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The Relationship of Job Satisfaction, Flexible Working Arrangements and Employee Performance using SEM-PLS and FIMIX-PLS: A Case Study of Employees in Insurance Company

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Abstract

***Background*:** Working from home has occurred since the government regulation in which large-scale social restrictions (PSBB) came into effect in Jakarta. An economic slowdown affects employee performance, especially in service companies that prioritize work systems using a promotion, sales, and marketing. The background in this study aims to identify the influence between the variables used, namely job satisfaction (JS), flexible work arrangements (FWA), and employee performance (EP) at insurance companies in Jakarta.

Methods: The data collected in this study was conduct online using a Likert-scale questionnaire as the primary data, the population calculation using the Slovin formula. Then will be tested using Validity and reliability tests as a condition to obtain valid and reliable data. The data analysis carried out in this study uses SEM (Structural Equation Modeling) modeling through the PLS (Partial Least Square) approach in the Smart PLS 3.3.2 program, which will then continue to group using FIMIX-PLS.

Result: The research results on H2 and H3 accepted that the hypothesis means that job satisfaction significantly influences flexible working hours and individual performance for each employee. While HI and H4 rejected the premise, flexible working hours arrangement does not directly affect performance. After knowing the results of the hypothesis, then the grouping analysis using FIMIX-PLS shows that k = 5 is the best segment with the most significant EN value.

Conclusions: Flexible working hours arrangements at insurance companies have not had a significant effect. On the contrary, employees feel job satisfaction has an essential role in their performance. The results of FIMIX-PLS support grouping the data into five clusters, and the largest is in the first group.

Keywords*: SEM-PLS, Job Satisfaction, Employee Performance, Flexible Working, FIMIX-PLS*

1. Introduction

The COVID-19 pandemic in 2020 hit Indonesia and other countries, causing a slowdown in all business sectors. With the decline in performance in the service industry, seen from the gross domestic product (GDP), in the first quarter of 2020, the financial services and insurance industries took second place after the health services industry. Meanwhile, the agriculture, forestry, and fishery industries are at the bottom. And multiplication. In the second quarter of 2020, the effects of the COVID-19 pandemic began to see with the decline in GDP in each business sector to minus (Badan Pusat Statistik. 2020).

This economic slowdown can affect employee performance, especially for financial services and insurance companies that rely on a working system through promotion, sales, and marketing. Implementing large-scale social restrictions is one of the government regulations that hamper the financial services and insurance sectors. Currently, there are 387 insurance companies with business licenses, consisting of 151 insurance and reinsurance companies and 236 insurance business supporting companies (Otoritas Jasa Keuangan. 2018).

With the implementation of the PSBB, several companies have changed their working hours and places or commonly known as work from home, which aims to reduce crowds in the company area. This change in work concept significantly impacts employees in fulfilling performance but is not new in its application. According to the (Statistics, U.S. Bureau of Labor. 2019), which researched during the period 2017 – 2018, approximately 28.8% of employees had the opportunity to work remotely, and the most dominant age was in the range of 35 – 44 years because the older they get, the more they tend to choose to work from home.

Based on a report from BPS, workers in the fields of government administration, defense, social security, education, and other services, it is reported that 42.63% have always worked at home since the implementation of

physical distancing, and 41.75% still scheduled to enter the office or not permanent (Badan Pusat Statistik. 2020). In his research entitled Does Working from Home Work, an economics professor from Stanford University named Nicholas Bloom, in his study entitled Does Working from Home Work? Evidence From a Chinese Experiment argues that employees who apply to work from home have high satisfaction with their work. His research results say that working from home can improve performance by 13%, of which 9% comes from working more (fewer breaks and sick days) and 4% from more calls (associated with a quieter and more comfortable work environment).

Structural Equation Modeling (SEM) is the statistical method used to perform hypothesis analysis between complex variables with the output in the form of a measurement model of many constructs (latent variables) is Structural Equation Modeling (SEM). Using SEM-PLS does not require a large number of samples, a particular measurement scale. It does not consider the data to have a multivariate normal distribution such as Ordinary Least Square (OLS) (Ghozali, 2011).

