

The Influence of Conflict Management, Employee Engagement, and Work-Life Balance on Productivity through Well-Being

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ARTICLE INFO	ABSTRACT
<p>Keywords: Conflict Management, Employee Engagement, Work-Life Balance, Employee Well-being, Work Productivity</p>	<p><i>This study analyzes the influence of conflict management, employee engagement, and work-life balance on employee productivity at BPS North Sumatra with employee well-being as a mediating variable. Using a quantitative approach, this study involved 111 BPS Sumatera Utara Province employees through total sampling. Data were collected through questionnaires and analyzed using Structural Equation Modeling (SEM). The results show that conflict management, employee engagement, and work-life balance positively and significantly influence employee productivity, both directly and through the mediation of employee well-being. Employee well-being effectively mediates the influence of all three independent variables on employee productivity. This study provides recommendations for improving employee productivity through effective conflict management, enhanced employee engagement, and optimization of work-life balance.</i></p>

INTRODUCTION

Employee productivity is a key factor to ensure the efficiency and quality of an organization, especially in a government that focuses on public services (Robbins et al., 2019). Productive employee performance helps reduce bureaucracy and speed up service processes, which in turn increases public satisfaction with public services. In a dynamic work environment, increasing employee productivity is a crucial aspect for organizations to maintain competitive advantage and business sustainability (Manzoor et al., 2019). Thus, a deep understanding of the factors that affect employee productivity is becoming an increasingly important issue for organizations today (Saeed et al., 2018).

High employee productivity has a significant impact on the organization. Productive employees contribute optimally in achieving organizational goals through efficient and quality performance (Beloor et al., 2017; Shmailan, 2016). In addition, increasing employee productivity can increase the competitiveness of the organization by producing superior products or services (Krishnaveni & Monica, 2016). Organizations with good employee productivity tend to have higher levels of profitability and growth (Kordbacheh et al., 2018; Rainey, 2016). Furthermore, a conducive work environment can be created through increasing employee productivity, which in turn increases job satisfaction and motivation (Alzyoud, 2020).

Although employee productivity is essential for organizational success, several empirical studies indicate a decline in employee productivity in recent years. Research conducted by Bamel (2020) on manufacturing sector companies in India found that more than 60% of employees experienced a decrease in work productivity. This decrease in productivity is caused by factors such as excessive workload, lack of training, and lack of support from management. Similar findings were also obtained from a study conducted by Rizvi & Malik (2019) on the banking sector in Pakistan, where more than 50% of employees reported a decrease in work productivity caused by workplace conflicts, low employee engagement, and lack of work-life balance. The results of these studies indicate that the decline in employee productivity is a problem that needs serious attention from organizations.

Data on a national scale also confirms the phenomenon of declining employee productivity in Indonesia. Based on a survey conducted by the Ministry of Manpower of the Republic of Indonesia in 2022, the level of labor productivity in Indonesia decreased by 3.2% compared to the previous year (Ministry of Manpower, 2022). The

survey involved more than 10,000 respondents from various industry sectors and revealed that only 41.7% of workers feel productive at work. Factors such as excessive workload, inadequate compensation, and lack of career development programs are the main causes of low labor productivity in Indonesia.

Data from the International Labor Organization (ILO) in 2023 also places Indonesia in 85th place out of 117 countries in terms of labor productivity (ILO, 2023). This ranking shows that labor productivity in Indonesia is still lagging behind compared to neighboring countries such as Singapore, Malaysia, and Thailand. The low productivity of the workforce in Indonesia is one of the inhibiting factors in increasing the competitiveness of the national economy in the global market.

The phenomenon of declining employee productivity also occurs within the Central Statistics Agency (BPS) of North Sumatra Province. BPS North Sumatra Province is a non-ministerial government institution tasked with providing quality statistical data for national and regional development purposes. As one of the strategic data providers in Indonesia, BPS North Sumatra Province is required to have productive human resources in order to produce accurate, timely, and quality data. Employee productivity is a crucial factor in carrying out its role optimally to support the planning and evaluation of development programs in North Sumatra.

Based on an analysis of BPS North Sumatra internal data, there has been a trend of declining employee productivity in recent years. This can be seen in detail in Table 1 which presents the average employee productivity from 2019 to 2023. This decrease in employee productivity is a serious concern for BPS North Sumatra Province, considering its very important role in providing accurate and quality statistical data to support development planning and evaluation in North Sumatra.

Table 1. Average Productivity of BPS Employees in North Sumatra Province

Year	Number of Employees	Employee SKP Average Value Index (weight 60%)	Average Employee Behavior Index (40% weight)	Employee Productivity Index (Call 3 + Call 4)
(1)	(2)	(3)	(4)	(5)
2019	100	51,50	36,10	87,60
2020	101	51,30	36,80	88,10
2021	107	52,90	33,90	86,80
2022	104	50,90	35,25	86,15
2023	111	50,40	35,30	85,70
Average Total		51,40	35,47	86,87

Source: Data Processed (2024)

Table 1. shows that the productivity index of BPS employees in North Sumatra Province has decreased from year to year, with a total average of 86.87. In 2019, the employee productivity index was at 87.60. This figure experienced a slight increase in 2020 to 88.10, but then continued to decline until it reached 85.70 in 2023. The decline in the employee productivity index was caused by a decrease in two main components, namely the average value index of Employee Performance Goals (SKP) and the average value index of employee behavior. This data confirms that BPS North Sumatra Province is also experiencing problems related to a decrease in employee productivity, in line with phenomena that occur on a national and global scale. Therefore, it is important to analyze the factors that affect employee productivity at BPS North Sumatra Province so that strategic steps can be formulated to increase employee productivity.

Several previous studies have shown that employee wellbeing plays an important role in mediating the influence of effective conflict management on employee work productivity (Melepati & Hawaldar, 2022). The results of this pre-survey are also supported by the results of research by Elisabet Siahaan (2021) which states that the dimension of psychological well-being is in the form of employee self-actualization which has a positive and significant influence on employee performance. Employee welfare encourages employees to be able to manage conflicts more constructively and effectively. The better the conflict management in the organization, the greater the need to ensure the welfare of employees so that they can handle conflicts more productively. Employee welfare also acts as a mediator in the influence of employee engagement on work productivity. High employee involvement encourages them to continue to maintain their well-being so that they can be optimally involved in their work. Likewise, in the context of work-life balance, employee welfare is the key for employees to be able to achieve a balance between work life and personal life effectively to increase work productivity (Shaikh et al., 2022).

The previous paragraph explained the important role of employee welfare as a mediating variable that links the influence of effective conflict management, employee involvement, and work-life balance to employee work productivity. However, the results of a pre-survey conducted on 30 BPS employees in North Sumatra Province

randomly using employee welfare indicators according to Grant (2007) showed indications of problems related to employee welfare, as shown in Table 2.

