

## The Influence of Flexible Working Hours and Compensation on Employee Well-Being among University Lecturers in Indonesia with Work-Life Balance as Mediating Variable

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**Abstract.** Flexible working hours arrangements have been implemented in Indonesia, particularly for university lecturers who are responsible for teaching, research, and community service. The Lecturer Workload System (BKD) and Semester Credit Units (SKS) serve as the basis for workload regulation, now supported by flexible work policies to enhance lecturers' well-being. This study aims to analyze the influence of flexible working hours and compensation on employee well-being among lecturers, with work-life balance as a mediating variable. A quantitative approach was employed, with lecturers from various universities as respondents. Convergent validity was tested using loading factor and average variance extracted, while reliability was assessed through composite reliability and Cronbach's alpha. The results show that flexible working hours significantly affect both work-life balance and lecturers' well-being, directly and through mediation. However, compensation has no significant effect on work-life balance and does not indirectly influence well-being through the mediating variable. Nevertheless, compensation still has a direct significant effect on employee well-being. These findings highlight the importance of implementing flexible work policies and maintaining a fair compensation system to support the well-being and productivity of university lecturers.

**Keywords:** Compensation, Employee Well-Being, Flexible Working Hours, Lecturers, Work-Life Balance.

### 1. INTRODUCTION

The modernization of the work environment has introduced significant shifts in employment practices, particularly with the rise of flexible working hours as a family-friendly policy increasingly adopted by organizations (Shagvaliyeva & Yazdanifard, 2014). Flexible work arrangements allow individuals to determine their own work schedules, which is expected to facilitate a more harmonious balance between professional and personal life (Choudhary, 2016). Harmadi (2024) emphasizes that the flexible work system permits employees to structure their schedules over a 24-hour period, provided they fulfill the standard requirement of eight hours per day in accordance with institutional guidelines. A growing number of organizations now recognize the benefits of granting employees autonomy over their work schedules and locations based on their personal and professional needs (Berkery et al., 2017). According to De Menezes and Kelliher (2017), such arrangements enhance not only employee satisfaction but also organizational performance by fostering engagement and reducing absenteeism and turnover rates. Flexible working time has thus emerged as an effective organizational strategy for accommodating employee needs while promoting a healthy work-life balance (Altindag & Siller, 2014).

Leroy et al. (2015) further argue that this flexibility plays a vital role in promoting employee well-being by allowing for better integration of work and personal responsibilities. When employees are granted sufficient time for family interactions and personal activities, their mental well-being improves, which in turn enhances their overall contribution to the organization (Sibinović & Ilić-Petković, 2021). This is corroborated by Feeney and Stritch (2019), who noted that flexible work arrangements significantly reduce stress and enhance employee well-being. In addition to flexibility, fair compensation remains a pivotal factor in supporting employee well-being. Adequate remuneration ensures financial security and serves as a motivational driver, thereby contributing positively to employee satisfaction (Mas & Pallais, 2024). Fahat et al. (2023) also confirmed a strong correlation between compensation and employee well-being. Nevertheless, when compensation is disproportionate to workload or expectations, it may strain work-life balance due to the extra effort required to achieve desired rewards.

Employee well-being encompasses various dimensions, including physical, mental, and financial health, all of which influence overall quality of life (Guest, 2017). Flexible work policies are shown to yield positive outcomes such as lower stress levels, greater job satisfaction, and more time for personal endeavors (Feeney & Stritch, 2019), which ultimately benefit both the individual and the organization (Lee & Kim, 2023). Allan et al. (2016) emphasized that well-being consists of interconnected domains—physical, emotional, mental, and social—that significantly affect workplace productivity. In the Indonesian context, flexible working hours have been formally implemented for lecturers, who carry out responsibilities in teaching, research, and community service. According to the Directorate General of Higher Education's Decree No. 12/E/KPT/2021 and the Ministry of Religious Affairs Regulation No. 5 of 2017, lecturers are required to fulfill a teaching workload of 12 to 16 credits per semester or an equivalent number of hours based on academic ranks. Recent developments in employment policy have allowed lecturers to adapt their schedules based on functional rank and institutional needs, resulting in greater flexibility and enhanced productivity.

