

The Influence of Knowledge Management, Work-Life Balance, and Commitment on Public Sector Employee Performance

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Abstract

This research investigates the impact of knowledge management and work-life balance on employee performance with the role of affective commitment as a mediator in the Indonesian public sector. Data were collected via an online questionnaire from 703 respondents who were Government Financial Institution (GFI) employees at the staff level with a minimum of one year of work experience. The questionnaire utilized a 7-point Likert scale measurement and data analysis was conducted using Structural Equation Modeling (SEM) techniques with Lisrel 8.8 software. The findings of the study indicate that knowledge management practices, work-life balance, and affective commitment positively and significantly influence employee performance. Additionally, affective commitment was found to partially mediate the direct relationships examined in this research. This study contributes to the field of Human Resource Management (HRM) by expanding the literature on knowledge management practices and work-life balance in the public sector, areas that have received limited research attention. Furthermore, this research offers novelty by investigating predictors of performance among public sector employees from Generation Y and Generation Z.

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1. Introduction

The ongoing digital transformation is influencing not just the private sector but also the public sector. The digital transformation that took place in various fields such as business, health, education, and the public sector significantly impacted the way people worked, learned, lived their daily lives, and interacted with government at all levels (Begany and Gil-Garcia 2024). Therefore, the public sector is required to be responsive and adaptive because digital transformation can encourage various innovations, operational efficiency, and the creation of new competencies (Ulatowska, Wainio, and Pierzchała 2023). Knowledge Management (KM) is crucial in this context, particularly for sustaining competitive advantage during periods of digital transformation. As organizations increasingly rely on digital technology, and as more data is processed and information utilized, effective KM practices become essential to generate value for these organizations (Ali et al. 2024).

This research is conducted at the Government Financial Institution (GFI), a public organization that is known for its reputation for implementing superior bureaucratic reforms compared to other public institutions in Indonesia. Currently, bureaucratic reform at GFI is in its fifth phase, with strategic initiatives now emphasizing digital transformation and the modernization of Human Resources Management (HRM) to cultivate adaptive, agile, and tech-savvy employees. The implementation of a Knowledge Management System and Flexible Working Arrangements (FWA) that promoted work-life balance in recent years became an integral part of the strategic program of sustainable bureaucratic reform carried out by GFI (GFI, 2021). Therefore, we are encouraged to conduct research at this institution to investigate the implementation of bureaucratic reform practices in improving employee performance. Moreover, as an important organization, its performance in public services provides a macro perspective on the performance of public employees in Indonesia.

Although KM has become a management trend in the last decade (Ali et al. 2024), research on KM practices is still limited in the public sector (Pepple, Makama, and Okeke 2022). KM in the public sector, particularly in developing countries, has been recently neglected, despite its potential to enhance the performance of intellectual workers by fostering organizational commitment (Razzaq et al. 2019). Several previous studies have demonstrated that KM can significantly enhance performance (e.g., Razzaq et al., 2019; Alharbi & Aloud, 2024; Mustapa & Mahmood, 2016; Patwary et al., 2023; Jyoti & Rani, 2017). These findings underscored that knowledge resources served as valuable inputs for generating intellectually-based outputs that were innovative, sustainable, and valuable (Razzaq et al., 2019; Patwary et al., 2023; Mustapa & Mahmood, 2016).

Another aspect examined as a performance predictor in this study is work-life balance (WLB). According to Coleman (2014), WLB refers to an individual's capacity to effectively manage and balance their work and personal responsibilities without experiencing undue stress. The term WLB has long been established in HRM (Oyewobi et al. 2019). The advent of digital work environments, accelerated by the COVID-19 pandemic, which promoted remote flexibility and collaboration, has brought the issue of