Table 2. Results of the Presurvey of Employee Welfare Variables

No.	Statement	STS	TS	N	S	SS	Average
Physical Well-Being							
1.	Physical health level and free from occupational diseases	2 (6.7%)	6 (20%)	10 (33.3%)	9 (30%)	3 (10%)	3.17
2.	Energy and stamina in carrying out work	3 (10%)	7 (23.3%)	9 (30%)	9 (30%)	2 (6.7%)	3.00
3.	Comfort in the workplace atmosphere	4 (13.3%)	7 (23.3%)	8 (26.7%)	9 (30%)	2 (6.7%)	2.93
4.	Access to healthcare facilities	3 (10%)	8 (26.7%)	9 (30%)	8 (26.7%)	2 (6.7%)	2.93
Psychological Well-Being							
5.	Manageable levels of work stress	2 (6.7%)	7 (23.3%)	11 (36.7%)	8 (26.7%)	2 (6.7%)	3.03
6.	Job satisfaction level	1 (3.3%)	5 (16.7%)	11 (36.7%)	10 (33.3%)	3 (10%)	3.30
7.	Certainty of career development	3 (10%)	8 (26.7%)	9 (30%)	8 (26.7%)	2 (6.7%)	2.93
Socio-Economic Welfare							
8.	Balance between salary and living necessities	4 (13.3%)	7 (23.3%)	10 (33.3%)	7 (23.3%)	2 (6.7%)	2.87
9.	Recognition of performance in the workplace	2 (6.7%)	6 (20%)	11 (36.7%)	9 (30%)	2 (6.7%)	3.10
10.	Supportive social relationships in the workplace	1 (3.3%)	4 (13.3%)	7 (23.3%)	14 (46.7%)	4 (13.3%)	3.53
11.	Job stability	2 (6.7%)	5 (16.7%)	9 (30%)	11 (36.7%)	3 (10%)	3.27

Source: Diolan Data (2024)

The results of the pre-survey of 30 BPS employees in North Sumatra Province indicated that there were problems in employee welfare, especially in the dimensions of physical and socio-economic welfare. The aspects of workplace comfort and access to health facilities showed a relatively low score (2.93), while the balance between salary and living needs had the lowest score (2.87). In the dimension of psychological well-being, although the level of job satisfaction is quite good (3.30), there are still concerns related to the certainty of career development (2.93). Interestingly, social relations in the workplace showed the highest score (3.53), but overall this data indicates the need to improve more comprehensive employee welfare programs, especially in terms of physical facilities, career development, and economic well-being.

This employee welfare problem can be one of the factors that hinders the efforts of BPS North Sumatra Province in increasing employee work productivity, especially in facing challenges and dynamics of the work environment. Therefore, this study is important to explore the role of employee welfare as an intervening variable that can mediate the influence of other factors such as effective conflict management, employee involvement, and work-life balance on the work productivity of BPS employees in North Sumatra Province.

As a conceptual foothold in examining the factors that affect the work productivity of BPS employees in North Sumatra Province and the role of employee welfare as an intervening variable, this study adopts two theoretical perspectives, namely Talent Management Theory and Organizational Support Theory. First, Talent Management Theory emphasizes the importance of identifying, developing, and retaining the best talents in an organization to achieve competitive advantage (Collings & Mellahi, 2009). In the context of this study, effective conflict management by employees, high employee involvement, and the achievement of work-life balance can be considered as a solution to manage and develop superior talents in the work environment of BPS North Sumatra.

Second, the Organizational Support Theory emphasizes the importance of employees' perception of the extent to which the organization values their contributions and cares about their well-being (Eisenberger et al., 1986). This theory is relevant in this study, where employee welfare can be seen as a form of organizational support that can mediate the influence of conflict management, employee engagement, and work-life balance on work productivity. By adopting these two theories, this study tries to explore how talent management efforts through the effectiveness of conflict management, employee involvement, and work-life balance contribute to the work productivity of BPS employees in North Sumatra Province, with employee welfare as a form of organizational support that mediates this influence.

The results of the literature study show that several previous studies have examined the influence of effective conflict management, employee involvement, and work-life balance on employee work productivity, but there are still some gaps that have not been fully explored. First, most previous studies tended to examine the

three variables separately and partially (Baqi, 2020; Chanana & Sangeeta, 2021; Wiradendi Wolor et al., 2020). This leads to a lack of a complete and integrative understanding of the shared role of conflict management, employee engagement, and work-life balance in influencing employee work productivity. In fact, these three variables are interrelated and have the potential to have a synergistic effect on increasing work productivity if managed properly simultaneously.

Second, there are still limited studies that examine the role of employee wellbeing as a mediator variable that mediates the influence of conflict management, employee involvement, and work-life balance on employee work productivity, especially in BPS North Sumatra Province (Koropitan & Riyanto, 2022). Employee welfare is an important factor that can encourage employees to work optimally and productively. However, there have not been many studies that explore how employee welfare mediates the relationship between these three variables and employee work productivity in BPS North Sumatra Province.

This study seeks to fill this gap by integratively and comprehensively examining the influence of effective conflict management, employee involvement, and work-life balance on the work productivity of BPS employees in North Sumatra Province, as well as exploring the role of employee welfare as an intervening variable that mediates the influence of these three variables. The results of the preliminary study also show that BPS employees in North Sumatra Province still face various challenges and problems that can hinder their work productivity. These obstacles include ineffective conflict management, low employee involvement, lack of work-life balance, and problems related to employee welfare. Thus, it is hoped that this research can make a significant contribution to increasing the work productivity of BPS employees in North Sumatra Province through strengthening conflict management, employee involvement, work-life balance, and optimizing employee welfare.

The purpose of this study can be described as follows: Analyzing the influence of effective conflict management on the welfare of BPS employees in North Sumatra Province. Analyzing the influence of employee involvement on the welfare of BPS employees in North Sumatra Province. Analyzing the effect of work-life balance on the welfare of BPS employees in North Sumatra Province. Analyze the influence of effective conflict management on the work productivity of BPS employees in North Sumatra Province. Analyze the influence of employee involvement on the work productivity of BPS employees in North Sumatra Province. Analyze the effect of work-life balance on the work productivity of BPS employees in North Sumatra Province. Analyzing the influence of employee welfare on the work productivity of BPS employees in North Sumatra Province. Analyze the role of employee welfare in mediating the influence of conflict management on the work productivity of BPS employees in North Sumatra Province. Analyze the role of employee welfare in mediating the influence of employee involvement on the work productivity of BPS employees in North Sumatra Province. Analyze the role of employee welfare in mediating the influence of work-life balance on the work productivity of BPS North Sumatra employees.

The benefits of this research are theoretically enriching literature in the field of human resource management, especially related to conflict management, employee involvement, work-life balance, employee welfare, and work productivity. Providing a theoretical contribution in understanding the role of employee welfare as a mediating variable that links the influence of conflict management, employee involvement, and work-life balance on work productivity. It serves as a reference and reference for further research related to the topics of conflict management, employee engagement, work-life balance, employee welfare, and work productivity. The benefits practically provide input for BPS North Sumatra Province in formulating strategies and programs to increase employee work productivity through the implementation of effective conflict management, increased employee involvement, and the achievement of work-life balance. Providing recommendations for BPS North Sumatra Province in optimizing employee welfare as an effort to increase employee work productivity. It is a consideration for other organizations in developing policies and best practices in the field of human resource management, especially related to conflict management, employee engagement, work-life balance, and employee welfare as an effort to increase employee work productivity.

