



The Effect of Flexible Work Arrangements on Job Performance among Female Employees in the Banking Industry: The Mediating Role of Psychological Well-Being

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Abstract. In the current century, there has been a significant increase in the participation of women in the workforce. Although their contribution to the nation's progress and economic development is essential, women often face challenges balancing their family duties with their professional responsibilities. This paper aims to examine the effect of flexible work arrangements on job performance, with psychological well-being serving as a mediating factor. Job-Demands Resources (JD-R) model was adopted for the study, and a conceptual framework was developed. There were 170 female employees from the Malaysian banking industry participated in the Google online survey. Partial Least Square Structural Equation Modelling and bootstrapping were used to test the proposed hypotheses. The results showed that female employees with flexible work arrangements reported higher job performance. Flexible work arrangements have a significant and positive effect on psychological well-being and job performance. It also serves as a significant mediator in the relationship between flexible work arrangements and employee job performance. Similarly, psychological well-being also has a significant and positive effect on job performance. The study suggests that organisations, particularly banking institutions, should consider flexible work arrangements to improve employees' psychological well-being and job performance. This research offers guidance for establishing optimal work environments and influencing future policies within the banking industry.

Keywords: Female Employees, Banking Industry, Flexible Work Arrangements, Work-life Balance, Job Performance

1 Introduction

In the post-industrial era, the service industry offered more employment opportunities than any other sector due to its rapid expansion and growing demand [46]. This sector

encompasses various fields, including retail, hospitality, finance, and real estate, particularly the banking industry, which significantly contributes to economic development [8]. However, the banking sector has a high-pressure working environment, a strict regulatory framework, and a strong emphasis on customer satisfaction [52]. With technological advancements, the banking industry has undergone digital transformation [32]. Bank employees adapt to new roles and learn to understand new processes. They must meet customer expectations, handle irregular schedules, and follow tight deadlines. These demanding conditions can affect the psychological well-being of the employee. A recent report shows that almost 31% of professionals in the financial and banking industry wish to resign due to stress (Nascimento, 2022). Though flexible work arrangements (FWAs) are widely recognised for their benefits in maintaining work-life balance, implementation within the Malaysian banking industry remains underdeveloped, primarily due to concerns about productivity and challenges in monitoring remote work. During the COVID-19 pandemic, FWAs such as flexitime schedules and telecommuting played a crucial role in helping employees manage dual responsibilities. Despite these benefits, the adoption of FWAs in the post-pandemic era has been infrequent within the banking sector.

In the modern century, globalisation and economic development have transformed women's traditional roles, offering job opportunities outside the home. As more women join the workforce, dual-income households become more common, leading to a higher standard of living and contributing to broader economic benefits. The growing involvement of women in the workforce enhances diversity and drives innovation across various industries, including banking. However, women in the banking sector encounter distinct challenges. Unlike many men, they often juggle multiple roles, including household tasks and caregiving, which complicates achieving a work-life balance. Their involvement in their children's upbringing further adds to their daily responsibilities. Emotional and familial obligations may sometimes push women to leave their jobs in favour of spending more time with their families [35]. This challenge is particularly evident in the banking sector, where limited support for family-related needs exists. A lack of work-life balance measures, such as flexible work arrangements, frequently leads to burnout, heightened anxiety, and diminished psychological well-being, eventually harming job performance. This study examines the impact of flexible work arrangements and the psychological well-being of female employees on their job performance within the Malaysian banking industry.

2 Literature Review

Past empirical studies on job performance have mainly focused on work-life balance [16; 72; 73; 7]. These studies have extensively explored how work-life balance influences job performance without involving any other determinants, such as flexible work arrangements and psychological well-being. Work-life balance, which is undoubtedly essential, mainly addresses how employees effectively manage their professional and personal responsibilities. However, by only focusing on this aspect, these studies may ignore other significant factors, leading to a lack of comprehensive understanding.

Flexible work arrangements, including flexitime schedules and telecommuting, have become essential in daily work. Despite its growing significance, it is often underrepresented by work-life balance [70]. Hence, the lack of focus on flexible work arrangements may limit the insights on how flexibility provided by employers would affect employees' job performance.

