized pathways, two have strong empirical support, while one has weak support. The EE → FHRM ($\beta = 0.595$, $p < 0.001$) and EE → JP ($\beta = 0.545$, $p < 0.001$) pathways proved to be significant with high T-statistic values and substantial effects. However, the FHRM → JP path ($\beta = 0.211$, $p = 0.093$) only has marginal significance with a p-value exceeding 0.05 but still below 0.10, which in some fields of research can still be considered an indication of a relationship, albeit with a

lower level of confidence (Hair, Sarstedt, et al., 2014). This means that the system in the company focuses more on the level of employee engagement to improve HR flexibility and work performance. This means that employee engagement is a factor that directly influences two important aspects in the organization. HR flexibility is important, but it is not enough to directly influence performance without their active involvement.

Table 5. Indirect effect

	Original Sample (o)	T statistic	P value	Result
EE → FHRM → JP	0,126	1,817	0,69	Not supported

Source: SmartPLS 4, Processed data, 2025

This path yields a T-statistic value of 1.817, which is below the critical threshold, thus categorized as "Not Supported." The p-value of 0.069 confirms that this mediating effect is not significant at the conventional 95% confidence level ($\alpha = 0.05$), although this value is close to marginal significance (Hair, Sarstedt, et al., 2014). These results indicate that FHRM does not effectively mediate the relationship between EE and JP, suggesting that the influence of EE on JP is likely to occur more through a direct path than through FHRM mediation.

Heterotrait-Monotrait Ratio (HTMT)

Table 6. Heterotrait-Monotrait Ratio (HTMT)

	Employee Engagement	Flexible Human Resource Management	Job Performance
Employee Engagement			
Flexible Human Resource Management	0,705		
Job Performance	0,778	0,659	

Source: SmartPLS 4, Processed data, 2025

The results of the Heterotrait-Monotrait Ratio (HTMT) analysis show that all values are below the recommended threshold of 0.90. Specifically, the HTMT value between Employee Engagement and Flexible Human Resource Management is 0.705, between Employee Engagement and Job Performance is 0.778, and between Flexible Human Resource Management and Job Performance is 0.659. These values indicate that the correlations between constructs are within acceptable limits and do not exceed the critical threshold. Therefore, it can be concluded that discriminant validity has been successfully established for all constructs in this study. This means that each variable—Employee Engagement, Flexible Human Resource Management, and Job Performance—represents a distinct concept and is not overlapping with one another. As a result, the measurement model is considered valid, and further analysis, such as hypothesis testing, can be conducted with confidence.

Discussion

The findings indicate that employee engagement significantly influences both Flexible Human Resource Management ($\beta = 0.595$, $p < 0.001$) and job performance ($\beta = 0.545$, $p < 0.001$). This result supports Social Exchange Theory, which suggests that when employees feel psychologically connected to their work and organization, they reciprocate with higher levels of commitment and performance. The strong direct relationship between employee engagement and job performance is consistent with previous studies showing that engaged employees demonstrate greater motivation, initiative, and productivity (Mishra & Biswal, 2024; K et al., 2023). In the context of ship safety inspection services, employee engagement may be particularly important because the nature of the work requires high levels of attention, responsibility, and safety compliance. However, the study found that Flexible Human Resource Management does not significantly affect job performance ($\beta = 0.211$, $p = 0.093$). This finding differs from several previous studies that reported positive effects of flexible work practices on employee productivity (Çivilidağ & Durmaz, 2024; Mandalahi et al., 2024).

One possible explanation is that the maritime inspection service sector may operate under strict operational procedures and regulatory standards, which limit the extent to which flexible HR practices can influence employee performance. In such environments, performance may depend more on professional competence, technical skills, and safety protocols than on work flexibility. Furthermore, the mediation analysis shows that FHRM does not significantly mediate the relationship between employee engagement and job performance. This suggests that employee engagement influences performance primarily through a direct psychological mechanism rather than through HR flexibility policies. This finding contributes to the literature by challenging the commonly assumed mediating role of FHRM, particularly in industries where operational structures are relatively rigid.