WLB back into focus (Duan, Deng, and Wibowo 2023). The flexibility offered by digital work has led to numerous benefits, such as higher job satisfaction, greater autonomy, increased productivity, reduced work-family conflict, and decreased travel time and costs (Duan et al. 2023). In today's world, it is crucial for organizations to recognize the importance of having policies and practices that support WLB. Understanding and valuing WLB can significantly enhance worker performance (Oyewobi et al. 2019). Several prior studies have demonstrated that fostering WLB within an organization can positively enhance performance (e.g., Talukder et al., 2018; Johari et al., 2018; Oyewobi et al., 2019; Duan et al., 2023; Susanto et al., 2022)

We investigated affective commitment as a predictor of employee performance and also examined its role as a mediator in this research. Affective commitment (AC) can be interpreted as the main driving force that makes individuals contribute to improving organizational performance (Oyewobi et al. 2019). Employees with high AC are more likely to be happy to stay with the organization and, without coercion, will work more effectively, take on additional tasks, and provide suggestions for organizational improvement (Srimulyani et al. 2023). Previous research (e.g., Razzaq et al., 2019; Sudha et al., 2023; Oyewobi et al., 2019; Patwary et al., 2023; Eliyana et al., 2019) consistently demonstrated the positive impact of affective commitment on the performance of employees in both the public and private sectors.

This research seeks to investigate the influence of KM and WLB practices on AC, as well as the mediating role of AC in intervening in the influence of these factors on employee performance. We identified a gap in previous research, indicating that KM practices in the public sector of developing countries are still relatively uncommon. Massaro et al. (2015) reported that only 27% of studies related to KM were conducted in Asian countries, meanwhile, the majority focused on developed countries like the USA, UK, and Canada over the past decade. Furthermore, this study aimed to explore the influence of WLB, specifically based on FWA, which has not been previously investigated in the Indonesian public sector.

We constructed this research model by integrating elements from previous research models (e.g., Razzaq et al., 2019; Oyewobi et al., 2019; Duan et al., 2023) that have not been investigated before, thereby introducing novelty to this research. In this study, we involved respondents from Generation (Gen) Y and Generation (Gen) Z, marking a new approach that has not been previously explored. Prior research indicating these generations are technologically proficient, prefer collaborative work environments, prioritize knowledge sharing, and highly value work-life balance (Baum 2020). The current GFI employees are predominantly composed of 72% Gen Y and Gen Z.

This research makes several significant contributions, particularly in the realm of HRM in addressing digital transformation within the public sector. Firstly, this research aims to enhance the literature by examining KM as a direct predictor of employee performance from a practical perspective. Secondly, this study seeks to offer a fresh perspective on the impact of WLB on employee performance. This is intended to enrich both practical and theoretical understanding, taking into account the diverse cultural and bureaucratic



contexts across different countries that shape varying work environments. Finally, this study underscores the significance of affective commitment, highlighting how emotional attachment and organizational involvement are fostered through KM and WLB practices, thereby enhancing performance.

2. Literature Review

Employee Performance

Performance is the achievement of work results by an individual that aligns with an organization's vision and mission, and is crucial for gaining competitive advantage and superior productivity (Gazali and Zainurrafiqi 2023). Employee performance (EP) is a reflection of the level of individual work responsibility for organizational goals completed in a period (Lin et al. 2022). EP is strongly influenced by the conditions of the work environment, motivation levels, and the individual characteristics and abilities of employees in performing their tasks (Duan et al. 2023). Performance is a crucial variable in organizational psychology, resulting from a dynamic process that is continually influenced by the environment, the individual, and the work group (Andrade, Queiroga, and Valentini 2020). Johari et al. (2018) explained that EP is often evaluated by considering the characteristics of the job and work environment, as well as individual expectations and needs.

In evaluating performance, Susanto et al. (2022) stated that it could be measured and determined by the quality and quantity of work completed as part of employee responsibilities. Asif & Rathore (2021) emphasized that behavioral characteristics are stronger predictors of performance when self-reports are used to measure performance. Performance behavior pertains to the actions individuals take to achieve results that align with organizational goals. (Campbell, 2012; Andrade et al., 2020).