Although there has been considerable research on flexible work arrangements across various sectors, such as the service industry [65], education [21; 4], and manufacturing [2], there is a notable lack of literature explicitly examining how flexible work arrangements influence the psychological well-being and job performance of female employees, especially in the sector with demanding environment like banking. Female employees face various challenges, such as long working hours and stressful workloads, which can increase their stress levels and influence job performance. Flexible work arrangements reduce stress and offer greater control over their time and job. Nonetheless, the current research largely overlooks how these arrangements might address the challenges and needs of employees instead of improving the psychological well-being and job performance of female employees. Hence, this study seeks to examine flexible work arrangements on female employees' job performance with psychological well-being as a mediating role.

2.1 Theoretical Background

[11] proposed the Job Demands-Resources Theory for job design and stress. It explains how the working environment impacts employee well-being and performance [59]. Job characteristics can be categorised as job demands, resources, and outcomes such as job performance. Job demands are job aspects that require sustainable efforts and are associated with psychological and physiological costs [17]. It includes experiencing a high workload, tight deadlines, and having conflicts with colleagues. Job resources refer to the physical or psychological components of the job that help fulfil work goals, minimise job demands, and contribute to personal growth and development [12]. The outcomes of these interactions include psychological well-being and job performance.

In the context of this study, this JD-R model can be employed to gain a comprehensive knowledge of how flexible work arrangements, psychological well-being, and job performance are well-related to each other. The banking industry is always associated with a high-pressure working environment, a strict regulatory framework, and a customer-oriented focus [5]. Bank employees must always handle or process large volumes of transactions under pressure. As most transactions and documents are highly confidential and involve cash transactions, bank employees must be extra careful when dealing with these transactions. This further increases their stress and anxiety. Hence, it creates job demands, leading to burnout and stress, especially for those working females who manage dual responsibilities.

Flexible working arrangements refer to work options that allow employees to adjust their work hours and locations to better match their personal and professional needs. It includes telecommuting and flexitime schedules. Telecommuting allows employees to work from an alternative location instead of the traditional office or office building. Employees may be free to choose their working location in their home or a café to

match their current situation or mood. At the same time, flexitime schedules provide a flexible work schedule for the employees to choose their working hours. Both are considered essential job resources that help reduce the adverse effects of job demands [67]. Flexible work arrangements can help reduce the demands of banking jobs and offer flexibility to adjust work schedules. It acts as a resource that contributes to the capability of employees to balance career and personal life, which can avoid burnout and stress.

At the same time, psychological well-being is considered a critical job resource [33]. It includes emotional and health aspects such as job satisfaction, happiness and stress. In this study, psychological well-being mediates the relationship between flexible work arrangements and employee job performance. Flexible work arrangements, such as telecommuting and flexitime schedules, allow employees to manage their job and professional lives effectively by providing flexibility. Additionally, it improves the work-life balance and reduces job demands, which enhances psychological well-being. This improvement in psychological well-being contributes to better job performance. Employees with high psychological well-being are more motivated and engaged; thus, they can solve the job demands effectively.

According to the JD-R model, psychological well-being serves as a mediator in mediating the relationship between flexible work arrangements and job performance. Flexible work arrangements reduce job demands by allowing employees to manage their time and responsibilities better. Providing employees with these flexibilities can function as a vital job resource that enhances the psychological well-being of employees. Psychological well-being, including higher job satisfaction and increased happiness, contributes to better job performance. This improved mental state enables employees to address job demands more efficiently and effectively, leading to better job performance. Hence, the JD-R model perfectly illustrates that flexible work arrangements act as a job resource to mitigate the adverse impact of job demands, leading to better job outcomes.

2.2 Conceptual Framework

This study adapts the Job-Demands Resources (JD-R) model, which allows researchers to create their models according to a specific research context. Figure 1 shows the proposed conceptual framework, which focuses on how flexible work arrangements influence job performance and how psychological well-being mediates the relationship between flexible work arrangements and job performance.