Compensation structures for Indonesian civil servant lecturers are governed by Government Regulations No. 15 of 2019 and No. 5 of 2024, which establish salary levels based on position and years of service. Transparent compensation schemes, when paired with flexible work arrangements, are expected to support the well-being and motivation of academic staff. Previous research has identified a strong relationship between flexible work arrangements and compensation on employee well-being through the mediating role of work-life balance. For

instance, Maharani and Hidayah (2022) reported a significant positive influence of work flexibility on well-being, while Ter Hoeven and Van Zoonen (2015) found that well-designed flexible work models enhance work-life balance and thus employee well-being. This study aims to further investigate the interplay between flexible working hours, compensation, and employee well-being, with work-life balance as a mediating factor, specifically in the context of Indonesian university lecturers.

## **2. LITERATURE REVIEW**

### **Flexible Working Hours**

Flexible working hours refer to arrangements that provide employees greater control over when, where, and how they work, moving away from rigid traditional schedules (Hill et al., 2001). This system allows employees to align work with personal responsibilities, enhancing efficiency and balance (Wirayuda et al., 2023; Burdin & Pérotin, 2019). Flexibility in time and location enables employees to better manage their duties without compromising productivity or personal life (Shagvaliyeva & Yazdanifard, 2014). Research confirms its positive impact on employee well-being and work-life balance (Maharani & Hidayah, 2022; Abid & Khan Barech, 2017; Ter Hoeven & Van Zoonen, 2015). However, despite benefits such as stress reduction and improved job satisfaction (Hayman, 2010; A.A. Ramana et al., 2017; Indradewa & Prasetio, 2023; Sayekti & Suhartini, 2022), challenges remain. These include blurred boundaries and pressure to stay available beyond normal hours (Samtharam & Baskaran, 2023; Wöhrmann et al., 2021; Jackson & Fransman, 2018; Shanker, 2022). Flexible work includes two key indicators: time and place flexibility (Hill et al., 2001).

### **Compensation**

Compensation refers to all forms of earnings, whether monetary or in-kind, that employees receive as a reward for their contributions to an organization (Kenelak et al., 2016). An appropriate compensation system significantly influences employee performance and organizational efficiency (Sitopu et al., 2021). Effective compensation provides not only job satisfaction and security but also supports individual and organizational goals (Omuya, 2018), recognizing employees' time, effort, and intellectual contributions (Komar et al., 2021). It can be physical or non-physical and is generally exempt from income tax (Hasibuan et al., 2020). According to Milkovich et al. (2014), compensation consists of relational returns—psychological rewards like learning opportunities and meaningful work—and total compensation, including direct pay (base salary, merit pay, long-term incentives) and indirect benefits (insurance, pensions, work-life programs). Adequate compensation enhances

employee engagement, reduces turnover intention, and improves job satisfaction (Aditya & Deviastri, 2024; Triningsih & Darma, 2023), while competitive pay strengthens loyalty and commitment (Newenhuis, 2018). However, excessive focus on incentives may lead to stress and harm personal life (Yeti, 2024). Thus, a balanced approach is vital to minimize negative impacts and promote well-being (Wilson et al., 2021; Gadzali, 2023). Indicators of compensation include salary, incentives or commissions, and benefits such as insurance, pensions, and leave (Williams et al., 2008).

### **Work-Life Balance**

Work-life balance refers to an individual's ability to meet work and personal responsibilities without conflict, achieving satisfaction in both domains such as family, friends, and social life (Fisher et al., 2009; Mengistu & Melesse Worku, 2020; Ula, 2019). It represents an emotional state where individuals can harmonize their professional and personal roles effectively. Research indicates that balanced work and personal life contributes positively to psychological and subjective well-being, while imbalance can lead to stress and reduced well-being (Rosita et al., 2022). Although some employees experience low well-being despite reporting good work-life balance, indicating a complex relationship between the two variables, other studies—such as those involving special education teachers—affirm the positive correlation between high work-life balance and better well-being (Darmawan & Dwarawati, 2023). Public sector employees often report higher levels of both work-life balance and well-being compared to private sector workers (Marshall Teneng et al., 2024). Fisher et al. (2009) and Ilayasankar (2021) identify four dimensions: interference from work to personal life, interference from personal life to work, enhancement of work by personal life, and enhancement of personal life by work. Meanwhile, McDonald et al. (2005) define work-life balance using three indicators: time balance, involvement balance, and satisfaction balance. This study adopts McDonald et al.'s indicators.