Affective Commitment

Affective commitment in this context is a part of organizational commitment that can be defined as the level of attachment and intention of an employee to maintain their membership in an organization and its objectives (Azlina, Naza, and Julita 2020). Affective commitment (AC) is a form of a person's emotional attachment to an organization, feeling part of the organization, and being emotionally bound to take part in achieving organizational goals (Goetz and Wald 2022). This commitment highlights that the stronger a person's emotional attachment to the organization, the greater their desire to contribute more in Malaysia (Mustapa and Mahmood 2016). Research conducted by Razzaq et al. (2019) on public sector organizations in Pakistan found that AC positively influenced EP, as Sudha et al. (2023) in the Maldives and by Oyewobi et al. (2019) in Nigeria. The findings of these studies indicated that when organizations treated knowledge workers as valuable assets, it enhanced their affective commitment to exert extra effort beyond their routine tasks, thereby improving their performance. Therefore, we propose the following hypothesis:

H1: Affective Commitment (AC) positively influences Employee Performance (EP).



Knowledge Management

Knowledge is essential for organizations because it is a valuable asset (Kusuma, Widiartob, and Efendi 2021). Knowledge management (KM) is the process of acquiring, exchanging, updating knowledge, and handling material data in an organization to achieve productivity, efficiency, cost reduction, and performance improvement (Mehta and Tariq 2020). Kianto et al. (2016) highlighted that KM primarily involves establishing, fostering, energizing, and supporting a conducive knowledge environment within an organization. This environment aims to motivate and empower knowledgeable individuals (knowledge workers) to utilize and share their knowledge effectively, thereby fostering the creation of new knowledge.

According to Kianto et al. (2016), the knowledge-based view of organizations has gained popularity and prominence over the past two decades. Today, organizations are often seen as collections of knowledge assets, competencies, and capabilities, staffed by knowledge workers. In the 21st century, a significant portion of the workforce comprises knowledge workers who engage in intellectual tasks (Patwary et al., 2023; Palvalin et al., 2017). Razzaq et al. (2019) also underscored that knowledge workers play a crucial role in the HR function in the contemporary digital era. Previous research findings have shown that the implementation of KM practices is able to boost better performance in the public sector (eg., Razzaq et al., 2019; Alharbi & Aloud, 2024; Mustapa & Mahmood, 2016); and in the private sector (Patwary et al., 2023; Jyoti & Rani, 2017). Therefore, we propose the following hypothesis:

H2: Knowledge Management (KM) positively influences Employee Performance (EP)

Research conducted by Razzaq et al. (2019) also demonstrated that knowledge management practices positively and significantly influenced affective commitment (AC). This finding is understandable because the implementation of knowledge management involves maintaining overall job satisfaction through its impact on various components of the work environment and work content (Razzaq et al., 2019). Furthermore, Patwary et al. (2023) similarly observed these outcomes among hotel employees in Malaysia, indicating that organizations capable of fostering knowledge exchange, along with providing sufficient training and resources for capacity development, can enhance employees' affective commitment. Building on these explanations, we propose the following hypothesis:

H3: Knowledge Management (KM) positively influences Affective Commitment (AC).

Work-life Balance

Work-life balance (WLB) involves achieving a harmonious equilibrium between work and personal life, thereby enhancing individual satisfaction within the work environment (Leung and Zhang 2017). WLB is part of achieving quality of work life, reflecting a work environment that promotes satisfaction and job security, as well as comfort and opportunities for growth (Leitao, Pereira, and Goncalves 2021). WLB is associated with the outcomes of the strategies individuals employ to balance the competing demands of home and work (Abdirahman et al. 2020).



Previous research has demonstrated the substantial impact of implementing WLB on employee performance. Oyewobi et al. (2019) in their study in Nigeria found that adopting a family-friendly approach to WLB can enhance workers' mental health, thereby improving organizational performance. Similarly, Duan et al. (2023) in their research in Australia showed that achieving a balance between work and life contributes to organizational effectiveness and enhances organizational performance. Building on these findings, we propose the following research hypothesis:

H4: Work-Life Balance (WLB) positively influences Employee Performance (EP).