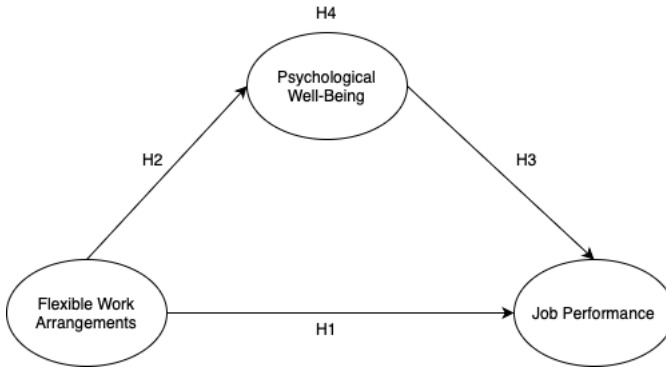


Fig. 1. Proposed Conceptual Framework

2.2.1 Job Performance

Employee job performance is important to organisational success, reflecting how well employees perform their duties to achieve their goals. It refers to an individual's proficiency in carrying out their responsibilities that help the organisation reach its objectives [42; 64]. The performance of an employee is evaluated by the quality and quantity of work completed as part of the responsibilities assigned. Employee performance is a measurable factor that directly impacts organisational outcomes and success [60; 69; 31]. Thus, it is crucial to have high-performing employees to achieve organisations' positive financial and non-financial outcomes [1]. Previous research has explored various factors influencing job performance. For instance, perceived organisational support [62], an organisational-learning culture, transformational leadership [50], telecommuting [51], flexible scheduling [28], and compressed workweeks [55] to impact employee performance. It is believed that employee performance correlates closely with organisational performance. When employees excel, their contributions boost productivity by enhancing effectiveness and efficiency. As a result, organisations are better positioned to gain a competitive edge, fostering sustainable growth and long-term stability.

2.2.2 Flexible Work Arrangements

Flexible work arrangements have received significant attention as organisations strike to balance productivity with employees' psychological well-being. It includes various employment practices that offer flexibility regarding work location and hours, including flexitime schedules and telecommuting [57]. Flexitime schedules, as a component of flexible work arrangements, enable employees to have adaptable flexi-hours. [41] explored the effects of flexitime on employee performance and revealed a positive correlation. Studies by [22] and [24] concluded that flexitime schedules positively impact job performance and work-life balance. [47] further emphasised that flexitime is a critical factor that significantly enhances employees' job performance.

Telecommuting, a work arrangement where employees can complete their tasks outside a traditional office setting [13], has also been shown to influence job performance

positively. [53] found a significant relationship between telecommuting and job performance, highlighting its role in improving employees' work-life balance and granting greater autonomy in work processes. [43] developed a framework examining the impact of teleworking on job performance, which revealed that teleworking enhances both work-life balance and perceived performance. Additionally, [20], in their study of 110 Surabaya students working in the social media industry, confirmed that flexible work arrangements significantly improve job performance. With the above discussion, flexible work arrangements are presumed to influence women employee's job performance in the banking industry. Hence, the following hypothesis is proposed:

H1: Flexible work arrangements have a significant and positive effect on female employee job performance.

2.2.3 Psychological Well-Being

Psychological well-being is a wide notion that involves the emotional and mental states of an individual, including job satisfaction and life satisfaction [19]. According to [56], psychological well-being can be classified into three types: hedonic, eudaimonic, and resilient. Hedonic well-being involves pleasure and happiness, while eudaimonic well-being focuses on life meaning and purpose [26]. Components of psychological well-being include balanced emotions, thoughts, and social relationships contributing to an individual's happiness. [74] found a direct and positive relationship between flexible work arrangements and employee psychological well-being, where employees balance their personal and professional lives, leading to improved mental health [25; 29; 38].

Flexible working arrangements such as telecommuting and flexitime schedules give employees greater autonomy over their work hours, reducing stress and boosting psychological well-being [61]. [6] also emphasised that flexible work arrangements are essential for achieving a balanced life, particularly for women, as these practices allow them to manage multiple roles and responsibilities. Based on the above discussion, it is believed that flexible working arrangement for women employees in the banking sector could enhance their psychological well-being and the following hypothesis is proposed:

H2: Flexible work arrangements significantly and positively affect psychological well-being.