### **Employee Well-Being**

Employee well-being refers to a positive state in which employees experience satisfaction, comfort, and support for their physical, mental, and emotional health within the work environment (Schaufeli, 2017; Juniper et al., 2011). It encompasses joy, enthusiasm, and fulfillment derived from work and plays a critical role in boosting team performance and overall organizational productivity. Sirgy (2012) identified eight key components of employee well-being, including job satisfaction, positive response to the work environment, alignment between job demands and growth, fulfillment of aspirations, and the overall quality of work

life. A supportive workplace that promotes work-life balance can enhance employee well-being, while poor conditions may lead to stress, burnout, and reduced focus and productivity (Gusjana & Ardianti, 2023; Salleh et al., 2020; Ie & Henny, 2022; Maulida & Shaleh, 2018). Zheng et al. (2015) proposed three primary indicators: life well-being (LWB), which relates to family and personal care; workplace well-being (WWB), which includes job satisfaction and emotional experience at work; and psychological well-being (PWB), which involves self-acceptance, autonomy, personal growth, and life purpose. These components provide a comprehensive view of how employee well-being extends beyond job satisfaction to include holistic psychological and personal life experiences (Zheng et al., 2015; Wright & Bonett, 2007).

### **3. METHODOLOGY**

#### **Research Object**

This study employs a quantitative survey method, which involves collecting and analyzing numerical data through mathematical and statistical approaches to address research problems (Sekaran & Bougie, 2016). The object of this research is university lecturers in Indonesia, chosen due to their high job demands and the need for a balance between professional and personal life. The study examines the influence of flexible working hours and compensation (independent variables) on employee well-being (dependent variable), with work-life balance serving as a mediating variable. This framework aims to explore how workplace policies impact lecturers' well-being in the Indonesian higher education context.

#### **Data Source**

This study relies on primary data sources, which are essential for obtaining concrete and relevant information for the research. According to Sekaran and Bougie (2016), primary data refers to information collected directly by the researcher for a specific research purpose. They outline four primary data collection methods: interviews, observations, questionnaires, and experiments. In this study, data were gathered through the distribution of questionnaires to respondents. The responses obtained serve as the foundation for analysis, ensuring that the data align closely with the study's objectives and accurately reflect the targeted population's perspectives (Sekaran & Bougie, 2016).

#### **Operational Definition of Variables**

This research examines four key variables that are interrelated in the context of modern organizations. Flexible working time, as defined by Shagvaliyeva and Yazdanifard (2014), refers to the ability of organization members to monitor the duration of their working hours

based on location (outside the workplace) and their ability to meet work schedules provided by the organization, with measurement indicators including Time Flexibility and Place Flexibility (Hill et al., 2001). Compensation, according to Afandi (2021), encompasses all income in the form of money and goods, both direct and indirect, received by employees as rewards for services provided to the company, with indicators including wages and salaries, incentives, and benefits as proposed by Williams (2008).

Employee well-being, defined by Schaufeli (2017) as a positive state encompassing feelings of satisfaction, enthusiasm, and happiness experienced by employees at work, is measured through indicators of life well-being, workplace well-being, and psychological well-being as conceptualized by Zheng et al. (2015). Meanwhile, work-life balance, according to Singh and Khanna (2011), is known as the equilibrium between life and work, with measurement indicators including time balance, involvement balance, and satisfaction balance as formulated by McDonald and Bradley (2005). All four variables are measured using a Likert scale to generate quantitative data that can be further analyzed.

### **Population and Sample**

The population in this study comprises university lecturers in Indonesia, defined as the entire group of individuals or phenomena the researcher intends to investigate (Sekaran & Bougie, 2016). A sample, representing a subset of the population, was determined using Bartlett et al.'s (2001) formula, targeting 100–200 respondents. The sampling method employed is non-probability sampling with a purposive sampling technique. According to Sekaran and Bougie (2016), non-probability sampling does not offer equal selection chances to all population elements, while purposive sampling focuses on individuals who meet specific criteria—in this case, Indonesian university lecturers—considered capable of providing relevant and targeted research data.