METHOD

This research is a type of associative research with a quantitative approach. Associative research is a type of research that aims to analyze the relationship or influence between two or more variables (Sugiyono, 2019). The quantitative approach was chosen because this study uses numerical data obtained from measurable questionnaires. The data will be analyzed statistically to test hypotheses and identify patterns of relationships and influences between the variables studied.

This research will be conducted at the office of the Central Statistics Agency (BPS) of North Sumatra Province which is located at Jl. Asrama No.179, Dwi Kora, Medan Helvetia District, Medan City, North Sumatra 20123. This research will be carried out from June to October 2024.

RESULTS AND DISCUSSION

SEM Analysis Results

This study uses SEM analysis to test hypotheses and achieve the set research objectives. Data processing is carried out using the Partial Least Square (PLS) method with SmartPLS 3.0 software. The PLS method was chosen because it is the right Structural Equation Model (SEM) analysis technique to handle multivariate analysis with a not too large number of samples (30-100 samples) and does not require the fulfillment of parametric assumptions. Evaluation in SEM-PLS analysis is divided into two stages, namely measurement model evaluation (outer model) and structural model evaluation (inner model). The path construct of the SEM model or path diagram in this study is shown in Figure 4.8.

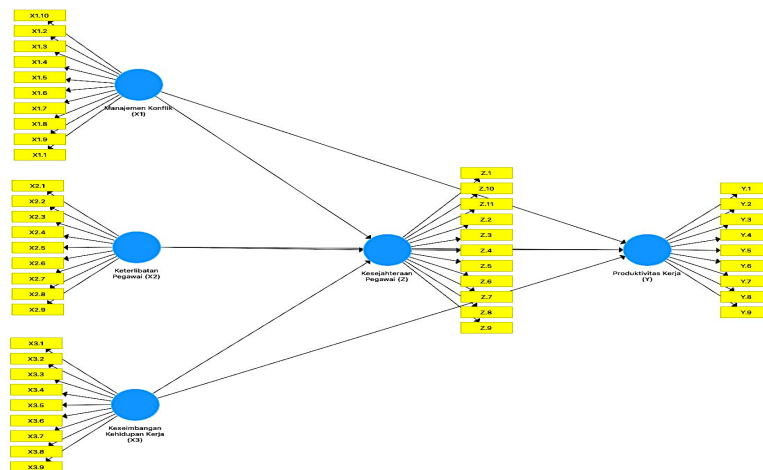


Figure 1. Structural Equation Model

The path diagram in Figure 4.8 shows 2 types of latent variables consisting of: 1) latent variables/exogenous constructs that include conflict management variables (X1) with 10 manifest variables; employee involvement variable (X2) with 9 manifest variables; and work-life balance variable (X3) with 9 manifest variables, 2) latent/endogenous construct variable consisting of employee welfare variable (Z) with 11 manifest variables and work productivity variable (Y) with 9 manifest variables. The model shows the existence of two substructures in the path diagram: 1) the influence between the exogenous construct variables X1, X2, and X3 on the endogenous construct Z, 2) the influence between the exogenous construct variables X1, X2, X3, and Z on the endogenous construct Y. The hypotheses in this frame of mind are divided into two types, namely: (1) the direct influence on substructures 1 and 2; (2) indirect influence through employee welfare mediation variables.

Measurement Model Analysis (Outer Model)

Measurement model analysis is carried out to evaluate the validity and reliability of the instrument by examining the relationship between latent variables and their constituent indicators (manifest/observed variables). The evaluation of the outer model in this study was carried out through two main stages, namely: 1) instrument training, which includes convergent validity and discriminant validity, 2) instrument reliability test, including testing Cronbach's alpha reliability and composite reliability. The following is an explanation of the two stages in the analysis of the outer model in this study.

1) Validitas Konvergen (Convergent Validity)

Convergent validity aims to test the validity of the correlation between manifest variables and their constructs or latent variables. Referring to (Yong et al., 2023), there are two main criteria in assessing the validity of convergence in reflective indicators, namely the first is based on the loading factor value > 0.7 and the second is based on the Average Variance Extracted (AVE) value > 0.5 (Hair Jr et al., 2019).

Loading Factor/Outer Loadings

Loading Factor is a value that describes the strength of the relationship between the score of the question item and the score of the indicator that measures a construct/latent. The results of the loading factor measurement in this research model can be seen in the PLS model presented in Figure 4.9.

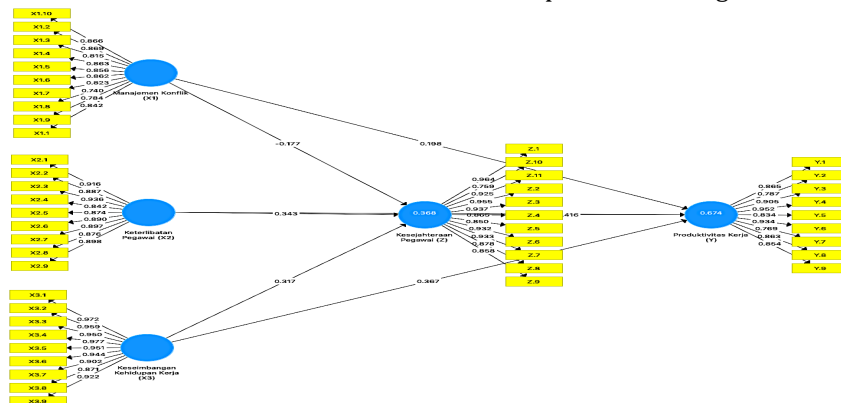


Figure 2. Model/Path Diagram 1 PLS Algorithm

Table 3. Value Loading Factor

Variable	Indicator	Outer Loading	Rule of Thumb	Criterion
Conflict Management (X1)	X1.1	0.842	0,700	Meet Convergent Validity
	X1.2	0.869	0,700	Meet Convergent Validity
	X1.3	0.815	0,700	Meet Convergent Validity
	X1.4	0.863	0,700	Meet Convergent Validity
	X1.5	0.856	0,700	Meet Convergent Validity
	X1.6	0.862	0,700	Meet Convergent Validity
	X1.7	0.823	0,700	Meet Convergent Validity
	X1.8	0.740	0,700	Meet Convergent Validity
	X1.9	0.784	0,700	Meet Convergent Validity
	X1.10	0.866	0,700	Meet Convergent Validity
Employee Engagement (X2)	X2.1	0.916	0,700	Meet Convergent Validity
	X2.2	0.887	0,700	Meet Convergent Validity
	X2.3	0.936	0,700	Meet Convergent Validity
	X2.4	0.842	0,700	Meet Convergent Validity
	X2.5	0.874	0,700	Meet Convergent Validity
	X2.6	0.890	0,700	Meet Convergent Validity
	X2.7	0.897	0,700	Meet Convergent Validity
	X2.8	0.876	0,700	Meet Convergent Validity
	X2.9	0.898	0,700	Meet Convergent Validity
Work-Life Balance (X3)	X3.1	0.972	0,700	Meet Convergent Validity
	X3.2	0.959	0,700	Meet Convergent Validity
	X3.3	0.950	0,700	Meet Convergent Validity
	X3.4	0.977	0,700	Meet Convergent Validity
	X3.5	0.951	0,700	Meet Convergent Validity
	X3.6	0.944	0,700	Meet Convergent Validity
	X3.7	0.902	0,700	Meet Convergent Validity
	X3.8	0.871	0,700	Meet Convergent Validity
	X3.9	0.922	0,700	Meet Convergent Validity
Work Productivity (Y)	Y.1	0.865	0,700	Meet Convergent Validity
	Y.2	0.787	0,700	Meet Convergent Validity
	Y.3	0.905	0,700	Meet Convergent Validity
	Y.4	0.952	0,700	Meet Convergent Validity
	Y.5	0.834	0,700	Meet Convergent Validity
	Y.6	0.934	0,700	Meet Convergent Validity
	Y.7	0.769	0,700	Meet Convergent Validity
	Y.8	0.863	0,700	Meet Convergent Validity
	Y.9	0.854	0,700	Meet Convergent Validity
Employee Well-being (Z)	Z.1	0.964	0,700	Meet Convergent Validity
	Z.2	0.955	0,700	Meet Convergent Validity
	Z.3	0.937	0,700	Meet Convergent Validity
	Z.4	0.865	0,700	Meet Convergent Validity
	Z.5	0.850	0,700	Meet Convergent Validity
	Z.6	0.932	0,700	Meet Convergent Validity
	Z.7	0.933	0,700	Meet Convergent Validity
	Z.8	0.878	0,700	Meet Convergent Validity
	Z.9	0.858	0,700	Meet Convergent Validity
	Z.10	0.759	0,700	Meet Convergent Validity
	Z.11	0.925	0,700	Meet Convergent Validity