Furthermore, grouping is carried out based on the size of the similarity or general characteristics between objects. There are latent variables in the collection, namely things, that cannot be measured straight because they do not have quantitative values. This study's grouping of latent variables based on indicator variables used the Finite Mixture Partial Least Square (FIMIX-PLS) method (Hahn, et al. 2002).

Based on the explained considerations, the authors are interested in researching job satisfaction for employees who work from home or have flexible working hours to see its effect on performance. Furthermore, obtained grouping based on the relationship between variables to improve employee performance. This research does not use the reference of the Manpower Act and company regulations. This study will only discuss based on employee perceptions of what is happening in the work environment.

2. Theoretical Review

2.1 Employee Performance

Performance is a description of the level of achievement of the implementation of a program of activities or policies in realizing the goals, objectives, and mission of an organization (Moeheriono, 2009). The current study uses 29 indicator scales proposed by (Cordoso, G. F. 2003), where the performance variable consists of 8 dimensions and 29 indicators as presented in the table below:

No	Dimensi	Indikator
1	Quantity of work	Completing work on time
2		Complete work as instructed
3		Complete work effectively
4	Quality of work	Employees are willing to complete the assigned tasks
5		Employees complete work following applicable procedures or rules
6		Complete tasks carefully and accurately
7	Job knowledge	Have a good understanding of the work done
8		Have the skills needed to complete the job
9		Know the form of history and developments in their work
10		Able to solve problems at work
11	Creativeness	Have creativity in giving good ideas for the company
12		Able to develop ideas from colleagues
13		Always take action in dealing with work problems under the knowledge possessed
14	Corporation	Able to work together with colleagues in completing work together
15		Able to work with superiors
16		Have good communication skills

17		Have an openness to opinions or input from colleagues
18		Sensitive in helping coworkers
19	Dependability	Have a high awareness of presence in the company
20		Understand the type of work done
21		Trusted to complete the task thoroughly
22	Initiative	Doing work without supervisor's instructions
23		Have innovations that can provide benefits for the company
24		Sensitive in seeking information
25	Personal qualities	Have an honest attitude at work
26		Always look polite and neat
27		Enthusiastic in doing work
28		Have confidence
29		Always be there on time

2.2 Job Satisfaction

Job satisfaction means the extent to which employees can feel positively or negatively various factors or dimensions of the tasks in each job (Marihot, M. 2002). For the current study using 17 indicator scales proposed by (Luthans, Fred. 2006), where the job satisfaction variable consists of 5 dimensions and 17 indicators as presented in the table below:

No	Dimensi	Indikator
1	The work itself	Exciting and challenging work (add intelligence at work)
2		There is a creative opportunity to do work
3		There is an equal opportunity to accept responsibility
4		There is career development in this job
5	Salary	The current salary is sufficient to meet basic needs
6		The reward system set by the company is following the workload
7		Get an award when you excel
8	Promotion opportunities	Given the opportunity to take part in training to increase work skills
9		There are promotion opportunities based on performance
10		There are promotion opportunities based on years of service
11	Supervision	The boss supervises the work of employees
12		Superiors can provide advice and assistance when employees are in trouble
13		Bosses can communicate well with their employees personally and in the context of work
14		Bosses provide opportunities for employees to participate in decision-making on their jobs
15	Coworkers	There is an attitude of mutual help between coworkers
16		Good communication with coworkers
17		Coworkers always provide support and advice related to work

2.3 Flexible Working Arrangements

Flexible working hours are related to improving performance, especially how employees adjust between work and personal life. Companies or organizations need to make improvements to increase productivity and performance (Eurofound, 2012). The current study uses six indicator scales proposed by (Carlson, et al. 2010), where the variable, flexible working arrangements consists of 3 dimensions and six indicators as presented in the table below:

No	Dimensi	Indikator
1	Timing flexibility	I am not required to work a specific duration
2		The duration of my work every day is erratic
3	Time flexibility	My company does not provide work schedule rules
4		I can make a work schedule freely
5	Place flexibility	I can work anywhere
6		My work location is constantly changing

2.4 SEM-PLS

The Structural Equation Modeling (SEM) method systematically analyzes the relationship between variables in a complex manner using multivariate analysis techniques. In SEM, two multivariate analysis techniques are factor analysis and multiple regression analysis (Hair, et al. 2012). At the same time, PLS (Partial Least Square) is an equation model of the component or variant-based SEM. PLS is an alternative approach that shifts from a covariance-based SEM approach to a variance-based system. Covariance-based SEM generally tests theory, while PLS is more of a predictive model. For example, The data must be in the form of a normal distribution, and the sample does not have to be significant. In addition, it is also helpful to explain whether there is a relationship between variables (Ghozali, I. 2016).

