



The Role of Organizational Commitment in Mediating the Effect of Employee Engagement and Work-Life Balance on Employee Performance

Luh Gede Ayu Laksmi Karmajaya*, I Nengah Aristana², Nengah Landra³

^{1,2,3} Faculty of Economics and Business, Universitas Mahasaraswati Denpasar, Bali, Indonesia

Article DOI: 10.55677/SSHRB/2026-3050-0721

DOI URL: <https://doi.org/10.55677/SSHRB/2026-3050-0721>

KEYWORDS: Employee Engagement, Work-Life Balance, Organizational Commitment, Employee Performance.

ABSTRACT: This study aims to examine the effect of employee engagement and work-life balance on employee performance, both directly and indirectly through organizational commitment as a mediating variable, at Perumda Air Minum Panca Mahottama, Klungkung Regency. The study is motivated by several indications of suboptimal employee performance during the 2022–2024 period, including a high level of non-revenue water, unmet targets for new customer connections, and a high rate of unexplained employee absenteeism. The population consists of all 171 permanent employees of the company, all of whom were used as respondents through a saturated sampling technique. Data were collected using a Likert-scale questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS. The strength of the mediating role was tested using the Variance Accounted For (VAF) method. The results show that employee engagement and work-life balance each have a positive and significant effect on both organizational commitment and employee performance; organizational commitment has a positive and significant effect on employee performance; and organizational commitment is proven to partially mediate the effect of employee engagement on employee performance (VAF = 50.9%) as well as the effect of work-life balance on employee performance (VAF = 37.0%). These findings emphasize the importance of jointly strengthening work engagement, work-life balance, and organizational commitment to optimize employee performance in a regional water utility company.

Corresponding Author

Luh Gede Ayu Laksmi Karmajaya

Published: July 24, 2026

License: This is an open access article under the CC BY 4.0 license:

<https://creativecommons.org/licenses/by/4.0/>

INTRODUCTION

Human resources are the primary driver of organizational goal achievement, since only humans possess the capacity to think, innovate, and continuously create added value for the sustainability of a company (Nawawi, 2011; Hasibuan, 2016). From the resource-based view (Barney, 1991), an organization's competitive advantage does not stem solely from physical assets but from valuable, rare, and difficult-to-imitate human resource capabilities and commitment. Consequently, individual employee performance becomes a critical determinant of overall organizational effectiveness (Colquitt et al., 2015), making it essential to continuously examine and manage the psychological factors that shape performance, such as work engagement, work-life balance, and organizational commitment.

Perumda Air Minum Panca Mahottama, Klungkung Regency, is a regionally owned enterprise that carries out the strategic function of providing and distributing drinking water across four sub-districts—Klungkung, Banjarangkan, Dawan, and Nusa Penida—serving more than 41,000 customers. As the operator of the Drinking Water Supply System, the company also bears responsibility for supporting the sixth Sustainable Development Goal (SDG) on clean water and proper sanitation for all. Achieving this mission depends heavily on optimal employee performance, given the operational complexity of continuous 24-hour water service delivery. However, the national performance evaluation report on regional drinking water utilities (BUMD Air Minum) for the 2022–2024 period, jointly prepared by the Ministry of Public Works and Public Housing and the Finance and Development Supervisory Agency

(BPKP), shows that Perumda Air Minum Panca Mahottama ranked lowest among the nine drinking water utilities in its assessment region, despite a slight improvement in 2024. Non-revenue water (NRW) reached 34.96% in 2022, rose to 37.48% in 2023, and declined to 33.45% in 2024—figures that remain far above the government standard of 20–25% and the international standard of 15%. The realization of new customer connections also consistently failed to meet targets for three consecutive years, with an achievement gap of 61.54% in 2024. BPKP audit findings further revealed delays in the submission of monthly reports by several work units and a high rate of unexplained employee absenteeism, which collectively indicate weak employee engagement and commitment toward achieving organizational objectives.

These performance problems are presumed to be closely related to human resource management dimensions, particularly the level of employee engagement in their work and employees' ability to balance job demands with personal life (work-life balance), given that the majority of employees are Hindu and bear religious and customary ritual obligations for 80 to 90 days per year, which must be reconciled with the demands of continuous public service. Kahn (1990) explains that engaged employees fully invest their physical, cognitive, and emotional energy in their work, while Greenhaus and Beutell (1985) emphasize that poorly managed conflict between work roles and personal life diminishes psychological well-being and work productivity. Meanwhile, organizational commitment (Meyer & Allen, 1991) is presumed to serve as a psychological mechanism that bridges the effects of these two factors on employee performance.

This study is grounded in goal-setting theory developed by Locke (1968) and Locke and Latham (1990, 2002), which explains that setting specific and challenging goals, accompanied by strong commitment to their achievement, drives improvements in individual performance through four mechanisms: a directive function, an energizing function, a persistence function, and a strategy-development function. Within this framework, employee engagement and work-life balance are positioned as antecedents that shape the psychological conditions and resources employees need to set and pursue work goals, while organizational commitment functions as a binding force that internalizes organizational goals as personal goals of employees (Meyer & Herscovitch, 2001; Klein et al., 2001).