Source: Data processed (2024)

Table 3. Above shows the value of the outer loading/loading factor in all manifest variables (indicators) in the PLS model > 0.7. So that no indicator on the latent variable construct is eliminated from the model.

Average Variance Extracted (AVE)

AVE testing was carried out to strengthen the validity of SEM model convergence. The model can be declared to meet convergent validity if the AVE value > 0.5 (Hair et al., 2022). The AVE in this research model is summarized in Table 4.

Tabel 4. Nilai Average Variance Extracted

Leave it variable	AVE	Criterion
Employee Well-being (Z)	0.806	Meet <i>Convergent Validity</i>
Work Productivity (Y)	0.747	Meet <i>Convergent Validity</i>
Conflict Management (X1)	0.694	Meet <i>Convergent Validity</i>
Employee Engagement (X2)	0.794	Meet <i>Convergent Validity</i>
Work-Life Balance (x3)	0.882	Meet <i>Convergent Validity</i>

Source: Data processed (2024)

Table 4. shows the AVE value of each latent variable > 0.50. Thus, the SEM model of the research does not have the problem of convergent validity.

Discriminant Validity

Discriminatory validity aims to evaluate the extent to which one construct is completely different from another based on empirical standards (Ramayah et al., 2023). The evaluation of the validity of discrimination refers to the Cross-Loading value which shows the correlation coefficient of the indicator to its association construct compared to other constructs, where the correlation value of the indicator must be higher with respect to its association construct compared to other constructs (Franke & Sarstedt, 2019). The Cross-Loading values in the analysis model in this study are summarized in Table 5.

Table 5. Cross-Loading Value

	X1	X2	X3	And	With
X1.1	0.842	-0.066	-0.182	0.047	-0.110
X1.2	0.869	-0.104	-0.295	-0.056	-0.249
X1.3	0.815	-0.189	-0.098	0.015	-0.174
X1.4	0.863	-0.294	-0.291	-0.184	-0.210
X1.5	0.856	-0.156	-0.234	-0.163	-0.300
X1.6	0.862	-0.273	-0.202	-0.142	-0.323
X1.7	0.823	-0.099	-0.207	-0.065	-0.421
X1.8	0.740	-0.089	-0.075	0.092	-0.079
X1.9	0.784	-0.095	-0.284	-0.015	-0.252
X1.10	0.866	-0.150	-0.142	-0.027	-0.181
X2.1	-0.347	0.916	0.286	0.530	0.486
X2.2	-0.077	0.887	0.248	0.573	0.370
X2.3	-0.114	0.936	0.335	0.581	0.442
X2.4	-0.222	0.842	0.250	0.437	0.341
X2.5	-0.261	0.874	0.176	0.406	0.367
X2.6	-0.093	0.890	0.294	0.641	0.427
X2.7	-0.225	0.897	0.287	0.516	0.528
X2.8	-0.075	0.876	0.265	0.493	0.369
X2.9	-0.161	0.898	0.271	0.513	0.429
X3.1	-0.246	0.257	0.972	0.539	0.447
X3.2	-0.156	0.319	0.959	0.626	0.407
X3.3	-0.245	0.298	0.950	0.587	0.463
X3.4	-0.264	0.339	0.977	0.645	0.504
X3.5	-0.341	0.255	0.951	0.534	0.404
X3.6	-0.251	0.231	0.944	0.527	0.486
X3.7	-0.396	0.253	0.902	0.526	0.463
X3.8	-0.120	0.220	0.871	0.561	0.344
X3.9	-0.197	0.385	0.922	0.572	0.419
Y.1	0.071	0.426	0.433	0.865	0.512
Y.2	-0.093	0.577	0.502	0.787	0.545
Y.3	-0.106	0.535	0.640	0.905	0.652
Y.4	-0.081	0.583	0.579	0.952	0.708
Y.5	0.014	0.506	0.508	0.834	0.559
Y.6	-0.124	0.517	0.637	0.934	0.674
Y.7	-0.035	0.299	0.402	0.769	0.421
Y.8	-0.156	0.675	0.445	0.863	0.570
Y.9	-0.222	0.406	0.519	0.854	0.534

Z.1	-0.405	0.509	0.512	0.625	0.964
Z.2	-0.295	0.390	0.511	0.684	0.955
Z.3	-0.351	0.441	0.376	0.597	0.937
Z.4	-0.254	0.367	0.352	0.558	0.865
Z.5	-0.261	0.391	0.285	0.502	0.850
Z.6	-0.326	0.450	0.445	0.663	0.932
Z.7	-0.325	0.448	0.446	0.637	0.933
Z.8	-0.184	0.422	0.423	0.638	0.878
Z.9	-0.305	0.482	0.374	0.584	0.858
Z.10	-0.105	0.294	0.402	0.519	0.759
Z.11	-0.362	0.451	0.450	0.627	0.925

Source: Data processed (2024)

Table 5. The above shows if the coefficient of the cross-loading correlation of the indicator with its construct is greater than 0.7 and greater than the correlation coefficient with other constructs. Thus, it can be concluded that all constructs/latents in the research model have good discriminatory validity, where the cross-loading value of the indicator in each construct block is greater than the indicator in other construct blocks.

1. Cronbach's Alpha Reliability

Cronbach's Alpha reliability is used to evaluate the internal consistency of a set of indicators that measure a construct or in other words measure the lower bound of the reliability of a latent variable (Hair et al., 2022). In the context of confirmatory research, Cronbach's Alpha value is required to exceed 0.7 to ensure the reliability of the measured construct (Sarstedt & Cheah, 2019). The results of data processing related to the reliability of Cronbach's Alpha are summarized in the following Table 6.