Managerial Implications

The findings provide several important implications for managers in the maritime safety inspection sector. First, organizations should prioritize strategies that strengthen employee engagement, such as recognition programs, participatory decision-making, and supportive leadership practices. These initiatives can increase employees' emotional connection to their work and encourage higher performance. Second, although flexible HR policies are often considered beneficial, this study suggests that flexibility alone may not directly improve performance in highly regulated operational environments. Managers should therefore combine flexibility policies with clear work procedures, competency development, and performance management systems. Third, companies operating in ship safety inspection services should invest in continuous training and professional development, as employee competence and safety awareness are likely to play a more important role than flexibility in determining performance outcomes.

CONCLUSION

Based on the analysis results, all research variables, namely employee involvement, flexible human resource management, and work performance, have high validity and reliability levels. For each variable, all indicators have met the outer loading value above the threshold. The Composite Reliability (CR) and Average Variance Extracted (AVE) values are also in the good category, indicating that the instruments used are appropriate and

consistent. The results of the direct effect analysis show that employee engagement has a significant effect on flexible human resource management and work performance, with a p -value < 0.05 . However, the indirect effect also shows that flexible human resource management does not have a direct effect on work performance and does not function as an effective mediator in the relationship between employee engagement and work performance. This indicates that employee engagement is the main factor that directly drives improved work performance, while flexibility in human resource management does not yet function as an effective mediator.

Limitation

This study has several limitations that should be acknowledged. First, the study used non-probability accidental sampling, which may limit the generalizability of the findings. Future research should consider using probability sampling techniques such as stratified or random sampling to obtain a more representative sample. Second, the data were collected using a cross-sectional research design, which limits the ability to establish causal relationships between variables. Longitudinal research designs could provide stronger insights into how employee engagement and HR practices influence performance over time. Third, the study focused only on three main variables, while other important factors such as leadership style, organizational culture, job satisfaction, and motivation may also influence employee performance. Finally, the use of a self-reported questionnaire may introduce potential response bias. Future studies may combine survey data with qualitative interviews or objective performance indicators.

Recommendations

Transformational leadership, organizational culture, motivation, and job satisfaction are some of the variables that can function as moderators or mediators, so the suggestion for further research is to expand the research model. This is important for to gain a more comprehensive understanding of the mechanisms that influence employee performance. In addition, further research can be conducted in different industrial sectors so that the research results can be generalized more broadly. Further research is also recommended to use a longitudinal design to observe the dynamics of the relationship between variables over a certain period of time, in order to provide higher causal inference power. The application of mixed methods, which combine quantitative analysis with qualitative approaches such as interviews or case studies, can also be carried out to provide a broader picture of employee engagement and flexibility in human resource management.

Future research should consider expanding the research model by incorporating additional variables such as transformational leadership, organizational culture, motivation, and job satisfaction as potential mediators or moderators. These variables may provide a more comprehensive understanding of the mechanisms that influence employee performance. In addition, future studies could examine the relationships between employee engagement and HR flexibility in different industrial sectors, allowing broader generalization of the findings. Researchers are also encouraged to apply longitudinal or mixed-method research designs, combining quantitative analysis with qualitative approaches such as interviews or case studies to gain deeper insights into employee engagement and HR practices.