The research findings of Oyewobi et al. (2019) also indicated that WLB could enhance employees' commitment to remain in an organization, as they believed in the organization's goals, values, and norms. Subsequently, research conducted by Shabir & Gani (2020) in the public sector in India found that WLB significantly increased affective commitment. These findings suggested that workers in the public sector exhibited higher affective commitment due to various benefits such as competitive salaries, increased job autonomy, greater job stability, and growth opportunities. Based on this rationale, we propose the following hypothesis:

H5: Work-Life Balance (WLB) positively influences Affective Commitment (AC).

The Mediating Role of Affective Commitment

This research investigates the role of AC in mediating the influence of KM and WLB on employee performance. AC is rooted in organizational commitment theory, which emphasizes its significance in outcomes beyond turnover and retention, such as attendance and organizational citizenship behavior (Robbins & Judge, 2023, p. 119). Previous research has consistently shown that AC plays a positive mediating role in enhancing performance (e.g., Sudha et al., 2023; Razzaq et al., 2019; Oyewobi et al., 2019; Talukder et al., 2018; Eliyana et al., 2019; Patwary et al., 2023).

In the context of the public sector, AC is more relevant to be associated with employee commitment, because it has the highest validity and influence on performance compared to other dimensions of organizational commitment (Shabir & Gani, 2020). Previous research has demonstrated the positive mediating influence of affective commitment (AC) in the relationship between knowledge management (KM) and employee performance (EP), such as in Razzaq et al. (2019) and Patwary et al. (2023). Therefore, based on the aforementioned explanation, we propose the following hypothesis:

H6: Affective Commitment (AC) positively mediates the relationship between Knowledge Management (KM) and Employee Performance (EP).

This study also investigates the role of AC in the relationship between WLB and EP. The experience of WLB enhances feelings of loyalty and commitment to the organization, as the emotional attachment it fosters can encourage individuals to stay within the organization (Talukder et al., 2018). Previous studies have demonstrated the positive mediating role of AC in the relationship between WLB and EP, as observed in research conducted by Oyewobi et al. (2019) in Nigeria and Talukder et al. (2018) in Australia. Based on this literature, we propose the following hypothesis:



H7: Affective Commitment (AC) positively mediates the relationship between Work-Life Balance (WLB) and Employee Performance (EP).

Based on the literature review and the hypotheses that have been constructed above, we built a conceptual model that will be tested in this research (figure 1).

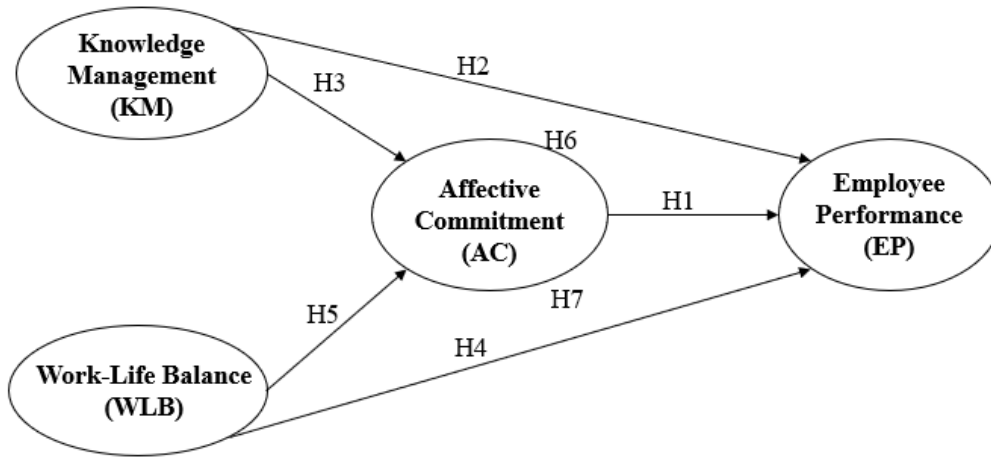


Figure 1. Conceptual Framework
Source: Author Study (2024)