In an organisational setting, understanding the influence of psychological well-being on employee job performance is essential. Psychological well-being plays a significant role in the working environment, as employees with higher well-being tend to be more engaged and motivated to complete their tasks effectively [10]. It includes an individual's happiness, life satisfaction, capabilities, and goal achievements [31; 18]. Psychological well-being combines both hedonic (pleasure and happiness) and eudaimonic (life meaning and purpose) perspectives, reflecting an individual's emotional state [56]. Employees who experience high psychological well-being are generally more content and perform better at work, which is closely linked to an individual's personal life and work outcomes [58].

Numerous studies highlight the prominent role of psychological well-being in predicting job performance [36; 54; 71; 3]. [48] found that psychological well-being significantly influences job performance, showing that enhanced well-being is essential for improving employee performance. Similarly, [31], in a study involving 570 Pakistani employees from five telecommunication companies, revealed that psychological well-being positively impacts job performance. Based on this discussion, it is reasonable to assume that the impact of psychological well-being on job performance would be similar for women employees in the banking sector. Hence, the following hypothesis is proposed:

H3: Psychological well-being has a significant and positive effect on female employee job performance.

2.2.4 The mediating role of psychological well-being

This study considers psychological well-being as a mediator in the relationship between flexible work arrangements and job performance, bridging the gap between work-related factors and job performance [40]. [9] have demonstrated that telecommuting positively impacts psychological well-being, particularly by addressing the need for social connection and relatedness. [27] noted that the number of teleworking hours directly impacts employees' health. Flexitime schedules have also increased employee satisfaction, autonomy, and self-discipline [44]. [34] emphasised that flexitime schedules significantly reduce employee stress levels and enhance psychological well-being. Similarly, [37] found that flexitime schedules promote work-life balance and improve well-being. [48] showed that employees with higher levels of psychological well-being tend to perform better due to increased motivation and engagement. [31] similarly found that psychological well-being significantly enhances job performance, fostering emotional stability, life satisfaction, and cognitive skills such as focus, creativity, and problem-solving.

Based on the above discussion, flexible work arrangements enable women employees in the banking sector to have better control over their personal and professional lives. They are more likely to manage their responsibilities effectively, resulting in higher job performance. Given that flexible work arrangements and psychological well-being significantly affect job performance, understanding the relationship between flexible work arrangements and job performance can be better explained by considering the mediating role of psychological well-being. Given these insights, the following hypothesis is proposed:

H4: Psychological well-being has a mediating effect on flexible work arrangements and female employee job performance.

3 Research Methodology

3.1 Sampling and Data Collection

This study targets female employees who are employed in banking institutions. A statistical report shows that W.P. Kuala Lumpur and Selangor have the highest number of banking institutions [66]. Thus, the sampling area focused on W.P. Kuala Lumpur and Selangor area. An online self-administered questionnaire was conducted between March 2024 and June 2024. This research applied non-probability sampling by purposive sampling to collect data from female employees in banking institutions. The survey is done through Google Forms, a free application that enables researchers to create and conduct online surveys. The Google Form link is converted into a Quick Response (QR) code and disseminated to female employees through social platforms such as WhatsApp and Facebook. Using G-Power, a minimum amount of 128 employees should be sufficient in this study to ensure sufficient statistical power. A total of 185 responses were gathered to ensure that the study was accurate and reliable. After removing incomplete online survey questionnaires, 170 complete and usable responses remained. As suggested by [23], an estimated return rate of at least 60% is necessary to represent the targeted population. Therefore, the data gathered in this study achieved the required benchmark of reliability and accuracy.