Table 6. Cronbach Alpha Reliability

Leave it variable	Cronbach's Alpha	Criterion
Employee Well-being (Z)	0.976	Highly Reliable
Work Productivity (Y)	0.957	Highly Reliable
Conflict Management (X1)	0.953	Highly Reliable
Employee Engagement (X2)	0.967	Highly Reliable
Work-Life Balance (x3)	0.983	Highly Reliable

Source: Data processed (2024)

Table 6. showed the reliability value of Cronbach's Alpha in all research constructs/latent >0.7. Thus, the research questionnaire consisting of constructive/latent indicators and variables has been feasible and meets the reliability test or the answers in the questionnaire have shown high consistency.

2. Composite Reliability

Composite reliability in the research model aims to measure the actual internal consistency of a construct by considering the relative contribution of each indicator (Ringle et al., 2020). In confirmatory research, the reliability value of the composite must be >0.7 to indicate adequate construction reliability (Hair et al., 2022). The results of data processing related to composite reliability are summarized in Table 7.

Table 7. Composite Reliability

Leave it variable	Composite Reliability	Criterion
Employee Well-being (Z)	0.979	Highly Reliable
Work Productivity (Y)	0.964	Highly Reliable
Conflict Management (X1)	0.958	Highly Reliable
Employee Engagement (X2)	0.972	Highly Reliable
Work-Life Balance (x3)	0.985	Highly Reliable

Source: Data processed (2024)

Table 7. The above shows that the composite reliability value of all latent/construct variables is greater than 0.7. Thus, it can be concluded that all kosntruk/latent variables in the analysis model in this study have high reliability.

Structural Model Analysis (Inner Model)

After conducting a measurement model analysis to evaluate the validity and reliability of the indicators against the construct/latent that has been built, the next stage is the analysis of the structural model (inner model). The structural model aims to test the causality relationship between latent variables that have been constructed based on theoretical foundations to answer research hypotheses (Ramayah et al., 2023).

The analysis of the structural model of this study includes several tests, namely: 1) Fit Model, 2) R-Square, 3) Path Coefficient, 4) Significance Test (P-Values), 5) Relevant Predictive, 6) F-Square (effect size), and 7) Goodness of Fit.

1. Model Fit

The fit model is used to evaluate the suitability of the theoretical model with the empirical data obtained. According to Hair et al. (2022), the suitability of the PLS analysis model can be assessed through several indicators, including the loading factor value of each indicator and other fit model criteria. Based on the results of the analysis obtained, it can be concluded that the SEM model constructed in this study has met the model fit criteria (model fit) because it has met the validity and reliability requirements set.

2. R-Square (Coefficient of Determination)

The R-Square or determination coefficient serves as a measure of the model's predictive accuracy and indicates the quality of the structural model by showing the proportion of variance in endogenous variables that can be explained by exogenous variables (Sarstedt et al., 2019). The R-Square value ranges from 0 to 1, where a higher value indicates better predictive ability of the structural model (Hair et al., 2022). The results of the calculation of the R-Square value in this research model are summarized in the following Table 8.

Table 8. Coefficient of Determination

	<i>R Square</i>	<i>R Square Adjusted</i>
Employee Well-being (Z)	0.368	0.351
Work Productivity (Y)	0.674	0.662

Source: Data processed (2024)

Table 8 Above shows the R-Square Adjusted value or the corrected R-Square value based on the standard error value to assess the ability of an exogenous construct to explain the endogenous construct. The above results show that substructure 1 in the path diagram (the influence of X₁, X₂, and X₃ on Z) has an R-Square value of 0.368 and the R-Square Adjusted is 0.351. This indicates that around 36.8% of the variation in Employee Well-Being can be explained by independent variables, with an adjustment of the number of predictor variables resulting in a more conservative estimate of 35.1%.

Furthermore, substructure 2 in the path diagram (the influence between variables X₁, X₂, X₃, and Z on Y) shows that the R-Square value reaches 0.674 and the R-Square Adjusted is 0.662. This shows that the model has a stronger ability to explain Work Productivity variations, where about 67.4% of the variations can be explained by independent variables, with an adjusted estimate of 66.2%. Overall, this model has better explanatory power for Work Productivity than Employee Well-being, indicating that the independent variables used are more relevant for predicting Work Productivity.

3. Path Coefficient

Path coefficient analysis was carried out to measure the amount of direct influence between variables and determine the direction of the relationship in the structural model (Hair et al., 2022). The value of the path coefficient ranges from -1 to +1, where a value close to +1 indicates a strong positive relationship, a value close to -1 indicates a strong negative relationship, and a value close to 0 indicates a weak relationship (Sarstedt & Cheah, 2019). This coefficient is also used to formulate the path equation of the model under test. The results of the path coefficient analysis for direct effect in this study are summarized in Table 13.

Table 9. Direct Effect Path Coefficient

	Employee Well-being (Z)	Work Productivity (Y)
Employee Well-being (Z)		0.416
Work Productivity (Y)		
Conflict Management (X ₁)	0.177	0.198
Employee Engagement (X ₂)	0.343	0.321
Work-Life Balance (X ₃)	0.317	0.367

Source: Data processed (2024)

Based on the results of the analysis of the direct effect coefficient in Table 9, it can be interpreted that employee welfare (Z) has a positive influence on work productivity (Y) with a path coefficient of 0.416. Meanwhile, the conflict management variable (X₁) showed a positive influence on both employee welfare (Z) and work productivity (Y) with path coefficients of 0.177 and 0.198, respectively.

Employee involvement (X₂) has a stronger positive influence than conflict management, with a path coefficient of 0.343 on employee welfare (Z) and 0.321 on work productivity (Y). Meanwhile, the work-life balance variable (X₃) showed a strong positive influence with a path coefficient of 0.317 on employee welfare (Z) and 0.367 on work productivity (Y).

These results indicate that in the BPS environment of North Sumatra Province, all exogenous variables make a positive contribution to improving employee welfare and work productivity. Work-life balance had the greatest direct influence on work productivity (0.367), while employee involvement had the greatest influence on employee welfare (0.343). Conflict management, although it shows a positive influence, has a

relatively smaller contribution than other variables. This shows that efforts to increase the work productivity of BPS employees in North Sumatra Province can be optimized through strengthening aspects of work-life balance and employee involvement, while still paying attention to the aspects of conflict management and employee welfare as mediation variables.

Furthermore, the value of the path coefficient in the indirect effect model in this study is summarized through Table 10. next.

Table 10. Indirect Effect Path Coefficient

Indirect Relationship Model Through Mediation Variables	Indirect Effect
Conflict Management (X1) → Employee Welfare (Z) → Work Productivity (Y)	0.074
Employee Engagement (X2) → Employee Welfare (Z) → Work Productivity (Y)	0.143
Work-Life Balance (X3) → Employee Welfare (Z) → Work Productivity (Y)	0.132

Source: Data processed (2024)

Based on the results of the analysis of the indirect effect coefficient shown in Table 10, it can be interpreted that all exogenous variables have a positive indirect influence on work productivity (Y) through the mediation of employee welfare (Z).

Employee involvement (X₂) shows the strongest indirect influence on work productivity through employee welfare mediation with a path coefficient of 0.143. This was followed by the work-life balance (X₂) variable which had an indirect influence with a path coefficient of 0.132. Meanwhile, conflict management (X₁) has a relatively smaller indirect influence with a path coefficient of 0.074.