Although a number of previous studies have examined the relationships among employee engagement, work-life balance, organizational commitment, and employee performance, their findings show inconsistent tendencies across different organizational contexts, and relatively few studies have been conducted in the context of regional drinking water companies with the distinctive cultural and religious characteristics found in Bali. Based on this research gap, this study aims to analyze the direct effects of employee engagement and work-life balance on organizational commitment and employee performance, as well as to examine the mediating role of organizational commitment in the effects of employee engagement and work-life balance on employee performance at Perumda Air Minum Panca Mahottama, Klungkung Regency. Based on this research problem and objective, the conceptual framework of this study can be seen in Figure 1 below:

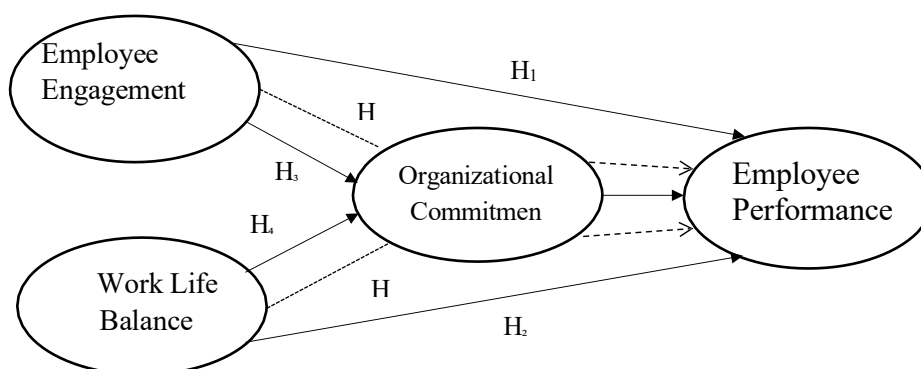


Figure 1. Research Conceptual Framework

Employee Engagement (X1) and Work-Life Balance (X2) are positioned as exogenous variables affecting Organizational Commitment (Y1) as a mediating variable, which, together with X1 and X2, subsequently affects Employee Performance (Y2) as the main endogenous variable, both directly and through indirect pathways. Based on this conceptual framework, the research hypotheses are formulated as follows.

Employee engagement is a psychological state of employee attachment to their work reflected through vigor, dedication, and absorption (Schaufeli & Bakker, 2004). Engaged employees tend to internalize organizational goals as their own personal goals, thereby forming a stronger emotional bond with the organization (Saks, 2006). From the perspective of goal-setting theory, work engagement creates a sense of ownership that drives employees to actively support the organization's vision. Empirical findings by Ahakwa et al. (2021), Sutiym et al. (2020), Narmatha and Amutha (2023), and Linggiallo et al. (2021) consistently demonstrate that employee engagement has a positive and significant effect on organizational commitment. Based on this, the first hypothesis is formulated as follows:

Hypothesis 1: Employee engagement has a positive effect on organizational commitment.

Work-life balance reflects an individual's ability to balance job demands with personal life without sacrificing either (Guest, 2002). When an organization demonstrates concern for employees' life balance, employees perceive the organization as supportive, which subsequently fosters emotional attachment and loyalty (Allen, 2001). Within the goal-setting theory framework, this balanced condition facilitates the alignment of personal goals with organizational goals without role conflict. Studies by Hutagalung et al. (2020), Septiani and Jaya (2024), Azizah et al. (2023), and Fauziah and Rozana (2024) uniformly found a positive and significant effect of work-life balance on organizational commitment. Accordingly, the second hypothesis is formulated as follows:

Hypothesis 2: Work-life balance has a positive effect on organizational commitment.

Kahn (1990) explains that engaged employees fully invest their energy in their work, thereby improving productivity and work quality. Goal-setting theory (Locke & Latham, 1990) asserts that engagement generates the energy and focus needed to pursue goals with high persistence. Empirical evidence from Sentoso and Muchsinati (2024), Ahakwa et al. (2021), Habibah et al. (2024), and Aziez (2022) consistently shows a positive and significant effect of employee engagement on employee performance. Based on this, the third hypothesis is formulated:

Hypothesis 3: Employee engagement has a positive effect on employee performance.

An imbalance between work roles and personal life can create conflict that diminishes psychological well-being and work productivity (Greenhaus & Beutell, 1985). Conversely, employees with good balance possess more optimal energy, focus, and motivation to achieve performance targets, in line with the principles of goal-setting theory (Locke & Latham, 1990). Valery et al. (2021), Wolor et al. (2020), Ramdhani and Rasto (2021), Dwitanti et al. (2023), and Cahyani et al. (2024) found that work-life balance has a positive and significant effect on employee performance. Accordingly, the fourth hypothesis is formulated as follows:

Hypothesis 4: Work-life balance has a positive effect on employee performance.

Meyer and Allen (1991) identify three dimensions of organizational commitment—affectional, continuance, and normative commitment—each of which drives employee loyalty and responsibility at work. Within goal-setting theory, organizational commitment strengthens the relationship between goal setting and performance, as committed employees regard organizational success as their own personal success. Saha et al. (2024), Abdirahman et al. (2018), Syarifin and Atmaja (2023), and Tarmizi and Anggiani (2022) demonstrate that organizational commitment has a positive and significant effect on employee performance. On this basis, the fifth hypothesis is formulated:

Hypothesis 5: Organizational commitment has a positive effect on employee performance.