3. Research Methods

Sample and Data Analysis Methods

This research used quantitative methods, and data collection was carried out using an online questionnaire for GFI employees. The sampling method used a purposive sampling technique, with the criteria for respondents being employees at the staff level who had at least one year of work experience and were no older than 40 years. The age limit for respondents was set to align with the research objective of investigating the predictors influencing the performance of GFI employees from the Gen Y and Gen Z workforce. Gen Y employees were defined as those born in the 1980s and 1990s, and Gen Z employees as those born between the mid-1990s and early 2000s (Baum 2020). The total staff population as of January 1 2024 was 52,233 employees, and through Slovin's calculations, the minimum sample size required was 397 respondents.

Questionnaires were collected from March 4, 2024, to June 3, 2024, resulting in a total of 772 responses. After undergoing data screening and cleaning processes, 703 clean datasets were used for testing in this research. The research indicators were measured using a 7-point Likert scale, where point 1 indicates "strongly disagree" and point 7 indicates "strongly agree". Data processing tools used SPSS for the descriptive stage and Lisrel 8.8 with the Covariance Based-Structural Equation Modeling (CB-SEM) technique to explain the relationship between constructs.

Measurement

EP was assessed using a ten-item questionnaire that encompasses two dimensions: task performance and contextual performance, each comprising five indicators (Andrade et al.



2020). AC was evaluated using six indicators based on Allen & Meyer (1993) study. KM utilized 23 questionnaire items across four dimensions—knowledge creation (eight indicators), knowledge codification (five indicators), knowledge retention (three indicators), and knowledge sharing (seven indicators)—following Kianto et al. (2016). Lastly, WLB was gauged using five indicators derived from Talukder et al. (2018) research. Details can be requested from the authors.

4. Results and Discussion

Respondent Demographics

Based on the results of the data analysis conducted, Table 1 below illustrates the demographic distribution of the respondents in this study. Out of the total 703 respondents collected, the majority were male (65%). Gen Y (millennials) constituted 86% of the total respondents. In terms of recent education, 58% of respondents dominated with a bachelor's degree, and in terms of work experience, 41% of respondents dominated with work experience of between 5 and 10 years.

Table 1. Demography of Respondents

Profile	Classification	Numbers	Percentage
Gender	Male	455	65%
	Female	248	35%
Age	<25 (Gen Z)	98	14%
	25 - <40 (Gen Y)	605	86%
Education	Diploma	232	33%
	Bachelor	407	58%
	Master	64	9%
Work Experience	Less than 5 years	110	16%
	5 - <10 years	286	41%
	10 - <15 years	242	34%
	15 - <20 years	65	9%

Source: Primary Data Processed (2024)

Validity and Reliability

This research conducted validity and reliability tests based on the results of measurement model tests using the Lisrel 8.8 data processing tool. During the validity analysis, each SLF value from the measurement model results was compared with the minimum standard of 0.5 or higher (Hair et al. 2019). Reliability testing involved using the Construct Reliability (CR) value and the Average Variance Extracted (AVE) value, where reliability was confirmed if the CR value exceeded 0.7 and the AVE value exceeded 0.5 (Hair et al. 2019).

The results indicated that all indicators in this study were valid and reliable (see Table 2). Despite the AVE of the Knowledge Creation dimension being less than 0.5, it is still considered reliable. Malhotra & Dash (2016) explained that AVE is a more conservative



measure than CR. Based on the CR value alone, researchers can conclude that the construct's convergent validity is sufficient.

