

Welfare Level, Work-Life Balance, And Employee Performance at The Coffee Shop In Malang City

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Abstract

Introduction/Main Objectives: This study aims to examine the influence of employee welfare level and work-life balance on employee performance amidst the rapid growth of the coffee shop business in Malang City. This topic is interesting because employee performance plays a vital role in developing companies' competitive advantage.

Background Problems: The phenomenon underlying this research is the increasing competition among coffee shop businesses in Malang City characterized by high growth rates and store closures.

Novelty: The novelty of this study lies in its focus on the research variable, namely employee welfare level in coffee shop businesses in Malang City, which is often overlooked, despite its crucial role as employees serve as the face of the company.

Research Methods: This study employed a causal associative method with a quantitative approach. Sampling was counted using Lemeshow formula and occupying pulDrosive sampling as the sampling technique. Based on these calculation, 68 respondents were obtained to be research sample. Validity dan reliability test occupied to test the questionnaire, and t-test was used to test research hypotheses.

Finding/Results: The t-test shows that the variables of welfare level and work-life balance both have a significant effect on employee performance. This indicates that the better the level of well-being and work-life balance perceived by employees, the higher the quality of their performance.

Conclusion: The main conclusion of this study is that both welfare level and work-life balance are important and significant factors in improving employee performance. The positive impact of welfare level on performance indicates that organizational attention to compensation, health insurance, and the work environment will be reciprocated by employees with loyalty. Meanwhile, the significant findings from work-life balance implies that companies should pay attention to organizational support, time flexibility, and work-personal boundaries, as the right balance can increase employee focus, responsibility, and good mood.

Keywords: Welfare Level; Work Life Balance; and Employee Performance



Introduction

We currently live in an era of globalization collaborating with digital transformations such as artificial intelligence, a phenomenon often referred to as the 4.0 industrial revolution (Pratiknyo, 2020). Furthermore, we are also normalizing changes in public service systems, healthcare, and business economic cycles, which are now influenced by the unexpected increase in digitalization, such as at the start of the pandemic (Tristiana et al., 2024). These technological advances have changed behaviors, values, and beliefs within organizations (Garcez et al., 2022). This rapid development requires companies to constantly adapt to excel in competition (Tahir et al., 2023). Not only established companies but also governments, startups, and the general public are affected (Stevanus Christian Dr. Raden, 2025). Becoming a superior and competitive company requires various efforts to boost and maintain employee performance, as one of its crucial roles.

This is also the case with the coffee shop business today, particularly the viral phenomenon occurring in Malang City. According to the Malang City Cafe and Restaurant Entrepreneurs Association (APKRINDO) (Mahmudan, 2024), the growth of new cafes and restaurants has reached 20%. Data from the Malang City Statistics Biro (BPS) shows that in 2021, there were 6,378 culinary businesses in Malang City. In 2022, this number increased to 7,203, and in 2023, there was a slight decline to 11,929 outlets. This data demonstrates that the culinary business in Malang is experiencing significant growth, particularly in the coffee industry. The emergence of many new coffee shops is due to the increasing interest in entering the coffee industry, which has made competition in the F&B business, especially coffee, increasingly fierce. Moreover, with the latest innovations such as mobile coffee and digitalization, news of the opening of new places such as booming coffee shops quickly circulates. The rise of these new coffee shops has instantly transformed the lifestyles of people, especially students, in Malang (Salza, 2024). These spaces allow people to use them not only for socializing, studying, and working remotely, but also as a "home" (Krisnayana, 2020). But behind the mushrooming of these new businesses, another fact is that many cafes also close within a short period, namely because people, especially Gen Z, only have FOMO (Fear Of Missing Out) and get bored quickly. The many choices of coffee shops make customers confused about choosing one because they offer uniqueness from each place, whether in terms of taste, interior or service. Another problem is the lack of understanding of the owners in operating a cafe efficiently such as conducting offline and online sales promotions, creating unique menus, and maintaining the quality of their employee performance. This is where the role of employee performance is also very important in providing satisfactory service so that sales targets are met (Riska, 2024).