Saks (2006) explains that engaged employees develop a deep emotional bond with the organization, which subsequently forms commitment that drives them to work more consistently. Organizational commitment functions as a bridge that transforms the intrinsic motivation derived from engagement into productive and sustainable work behavior. Sari (2021), Devi et al. (2020), Ekhsan et al. (2020), and Dajani (2015) found that organizational commitment positively and significantly mediates the relationship between employee engagement and employee performance. Accordingly, the sixth hypothesis is formulated as follows:

Hypothesis 6: Organizational commitment mediates the effect of employee engagement on employee performance.

Organizations that care about employees' work-life balance create positive perceptions that foster loyalty and emotional attachment (Allen, 2001). Organizational commitment functions as a mechanism linking the personal well-being resulting from work-life balance with dedication to achieving organizational goals. Ardiansyah and Surjanti (2020), Nugraha and Hermina (2024), Xiaoli (2024), Saputra and Gorda (2024), and Mulatta and Waskito (2024) consistently found a positive and significant mediating role of organizational commitment in the relationship between work-life balance and employee performance. Based on this, the seventh hypothesis is formulated:

Hypothesis 7: Organizational commitment mediates the effect of work-life balance on employee performance.

RESEARCH METHOD

This study employs a quantitative approach with a non-experimental, causal-associative, and explanatory design, aimed at explaining cause-and-effect relationships among variables through hypothesis testing (Creswell, 2014; Sekaran & Bougie, 2016). Data were collected cross-sectionally at a single point in time (January–March 2026) at Perumda Air Minum Panca Mahottama, Klungkung Regency. This study adopts a mediation model (Baron & Kenny, 1986; Hayes, 2018), in which organizational commitment is positioned as the variable bridging the effects of employee engagement and work-life balance on employee performance.

The study population comprises all 171 permanent employees of Perumda Air Minum Panca Mahottama, Klungkung Regency, as of January 2026, excluding the Director and Supervisory Board. Given the relatively limited population size, this study employs a saturated sampling (census) technique (Sugiyono, 2019), whereby all 171 employees were used as respondents. Respondents were distributed across various work units, including the Internal Audit Unit, Research and Development, Goods and Services Procurement, the Technical Division, the General Administration and Finance Division, and the service units of Banjarangkan, Dawan, Nusa Penida, and SWRO Ceningan, comprising 130 male employees (76%) and 41 female employees (24%).

Data were collected using a structured five-point Likert-scale questionnaire (1 = strongly disagree to 5 = strongly agree) developed based on the indicators of each variable. Employee engagement (X1) was measured through the dimensions of vigor, dedication, and absorption (Schaufeli & Bakker, 2004); work-life balance (X2) was measured through the dimensions of work interference with

personal life, personal life interference with work, and work–personal life enhancement; organizational commitment (Y1) was measured through the dimensions of affective, continuance, and normative commitment (Meyer & Allen, 1991); and employee performance (Y2) was measured through the dimensions of work quality, work quantity, timeliness, and work effectiveness (Mangkunegara, 2017). Before being administered to all respondents, the instrument was first tested for validity using Pearson product-moment correlation and for reliability using Cronbach's Alpha in a pilot test session, with all items found to be valid ($r > 0.3$) and reliable ($\alpha > 0.6$).

Data analysis employed a component-based Structural Equation Modeling approach, or Partial Least Squares (PLS-SEM), with the assistance of SmartPLS software. PLS-SEM was selected due to its characteristic of not requiring strict data-normality assumptions and its suitability for predictive models aimed at explaining the variance of endogenous constructs (Hair et al., 2017; Hair et al., 2021). Model evaluation was conducted in two stages. The first stage, evaluation of the measurement model (outer model), included convergent validity testing (outer loading value > 0.70), discriminant validity, and reliability testing through Composite Reliability and Cronbach's Alpha (values > 0.70). The second stage, evaluation of the structural model (inner model), included the coefficient of determination (R-Square), the Q-Square value as a measure of predictive relevance, and hypothesis testing through path coefficients, whose significance was tested using a bootstrapping procedure, with hypotheses accepted when T-Statistics > 1.96 and P-Value < 0.05 at a 5% significance level. The strength of the mediating role of organizational commitment was subsequently tested using the Variance Accounted For (VAF) method, formulated as $VAF = (\text{Indirect Effect} / \text{Total Effect}) \times 100\%$, with the following interpretation criteria: $VAF < 20\%$ indicates no mediation effect, $20\% \leq VAF < 80\%$ indicates partial mediation, and $VAF \geq 80\%$ indicates full mediation (Hair et al., 2017).

RESULTS AND DISCUSSION

The respondents of this study consisted of all 171 employees of Perumda Air Minum Panca Mahottama, Klungkung Regency. By gender, the majority of respondents were male, totaling 130 people (76%), consistent with the technical field-based nature of work that dominates the operations of a drinking water company. By age, the largest group fell within the 26–35 year range (53.8%), indicating that the company's human resources are dominated by employees of productive age. In terms of educational attainment, the largest proportion were senior high school/vocational school graduates (43.9%), followed by bachelor's degree holders (40.9%). By length of service, the largest group had 1–5 years of tenure (45.6%), indicating fairly active employee regeneration within the organization.