Table 2. Validity and Reliability Test Result

Construct	Indicator	SLF	Error	CR	AVE	Conclusion
EP - Task Performance	EP1	0,75	0,44	0,90	0,64	Valid & Reliable
	EP10	0,77	0,41			
	EP3	0,82	0,33			
	EP4	0,84	0,29			
	EP5	0,83	0,32			
EP - Contextual Performance	EP6	0,78	0,39	0,90	0,64	Valid & Reliable
	EP7	0,82	0,32			
	EP8	0,82	0,33			
	EP9	0,8	0,35			
	EP2	0,76	0,43			
Task Performance (<i>2nd Order</i>)		0,98	0,04	0,98	0,96	Valid & Reliable
Contextual Performance (<i>2nd Order</i>)		0,98	0,03			
AC	AC1	0,59	0,65	0,91	0,63	Valid & Reliable
	AC2	0,65	0,58			
	AC3	0,92	0,16			
	AC4	0,95	0,1			
	AC5	0,89	0,22			
	AC6	0,68	0,54			
KM - Knowledge Creation	KM1	0,48	0,66	0,85	0,43	Valid & Reliable
	KM2	0,51	0,74			
	KM3	0,61	0,62			
	KM4	0,75	0,43			
	KM5	0,71	0,49			
	KM6	0,66	0,56			
	KM7	0,73	0,46			
	KM8	0,67	0,55			
KM - Knowledge Codification	KM9	0,76	0,42	0,86	0,56	Valid & Reliable
	KM10	0,81	0,35			
	KM11	0,64	0,59			
	KM12	0,81	0,35			
	KM13	0,7	0,52			
KM - Knowledge Retention	KM14	0,73	0,47	0,83	0,62	Valid & Reliable
	KM15	0,8	0,36			
	KM16	0,83	0,32			
KM - Knowledge Sharing	KM17	0,73	0,47	0,90	0,57	Valid & Reliable
	KM18	0,69	0,53			
	KM19	0,84	0,3			
	KM20	0,74	0,46			
	KM21	0,76	0,43			
	KM22	0,84	0,3			



Construct	Indicator	SLF	Error	CR	AVE	Conclusion
	KM23	0,68	0,54			
Knowledge Creation (2nd Order)		0,9	0,19	0,93	0,77	Valid & Reliable
Knowledge Codification (2nd Order)		0,79	0,37			
Knowledge Retention (2nd Order)		0,9	0,18			
Knowledge Sharing (2nd Order)		0,91	0,17			
WLB	WLB1	0,85	0,28	0,92	0,70	Valid & Reliable
	WLB2	0,92	0,15			
	WLB3	0,91	0,17			
	WLB4	0,79	0,37			
	WLB5	0,67	0,55			

Source: Primary Data Processed (2024)

The Goodness of Fit (GOF) Model

The structural model analysis process involved two stages: testing the fit of the structural model and analyzing causal relationships to test the formulated hypotheses. The model fit test aimed to determine the extent to which the model matched the research indicators (Wijanto, 2008). This test was conducted by reviewing the component values of Goodness of Fit (GOF) as suggested by Hair et al. (2019).

Based on the results of the structural model test, the Absolute Fit Indices components showed good fit results, including RMSEA: 0.073 (≤ 0.08), GFI: 0.92 (≥ 0.9), and Normed Chi-Square: 4.72 (range 1-5). The Incremental Fit Measures component also indicated good fit results (≥ 0.9), with NNFI: 0.97, NFI: 0.97, AGFI: 0.9, RFI: 0.97, IFI: 0.98, and CFI: 0.98. Additionally, the Parsimonious Fit Measures component showed that PNFI and PGFI had good fit results (>0.5), with values of 0.77 and 0.64, respectively. Therefore, the model meets the good fit measurements as suggested.

Hypotheses Test Result

Based on the data obtained, Figure 2 illustrates the causal relationships identified in this research. The significance test for this research used a one-tailed approach, where a positive and significant relationship was identified when the correlation path had a t-value ≥ 1.645 (Malhotra 2020). It can be concluded that the predictors in this study, namely KM and WLB, have a positive and significant influence on AC and EP. Likewise, AC has a positive and significant influence on EP.