Figure 1 Differences in land use in coffee shop areas in Sudimoro Malang
Source: Changes to Sudimoro Road in 2017 & 2023/Doc. Google Maps

Employee performance is crucial to a company's success, not just as a determinant of productivity. Every company recognizes that its primary asset is its human resources (Ampong, 2024). This is because employees play a crucial role in various aspects, such as building a company's image and brand, and achieving targets (Setyawan & Ambarwati, 2024). Often, good performance is accompanied by high expectations and workloads from the company, which can lead to work-life balance (WLB) and welfare level issues. Factors affecting workload include inappropriate job descriptions, pressing deadlines, unsupportive coworkers, strict regulations, and excessive working hours. This can significantly impact employee psychological well-being. Therefore, it is crucial for organizations to pay attention to their employees (Triani et al., 2023). Generally, one employee has only one job description, responsibilities, for example, a barista's job description is only serving customers and specializing in making drinks. However, cafe owners sometimes feel reluctant to lose money, resulting in baristas taking on other job descriptions, such as cleaning the entire cafe upon arrival and departure, including the restrooms, being a cashier, or being asked to become part of the marketing team, such as a content creator, and extending to other job descriptions. This raises questions about the welfare level of employees, especially baristas. Coffee shop employees, especially in Malang, usually have varying working hours. Some are full-time employees, working full-time from the cafe's opening to closing. Others have more flexible working hours, also known as part-time employees, with shift schedules, such as morning, afternoon, or night shifts. However, neither full-time nor part-time work hours guarantee employees leave on time. On the other hand, observations have shown that some cafes have very strict rules regarding attendance. Employees must be on time and if they arrive late there will be a salary reduction, but the opposite is true when it is time to go home, even if there are customers who have just arrived, of course they must finish their work first, namely serving the customer before going home, which means exceeding the work agreement limit without any additional incentives.

Furthermore, it is increasingly recognized that employee performance is influenced by the level of material and non-material employee welfare, which includes not only healthcare, financial support, and emotional support (Azis et al., 2022). However, this issue is often overlooked and results in decreased operational efficiency. Yet, survey results show that most employees in Indonesia value workplaces that care about their employees' well-being. When employees feel cared for, they respond by demonstrating greater engagement with their work (Isnaini, 2023). Employee welfare levels are derived from a humanitarian perspective, aiming to address employee concerns. Essentially, welfare levels reflect an organization's commitment to internal corporate social responsibility (CSR) (Aldi Alfathur Rachman et al., 2024), which is increasingly relevant in today's economy where employees demand more than just wages. Being a barista also has the right to have welfare with the following indicators: Salary and wages are examples of direct compensation; additional allowances like transportation and food money are examples of indirect compensation, Mandatory welfare in the form of basic facilities supported by law such as occupational health and safety insurance (Ampong, 2024). The compensation currently received by baristas sometimes doesn't meet the above indicators. Offline interviews indicate that not all baristas are covered by health insurance and only receive indirect compensation in the form of meal allowances. Incentives are based on monthly sales; if there is no increase or a sales surplus, no incentives are provided. The Job Creation Law and the Manpower Law regulate compensation in Indonesia. Article 61A of the Manpower Law requires business owners to provide compensation to their employees.