2.5 FIMIX-PLS

The Finite Mixture Partial Least Square (FIMIX-PLS) method was introduced by (Hahn, et al. 2002), to detect unobserved heterogeneity in the structural model. The grouping of objects into several groups is done based on the similarity of general characteristics between objects. In the collection, things found that cannot be measured straight because they have no quantitative value. The object is called the latent variable. The method used to latent group variables based on indicator variables is FIMIX-PLS. This method produces segments with more homogeneous members based on the relationship between latent variables in the structural equation model.

According to (Esposito Vinzi, et al. 2008). An index can identify heterogeneity called the closeness index (CM index), the structure of the goodness of fit index (GOF index) calculated from the residual communality model. The model developed by (Esposito, et al. 2008) is the response base unobserved sample partial least square, in the future known as REBUS-PLS. In FIMIX-PLS, the statistical measure used to show the best number of segments is the Normed Entropy (EN) measure.

EN is the criterion used to analyze the results of the class specification from FIMIX-PLS, whose value is between 0 to 1, the higher the EN value, which is closer to 1, indicating the better quality of the separator and the model can be interpreted (Hahn et al., 2002). The assumption in FIMIX-PLS is that if the observation units have been separate according to their strata, the case of heterogeneity will not occur in the structural model.

3. Method

The data collection method is by giving respondents a set of questions to answer, provided via the internet with the google form facility during the covid-19 pandemic. A Likert scale design to see how strongly the subject agrees on a statement in this questionnaire. The description of the Likert scale on a five-point scale with anchors is as follows (Sekaran, et al. 2017):

- 1 = Strongly Disagree
- 2 = Do not agree

- 3 = Disagree Neither Disagree
- 4 = Agree
- 5 = Strongly agree

The population used in this study is all workers at an insurance company in Jakarta, totaling 800 employees based on the annual report in 2020. Using the Slovin technique in sampling and the percentage of allowance used is 10%. Calculations are attached below.

$$\boldsymbol{n} = \frac{N}{1 + N(e)^2}$$

Description:

n = Sample size/number of respondents

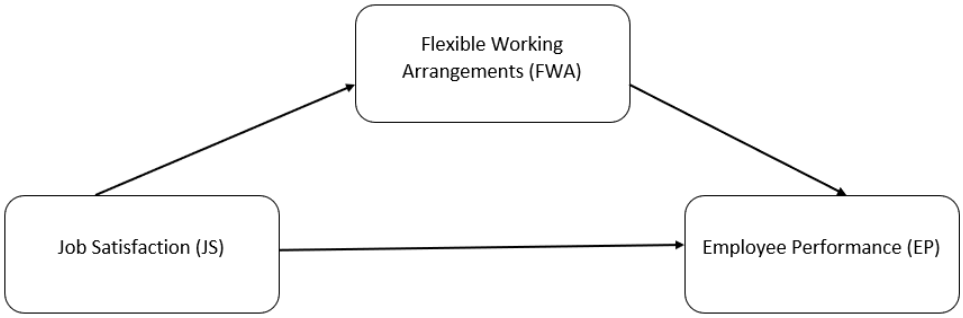
N = Population size

E = Percentage of allowance for accuracy of sampling error that can still be tolerated;

e value = 0,1 (10%) for large populations

$$n = \frac{800}{1 + 800\ (10)^2} = 88.888888889\ \approx 89\ responden$$

Based on the calculation of the sample using Slovin, in this study using 89 respondents or about 11% of the total employees at an insurance company, It aims to facilitate data processing and for better test results. And the attached hypothesis, according to the previous description, is as follows:



Gambar 1 – Research Hypothesis (Mahmood, et al. 2019)

a) **Hypothesis 1**: The effect of job satisfaction on flexible working arrangements
b) **Hypothesis 2**: Effect of flexible working arrangements on employee performance.
c) **Hypothesis 3**: Effect of flexible working arrangements on employee performance.
d) **Hypothesis 4**: The effect of job satisfaction and flexible working arrangements on employee performance.