Table 1. Respondent Profile

Variable	Item	Frequency (N=170)	Percentage (%)
Age Group	18 – 29	53	31.2
	30 – 39	34	20.0
	40 – 49	36	21.2
	50 – 59	25	14.7
	60 and above	22	12.9
Race	Malay	44	25.9
	Chinese	74	43.5
	Indian	33	19.4
	Others	19	11.2
Marital Status	Single	65	38.2
	Married	68	40.0
	Divorced	15	8.8
	Widowed	22	12.9
Education Level	Bachelor's Degree	66	38.8
	Professional Certificate	32	18.8
	Master's Degree	32	18.8
	Doctorate Degree	21	12.4
	Others	19	11.2

Length of Service in Banking Industry	Less than 1 year	26	15.3
	1 – 5 years	46	27.1
	6 – 10 years	51	30.0
	More than 10 years	47	27.6
Level of Position in Banking Industry	Clerical	36	21.2
	Executive/Officer	53	31.2
	Senior Executive/Supervisor	50	29.4
	Managerial Level	31	18.2
Annual Income Range	RM 18,000 – RM 30,000	29	17.1
	RM 30,001 – RM 60,000	41	24.1
	RM 60,001 – RM 100,000	24	14.1
	RM 100,001 – RM 150,000	41	24.1
	RM 150,001 – RM 200,000	18	10.6
	RM 200,001 – RM 250,000	7	4.1
	Above RM 250,000	10	5.9

3.2 Questionnaire Design

The questionnaire is designed to ensure that all responses provide meaningful data to assess the relationships between flexible work arrangements, psychological well-being, and job performance in the context of female employees in the Malaysian banking sector. It consists of three different sections. The first section involves filtering questions, including Yes/No, to determine whether respondents are female Malaysian banking employees. The second section includes demographic questions about the respondents' age group, race, marital status, education level, length of service in the banking industry, level of position in the banking industry, and annual income range. These demographic questions will help understand the respondents' background and analyse potential correlations with the study variables. The third section features items designed to assess the key constructs of the study: telecommuting, flexitime schedule, psychological well-being, and job performance of female employees. The items for each variable are adapted from validated scales used in past studies and are scored using a 5-point Likert scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

3.3 Instrument Development

Several measurement items were adapted from previous studies to ensure the validity and reliability of each variable. According to the study of [39], flexible work arrangements were measured with eight items, including three from telecommuting and five from the flexitime schedule. The sample item included "I can be free to choose when to start and end my working hours." Psychological well-being was measured with eight items from the work of [18]. The sample item included "I lead a purposeful and meaningful life." Job performance was measured with eight items from [68]. The sample

items included “I strive for higher quality work than required”. A pre-test was conducted to refine and validate the survey questionnaires. This involved two experts with professional experiences in banking-related fields, who provided their comments on the clarity and relevance of the items. According to their comments, required adjustments were made to ensure the items accurately capture the constructs. This study has applied for ethical clearance from the relevant institutional review board, ensuring all the procedures and information used adhere to ethical guidelines and standards for human participation research.

4 Data Analysis and Results

The research utilised Partial Least Square Structural Equation Modelling (PLS-SEM) with the SmartPLS 4 software. PLS-SEM is the most used statistical research method, combining partial least square regression and structural equation modelling. The research initially assessed the measurement model to evaluate the validity and reliability of the questionnaires, followed by the structural model to confirm the hypothesised relationships between the variables [63].

4.1 Measurement Model Assessment

The constructs in this research were considered reflective measures; thus, the model was evaluated for its internal consistency, reliability, and validity. Table 2 shows the results for factor loadings for each construct, followed by reliability and convergent validity. The loadings for all constructs were at least the .70 threshold value recommended by [63]. Besides, the AVE for all constructs has fulfilled the minimum cut-off value of .50, indicating that all the constructs are comparable to the proportion of their indicator’s variance. Besides, Cronbach’s Alpha (CA) and composite reliability (CR) are evaluated to assess the reliability of the variables. Each Cronbach’s Alpha and composite reliability value is above the suggested threshold value of .70 [63; 45], showing that all the constructs achieved great internal consistency.