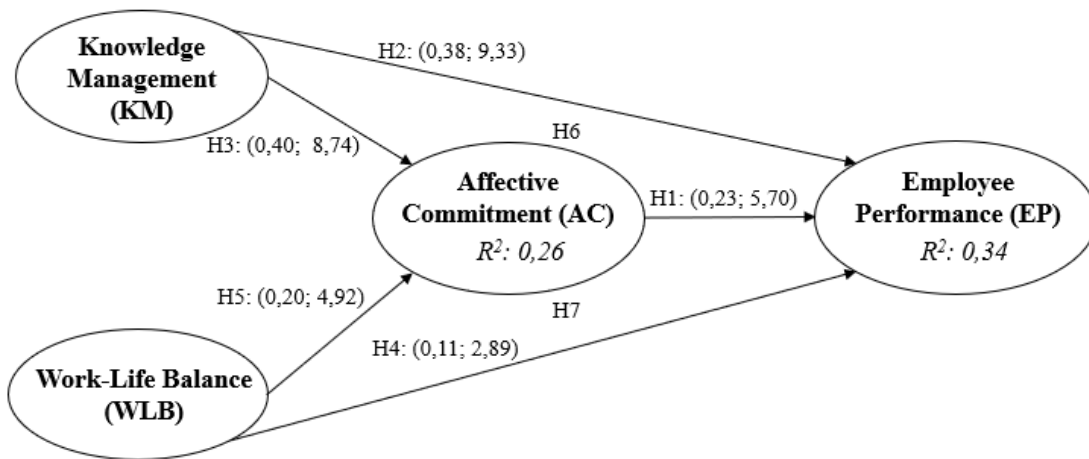


Figure 2. The Causal Relationship
Source: Primary Data Processed (2024)

Based on the coefficient of determination (R^2) shown in the structural equations, the R^2 indicates that EP can be explained by AC, KM, and WLB by 34%, while the remaining 66% are explained by other factors not included in this research. The R^2 value for the AC variable is 0.26, meaning that KM and WLB explain 26% of AC, while the remaining 74% is due to other factors not addressed in this research. The conclusion of hypotheses examinations are elaborated in the Table 3.

Table 3. Direct Relationship Test Results

Hypotheses	Relationships	Standardized Estimate	t-value	Conclusion
H1	AC → EP	0,23	5,70	Supported
H2	KM → EP	0,38	9,33	Supported
H3	KM → AC	0,40	8,74	Supported
H4	WLB → EP	0,11	2,89	Supported
H5	WLB → AC	0,20	4,92	Supported

Source: Primary Data Processed (2024)

Table 3 and Table 4 showed positive and significant results of the relationship among variables both directly and indirectly. Referring to Zhao et al. (2010), it could be concluded that the two mediating hypotheses indicated partial mediations.

Table 4. Indirect Relationship Test Results

Hypotheses	Relationships	Indirect Effect		Conclusion
		Standardized Estimate	t-value	
H6	KM → AC → EP	0,09	5,19	Supported; Partial Mediation
H7	WLB → AC → EP	0,05	3,88	Supported; Partial Mediation

Source: Primary Data Processed (2024)



Discussion

Based on the explanation of the previous results, it was concluded that AC positively and significantly influenced EP, thus accepting H1. These findings were consistent with prior studies (e.g., Oyewobi et al., 2019; Sudha et al., 2023; Razzaq et al., 2019 ; Eliyana et al., 2019). The findings of these studies showed that treating knowledge workers as organizational assets could increase overall organizational commitment. In the context of this research, as indicated by the resulting path coefficient (0.23), WLB was the second most powerful driving factor for employee performance after KM.

The results also indicated that H2 was accepted, demonstrating that KM had a positive and significant influence on EP. These findings were aligned with previous studies (e.g., Razzaq et al., 2019; Mustapa & Mahmood, 2016). Razzaq et al. (2019) suggested that both knowledge worker task improvisation and contextual performance rely on utilizing knowledge resources and leveraging knowledge management practices to enhance performance. Knowledge management is important that can enhance effectiveness and innovative performance (Mardani et al. 2018). With a path coefficient of 0.38, KM was proven to be the strongest driving factor for for enhancing human resources, such as transferring knowledge, particularly in public services.