These results indicate that in BPS North Sumatra Province, employee welfare plays an effective role as a mediating variable in increasing work productivity, especially when it is associated with aspects of employee involvement and work-life balance. These findings imply that efforts to increase employee engagement and work-life balance mediated by employee welfare will have a greater indirect impact on work productivity compared to conflict management aspects. Thus, the strategy to increase work productivity in BPS North Sumatra Province can be more effective if it pays attention to the role of employee welfare as a mediator, especially in strengthening the influence of employee involvement and work-life balance.

4. Significant Test (P-Values)

The significance test (P-Values) was carried out to answer the research hypothesis and determine the direct partial influence between exogenous latent variables on endogenous latent variables and to find out the indirect partial influence between latent variables through intervening variables (Hamid et al., 2019). The significance test in the PLS analysis was carried out by bootstrapping calculation method on the path diagram that had been constructed to minimize the problem of the normality of the research data.

The results of bootstrapping the research path diagram can be seen in Figure 3. next.

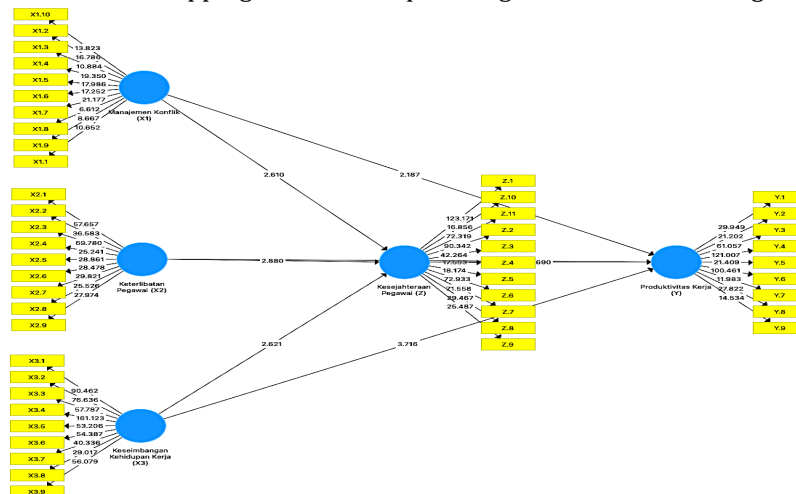


Figure 3. PLS Model/2 Bootstrapping Line Diagram

Figure 3. The above shows the value of the path coefficient in the path diagram to determine the significance of the relationship between the variables or latent constructs that have been built. There are two models of relationships, namely direct effect and indirect effect. The results of the significance test on the direct effect hypothesis are summarized in the following Table 11.

Table 11. Direct Influence Significance Test

Direct Influence Model	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Conflict Management (X ₁) → Employee Welfare (Z)	0.177	0.190	0.068	2.610	0.009
Conflict Management (X ₁) → Work Productivity (Y)	0.198	0.196	0.091	2.187	0.029
Employee Engagement (X ₂) → Employee Welfare (Z)	0.343	0.348	0.119	2.880	0.004
Employee Engagement (X ₂) → Work Productivity (Y)	0.321	0.330	0.105	3.072	0.002
Work-Life Balance (X ₃) → Employee Wellbeing (Z)	0.317	0.309	0.121	2.621	0.009
Work-Life Balance (X ₃) → Work Productivity (Y)	0.367	0.367	0.099	3.716	0.000
Employee Welfare (Z) → Work Productivity (Y)	0.416	0.404	0.113	3.690	0.000

Source: Data processed (2024)

Based on the results of the analysis in Table 11., it can be interpreted that all variables have a significant and positive influence because they have a t-statistical value of > 1.96 and a p-value < 0.05. Conflict Management (X₁) is proven to have a positive and significant influence on Employee Welfare (Z) with a coefficient of 0.177 (t=2.610; p=0.009), which means that every increase in one unit of Conflict Management will increase Employee Welfare by 0.177 units. Conflict Management also had a positive and significant effect on Work Productivity (Y) with a coefficient of 0.198 (t=2.187; p=0.029).

Employee Engagement (X₂) showed a stronger positive and significant influence on Employee Welfare with a coefficient of 0.343 (t=2.880; p=0.004) and on Work Productivity with a coefficient of 0.321 (t=3.072; p=0.002). Similarly, Work-Life Balance (X₃) has a positive and significant influence on Employee Welfare with a coefficient of 0.317 (t=2.621; p=0.009) and on Work Productivity with a coefficient of 0.367 (t=3.716; p=0.000). Most interestingly, Employee Welfare (Z) has the strongest positive and significant influence on Work Productivity with a coefficient of 0.416 (t=3.690; p=0.000).

Based on these results, two regression equations can be formed. Equation substructure 1 explaining the effect of X₁, X₂, and X₃ on Z: Z (Employee Well-being) = 0.177X₁ (Conflict Management) + 0.343X₂ (Employee Engagement) + 0.317X₃ (Balance Work-Life) + e₁.

This equation shows that Employee Engagement has the greatest influence on Employee Well-Being, followed by Work-Life Balance and Conflict Management. Meanwhile, the equation of substructure 2 that explains the influence of X₁, X₂, X₃, and Z on Y: Y (Work Productivity) = 0.198X₁ (Conflict Management) + 0.321X₂ (Employee Engagement) + 0.367X₃ (Work-Life Balance) + 0.416Z (Employee Well-being) + e₂.

This equation indicates that Employee Welfare has the greatest influence on Work Productivity, followed by Work-Life Balance, Employee Engagement, and Conflict Management. This shows that to increase the Work Productivity of BPS employees in North Sumatra Province, the main attention should be given to improving Employee Welfare and Employee Work-Life Balance.

Furthermore, the results of the significance test on the indirect effect hypothesis will be summarized in Table 12.

Table 12. Indirect Influence Significance Test

Direct Influence Model	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Conflict Management (X ₁) → Employee Welfare (Z) → Work Productivity (Y)	0.074	0.077	0.035	2.087	0.037
Employee Involvement (X ₂) → Employee Welfare (Z) → Work Productivity (Y)	0.143	0.142	0.065	2.182	0.030
Work-Life Balance (X ₃) → Employee Welfare (Z) → Work Productivity (Y)	0.132	0.129	0.063	2.076	0.038

Source: Data processed (2024)

Based on Table 12, it can be interpreted that there is a significant indirect influence of all independent variables on Work Productivity through Employee Welfare as a mediating variable. Specifically, Conflict Management (X₁) has a positive and significant indirect influence on Work Productivity (Y) through Employee Welfare (Z) with a coefficient of 0.074 (t=2.087; p=0.037). Employee Involvement (X₂) showed

the largest indirect influence with a coefficient of 0.143 ($t=2.182$; $p=0.030$) on Work Productivity through Employee Welfare.