Table 2. Factor Loadings, Reliability, and Convergent Reliability

Constructs	Items	Loadings	CA	CR	AVE
Flexible Work Arrangements	FWA1	.656	.891	.913	.568
	FWA2	.672			
	FWA3	.756			
	FWA4	.732			
	FWA5	.742			
	FWA6	.784			
	FWA7	.813			
	FWA8	.853			
Psychological Well-being	PWB1	.802	.922	.936	.648

	PWB2	.814			
	PWB3	.819			
	PWB4	.742			
	PWB5	.840			
	PWB6	.778			
	PWB7	.728			
	PWB8	.691			
Employee Job Performance	EJP1	.789	.907	.925	.606
	EJP2	.829			
	EJP3	.727			
	EJP4	.856			
	EJP5	.826			
	EJP6	.821			
	EJP7	.795			
	EJP8	.788			

Furthermore, discriminant validity is evaluated by using the HTMT ratio and the Fornell and Larcker Criterion. This research has sufficient discriminant validity since the square root of each construct’s AVE (bolded value) exceeded other constructs’ correlation values (Table 3).

Table 3. Discriminant Validity (Fornell and Larcker Criterion)

No.	Construct	FWA	EJP	PWB
1	Flexible Work Arrangements (FWA)	.754		
2	Employee Job Performance (EJP)	.660	.805	
3	Psychological Well-being (PWB)	.732	.791	.778

The discriminant validity for the HTMT is also sufficient since the HTMT values (Table 4) were lower than .90 [30].

Table 4. Discriminant Validity (HTMT)

No.	Construct	FWA	EJP	PWB
1	Flexible Work Arrangements (FWA)			
2	Employee Job Performance (EJP)	.714		
3	Psychological Well-being (PWB)	.800	.842	

4.2 Findings and Discussion

A structural model reflects the relationship between the constructs and the goodness of the model. It is vital and compulsory to measure the R^2 , which explains the variance of the endogenous variable [63] and f^2 is used to explain the effect size of each direct

correlation [14] and the Q^2 Measure the predictive relevance of the endogenous constructs [15].

The R^2 generated for EJP was .639, and PWB was .536; the effect size was calculated with FWA predicting PWB, while FWA and PWB predicted EJP. Table 5 shows that the effect size for FWA and PWB is 1.905, greater than the threshold value of .35 [14]; hence, it is considered a large effect size. The hypothesised relationship between PWB and EJP was .887; therefore, the effect size is considered large. Conversely, the effect size for FWA and EJP was .007, less than the minimum threshold value of .20 [14]. This means that FWA has little effect on EJP. Moreover, the Q^2 values for the variables in this model were more than the specified value of 0 (Sarstedt et al., 2021), which is considered a predictive relevance model.

Table 5 shows the hypothesized relationship between the variables. It can be seen that flexible work arrangements ($\beta = .175$, $t = 2.133$) are positively related to employee job performance. Hence, H1 was supported. The hypothesized result is consistent with past studies of [47] and [53]. Therefore, it is important to recognize the positive impact of flexible work arrangements on job performance, as they give employees greater control over their schedules, leading to improved job productivity and efficiency. Organisations should focus on a more complete implementation of flexible work arrangements with well-organised policies and guidelines, thereby taking steps to improve their organisation and employees' performance.

Likewise, the relationship between flexible work arrangements ($\beta = .732$, $t = 16.825$), and psychological well-being is significant. Thus, H2 was supported. The finding is aligned with past studies such as [61] and [6]. This demonstrates that flexible work arrangements significantly increase psychological well-being by enabling employees to manage their personal and professional lives efficiently, reducing stress. Flexible work arrangements, such as telecommuting and flexitime schedules, allow workers to have a more flexible workplace and work schedules.

In addition, the relationship between psychological well-being and employee job performance is shown to be significant, with β Value of .662 and t -statistics of 9.922. Thus, H3 is supported. The results support earlier empirical studies that state that employee job performance is closely related to psychological well-being [36; 54].