The convergent validity test results show that all indicators across the four study variables have outer loading values above 0.70 and are statistically significant, so all indicators are declared valid in measuring their respective constructs. The absorption indicator (EE3) is the strongest indicator for the employee engagement variable, with an outer loading of 0.944; the personal life interference with work indicator (WLB2) is the strongest indicator for the work-life balance variable, with an outer loading of 0.956; while for the employee performance variable, the work quality indicator (KP4) obtained an outer loading of 0.948. The discriminant validity test further shows that each indicator has the highest correlation with its own construct compared with other constructs, so the measurement model meets the required discriminant validity criteria. The construct reliability test results are presented in Table 1 below.

Table 1. Construct Reliability Test Results

Variable	Composite Reliability	Cronbach's Alpha
Employee Engagement (X1)	0.960	0.938
Work-Life Balance (X2)	0.961	0.939
Organizational Commitment (Y1)	0.969	0.951
Employee Performance (Y2)	0.973	0.963

Source: SEM-PLS Analysis Results, 2026

Table 1 shows that all Composite Reliability values (0.960–0.973) and Cronbach's Alpha values (0.938–0.963) are well above the minimum threshold of 0.70 (Hair et al., 2021), so all latent variables in this study are declared reliable, and the measurement model is deemed appropriate to proceed to the structural model evaluation stage.

Table 2. Structural Model Evaluation Results

Endogenous Variable	R-Square	R-Square Adjusted
Organizational Commitment (Y1)	0.450	0.443
Employee Performance (Y2)	0.480	0.471

Source: SEM-PLS Analysis Results, 2026

Table 2 shows an R-Square value for organizational commitment of 0.450, meaning that 45.0% of the variation in employee organizational commitment can be explained by employee engagement and work-life balance, while the remainder is influenced by other variables outside the model. The R-Square value for employee performance of 0.480 indicates that 48.0% of the variation in employee performance is jointly explained by employee engagement, work-life balance, and organizational commitment.

Goodness of Fit Model Test

The goodness of fit model test is used to examine the overall predictive relevance of the structural model. Referring to the R-Square values of the two endogenous variables shown in Table 2, the model's predictive relevance is calculated using the following formula:

$$\begin{aligned} Q^2 &= 1 - (1 - R^2)(1 - R^2) \\ &= 1 - (1 - 0.450)(1 - 0.480) \\ &= 1 - (0.550)(0.520) \\ &= 1 - 0.286 \end{aligned}$$

$$Q^2 = 0.714 \text{ or } 71.4 \text{ percent}$$

The calculation shows a Q-Square predictive relevance value of 0.714. This result exceeds the threshold of 0.35 for high predictive relevance (Hair et al., 2019), indicating that the research model has very good predictive relevance and is able to explain a substantial proportion of the variance in organizational commitment and employee performance jointly. Consequently, this model can be recommended and is expected to be useful for developing strategies to improve employee performance at Perumda Air Minum Panca Mahottama, Klungkung Regency.

Hypothesis testing was conducted through a bootstrapping procedure, with hypotheses accepted when T-Statistics > 1.96 at a 5% significance level. The direct effect test results are presented in Table 3.

Table 3. Direct Effect Hypothesis Testing Results

Relationship between Variables (Standardized)	Path Coefficient	T-Statistics	Result
Employee Engagement (X1) → Organizational Commitment (Y1)	0.403	7.175	H1 Accepted
Work-Life Balance (X2) → Organizational Commitment (Y1)	0.358	5.354	H2 Accepted
Employee Engagement (X1) → Employee Performance (Y2)	0.157	2.238	H3 Accepted
Work-Life Balance (X2) → Employee Performance (Y2)	0.245	3.268	H4 Accepted
Organizational Commitment (Y1) → Employee Performance (Y2)	0.404	5.002	H5 Accepted

Source: SEM-PLS Analysis Results, 2026

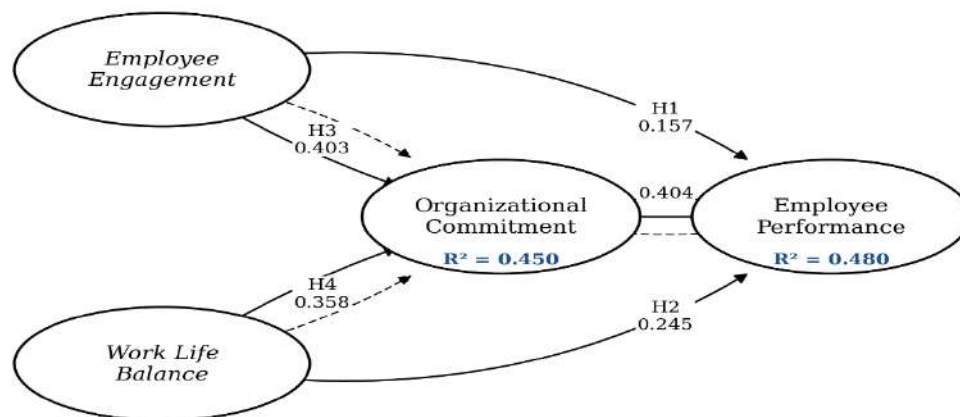


Figure 2 Empirical Research Model

Note: significant (sig), non-significant (nonsig)

Employee engagement has a positive and significant effect on organizational commitment (path coefficient 0.403; T-Statistics 7.175), so H1 is accepted. This finding indicates that the higher employees' engagement in their work—in terms of vigor, dedication, and absorption—the stronger their commitment to the organization. In line with goal-setting theory (Locke & Latham, 1990), engaged employees tend to internalize organizational goals as their own personal goals, so that the company's success is felt as a personal source of pride. This finding is consistent with the results of Ahakwa et al. (2021), Sutiye et al. (2020), Narmatha and Amutha (2023), and Linggiallo et al. (2021).