4. Result and Discussion

a. Stage 1 on the Outer Model for Evaluation of Reflective Measurement

- **Reliability Indicator**

The reliability indicator can be measured by looking at the value of the outer loading. If the greater than 0.7, it means fulfilled. Suppose outer loading is between 0.5 to 0.6. In that case, it needs to be re-run to see the effect of indicator disposal on the AVE and CR (if the AVE and CR increase above the threshold, the indicator with an outer loading between 0.5 to 0.6 needs to be discarded, otherwise then still in use). If less than 0.5, the indicator is discarded (Hair, et al. 2017).

Indicator	FWA
FWA1	0.689
FWA2	0.555
FWA3	0.744
FWA4	0.678
FWA5	0.669
FWA6	0.636

Tabel **Error! No text of specified style in document.**- Indicator Reliability (Stage One)

Based on Table 1, it means that the FWA2 indicator needs to be re-run. If the deletion turns out to increase the AVE and CR values above the threshold, then FWA2 needs to be deleted. While for FWA3, the loading value > 0.7 means it is very valid.

- **Convergent Validity**

Convergent Validity can be measured using Average Variance Extracted (AVE). If the AVE value is > 0.5, the convergent validity criteria are met or in a suitable category (Hair, et al. 2017).

	Average Variance Extracted (AVE)
FWA	0.442

Tabel 2 - Convergent Validity (Stage One)

Table 2 means that the AVE value is still below 0.5, so it does not meet the convergent validity criteria. The AVE value < 0.5 means that there are still more errors in the items than the variance described in the construct.

b. Stage 1 on the Outer Model for Evaluation of Formative Measurement

- **Outer Weight Significance Checker**

The significance must evaluate the Outer Weight by using the P-Value Outer Weight. P-Value Outer Weight goal is less than alpha (0.05), while if the P-value Outer Weight is more than alpha (0.05), it needs to check for the next step. If the P-Values Outer Weight does not meet, then the Outer Loading must be more than 0.5 (can use indicators). If it does not complete, the Outer Loading P-Value must be less than the alpha (0.05) (Hair et al., 2017).

Indikator -> Variabel Laten	P Values Outer Weight	Outer Loading	P Values Outer Loading
EP1 -> EP	0.415	0.709	
EP2 -> EP	0.275	0.794	
EP3 -> EP	0.628	0.762	
EP4 -> EP	0.789	0.703	
EP5 -> EP	0.917	0.615	
EP6 -> EP	0.773	0.625	
EP7 -> EP	0.939	0.751	
EP8 -> EP	0.974	0.708	
EP9 -> EP	0.618	0.670	
EP10 -> EP	0.683	0.570	
EP11 -> EP	0.941	0.515	
EP12 -> EP	0.940	0.537	
EP13 -> EP	0.714	0.476	0.008
EP14 -> EP	0.464	0.741	
EP15 -> EP	0.937	0.622	
EP16 -> EP	0.840	0.410	0.022
EP17 -> EP	0.692	0.428	0.028
EP18 -> EP	0.773	0.451	0.016
EP19 -> EP	0.688	0.505	
EP20 -> EP	0.646	0.744	
EP21 -> EP	0.808	0.664	
EP22 -> EP	0.946	0.643	
EP23 -> EP	0.908	0.590	
EP24 -> EP	0.911	0.556	
EP25 -> EP	0.831	0.272	0.281
EP26 -> EP	0.990	0.233	0.225
EP27 -> EP	0.421	0.633	
EP28 -> EP	0.489	0.781	
EP29 -> EP	0.587	0.634	

Indikator -> Variabel Laten	P Values Outer Weight	Outer Loading	P Values Outer Loading
JS1 -> JS	0.861	0.580	
JS2 -> JS	0.447	0.587	
JS3 -> JS	0.050	0.898	
JS4 -> JS	0.671	0.744	
JS5 -> JS	0.560	0.844	
JS6 -> JS	0.316	0.699	
JS7 -> JS	0.499	0.563	
JS8 -> JS	0.289	0.829	
JS9 -> JS	0.828	0.658	
JS10 -> JS	0.262	0.558	
JS11 -> JS	0.718	0.466	0.058
JS12 -> JS	0.751	0.610	
JS13 -> JS	0.338	0.530	
JS14 -> JS	0.957	0.665	
JS15 -> JS	0.771	0.707	
JS16 -> JS	0.898	0.697	

Description:

Recheck

Can be used

Need to throw away

Tabel 3 - Outer Weight Significance Checker (Stage One)

Based on Table 3, we can see that the EP13, EP16, EP17, and EP18 indicators need to throw away while we can use the rest because they meet the requirements.

c. Stage 2 on the Outer Model for Evaluation of Reflective Measurement

- **Indikator Reliability**

  With the same terms and conditions in the first stage, repeated the process for the second stage.