Meanwhile, Work-Life Balance (X₃) also has a positive and significant indirect influence on Work Productivity through Employee Welfare with a coefficient of 0.132 ($t=2.076$; $p=0.038$). All of these mediation channels proved to be significant because they had a t-statistical value of > 1.96 and a p-value < 0.05 , which indicates that Employee Welfare plays an effective role as a mediation variable in increasing the Work Productivity of BPS employees in North Sumatra Province. This emphasizes the importance of paying attention to the aspect of Employee Welfare as an intermediary factor to increase Work Productivity through the implementation of Conflict Management, Employee Engagement, and Work-Life Balance.

A summary of the comparison of the direct and indirect effects of exogenous variables on endogenous variables in the SEM model of this study is presented in Table 13.

Table 13. Summary of Direct and Indirect Hypothesis Test Results

	Hypothesis	Results	Types of Mediation
H1	Conflict management has a significant positive effect on employee well-being	Accepted	-
H2	Employee involvement has a significant positive effect on employee welfare	Accepted	-
H3	Work-life balance has a significant positive effect on employee well-being	Accepted	-
H4	Conflict management has a significant positive effect on work productivity	Accepted	-
H5	Employee involvement has a significant positive effect on work productivity	Accepted	-
H6	Work-life balance has a significant positive effect on work productivity	Accepted	-
H7	Employee welfare has a significant positive effect on work productivity	Accepted	-
H8	Employee welfare mediates the influence of conflict management on work productivity	Accepted	Partial Mediation
H9	Employee welfare mediates the influence of employee involvement on work productivity	Accepted	Partial Mediation
H10	Employee welfare mediates the influence of work-life balance on work productivity	Accepted	Partial Mediation

Source: Data processed (2024)

Based on Table 13, the results of hypothesis testing show that all hypotheses in this study are accepted. The H1 to H7 hypothesis tested the direct influence between variables, where Conflict Management (H1), Employee Engagement (H2), and Work-Life Balance (H3) were proven to have a positive and significant effect on Employee Welfare. Similarly, Conflict Management (H4), Employee Engagement (H5), and Work-Life Balance (H6) have a positive and significant influence on Work Productivity. Employee Welfare (H7) has also been proven to have a positive and significant effect on Work Productivity.

For the test of the mediation effect (H8 to H10), the results show that Employee Welfare plays a role as partial mediation in the relationship between Conflict Management (H8), Employee Engagement (H9), and Work-Life Balance (H10) on Work Productivity. These results indicate that these three independent variables can affect Work Productivity both directly and indirectly through Employee Welfare.

These findings are in line with Hayes' (2022) theory regarding three models of mediator variable analysis. In the context of this study, the results show that partial mediation occurs, where exogenous variables (Conflict Management, Employee Engagement, and Work-Life Balance) can affect endogenous variables (Work Productivity) either directly or indirectly through mediator variables (Employee Welfare). This is different from full mediation which requires the influence of exogenous variables on endogenous only through mediators, or unmediated where the influence occurs without going through mediators. Thus, it can be concluded that Employee Welfare plays an important role as a partial mediating variable in increasing the Work Productivity of BPS employees in North Sumatra Province, but does not eliminate the direct influence of independent variables on Work Productivity.

5. Predictive Relevant (Q-Square)

Predictive relevance serves to see how well the observation value is made and to assess the relevance of the model structurally through the blindfolding calculation method on SmartPLS. The observation value of the structural model is said to be good if the predictive relevant value > 0 (Tugiso et al., 2016). Relevant predictive values can be seen in Figure 4.

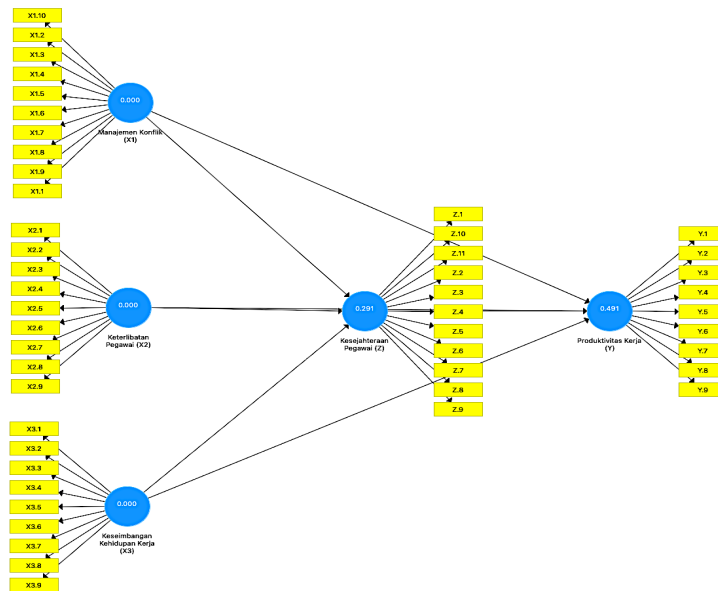


Figure 4. PLS Model/Blindfolding 3 Path Diagram

Figure 4. above shows the Q-Square value for each endogenous variable. In detail, it is explained through the following Table 14.

Table 14. Relevant Predictive Values of Structural Models

Construct Variables	SSO	SSE	Q ² (=1-SSE/SSO)
Employee Well-being (Z)	1221.000	865.329	0.291
Work Productivity (Y)	999.000	508.546	0.491
Conflict Management (X ₁)	1110.000	1110.000	
Employee Engagement (X ₂)	999.000	999.000	
Work-Life Balance (X ₃)	999.000	999.000	

Source: Data processed (2024)

Based on Table 14, the Q² (Q-Square predictive relevance) value for the Employee Welfare variable (Z) is 0.291 and for Work Productivity (Y) is 0.491. Both of these Q² values are positive and greater than 0, where a Q² value of > 0 indicates that the model has good predictive relevance. Specifically, this research model is able to explain the variables of Employee Welfare of 29.1% and Work Productivity of 49.1%. For the exogenous variables, namely Conflict Management (X₁), Employee Engagement (X₂), and Work-Life Balance (X₃) do not have a Q² value because they are independent variables in the model. These results show that the structural model in this study has quite good predictive ability, especially in predicting the Work Productivity of BPS employees in North Sumatra Province.

6. F-Square (Effect Size)

F-Square describes the magnitude of the influence of exogenous latent variables (predictors) on endogenous latent variables (criters) on the structural order. F-Square value 0.02-0.15 of the weak influence category; F-Square value 0.15-0.35 in the moderate influence category; The F-Square value > 0.35 in the strong influence category (Haryono, 2016). The results of the F-Square test can be seen in the following Table 15.

Table 15. F-Square Value

	Employee Well-being (Z)	Work Productivity (Y)
Employee Well-being (Z)		0.336
Work Productivity (Y)		
Conflict Management (X ₁)	0.046	0.106
Employee Engagement (X ₂)	0.166	0.243
Work-Life Balance (X ₃)	0.137	0.314

Source: Data processed (2024)

Based on Table 15, the value of f-square (f²) describes the magnitude of the influence of exogenous latent variables on endogenous latent variables on the structural order. Referring to the Haryono (2016) criteria, Conflict Management (X₁) has a weak influence on Employee Welfare (Z) with f² = 0.046 and a weak influence on Work Productivity (Y) with f² = 0.106. Employee Engagement (X₂) showed a moderate influence on Employee Welfare with f² = 0.166 and a moderate influence on Work Productivity with f² =

0.243. Work-Life Balance (X₃) had a weak effect close to moderate on Employee Welfare with $f^2 = 0.137$ and a moderate effect on Work Productivity with $f^2 = 0.314$. Meanwhile, Employee Welfare (Z) showed a moderate influence close to strong on Work Productivity with $f^2 = 0.336$. These results indicate that Employee Welfare has the greatest influence on Work Productivity compared to other variables in the research model.