Work-life balance has a positive and significant effect on organizational commitment (path coefficient 0.358; T-Statistics 5.354), so H2 is accepted. This result indicates that employees who are able to balance job demands with personal obligations—including intensive religious and customary duties among Hindu employees—feel more valued by the organization, thereby increasing their commitment. This finding is consistent with Hutagalung et al. (2020) and Septiani and Jaya (2024).

Employee engagement has a positive and significant effect on employee performance (path coefficient 0.157; T-Statistics 2.238), so H3 is accepted. Although its path coefficient is relatively small compared with other paths in the model, this direct effect remains statistically and practically meaningful: highly engaged employees tend to demonstrate better work quality, timeliness, and initiative in handling operational issues, such as proactively addressing pipeline network leaks. This result is consistent with Sentoso and Muchsinati (2024), Ahakwa et al. (2021), and Aziez (2022).

Work-life balance has a positive and significant effect on employee performance (path coefficient 0.245; T-Statistics 3.268), so H4 is accepted. Employees who successfully balance work demands and personal life are in better physical and psychological condition to devote full energy and concentration to their work. Conversely, prolonged imbalance may be one of the root causes of the high rate of unexplained absenteeism that has repeatedly been identified as a BPKP audit finding within Perumda Air Minum Panca Mahottama. This finding aligns with Valery et al. (2021), Wolor et al. (2020), and Dwitanti et al. (2023).

Organizational commitment has a positive and significant effect on employee performance, with a path coefficient of 0.404 (T-Statistics 5.002)—the highest value among all direct effect paths on employee performance—so H5 is accepted. This finding confirms that organizational commitment is the most dominant factor driving employee performance at this company. Various performance issues that have persisted over the past three years, such as the high NRW rate, failure to meet new-connection targets, and reporting delays, essentially reflect weak employee goal commitment toward the company's strategic objectives. This result aligns with Saha et al. (2024), Abdirahman et al. (2018), and Syarifin and Atmaja (2023).

Mediation Effect Testing (Variance Accounted For)

The mediating role of organizational commitment was tested using the Variance Accounted For (VAF) method, formulated as $VAF = \text{Indirect Effect (IE)} / \text{Total Effect (TE)} \times 100\%$. The criteria applied are: $VAF < 20\%$ indicates no mediation effect; $20\% - 80\%$ indicates partial mediation; and $VAF \geq 80\%$ indicates full mediation (Hair et al., 2017).

For the mediation of organizational commitment in the effect of employee engagement on employee performance, the calculation is as follows:

$$\text{Indirect Effect (IE)} : a \times b : 0.403 \times 0.404 : 0.163$$

$$\text{Total Effect (TE)} : (a \times b) + c : (0.403 \times 0.404) + 0.157 : 0.320$$

$$VAF : 0.163 / 0.320 \times 100\%$$

$$VAF : 0.509 \text{ or } 50.9 \text{ percent}$$

Hypothesis 6: based on the mediation testing conducted using VAF, the indirect effect of employee engagement on employee performance through organizational commitment is 0.163, significant with T-Statistics 3.941 and P-Value 0.000. With a direct effect of 0.157, the total effect obtained is 0.320 and the VAF value is 50.9 percent, which falls within the 20–80% range, thereby confirming that organizational commitment functions as a partial mediator in the effect of employee engagement on employee performance. This value indicates that approximately half of the effect of employee engagement on employee performance is transmitted through strengthened organizational commitment, while the other half operates directly. Accordingly, H6 is supported. This finding is consistent with the studies of Sari (2021), Devi et al. (2020), Ekhsan et al. (2020), and Dajani (2015).

For the mediation of organizational commitment in the effect of work-life balance on employee performance, the calculation is as follows:

$$\text{Indirect Effect (IE)} : a \times b : 0.358 \times 0.404 : 0.145$$

$$\text{Total Effect (TE)} : (a \times b) + c : (0.358 \times 0.404) + 0.245 : 0.389$$

$$VAF : 0.145 / 0.389 \times 100\%$$

$$VAF : 0.370 \text{ or } 37.0 \text{ percent}$$

Hypothesis 7: the indirect effect of work-life balance on employee performance through organizational commitment is 0.144, significant with T-Statistics 3.796 and P-Value 0.000. With a direct effect of 0.245, the total effect obtained is 0.389 and the VAF value is 37.0 percent, which also falls within the partial mediation range. This value indicates that approximately one-third of the effect of work-life balance on employee performance operates through strengthened organizational commitment, while the remaining two-thirds operate directly. Accordingly, H7 is supported. This finding is consistent with Ardiansyah and Surjanti (2020), Nugraha and Hermina (2024), Xiaoli (2024), Saputra and Gorda (2024), and Mulatta and Waskito (2024).