Indicator	FWA
FWA1	0.616
FWA3	0.751
FWA4	0.698
FWA5	0.732
FWA6	0.713

Tabel 4 - Indicator Reliability (Stage Two)

Based on Table 4, we can see that the indicator is currently in a vulnerable value of 0.6 to 0.7, which means it is pretty good so that FWA1, FWA3, FWA4, FWA5, and FWA6 quite meet the criteria for indicator reliability. If you want to get the upper threshold value, then FWA1 must be discarded first.

- **Convergent Validity**

  With the same terms and conditions in the first stage, repeated the process for the second stage.

	Average Variance Extracted (AVE)
FWA	0.495

Tabel 5 - Convergent Validity (Stage Two)

Based on Table 5, we can see that the AVE value is not above 0.5 because it just deleted FWA2, so that the AVE value only increased slightly. Based on the AVE value, because the value is not above 0.5, the next step is needed to get the upper limit value.

d. Stage 2 on the Outer Model for Evaluation of Formative Measurement

- **Outer Weight Significance Checker**

  With the same terms and conditions in the first stage, repeated the process for the second stage.

Indikator -> Variabel Laten	P Values Outer Weight	Outer Loading	P Values Outer Loading
EP1 -> EP	0.248	0.728	
EP2 -> EP	0.446	0.773	
EP3 -> EP	0.449	0.760	
EP4 -> EP	0.803	0.718	
EP5 -> EP	0.761	0.646	
EP6 -> EP	0.865	0.637	
EP7 -> EP	0.841	0.747	
EP8 -> EP	0.827	0.708	
EP9 -> EP	0.502	0.650	
EP10 -> EP	0.652	0.553	
EP11 -> EP	0.861	0.452	0.013
EP12 -> EP	0.774	0.495	0.005
EP14 -> EP	0.307	0.738	
EP15 -> EP	0.960	0.629	
EP19 -> EP	0.667	0.492	0.005
EP20 -> EP	0.677	0.731	
EP21 -> EP	0.993	0.655	
EP22 -> EP	0.829	0.635	
EP23 -> EP	0.874	0.571	
EP24 -> EP	0.847	0.526	
EP25 -> EP	0.980	0.265	0.331
EP26 -> EP	0.825	0.223	0.262
EP27 -> EP	0.251	0.606	
EP28 -> EP	0.258	0.783	
EP29 -> EP	0.711	0.613	

Indikator -> Variabel Laten	P Values Outer Weight	Outer Loading	P Values Outer Loading
JS1 -> JS	0.714	0.610	
JS2 -> JS	0.307	0.562	
JS3 -> JS	0.087	0.888	
JS4 -> JS	0.803	0.739	
JS5 -> JS	0.534	0.839	
JS6 -> JS	0.242	0.726	
JS7 -> JS	0.597	0.584	
JS8 -> JS	0.269	0.837	
JS9 -> JS	0.907	0.689	
JS10 -> JS	0.466	0.507	
JS11 -> JS	0.685	0.480	0.045
JS12 -> JS	0.958	0.651	
JS13 -> JS	0.195	0.500	
JS14 -> JS	0.871	0.705	
JS15 -> JS	0.810	0.736	
JS16 -> JS	0.897	0.707	

Description:

Recheck

Can be used

Need to throw away

Tabel 6 - Outer Weight Significance Checker (Stage Two)

Based on Table 6, we can see that the EP11, EP12, EP19, and JS11 indicators need to throw away while we can use the rest because they meet the requirements.

e. Stage 3 on the Outer Model for Evaluation of Reflective Measurement

- **Indikator Reliability**

We repeated the process for the third stage with the same terms and conditions in stages one and two.