The findings of H3, which showed that KM could significantly increase AC, were consistent with research conducted by Razzaq et al. (2019) and Patwary et al. (2023). These studies suggested that organizations that fostered knowledge exchange and provided adequate resources for capacity development were able to enhance organizational competence, thereby strengthening employee affective commitment (Razzaq et al., 2019; Patwary et al., 2023). Baum (2020) insights into the preferences of Gen Y and Gen Z workers for a collaborative work environment were reflected in this research. Gen Y and Gen Z participants in this study indicated that collaborative work practices, especially knowledge sharing, had greatly enhanced their performance.

This research also demonstrated that WLB could positively and significantly enhance employee affective commitment and performance (H4 and H5 were accepted). This finding was consistent with previous studies (e.g., Oyewobi et al., 2019; Duan et al., 2023; Shabir & Gani, 2020). Achieving work-life balance through initiatives promoting a family-friendly work environment was found to foster stronger emotional ties to the organization and improving performance (Oyewobi et al., 2019). Moreover, promoting good work stability in the public sector, supported by WLB, directly increased employee engagement and organizational belonging (Shabir & Gani, 2020). GFI staff, particularly Gen Y and Gen Z in this study, emphasized the importance of a WLB-respecting work environment, as it helped alleviate their psychological burden between work and personal life. This underscores their vulnerability to workplace stability and the critical need for WLB.

The mediation test results obtained in this study indicated that AC played a partial mediating role in the relationship between KM and WLB on EP (H6 and H7 were accepted). The positive mediating effect of AC on performance has been demonstrated in



numerous prior studies, such as in Razzaq et al. (2019) in the Pakistani public sector, as well as Oyewobi et al. (2019) reported in Nigerian construction companies.

5. Conclusion and Suggestion

The bureaucratic reform at GFI, which began massively in 2007, has significantly modernized the HRM system towards a more progressive direction, aiming to cultivate agile, adaptive, and technology-savvy HR practices. Initiatives such as implementing a knowledge management system and introducing Flexible Working Arrangements (FWA) have been pivotal in fostering a supportive and collaborative work environment while promoting work-life balance for GFI employees. Given the rapid pace of global change and the accelerating digital transformation, GFI is urged to develop systems and work designs that sustainably support high performance. Based on the findings of this research, it can be concluded that KM practices, including collaborative learning and information sharing among employees, have been effective. Employees perceive a favorable balance between their work time and personal activities, which enhances their emotional attachment to the organization. As a result, it is expected that this will enhance performance by strengthening the technical skills of GFI staff.

Based on the results obtained, this research offers several practical recommendations that can be implemented in the public sector. Firstly, it is essential for public sector organizations to establish a robust knowledge management system, given its significant role as the strongest predictor influencing performance in this study. This system should be comprehensive, starting from planning and implementation, including the creation of a knowledge catalog system accessible to all employees, and fostering a culture that promotes sharing and knowledge transfer. Secondly, considering the dominance of Gen Y and Gen Z in the workforce, public sector organizations should prioritize job designs that support their performance. This includes creating flexible work environments and reducing bureaucratic barriers, such as offering work-from-home options and facilitating remote offices. Lastly, enhancing affective commitment has been shown to enhance the performance of public sector employees. Therefore, organizations should focus on internalizing organizational culture to strengthen employees' emotional connection with the organization, complemented by a supportive work environment and addresses the evolving needs of the workforce generation.

We acknowledge several limitations that could have affected the overall results of this study. Firstly, this research was conducted in the Indonesian public sector. Future research is suggested to be conducted in other developing countries, particularly focusing on knowledge management topics, which have been relatively understudied. Secondly, the findings indicate that the predictors examined in this study collectively accounted for only 34% of the variance in performance, as indicated by the coefficient of determination (R^2). Therefore, conducting deeper exploration in future research by investigating additional predictors could have a greater impact on performance. Lastly, this study's use of unidimensionality in measuring work-life balance (WLB) may limit the breadth of research findings. Therefore, future research is advised to adopt a multidimensional



approach to WLB (Oyewobi et al., 2019), which offer a more understanding of the factors impacting WLB and employee performance.

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