### **Data Analysis Technique**

This study employs Structural Equation Modeling (SEM) using the Partial Least Squares (PLS) approach, analyzed through SmartPLS version 3.0. PLS-SEM is preferred over covariance-based SEM due to its ability to analyze non-normally distributed data, its simple assumptions, its capacity for handling complex variable relationships, and its effectiveness in identifying key constructs (Hair et al., 2012). Furthermore, PLS-SEM is suitable for small sample sizes ranging from 30 to 100 respondents (Ghozali, 2015). The technique is highly flexible, accommodating latent variables and minimizing the influence of data distribution, thereby ensuring strong, accurate, and practical analytical outcomes. Instrument testing

includes both validity and reliability assessments. Validity, which ensures the instrument accurately measures the intended concept, and reliability, which ensures consistency and stability, are both essential (Sekaran & Bougie, 2016). Convergent validity is evaluated through loading factors ( $\geq 0.50$  acceptable;  $\geq 0.70$  ideal) and Average Variance Extracted ( $AVE \geq 0.50$ ), while discriminant validity is verified using the Fornell-Larcker criterion and HTMT ratio ( $\leq 0.85$ – $0.90$ ), confirming that constructs measure distinct phenomena (Bagozzi & Yi, 1988).

Reliability is established when composite reliability and Cronbach's Alpha values reach or exceed 0.70, and AVE is  $\geq 0.50$ , indicating internal consistency and measurement accuracy (Gefen et al., 2000; Sekaran & Bougie, 2016). The inner model is evaluated through  $R^2$ , t-statistics, and path coefficient significance, which reflect the strength of the relationship between latent variables (Ghozali, 2015). Hypothesis testing involves bootstrapping with 5000 resamples in SmartPLS, and hypotheses are accepted when t-statistics  $\geq 1.96$ , p-value  $\leq 0.05$ , and path coefficients are positive (Hair et al., 2012). Mediation analysis follows Hair et al. (2021), distinguishing full mediation (insignificant direct, significant indirect effect) from partial mediation (both effects significant), based on indirect and total effect evaluations.

## **4. RESULT AND DISCUSSION**

### **Overview of Research Objects**

This study aims to analyze the impact of flexible working hours and compensation on employee well-being among lecturers in Indonesian higher education institutions, with work-life balance as a mediating variable. Data were collected from 110 lecturers across various regions of Indonesia through online and printed questionnaires. However, one response was excluded due to the respondent not meeting the qualification of holding a master's degree, a minimum requirement for lecturers. The analysis, conducted using SmartPLS 3.0, includes both outer and inner model tests. This chapter presents the respondent profiles and a comprehensive analysis of the collected data and hypothesis testing results.

### **Characteristics of Respondents**

The demographic profile of the 109 respondents in this study, consisting of lecturers from both public (75.2%) and private (24.8%) universities in Indonesia, is presented in Table 4.1. Most respondents are female (59.6%) and aged between 27-36 years (68.8%), with the majority married (73.4%). The majority have 1-5 dependents (64.2%), and all meet the minimum academic qualification for lecturers, with the largest group holding a Master's degree (76.1%). Most respondents are permanent lecturers (73.4%), with 33% having 4-6 years of

tenure. This composition reflects experienced lecturers' perspectives on flexible working hours, compensation, employee well-being, and work-life balance.

**Table 1 Characteristics of Respondents**

Characteristic	Category	Number	Percentage
Gender	Male	44	40.4%
	Female	65	59.6%
Age	22-26 Years	8	7.3%
	27-31 Years	41	37.6%
	32-36 Years	34	31.2%
	≥ 37 Years	26	23.9%
Marital Status	Single	27	24.8%
	Married	80	73.4%
	Divorced (Living)	1	0.9%
	Widowed	1	0.9%
Dependents	None	38	34.9%
	1-5 People	70	64.2%
	6-10 People	1	0.9%
	≥ 11 People	0	-
Education Level	Bachelor's (S1)	0	-
	Master's (S2)	83	76.1%
	Doctorate (S3)	24	22%
	Professor	2	1.8%
Employment Status	Permanent Lecturer	80	73.4%
	Honorary Lecturer	2	1.8%
	Non-permanent Lecturer	27	24.8%
	Non-lecturer (Practitioner)	0	0
Tenure	1-3 Years	24	22%
	4-6 Years	36	33%
	7-9 Years	17	15.6%
	10-13 Years	11	10.1%
	≥ 14 Years	21	19.3%
University Type	Public University	82	75.2%
	Private University	27	24.8%