Indicator	FWA
FWA3	0.713
FWA4	0.694
FWA5	0.806
FWA6	0.789

Tabel 7 - Indicator Reliability (Stage Three)

Based on Table 7, we can see that using the FWA3, FWA4, FWA5, and FWA6 indicators, the outer loading value of each hand is above 0.7, so that it is valid in meeting the criteria for the reliability indicator.

- **Convergent Validity**

We repeated the process for the third stage with the same terms and conditions in stages one and two.

	Average Variance Extracted (AVE)
FWA	0.565

Tabel 8 - Convergent Validity (Stage Three)

Based on Table 8, we can see that the FWA3, FWA4, FWA5, and FWA6 indicators have increased the AVE to 0.565 where the value is above 0.5, so we can conclude that FWA1 and FWA2 really should be discarded. Therefore, based on the AVE value, the convergent validity criteria have been fulfilled.

f. Stage 3 on the Outer Model for Evaluation of Formative Measurement

- **Outer Weight Significance Checker**

We repeated the process for the third stage with the same terms and conditions in stages one and two.

Indikator -> Variabel Laten	P Values Outer Weight	Outer Loading	P Values Outer Loading
EP1 -> EP	0.274	0.750	
EP2 -> EP	0.182	0.781	
EP3 -> EP	0.498	0.758	
EP4 -> EP	0.943	0.727	
EP5 -> EP	0.791	0.646	
EP6 -> EP	0.936	0.636	
EP7 -> EP	0.815	0.749	
EP8 -> EP	0.815	0.705	
EP9 -> EP	0.712	0.612	

Indikator -> Variabel Laten	P Values Outer Weight	Outer Loading	P Values Outer Loading
JS1 -> JS	0.462	0.637	
JS2 -> JS	0.406	0.565	
JS3 -> JS	0.057	0.888	
JS4 -> JS	0.832	0.681	
JS5 -> JS	0.491	0.848	
JS6 -> JS	0.294	0.710	
JS7 -> JS	0.427	0.565	
JS8 -> JS	0.382	0.831	
JS9 -> JS	0.858	0.661	

EP10 -> EP	0.645	0.529	
EP14 -> EP	0.246	0.735	
EP15 -> EP	0.775	0.622	
EP20 -> EP	0.927	0.709	
EP21 -> EP	0.788	0.659	
EP22 -> EP	0.830	0.625	
EP23 -> EP	0.886	0.573	
EP24 -> EP	0.651	0.516	
EP25 -> EP	0.936	0.266	0.345
EP26 -> EP	0.882	0.236	0.260
EP27 -> EP	0.236	0.605	
EP28 -> EP	0.315	0.780	
EP29 -> EP	0.575	0.627	
JS10 -> JS	0.312	0.485	0.013
JS12 -> JS	0.932	0.635	
JS13 -> JS	0.164	0.476	0.024
JS14 -> JS	0.907	0.680	
JS15 -> JS	0.713	0.720	
JS16 -> JS	0.992	0.684	

Tabel 9 - Outer Weight Significance Checker (Stage Three)

Based on Table 9, we can see that all indicators have met the requirements to use for the next stage, namely the examination of the inner model (Assessment of Structural Model Measurement Results).

g. Assessment of Structural Model Measurement Results

- **Collinearity Assessment**

The collinearity assessment in the structural measurement model is the same as the formative measurement model, namely by considering the VIF value. The VIF value must be <5 so that there is no multicollinearity in all predictors of all responses to be continued to the next stage (Hair, et al. 2017).

	EP	FWA	JS
EP			
FWA	1.440		
JS	1.440	1.000	

Tabel 10 - Collinierity Assessment

Based on Table 10, we can see that all inner VIF values < 5, which means there is no multicollinearity in all predictors to continue for the next stage.

- **Structural Model Path Coefficients**

The structural model coefficient analysis uses to determine which relationship has a significant effect. The results of the structural model coefficient analysis can see in Figure 4.4 and Table 4.19. If the p-value < (0.05), then the relationship is significant. Otherwise, if the p-value (0.05), the relationship is insignificant (Hair, et al. 2017).