Besides welfare levels, another interesting aspect to consider is work-life balance. Work-life balance is a balance between work responsibilities and personal, family, and social life (Badrianto & Ekhsan, 2021). Many people currently consider work-life balance to be a 50/50 division of time between work and life, which is a fatal mistake. The balance between work and life can vary from person to person. This is important because when employees find the right balance, it can impact their performance quality, resulting in focus, responsibility, and a positive

mood (Novandi et al., 2025). This balance must be maintained to reduce conflict between work responsibilities and the personal environment (Mezaluna et al., 2025). Therefore, the higher the satisfaction level of employee welfare and their work-life balance, the better their work quality. Research shows that as many as 85% of employee respondents in Indonesia do not have a good work-life balance, 62% of whom admit to having difficulty sleeping because they think about the piling up of work (Jobstreet, 2022). Likewise, baristas in coffee shops in Malang have a heavy role to play, with both hard and soft skills being key. Baristas are the face of a coffee shop and must possess strong competencies, such as operating coffee equipment, a good taste in coffee, being communicative, friendly, and able to manage inventory. When professionalism is demanded in their work, they ultimately lack time for their personal lives outside of work, resulting in a decline in their performance. Based on this explanation, This study intends to undertake scientific research on the impact of employee welfare level and work-life balance on performance.

This article will be divided into five parts. In the first part, the reasons why authors choose the topic are described. Following it, research method is explained as well as the research results. Furthermore, in the next section, we will discuss the research result and how it connects with prior studies. Lastly, the conclusion is explained together with limitations and future research agenda.

Research Methods

Examining the relationship between two or more variables is known as causal associative research, and the present research fits within this classification (Aditya Bayu Wardana et al., 2022). Because this study adhered to scientific principles concrete empirical, objective, quantifiable, rational, and systematic a quantitative approach was used (Sugiyono, 2020). By using a 5-point Likert scale which has the main objective of testing the effect of employee welfare levels (X1) and work-life balance (X2) as independent variables partially and simultaneously on employee performance (Y) as a dependent variable in various coffee shops in Malang City. The population of this study includes all permanent employees who work in coffee shops with a minimum of 2 months of service operating in the Malang City area. The most appropriate sampling technique for this study is pulDrosive sampling because it represents the objectives of the study and meets the criteria in providing information. Sampling uses the Lemeshow formula to calculate the sample size from the total population that is not known with certainty in quantitative research. Based on this calculation, the number of samples obtained is 68 respondents (confidence level = 90%).

Table 1. Operational Matrix of Variables

Variabel	Concept Definition	Indicator
X1 Welfare Level	Complementary compensation, both material and non-material, is given in accordance with policy, which aims to preserve and enhance workers' physical and mental health in order to boost their productivity at work. (Hidayat, 2023)	1.Salary and Benefits 2.Occupational Health and Safety 3.Physical and Non-Physical Work Environment 4.Professional and Career Development

X2 Work-Life Balance	A state where an individual feels satisfied with his efforts to balance the demands of work and his personal life (Badrianto & Ekhsan, 2021)	<ol style="list-style-type: none"> 1. Flexible Working Hours 2. Organizational Support 3. Work-Person Boundaries 4. Time for Family/Self
Y Employee Performance	The work results, both quantity and quality, achieved by an employee are in accordance with the responsibilities and standards set by the company. (Badrianto & Ekhsan, 2021)	<ol style="list-style-type: none"> 1. Quality of Work 2. Quantity of Work 3. Punctuality 4. Ability to Work Together

Source: Author's Work, 2025.

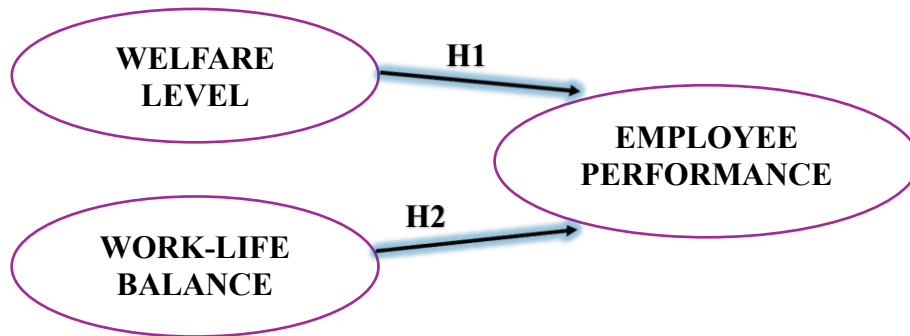


Figure 2 Research conceptual framework

Source: Author's Work, 2025.