### Analysis of Questionnaire Tabulation Results

The analysis of the survey responses reveals valuable insights into the perceptions of university lecturers in Indonesia regarding flexible working hours, compensation, work-life balance, and overall employee well-being. In terms of flexibility, the respondents generally felt that they had sufficient autonomy in managing their academic duties. The highest-rated item was the flexibility to schedule academic tasks, with a mean score of 4.05, suggesting a high level of perceived control over work time. However, the flexibility to choose work locations was rated lower, with a mean score of 3.27, indicating that many respondents still feel limited in this aspect. Overall, flexibility was regarded positively, with a mean score of 3.75, yet room for improvement remains, particularly concerning location flexibility.



Regarding compensation, the responses indicated mixed feelings. While respondents generally had a clear understanding of their benefits, with the highest-rated item being the clarity of received allowances (mean score of 3.67), they were less satisfied with their salaries compared to industry standards. The lowest-rated item, concerning the competitiveness of their salaries (mean score of 2.82), reflects a common sentiment of dissatisfaction with the pay scale in comparison to other institutions or industries. The overall mean score of 3.26 suggests that while compensation is perceived as adequate, there is significant room for improvement, particularly in salary competitiveness and faculty involvement in compensation planning.

On the aspect of work-life balance, lecturers felt a moderate level of work-life integration. The highest-rated item was the frequent long working hours dedicated to teaching and academic tasks (mean score of 3.55), indicating a significant workload. However, there were challenges in balancing personal life, as shown by the lower ratings for items related to spending time with family or engaging in personal hobbies. The mean score for work-life balance was 3.15, highlighting that although many lecturers were able to manage their professional lives, they struggled to maintain a balance with their personal lives. Finally, employee well-being was generally rated positively, with an average score of 3.84, reflecting high levels of job satisfaction, personal development, and positive relationships with colleagues and students. Overall, while the lecturers are generally satisfied with their work and personal growth, there is still a need for improvement in balancing professional demands with personal well-being.

### **Descriptive Statistics**

The descriptive statistics for the study variables are presented in Table 4.6. Employee well-being has the highest mean of 3.84, followed by flexible work hours at 3.75, compensation at 3.22, and work-life balance at 3.15. Employee well-being also shows the lowest standard deviation (0.85), indicating more consistent perceptions among respondents, while work-life balance has the highest standard deviation (1.30), reflecting greater variation. Work-life balance (-1.03) and compensation (-0.86) exhibit platykurtic distributions, while employee well-being shows a positive excess kurtosis of 0.19. All variables exhibit negative skewness, with flexible work hours being the most left-skewed (-0.66).

**Table 2 Descriptive Statistics**

Variable	Indicator	Mean	Std. Dev	Excess Kurtosis	Skewness
Flexible work hours	FWH1-FWH4	3.75	1.10	-0.31	-0.66
Compensation	K1-K33	3.22	1.27	-0.86	-0.50
Work-life balance	WLB1-WLB11	3.15	1.30	-1.03	-0.41
Employee well-being	EWB1-EWB9	3.84	0.85	0.19	-0.60

### Research Instrument Testing (Outer Model)

In this study, the measurement model was tested for validity and reliability through three evaluation methods: convergent validity, discriminant validity, and reliability testing. Convergent validity was assessed using factor loadings, where indicators were considered valid if they had a loading factor  $\geq 0.7$ , although a value of  $\geq 0.5$  is acceptable in empirical practice (Haryono, 2016). The convergent validity criterion was met as the Average Variance Extracted (AVE) for each construct was  $\geq 0.50$ , and all item loadings were significant. Reliability was evaluated based on Cronbach's Alpha,  $\rho_A$ , and composite reliability, with values  $\geq 0.70$  indicating excellent consistency. The results showed that all constructs (flexible work hours, compensation, work-life balance, and employee well-being) met these criteria, ensuring both high validity and reliability for the measurement instruments used in the study.