Overall, all seven hypotheses in this study are supported by empirical data. The presence of partial mediation on both indirect paths indicates that employee engagement and work-life balance influence employee performance through two simultaneous pathways—directly and indirectly, by first strengthening organizational commitment. The implication is that efforts to improve employee performance at Perumda Air Minum Panca Mahottama, Klungkung Regency, would be more effective if carried out in an integrated manner: strengthening work engagement, facilitating work-life balance particularly with regard to religious and customary obligations, and strengthening employees' organizational commitment simultaneously—in line with the principle of goal-setting

theory that optimal performance is achieved only when clear goal setting is supported by strong commitment and a conducive work environment (Locke & Latham, 1990, 2002).

CONCLUSION

Based on the analysis and discussion, several conclusions can be drawn. First, employee engagement has a positive and significant effect on organizational commitment, meaning that the higher employees' engagement in their work, the stronger their commitment to Perumda Air Minum Panca Mahottama, Klungkung Regency. Second, work-life balance has a positive and significant effect on organizational commitment, indicating that employees' ability to manage the balance between work and personal life, including religious and customary obligations, also strengthens their commitment. Third, employee engagement has a positive and significant effect on employee performance. Fourth, work-life balance has a positive and significant effect on employee performance. Fifth, organizational commitment has a positive and significant effect on employee performance, and is in fact the most dominant factor among all variables in this research model.

Sixth, organizational commitment is proven to play a partial mediating role in the effect of employee engagement on employee performance, with a VAF value of 50.9 percent. Seventh, organizational commitment is also proven to play a partial mediating role in the effect of work-life balance on employee performance, with a VAF value of 37.0 percent. These findings confirm that improving employee performance at Perumda Air Minum Panca Mahottama, Klungkung Regency, would be more effective if carried out in an integrated manner—through strengthening work engagement, facilitating employee work-life balance in a manner contextual to local spiritual and cultural needs, and continuously strengthening organizational commitment. Given that this research model explains only 48.0 percent of the variation in employee performance, future research is recommended to incorporate other relevant variables, such as leadership, organizational culture, or compensation, and to broaden the scope of the study to other drinking water utilities with similar socio-cultural characteristics.

REFERENCES

1. Abdirahman, H.I.H., Najeemdeen, I.S., Abidemi, B.T., and Ahmad, R.B., 2018, The Relationship between Job Satisfaction, Work-life Balance and Organizational Commitment on Employee Performance, *Journal of Business and Management*, Vol. 10, No. 30, pp. 122–129.
2. Ahakwa, I., Yang, J., Tackie, E.A., and Atingabili, S., 2021, The Influence of Employee Engagement, Work Environment and Job Satisfaction on Organizational Commitment and Performance of Employees: A Sampling Weights in PLS Path Modelling, *SEISENSE Journal of Management*, Vol. 4, No. 3, pp. 34–62.
3. Allen, N.J., 2001, Organizational Commitment, in Anderson, N., Ones, D.S., Sinangil, H.K., and Viswesvaran, C. (Eds.), *Handbook of Industrial, Work and Organizational Psychology*, Vol. 2, SAGE Publications, London, pp. 228–244.
4. Ardiansyah, C.A., and Surjanti, J., 2020, The Effect of Work-life Balance on Employee Performance through Organizational Commitment among Employees of PT. Bhinneka Life Indonesia, Surabaya Branch, *Jurnal Ilmu Manajemen*, Vol. 8, No. 4, pp. 1271–1283.
5. Arikunto, S., 2010, *Prosedur Penelitian: Suatu Pendekatan Praktik*, revised edition, Rineka Cipta, Jakarta.
6. Armstrong, M., 2014, *A Handbook of Human Resource Management Practice*, 13th edition, Kogan Page, London.
7. Aziez, A., 2022, The Effect of Employee Engagement on Employee Performance with Job Satisfaction and Compensation as Mediating Role, *International Journal of Economics, Business and Management Research*, Vol. 6, No. 7, pp. 255–268.
8. Azizah, N., Dewi, R.R., and Fitriyah, N., 2023, The Effect of Work-Life Balance on Organizational Commitment and Its Implications for Job Satisfaction, *Jurnal Manajemen dan Bisnis*, Vol. 10, No. 2, pp. 45–58.
9. Bakker, A.B., and Demerouti, E., 2008, Towards a Model of Work Engagement, *Career Development International*, Vol. 13, No. 3, pp. 209–223.
10. Baron, R.M., and Kenny, D.A., 1986, The Moderator-Mediator Variable Distinction in Social Psychological Research, *Journal of Personality and Social Psychology*, Vol. 51, No. 6, pp. 1173–1182.
11. Barney, J.B., 1991, Firm Resources and Sustained Competitive Advantage, *Journal of Management*, Vol. 17, No. 1, pp. 71–101.
12. BPKP, 2022, Performance Evaluation Report of Perumda Air Minum Panca Mahottama, Fiscal Year 2022, Finance and Development Supervisory Agency, Bali Provincial Representative Office, Denpasar.
13. BPKP, 2023, Performance Evaluation Report of Perumda Air Minum Panca Mahottama, Fiscal Year 2023, Finance and Development Supervisory Agency, Bali Provincial Representative Office, Denpasar.
14. BPKP, 2024, Performance Evaluation Report of Perumda Air Minum Panca Mahottama, Fiscal Year 2024, Finance and Development Supervisory Agency, Bali Provincial Representative Office, Denpasar.
15. Cahyani, A., Aisha, A.N., and Prasetyo, A.P., 2024, The Effect of Work-life Balance on Employee Performance (Case Study at PT. Kamiidea Indonesia), *Jurnal Manajemen dan Organisasi*, Vol. 15, No. 2, pp. 77–90.