REFERENCES

- Al-Haziazi, M. (2024). Critical analysis of drivers of employee engagement and their impact on job performance. *SA Journal of Human Resource Management*, 22. <https://doi.org/10.4102/sajhrm.v22i0.2633>
- Amrin, M. J., & Abadi, F. (n.d.). *THE EFFECT OF WORK FLEXIBILITY ON EMPLOYEE PERFORMANCE AND JOB SATISFACTION AS MEDIATION IN A LOGISTICS COMPANY*. <https://binapatria.id/index.php/MBI>
- Ananda, A. (n.d.). *THE INFLUENCE OF FLEXIBLE WORK ON WORK-LIFE BALANCE AND EMPLOYEE PERFORMANCE IN HUMAN RESOURCE MANAGEMENT*. <http://devotion.greenvest.co.id>
- Chen, J., & Li, W. (2015). *IFIP AICT 449 - The Relationship between Flexible Human Resource Management and Enterprise Innovation Performance: A Study from Organizational Learning Capability Perspective*.
- Çivilidağ, A., & Durmaz, Ş. (2024). Examining the relationship between flexible working arrangements and employee performance: a mini review. In *Frontiers in Psychology* (Vol. 15). Frontiers Media SA. <https://doi.org/10.3389/fpsyg.2024.1398309>
- Farsole, Dr. A. (2023). The Relationship Between Job Satisfaction and Employee Performance. *INTERANTIONAL JOURNAL OF SCIENTIFIC RESEARCH IN ENGINEERING AND MANAGEMENT*, 07(08). <https://doi.org/10.55041/ijrsrem25487>
- GP, H. (2022). Flexible Working as an Influencer of Employee Engagement Practices. *M S Ramaiah Management Review*, 1–7. <https://doi.org/10.52184/msrmm.v12i01.104>
- Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. In *European Business Review* (Vol. 26, Issue 2, pp. 106–121). Emerald Group Publishing Ltd. <https://doi.org/10.1108/EBR-10-2013-0128>
- Hair, J. F., William, C. B., Barry J., B., & Rolp E, A. (2014). *Multivariate Data Analysis* (7th Edition).
- Idrus, I., Hakim, H., & Kamaruddin, Y. (2021). PENGARUH MOTIVASI KERJA DAN DISIPLIN KERJA TERHADAP KINERJA KARYAWAN. *Journal Industrial Engineering and Management (JUST-ME)*, 2(02), 46–52. <https://doi.org/10.47398/justme.v2i02.17>
- K, S. K., Buhukya, S., Sharma, A., Sachdeva, V., & Sharma, M. (2023). Analyzing the Relationship between Employee Engagement and Job Performance. *Tuijin Jishu/Journal of Propulsion Technology*, 44(4), 1001–4055.
- Kavitha SR. (2025). The Impact of Human Resource Practices on Organizational Performance: The Mediating Role of Work Engagement. *International Research Journal of Multidisciplinary Scope*, 06(01), 213–225. <https://doi.org/10.47857/irjms.2025.v06i01.02661>
- Kurniawan, A., Rismawati, R., Pribadi, I., Aqsa, M., & Duriani, D. (2024). HUMAN RESOURCE DEVELOPMENT'S IMPACT ON WORK SPIRIT THROUGH EMPLOYEE ENGAGEMENT. *International Journal of Entrepreneurship and Management Practices*, 7(27), 337–352. <https://doi.org/10.35631/IJEMP.727027>

- Liu, J., Xu, R., & Wang, Z. (2024). The effects of psychological capital, work engagement and job autonomy on job performance in platform flexible employees. *Scientific Reports*, 14(1). <https://doi.org/10.1038/s41598-024-69484-3>
- Mandalahi, S. H., Damayanti, S., Prasanti, T. A., & Maharani, A. (2024). Impact of Flexible Work Environments on Employee Performance: Mediating Roles of Stress and Work-Life Balance. *Ilomata International Journal of Management*, 5(3), 1042–1061. <https://doi.org/10.61194/ijjm.v5i3.1235>
- Manguerra-Mahusay, S. C., & Cornelio, S. (2024). The Employee Engagement and Job Performance Nexus in a Top Autodealership Company. *Social Science and Humanities Journal*, 8(07), 4335–4348. <https://doi.org/10.18535/sshj.v8i07.1199>
- Matthijs Bal, P., & De Lange, A. H. (n.d.). *From Flexibility HRM to Employee Engagement and Perceived Job Performance across the Lifespan: a Multi-Sample Study*.
- Mishra, A., & Biswal, S. (2024). Employee Engagement: A Key to Improve Performance. *International Research Journal of Multidisciplinary Scope*, 5(2), 122–131. <https://doi.org/10.47857/irjms.2024.v05i02.0386>
- Novia Rizki, S., & Tipa, H. (2019). *PENINGKATKAN KESELAMATAN PELAYARAN DI KOTA BATAM MENGGUNAKAN LOGIKA FUZZY* (Vol. 5, Issue 1).
- Otoo, F. N. K., & Rather, N. A. (2024). Human resource development practices and employee engagement: the mediating role of organizational commitment. *Rajagiri Management Journal*, 18(3), 202–232. <https://doi.org/10.1108/ramj-09-2023-0267>
- Pala'langan¹, Y. A., & Satrya², A. (2023). *Attribution-ShareAlike 4.0 International (CC BY-SA 4.0) The Effect of Job Crafting and Career Adaptability on Job Performance Mediated by Psychological Availability in Bank Papua*. <https://doi.org/10.46799/ijssr.v3i5.398>
- Parveen, M., & Rizq, A. T. (2024). Striking the Balance: How Workplace Flexibility Enhances Engagement and Performance of Employees working in Public and Private settings. *Management*, 28(2), 33–69. <https://doi.org/10.58691/man/192788>
- Pradipta, H. A., & Martdianty, F. (2023). Effect of Flexible Working Arrangement on Employee Performance: Mediating Role of Work Engagement and Supervisor Support in Indonesia Digital Startup. *Jurnal Aplikasi Bisnis Dan Manajemen*. <https://doi.org/10.17358/jabm.9.2.512>
- Ririn Nur Indah Sari, & Hady Siti Hadijah. (2016). *Peningkatan kinerja pegawai melalui kepuasan kerja dan disiplin kerja*.
- Roland, R. (2021, December 23). *PT.Sucofindo Cabang Batam Digugat ke Pengadilan*. PRES MEDIA.ID. <https://presmedia.id/pt-sucofindo-cabang-batam-digugat-ke-pengadilan/>
- Salmah et al. (n.d.).
- Sekhar, C., Patwardhan, M., & Vyas, V. (2018a). Linking Work Engagement to Job Performance Through Flexible Human Resource Management. *Advances in Developing Human Resources*, 20(1), 72–87. <https://doi.org/10.1177/1523422317743250>
- Sekhar, C., Patwardhan, M., & Vyas, V. (2018b). Linking Work Engagement to Job Performance Through Flexible Human Resource Management. *Advances in Developing Human Resources*, 20(1), 72–87. <https://doi.org/10.1177/1523422317743250>