Discriminant validity was assessed using two methods: the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT). According to the Fornell-Larcker Criterion, discriminant validity is satisfied if the AVE of each construct is greater than the correlations between constructs. The analysis indicated that the AVE values for employee well-being (0.752), compensation (0.791), flexible work hours (0.752), and work-life balance (0.787) were all higher than the inter-construct correlations, confirming the validity of each construct. The HTMT results further supported this, as all values were below the 0.85–0.90 threshold, indicating that the constructs were distinct from one another. For instance, the HTMT values for employee well-being and compensation (0.435) and for flexible work hours and work-life balance (0.295) were well within the acceptable range. This confirms that the constructs do not overlap significantly and that the discriminant validity requirement was met in the study.

### Testing of Inner Model or Structural Model

The structural model, or inner model, in this study was evaluated to assess the relationships between latent variables. The evaluation focused on analyzing the path coefficients to determine the magnitude of influence between the variables. Additionally, bootstrapping analysis was conducted to ensure the validity of the results despite potential data non-normality. The evaluation was based on two key criteria:  $R^2$  values and significance levels.

$R^2$  indicates how much of the variance in endogenous latent variables can be explained by exogenous variables in the model. According to Hamid and Anwar (2019), an  $R^2$  value of 0.75 represents a strong model, 0.50 indicates moderate strength, and 0.25 represents weak model strength. An  $R^2$  value below 0.25 suggests that the structural model lacks explanatory power. In this study, The  $R^2$  value for employee well-being was 0.406, indicating that 40.6% of the variation in employee well-being was explained by flexible working hours and compensation, both directly and through work-life balance as a mediator. This value is categorized as moderate, implying that the model has a reasonable predictive power. On the other hand, the  $R^2$  value for work-life balance was 0.083, considered weak, suggesting that only 8.3% of the variation in work-life balance is explained by flexible working hours and compensation. Despite this, work-life balance still plays a crucial role in mediating the effect of these variables on employee well-being.

The hypothesis testing was conducted to examine the relationships between the variables, following the criteria that the t-statistics should be  $\geq 1.96$ , the p-value should be  $\leq 0.05$ , and the beta coefficient should be positive for a hypothesis to be accepted. This included testing direct and indirect effects using bootstrapping. The results revealed the following findings:

**Table 3. Hypothesis Testing Results**

Original Sample	Sample Mean	Standard Deviation	t-Statistics	P-Values	Hypothesis
FWH -> EWB	0.331	0.339	4.273	0.000	Supported
K -> EWB	0.347	0.364	4.020	0.000	Supported
FWH -> WLB	0.316	0.338	3.611	0.000	Supported
K -> WLB	-0.078	-0.067	0.653	0.514	Not Supported
WLB -> EWB	0.267	0.270	3.222	0.001	Supported
FWH -> WLB -> EWB	0.085	0.090	2.399	0.017	Supported
K -> WLB -> EWB	-0.021	-0.017	0.645	0.519	Not Supported

The study found that flexible working hours and compensation both have a significant positive effect on employee well-being, with path coefficients of 0.331 (p-value = 0.000, t-statistics = 4.273) and 0.347 (p-value = 0.000, t-statistics = 4.020), respectively, supporting the hypothesis for both variables. Additionally, flexible working hours significantly influenced work-life balance, with a path coefficient of 0.316 (p-value = 0.000, t-statistics = 3.611), while compensation showed no significant effect on work-life balance (path coefficient = -0.078, p-value = 0.514, t-statistics = 0.653). Furthermore, work-life balance was found to have a significant positive effect on employee well-being (path coefficient = 0.267, p-value = 0.001, t-statistics = 3.222). Work-life balance also played a significant mediating role in the relationship between flexible working hours and employee well-being (indirect effect

coefficient = 0.085, p-value = 0.017, t-statistics = 2.399), supporting the hypothesis. However, work-life balance did not significantly mediate the effect of compensation on employee well-being (indirect effect coefficient = -0.021, p-value = 0.519, t-statistics = 0.645), meaning the hypothesis was not supported. In conclusion, flexible working hours and compensation both significantly affect employee well-being, with work-life balance mediating the impact of flexible working hours, but not of compensation.