7. Goodness of Fit (GoF)

Goodness of Fit (GoF) is used to test the overall fit of the model, both for the outer model and the inner model, whether there is a match between the observed values and the expected values in the model where the value of 0.00 – 0.24 is a small category; the value of 0.25 – 0.37 in the medium category; The value is 0.38 – 1 high category. Niai GoF is obtained from the square root of the value of the multiplication between the AVE average and the R-Square average. The results of the GoF analysis are presented in Table 16.

Tabel 16. Goodness of Fit

AVE Avg	Rerata R-Square	Goodness of Fit	Category
0.785	0.521	0.639	Tall

Source: Data processed (2024)

Table 16 presents the results of the Goodness of Fit (GoF) analysis for this research model. The calculation results showed a GoF value of 0.639, which was obtained from the average AVE of 0.785 and the average R-Square of 0.521. The GoF value of 0.639 is included in the high category, referring to the criteria that have been set where a value between 0.38 - 1 is categorized as high. This indicates that the research model has an excellent match between the observed values and the expected values.

Discussion

Conflict Management Has a Positive and Significant Effect on Employee Welfare

The results indicate that conflict management positively and significantly influences the welfare of employees in North Sumatra Province. This is demonstrated by statistical measures that confirm the validity of this relationship, with conflict management contributing to proportional enhancements in employee welfare. The findings highlight the importance of constructive conflict management in fostering a conducive work environment, reducing stress, and enhancing job satisfaction. Questionnaire data reveal that behaviors such as seeking the root causes of conflicts and avoiding impositions contribute to positive working relationships, creating a supportive atmosphere for employee welfare. These results emphasize the need for human resource policies prioritizing effective conflict management as a strategy for sustainable welfare improvement.

Employee Involvement Has a Positive and Significant Effect on Employee Welfare

The analysis shows that employee involvement significantly affects employee welfare in North Sumatra Province. The findings demonstrate that employees who actively engage in their roles contribute to better well-being outcomes, with a medium effect indicated by the statistical measures. Questionnaire data support this, showing that willingness to take on additional tasks positively correlates with constructive working relationships, which, in turn, enhance overall welfare. While some reluctance to share work-related experiences exists, it does not significantly impact the formation of positive working relationships. These results underscore the importance of fostering employee involvement as a strategic approach to improving welfare through personal and professional development.

Work-Life Balance Has a Positive and Significant Effect on Employee Well-Being

The analysis confirms that work-life balance significantly influences employee well-being in North Sumatra Province. Findings reveal that balancing professional and personal roles holistically enhances welfare, contributing to higher levels of employee satisfaction. Questionnaire data show that employees' ability to manage transitions between work and family roles positively correlates with constructive relationships and overall well-being. Although challenges in fully separating work from personal time persist, they do not significantly diminish welfare. These results highlight the need for systematic policies supporting work-life balance, such as flexible working hours and time management training, as key strategies for promoting employee well-being and organizational success.

Conflict Management Has a Positive and Significant Effect on Work Productivity

Conflict management is shown to have a positive and significant impact on the work productivity of employees in North Sumatra Province. The findings highlight that effective conflict management fosters a supportive work environment by reducing stress and enhancing focus, which leads to increased productivity. Questionnaire data illustrates how actively addressing conflict sources and adopting collaborative resolution strategies result in improved task handling and overall productivity. These insights point to the importance of integrating conflict management training and responsive systems into organizational frameworks to foster innovation and improve productivity.

Employee Involvement Has a Positive and Significant Effect on Work Productivity

Employee involvement positively influences work productivity, with a moderate effect demonstrated through statistical analysis. Employees' willingness to accept additional tasks is linked to improved creativity and collaboration, contributing to a positive work environment. These findings emphasize the need for engagement programs and reward systems that encourage active participation, as such involvement drives organizational success and individual productivity. The results highlight the critical role of employee engagement in fostering a high-performance culture.

Work-Life Balance Has a Positive and Significant Effect on Work Productivity

Work-life balance significantly impacts work productivity by enabling employees to maintain a healthy equilibrium between personal and professional responsibilities. The findings show that work-life balance improves task management, creative thinking, and collaborative efforts, all of which contribute to productivity gains. Challenges in maintaining this balance are evident but do not significantly hinder the creation of a positive work environment. These results reinforce the importance of modern HR strategies that integrate work-life balance policies to boost productivity and employee satisfaction.

Employee Welfare Mediates the Positive Influence of Conflict Management on Work Productivity

Employee welfare serves as an important mediator in the relationship between conflict management and work productivity. Effective conflict management enhances welfare, which, in turn, improves productivity outcomes. Questionnaire data highlight that conflict resolution practices, such as identifying root causes and fostering collaboration, play a key role in building a positive work atmosphere that supports creativity and focus. These findings emphasize the need for integrated conflict management strategies that prioritize employee welfare to achieve productivity gains.

Employee Welfare Mediates the Positive Influence of Employee Engagement on Work Productivity

Employee welfare also mediates the relationship between employee engagement and work productivity. Active engagement improves welfare by creating a supportive work environment, which, in turn, enhances productivity. Questionnaire data demonstrate that employees who are highly involved in their tasks build stronger relationships and handle challenges more creatively, contributing to higher productivity levels. These insights underscore the importance of designing employee engagement programs that incorporate welfare considerations as a key driver of success.

Employee Welfare Mediates the Positive Influence of Work-Life Balance on Work Productivity

Employee welfare mediates the impact of work-life balance on productivity, demonstrating how balanced professional and personal roles enhance overall well-being and, subsequently, productivity. Questionnaire data reveals that employees' ability to manage work-life transitions positively influences relationships and task efficiency. These findings highlight the importance of adopting HR policies that prioritize welfare and balance, particularly in an era where personal and professional boundaries often blur.

CONCLUSION

Based on research conducted on BPS employees in North Sumatra Province, it can be concluded as follows: Conflict management has a positive and significant effect on the welfare of BPS employees in North Sumatra Province. Employee involvement has a positive and significant effect on the welfare of BPS employees in North Sumatra Province. Work-life balance has a positive and significant effect on the welfare of BPS employees in North Sumatra Province. Conflict management has a positive and significant effect on the work productivity of

BPS employees in North Sumatra Province. Employee involvement has a positive and significant effect on the work productivity of BPS employees in North Sumatra Province. Work-life balance has a positive and significant effect on the work productivity of BPS employees in North Sumatra Province. Employee welfare has a positive and significant effect on the work productivity of BPS employees in North Sumatra Province. Employee welfare mediates the influence of conflict management on the work productivity of BPS employees in North Sumatra Province. Employee welfare mediates the influence of employee involvement on the work productivity of BPS employees in North Sumatra Province. Employee welfare mediates the influence of work-life balance on the work productivity of BPS employees in North Sumatra Province.

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