	Original Sample (O)	P Values
FWA -> EP	-0.085	0.670
JS -> EP	0.963	0.000
JS -> FWA	0.553	0.017

Tabel 11 - Coefficients and Direct Effect Testing of Structural Models

Based on Table 11, the results of the analysis can write as follows:

a) In effect, flexible working on employee performance, it can see that the p-value (0.670) > α (0.05) so that we can conclude there is no significant effect between flexible working on employee performance.

b) On the influence of job satisfaction on employee performance, it can see that the p-value (0.000) < α (0.05), so can conclude that job satisfaction had a significant effect on employee performance.

c) On the effect of job satisfaction on flexible working, it can see that the p-value (0.017) > (0.05) so that it can conclude that there is a significant effect between job satisfaction and flexible working.

	Original Sample (O)	P Values
JS -> FWA -> EP	-0.047	0.708

Tabel 12 - Coefficient and Indirect Effect Testing Structural Model

On the effect of job satisfaction on employee performance through flexible working, it can see that the p-value (0.708) > (0.05) the conclusion is job satisfaction has no significant effect on employee performance through flexible working.

- ***Effect Size***

To evaluate the value of f^2 of all exogenous variables, we can use f^2. The results of the f^2 test can see in Table 13. In general, considered to be 0.02 to have a negligible effect size, 0.15 has a medium effect size, and 0.35 has a significant effect size. (Hair, et al. 2017).

	EP	FWA	JS
EP			
FWA	0.032		
JS		0.440	

Tabel 13 - Effect size (f^2)

Based on Table 13 above, we can see that the value of $f^{2,}$ which has a significant effect, is job satisfaction on flexible working. In contrast, flexible working on employee performance has a negligible effect size value.

- ***Predictive Relevance***

In addition to evaluating the value of R^2 as a criterion for predictive accuracy, researchers can use the Stone-Geissers Q^2 value. The blindfolding procedure uses to obtain the Q^2 value. As a relative measure of predictive relevance, a value of 0.02 consider to have little predictive relevance, 0.15 has moderate predictive relevance, and 0.35 has high predictive relevance (Hair, et al. 2017). The results of predictive relevance (Q^2) can be attached to Table 14.

	Q^2 (=1-SSE/SSO)
EP	0.268
FWA	0.114

Tabel 14 - Predictive Relevance

Based on Table 14, we can see that the moderate predictive relevance value for high employee performance and flexible working.

h. Grouping Using FIMIX – PLS

clustering analysis using FIMIX-PLS is the next step in this research. The grouping process uses to get the best segment class based on predetermined statistical criteria. FIMIX runs from two segments to six segments. In table 15 attached the criteria values and segment sizes from each analysis of the number of elements.

K	AIC	BIC	CAIC	EN
2	304.683	332.058	343.058	0.491
3	300.541	342.848	359.848	0.618
4	293.298	350.537	373.537	0.677
5	297.418	369.588	398.588	0.686
6	296.287	383.389	418.389	0.657

Tabel 15 – Value of AIC, BIC, CAIC and EN

Based on table 15, we can see the EN value comparing k = 2, 3, 4, 5, and 6. At k = 5, the EN value of 0.686 is the most significant, indicating that k = 5 is the best segment. Research that uses data with a population following the cluster or strata will be no heterogeneity. The result of grouping obtains from a probability value to each member in each segment. In each element, there is a percentage that is attached to table 16.

Segment Size	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Sum
%	0.415	0.261	0.173	0.091	0.060	1.000

Tabel 16 - Segment Size

At the number of k = 5, the largest segment size is group 1, which is 0.415 or 41.5% of the total respondents. At the same time, the smallest segment size is group 5, with 0.60% of the number of respondents.

5. Conclusion

As for the conclusion of this study, the results showed that H2 and H3 accepted the hypothesis, which means that job satisfaction significantly influences flexible working hours and individual performance for each employee. While HI and H4 rejected the assumption, flexible working hours arrangement does not directly affect performance.

The FIMIX-PLS results support grouping the data into five clusters, and the largest is in the first group. Through this study, the company can find out the implementation of working hours arrangements on employees and their effect on employee satisfaction and performance. Employees' must be considered a point of view to create skills in utilizing flexible working hours to develop employee performance according to company standards.

Acknowledgments:

The author would like to thank one of the insurance companies in Jakarta who has been willing to become the object of research and the University of Mercu Buana, which has facilitated this research report.

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