### **The Effect of Flexible Working Hours on Employee-Well-Being of College Lecturers in Indonesia**

The results of the hypothesis test show a positive path coefficient of 0.331, with a p-value of 0.000 and t-statistics of 4.273, indicating a statistically significant relationship between flexible working hours and employee well-being. This supports the first hypothesis of the study, which posits that flexible working hours positively and significantly influence the well-being of university lecturers in Indonesia. As essential components of higher education, lecturers play a pivotal role in creating a high-quality academic environment. In response to the increasingly dynamic work environment, lecturers are expected to balance professional demands with personal life. The implementation of flexible working hours provides them with greater autonomy in managing their time, ultimately enhancing their work well-being. This policy not only enables lecturers to meet academic responsibilities effectively but also fosters their psychological and emotional well-being, contributing to a productive and sustainable work environment. These findings are consistent with the study by Maharani & Hidayah (2022), which also emphasizes the positive impact of flexible working arrangements on employee well-being.

### **The Effect of Compensation on Employee-Well-Being of College Lecturers in Indonesia**

The hypothesis test results reveal a path coefficient of 0.347, with a p-value of 0.000 and t-statistics of 4.020, indicating a statistically significant positive effect of compensation on employee well-being among university lecturers in Indonesia. This supports the hypothesis that compensation positively and significantly influences the work well-being of lecturers. Lecturers, as key figures in higher education, significantly impact the quality of the academic environment, and their well-being is crucial to maintaining that quality. Adequate compensation serves as a motivator, enhancing job satisfaction and the quality of teaching and research. Therefore, higher education institutions must adopt fair and appropriate compensation policies to promote lecturers' well-being. These findings align with studies by Mugizi et al. (2021) and Joseph et al. (2022), which emphasize the positive relationship

between compensation and employee well-being, highlighting the critical role of fair compensation in boosting job satisfaction, motivation, and overall work performance.

### **The Effect of Flexible Working Hours on Work-Life Balance of College Lecturers in Indonesia**

The hypothesis testing results show a path coefficient of 0.316, a p-value of 0.000, and t-statistics of 3.611, indicating a statistically significant positive relationship between flexible working hours and work-life balance among university lecturers in Indonesia. The p-value significantly below 0.05 and t-statistics exceeding 1.96 suggest that the impact of flexible working hours on work-life balance is statistically valid, thus supporting the hypothesis. This finding demonstrates that flexible working arrangements positively influence lecturers' ability to balance their professional and personal lives. Such flexibility allows lecturers to adjust their schedules according to personal needs without compromising academic productivity. Consequently, flexible working hours not only reduce work-related stress but also help lecturers manage their dual roles more effectively. Institutional policies that support flexible working hours are essential for fostering a more harmonious and sustainable work environment. These results align with Abid and Khan Barech (2017), who also found that flexible working hours enhance work-life balance.

### **The Effect of Compensation on Work-Life Balance of College Lecturers in Indonesia**

The research findings reveal a negative path coefficient of -0.078, with a p-value of 0.514 and t-statistics of 0.653, indicating that compensation does not significantly affect work-life balance among university lecturers in Indonesia. The p-value greater than 0.05 and t-statistics less than 1.96 suggest that the relationship between compensation and work-life balance is not statistically significant, thus not supporting the hypothesis. This outcome suggests that while compensation is an important factor in employment, it does not directly influence lecturers' ability to balance their professional and personal lives. Other factors, such as flexible working hours, organizational support, and workload, may play a more substantial role in achieving work-life balance. These findings align with Nielsen et al. (2024), who also reported that compensation has no significant impact on work-life balance. Consequently, financial compensation alone may not be sufficient to foster optimal work-life balance, emphasizing the need for educational institutions to consider additional factors, such as flexible working arrangements and workload management, to create a more sustainable work environment.