- Shilpakar, N., Giri, B., & Pokhrel, S. K. (2024). Flexible Working Arrangements and Employee Turnover Intention: Mediating Role of Employee Engagement. *SAIM Journal of Social Science and Technology*, 1(1), 27–39. <https://doi.org/10.70320/sacm.2024.v01i01.003>
- Sneha Mankikar, M. (n.d.). *IJSR-INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH A Study on Employee Engagement in the Indian it Sector: An Overview*.
- Song, J. (2024). A Study of Multidimensional Influences on Employee Job Performance. *Lecture Notes in Education Psychology and Public Media*, 37(1), 121–130. <https://doi.org/10.54254/2753-7048/37/20240522>
- Sugiyono. (2015). *Metode Penelitian Pendekatan Kuantitatif, Kualitatif, dan R&D*.
- Suparman, T. I. (2024). The Effect of Flexible Work System, Workload, Work Ability, Job Satisfaction, Employee Engagement and Work Stress On Employee Performance (Case Study at PT Mecoido). *Indonesian Journal of Social Technology*, 5(3). <http://jst.publikasiindonesia.id/>
- Utomo, A. P., Tinggi, S., & Statistik, I. (n.d.). *PELUANG PEKERJA WANITA DALAM MEMILIH LAPANGAN PEKERJAAN PERTANIAN DAN NON PERTANIAN DI KOTA BATAM*.
- Wirastuti, W., Chintya, P., & Buntuang, D. (2023). Do Job Characteristics Affect an Individual's Performance? In *Jurnal Ilmiah Manajemen Kesatuan* (Vol. 11, Issue 3).
- Yamin, R. A., & Pusparini, E. S. (2022). *The Effect of Flexible Work Arrangement and Perceived Organizational Support on Employee Job Performance: The Mediating Role of Employee Engagement*.
- Yossi Fitriani, & Chandra Wibowo Widhianto. (2024). The Influence of Compensation and Work Flexibility on Employee Retention with Employee Engagement as A Mediating Variable in The Millennial and Z Generations in Tangerang. *International Journal of Economics (IJEK)*, 3(2), 919–930. <https://doi.org/10.55299/ijec.v3i2.1007>
- Zhang, B. (2024). INFLUENTIAL EFFECTS BETWEEN POSITIVE HR PRACTICES AND EMPLOYEE PERFORMANCE – MEDIATING MODERATING EFFECTS BASED ON WORK ENGAGEMENT. *Scalable Computing*, 25(4), 2823–2837. <https://doi.org/10.12694/scpe.v25i4.2840>