Table 5. Structural Model Results

H	Path	β	p-value	t-value	Result	Q^2	f^2	R^2
H1	FWA -> EJP	.175	0.034	2.133	Supported	.420	.007	.639
H2	FWA -> PWB	.732	0.000	16.825	Supported	.528	1.905	.536
H3	PWB -> EJP	.662	0.000	9.922	Supported		.887	

As for H4, a mediation analysis is carried out to evaluate the mediating effect of psychological well-being. Table 6 indicates that the indirect effect through PWB is significant ($\beta = .485$, $t = 8.664$, $p < .05$). This demonstrates that psychological well-being significantly mediates the relationship between flexible work arrangements and employee job performance.

Table 6. Mediation Results

Hypothesis	β	<i>t</i> -value	p-value
H4: FWA → PWB → JPM	.485	8.664	.000

Note. FWA = Flexible Work Arrangements, PWB = Psychological Well-being, EJP = Employee Job Performance

5 Implications

5.1 Theoretical Implications

Most of the previous empirical studies on the JD-R model have focused on the implications of job characteristics on organisational outcomes. Past studies often focus on job demands and job resource elements such as burnout and social support, evaluating how these elements contribute to job outcomes. This research provides some comprehensive insights into the influence of flexible work arrangements on employees' job performance by filling up the research gaps and improving the applications of the JD-R model. The JD-R model demonstrates how flexible work arrangements can act as a crucial resource that promotes employee well-being and, subsequently, job performance. With the application of the JD-R model, organisations can enhance employee outcomes by prioritising initiatives that promote psychological well-being. Thus, this study reinforces the importance of including job resources and psychological factors in understanding how work arrangements influence female employee performance and overall organisational success in the banking sector.

5.2 Practical Implications

This study offers practical insights for top management in the banking industry to consider implementing more flexible work practices in the future. Flexible work arrangements offer a viable alternative to traditional work settings without negatively affecting job performance. The study's findings offer new perspectives and recommendations on enhancing current practices, particularly those related to employees' psychological well-being. Since flexible work arrangements have been shown to influence both psychological well-being and job performance positively, banking institutions should take proactive steps in developing clear policies and guidelines. These guidelines would ensure that flexible work options are accessible to all employees and that their application is consistent across the organisation. Establishing a standardised framework for flexi-time schedules and telecommuting could help streamline processes, reduce misperception, and maximise the benefits of these arrangements. The human resources department plays a vital role in facilitating the successful implementation of flexible work arrangements. In conclusion, creating an effective working environment, supported by well-defined flexible work arrangements and mental health resources, is essential. This improves employees' psychological well-being and leads to better job performance, ensuring the long-term success and sustainability of banking institutions.

6 Limitations and Future Research

While this research enhances the current literature on employee job performance and the Job Demands-Resources (JD-R) model, a few limitations must be acknowledged. First, this study solely looked at female employees in the banking industry, which limits the generalisability of the findings to other industries and job roles. Future studies could expand the sample to include a more diverse population across different sectors, including individuals from varying job functions, to ensure broader applicability of the results. Second, the reliance on self-report data may introduce common method bias, as participants may provide responses based on subjective perceptions rather than objective assessments. Third, this research used a cross-sectional design, which collected data at a single point in time. Future researchers are encouraged to adopt longitudinal designs to track the long-term impacts of flexible work arrangements on psychological well-being and job performance. Lastly, this study's framework is limited to exploring flexible work arrangements, psychological well-being, and employee job performance. Future research could expand the framework by incorporating other significant variables which may influence employee outcomes within the JD-R model.

7 Conclusion

Flexible work arrangements show their significance in influencing the job performance of employees. It can provide flexibility and work-life balance to the employee, reducing their stress and anxiety in managing dual responsibilities. This study reveals that flexible work arrangements and psychological well-being significantly influence the job performance of female employees. By using psychological well-being as a mediator, this study presented a framework aligned with the JD-R model to determine the impact of flexible work arrangements on psychological well-being, offering valuable theoretical advancement. In addition, this study revealed that psychological well-being has a mediating effect on the relationship between flexible work arrangements and employee job performance. This research contributed to a unique insight by adding psychological well-being as a mediator. For banking institutions, the findings can benefit management and human resources by guiding improvements in organisational settings, supporting employees through flexible work arrangements, and enhancing psychological well-being.

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