### **The Effect of Work-Life Balance on Employee-Well-Being of College Lecturers in Indonesia**

The hypothesis test results indicate a significant positive relationship between work-life balance and employee well-being, with a path coefficient of 0.267, a p-value of 0.001, and t-statistics of 3.222. These values, with a p-value significantly less than 0.05 and t-statistics exceeding 1.96, support the hypothesis that work-life balance positively influences employee well-being. This finding aligns with Antoncic (2011), who suggested that work environments that prioritize employee well-being attract high-quality talent. When employees feel that their work-life balance is valued, they become more motivated to perform at their best, enhancing both individual well-being and organizational performance. Similar research by Guest (2017) further confirmed that individuals who manage their work-life balance effectively experience higher well-being, as evidenced by reduced fatigue and improved life satisfaction. Therefore, this study underscores the significance of work-life balance in fostering employee well-being among university lecturers, ultimately contributing to the enhancement of the quality of higher education.

### **The Effect of Flexible Working Hours on Employee Well-Being of College Lecturers in Indonesia Mediated by Work-Life Balance**

The hypothesis testing results reveal a significant positive indirect effect of flexible working hours on employee well-being through work-life balance, with a path coefficient of 0.085, a p-value of 0.017, and t-statistics of 2.399. These values, with a p-value less than 0.05 and t-statistics greater than 1.96, confirm the mediating role of work-life balance in the relationship between flexible working hours and employee well-being among university lecturers in Indonesia. This finding indicates that when lecturers are granted flexibility in their work schedules, they can achieve a better balance between their professional and personal lives, thereby enhancing their overall well-being. The results align with Ter Hoeven and van Zoonen (2015), who found that flexible work arrangements positively affect employee well-being through improved work-life balance. Therefore, this study emphasizes the importance of adopting flexible work policies in higher education institutions, as they contribute to a healthier, more productive academic environment.

## **The Effect of Compensation on Employee Well-Being of College Lecturers in Indonesia Mediated by Work-Life Balance**

The hypothesis testing results indicate a non-significant indirect effect of compensation on employee well-being through work-life balance, with a path coefficient of -0.021, a p-value of 0.519, and t-statistics of 0.645. Since the p-value exceeds 0.05 and the t-statistics are below 1.96, it can be concluded that work-life balance does not significantly mediate the relationship between compensation and employee well-being among university lecturers in Indonesia. This suggests that, while compensation plays a crucial role in motivating and rewarding lecturers, it does not directly or indirectly impact their well-being through work-life balance. These findings align with Nielson et al. (2024), who found no significant effect of compensation on work-life balance, and further support research by Mugizi et al. (2021) and Joseph et al. (2022), which highlights that effective compensation management can positively impact employee well-being directly, without the need for work-life balance as a mediator.

## **5. CONCLUSION**

Based on the findings from this study on the impact of flexible working hours and compensation on employee well-being among university lecturers in Indonesia, with work-life balance as a mediating variable, several conclusions can be drawn. Firstly, flexible working hours and compensation were both found to have a positive and significant impact on employee well-being. Additionally, flexible working hours also significantly influence work-life balance, whereas compensation does not significantly affect work-life balance. Furthermore, work-life balance positively and significantly influences employee well-being. Work-life balance also serves as a positive and significant mediator between flexible working hours and employee well-being, but it does not mediate the effect of compensation on employee well-being. The limitations of this study include the short duration of the data collection process, which restricted the ability to reach a broader and more diverse respondent pool, and the limited scope of variables considered in the research. While the study focused on flexible working hours, compensation, work-life balance, and employee well-being, there are other factors that may influence these outcomes, such as work environment, job satisfaction, and organizational support.

In light of these limitations, several recommendations for future research and institutional practice can be made. Universities should encourage the implementation of flexible working hours, as the findings demonstrate its positive impact on both work-life balance and employee well-being. Moreover, institutions should reconsider their compensation

systems, expanding beyond financial compensation to include non-financial rewards, such as career development opportunities and additional leave. Future research should extend the data collection period to reach a larger and more diverse sample, thus improving the external validity of the results. Expanding the range of variables studied could provide a more comprehensive understanding of the factors influencing employee well-being, including work satisfaction, leadership style, and workload. Additionally, qualitative methods such as in-depth interviews could uncover underlying factors not captured through questionnaires, offering a more nuanced perspective on the relationship between work-life balance and employee well-being.

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