16. Colquitt, J.A., LePine, J.A., and Wesson, M.J., 2015, *Organizational Behavior: Improving Performance and Commitment in the Workplace*, 4th edition, McGraw-Hill Education, New York.
17. Creswell, J.W., 2014, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 4th edition, SAGE Publications, Thousand Oaks, CA.
18. Dajani, M.A.Z., 2015, The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector, *Journal of Business and Management Sciences*, Vol. 3, No. 5, pp. 138–147.
19. Devi, N.P.A.S., Sudibi, I.G.A., and Adnyana, I.G., 2020, The Effect of Employee Engagement on Employee Performance through Organizational Commitment as a Mediating Variable, *Jurnal Manajemen dan Bisnis*, Vol. 17, No. 2, pp. 80–95.
20. Dessler, G., 2015, *Human Resource Management*, 14th edition, Pearson Education, Upper Saddle River, NJ.
21. Dwitanti, E., Murwani, F.D., and Siswanto, E., 2023, The Effect of Work-life Balance on Employee Performance through Work Stress and Workload, *Jurnal Ekonomi dan Bisnis*, Vol. 26, No. 1, pp. 55–72.
22. Ekhsan, M., Lastariwati, B., and Fachrunnizam, M., 2020, The Effect of Employee Engagement on Employee Performance through Organizational Commitment as a Mediating Variable, *Jurnal Ilmiah Manajemen dan Bisnis*, Vol. 21, No. 1, pp. 48–60.
23. Fauziah, R.D., and Rozana, A., 2024, The Effect of Work-life Balance on Organizational Commitment among Firefighters, *Jurnal Psikologi Industri dan Organisasi*, Vol. 11, No. 2, pp. 101–113.
24. Greenhaus, J.H., and Beutell, N.J., 1985, Sources of Conflict between Work and Family Roles, *Academy of Management Review*, Vol. 10, No. 1, pp. 76–88.
25. Guest, D.E., 2002, Perspectives on the Study of Work-life Balance, *Social Science Information*, Vol. 41, No. 2, pp. 255–279.
26. Habibah, U., Prasetyowati, A., Mardiana, N., and Halimah, L., 2024, The Effect of Flexible Working Arrangement and Employee Engagement on Employee Performance with Work-life Balance as an Intervening Variable, *Jurnal Manajemen dan Bisnis*, Vol. 19, No. 1, pp. 33–47.
27. Hair, J.F., Henseler, J., Ringle, C.M., and Sarstedt, M., 2017, *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*, 2nd edition, SAGE Publications, Thousand Oaks, CA.
28. Hair, J.F., Hult, G.T.M., Ringle, C.M., and Sarstedt, M., 2021, *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*, 3rd edition, SAGE Publications, Thousand Oaks, CA.
29. Hasibuan, M.S.P., 2016, *Manajemen Sumber Daya Manusia*, revised edition, Bumi Aksara, Jakarta.
30. Hayes, A.F., 2018, *Introduction to Mediation, Moderation, and Conditional Process Analysis: A Regression-Based Approach*, 2nd edition, The Guilford Press, New York.
31. Hutagalung, I., Fauzi, A., Lesmana, M.T., and Sandi, F., 2020, The Role of Work-life Balance for Organizational Commitment, *International Journal of Advanced Science and Technology*, Vol. 29, No. 5, pp. 2339–2346.
32. Kahn, W.A., 1990, Psychological Conditions of Personal Engagement and Disengagement at Work, *Academy of Management Journal*, Vol. 33, No. 4, pp. 692–724.
33. Kerlinger, F.N., 1986, *Foundations of Behavioral Research*, 3rd edition, Holt, Rinehart and Winston, New York.
34. Klein, H.J., Wesson, M.J., Hollenbeck, J.R., Wright, P.M., and DeShon, R.P., 2001, The Assessment of Goal Commitment: A Measurement Model Meta-Analysis, *Organizational Behavior and Human Decision Processes*, Vol. 85, No. 1, pp. 32–55.
35. Linggiallo, H., Hapzi, H., Djaelani, A., and Alam, A.S., 2021, The Effect of Predictor Variables on Employee Engagement and Organizational Commitment and Employee Performance, *Journal of Asian Finance, Economics and Business*, Vol. 8, No. 4, pp. 1199–1210.
36. Locke, E.A., 1968, Toward a Theory of Task Motivation and Incentives, *Organizational Behavior and Human Performance*, Vol. 3, No. 2, pp. 157–189.
37. Locke, E.A., and Latham, G.P., 1990, *A Theory of Goal Setting and Task Performance*, Prentice-Hall, Englewood Cliffs, NJ.
38. Locke, E.A., and Latham, G.P., 2002, Building a Practically Useful Theory of Goal Setting and Task Motivation, *American Psychologist*, Vol. 57, No. 9, pp. 705–717.
39. Mangkunegara, A.A.A.P., 2017, *Manajemen Sumber Daya Manusia Perusahaan*, 12th edition, Remaja Rosdakarya, Bandung.
40. Mathis, R.L., and Jackson, J.H., 2011, *Human Resource Management*, 13th edition, South-Western Cengage Learning, Mason, OH.
41. Meyer, J.P., and Allen, N.J., 1991, A Three-Component Conceptualization of Organizational Commitment, *Human Resource Management Review*, Vol. 1, No. 1, pp. 61–89.
42. Mulatta, D.S., and Waskito, J., 2024, The Effect of Work-life Balance on Employee Performance with Organizational Commitment as a Mediating Variable, *Jurnal Manajemen*, Vol. 28, No. 1, pp. 72–87.

43. Narmatha, N., and Amutha, S., 2023, A Study about the Influence of Employee Engagement on Organizational Commitment among the Employees in Health Sector, *International Journal of Health Sciences*, Vol. 6, No. 1, pp. 6578–6591.
44. Nawawi, H.H., 2011, *Manajemen Sumber Daya Manusia untuk Bisnis yang Kompetitif*, 4th edition, Gadjah Mada University Press, Yogyakarta.
45. Nugraha, R., and Hermina, N., 2024, The Effect of Work-life Balance on Job Satisfaction through Organizational Commitment at Yayasan Al-Ma'soem, *Jurnal Sains Manajemen*, Vol. 10, No. 2, pp. 88–102.
46. Ramdhani, D.Y., and Rasto, 2021, Work-Life Balance as a Factor Influencing Employee Performance, *Journal of Office Administration: Education and Practice*, Vol. 1, No. 1, pp. 44–54.
47. Robbins, S.P., and Judge, T.A., 2017, *Organizational Behavior*, 17th edition, Pearson Education, Upper Saddle River, NJ.
48. Saha, M., De, A., and Ghosh, M., 2024, Employee Performance through the Lens of Organizational Commitment and Job Satisfaction: A Focus on IT Companies in Kolkata, *International Journal of Management*, Vol. 15, No. 3, pp. 78–93.
49. Saks, A.M., 2006, Antecedents and Consequences of Employee Engagement, *Journal of Managerial Psychology*, Vol. 21, No. 7, pp. 600–619.
50. Saputra, I.M.D.J.M., and Gorda, A.A.N.O.S., 2024, The Effect of Work-life Balance on Employee Performance and Organizational Commitment at Rural Banks (BPR) in Denpasar City, *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, Vol. 13, No. 2, pp. 189–204.
51. Sari, M., 2021, The Effect of Employee Engagement on Employee Performance through Organizational Commitment at Raden Mattaher Regional Hospital, Jambi, *Jurnal Sains Manajemen dan Kewirausahaan*, Vol. 5, No. 1, pp. 38–50.
52. Schaufeli, W.B., and Bakker, A.B., 2004, Job Demands, Job Resources, and Their Relationship with Burnout and Engagement: A Multi-Sample Study, *Journal of Organizational Behavior*, Vol. 25, No. 3, pp. 293–315.
53. Sekaran, U., and Bougie, R., 2016, *Research Methods for Business: A Skill-Building Approach*, 7th edition, Wiley, New York.
54. Sentoso, A., and Muchsinati, E.S., 2024, Determining Employee Engagement and Its Influence on Employee Performance at Holding State-Owned Enterprises Insurance and Guarantees Riau Islands Region, *International Journal of Science and Society*, Vol. 6, No. 2, pp. 45–62.
55. Septiani, R., and Jaya, R.C., 2024, The Effect of Work-life Balance and Job Competence on Organizational Commitment at PT XYZ, R&D Division, Bandung, *Jurnal Manajemen Bisnis*, Vol. 11, No. 1, pp. 55–68.
56. Sugiyono, 2019, *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*, 23rd edition, Alfabeta, Bandung.
57. Sutiye, Ekowati, V.M., Supriyanto, A.S., and Muhdlor, A.Z., 2020, The Impact of Job Satisfaction and Employee Engagement on Organizational Commitment, *International Journal of Innovation, Creativity and Change*, Vol. 11, No. 10, pp. 406–420.
58. Syarifin, M.H., and Atmaja, H.E., 2023, The Influence of Organizational Commitment, Organizational Culture and Job Satisfaction on Employee Performance: A Literature Study, *International Journal of Educational Research and Social Sciences*, Vol. 4, No. 2, pp. 374–381.
59. Tarmizi, A., and Anggiani, S., 2022, Organizational Commitment, Employee Engagement, and Employee Performance: A Literature Review, *Jurnal Manajemen dan Kewirausahaan*, Vol. 24, No. 2, pp. 143–153.
60. Valery, M.B., Santati, P., and Hadjri, I., 2021, The Effect of Work-life Balance on Employee Performance, *Jurnal Bisnis dan Manajemen*, Vol. 8, No. 1, pp. 1–12.
61. Wibowo, 2016, *Manajemen Kinerja*, 5th edition, Rajawali Pers, Jakarta.
62. Wolor, C.W., Kurnianti, D., Zahra, S.F., and Martono, S., 2020, The Importance of Work-life Balance on Employee Performance Millennial Generation in Indonesia, *Journal of Critical Reviews*, Vol. 7, No. 19, pp. 666–673.
63. Xiaoli, S., 2024, Work-life Balance, Employee Engagement and Performance: Evidence from Employees in Shanghai, *Asia Pacific Management Review*, Vol. 29, No. 2, pp. 99–110.