The following research hypotheses are based on the research model mentioned above:

1. *H1*: Level of Well-Being (X1) influences Employee Performance (Y)
2. *H2*: Work-Life Balance (X2) influences Employee Performance (Y)

To prove the previously established hypothesis, researchers collected data using a questionnaire from 68 respondents with predetermined criteria. Validity and reliability testing were conducted on the research instrument. Validity testing is a tool to measure the validity of a research indicator. An indicator is considered valid if it can measure what it is intended to measure. The results of validity testing are not universally applicable, meaning an indicator can have a high validity value at a certain time and place, but will become invalid if the time and place are different. Therefore, a validity test is necessary first to determine the quality of the indicator on the variables to be studied (Dr.Aglis & Slamet, 2023). The method for determining decisions in this test is as follows:

1. If the calculated $r \geq$ table r , the indicator is considered positive and valid.
2. If the calculated $r \leq$ table r , the indicator is considered negative and invalid.

Besides validity testing, there is also reliability testing. According to (Dr.Aglis & Slamet, 2023), reliability testing is the level of stability or accuracy of a measuring instrument in measuring a symptom/event to be measured, such as measuring a questionnaire that is an indicator of a variable. A questionnaire is said to be reliable if a person's answers to all items (questionnaire) are stable over time. The higher the reliability of a measuring instrument, the more stable the measuring instrument is. Reliability testing can be seen in the Cronbach Alpha (α) value; a variable is declared reliable if it produces a Cronbach Alpha (α) > 0.60. The method for determining decisions in this test is as follows (Sahid, 2021):

1. If the Cronbach Alpha (α) value is > 0.60 , the questionnaire is declared reliable.
2. If the Cronbach Alpha (α) value is < 0.60 , the questionnaire is declared unreliable.

After the data was collected, a classical assumption test was conducted, consisting of a normality test, a heteroscedasticity test, and a multicollinearity test. To obtain valid results from the classical assumption test, it must be known whether the data is normally distributed. Data that is normally distributed based on the Kolmogorov-Smirnov test with a decision result if the significance is greater than $\alpha = 0.05$ (5% error rate) is normal data (Irfan Syahroni, 2023). Data that is normally distributed based on the Histogram test is if the test results produce a perfect bell-shaped histogram graph, while data that is normal according to the Probability Plot test is if the test results show points spread along a diagonal line (Djuli Sjafei Purba et al., 2021). The Kolmogorov-Smirnov value formula has the following hypothesis (Sahid, 2014):

Ho: The data is normally distributed.

H1: The data is not normally distributed.

Therefore, the following hypotheses can be formulated from the normality test:

1. If the significance value is > 0.05 , the research data is normally distributed.
2. If the significance value is < 0.05 , the research data is not normally distributed.

The next step is the multicollinearity test, which is used to determine whether there is a correlation between the independent variables. If the multicollinearity test results show a tolerance value > 0.01 and a variance inflation factor (VIF) value < 10 , the regression model is free from multicollinearity (Djuli Sjafei Purba et al., 2021). There are two methods for calculating multicollinearity (Studio, 2023):

1. Observing the tolerance value
 - If the tolerance value > 0.10 , it means there is no multicollinearity.
 - If the tolerance value < 0.10 , it means there is multicollinearity in the regression model.
2. Observing the VIF value
 - If the VIF value < 10.00 , it means there is no multicollinearity.
 - If the VIF value > 10.00 , it means there is multicollinearity in the regression model.

Then there's the heteroscedasticity test, which tests whether the residual variances from one observation to another are unequal in the regression model (Djuli Sjafei Purba et al., 2021). This test is determined by examining the scatterplot graph between the predicted values of the dependent variable and the independent variable, followed by the Glejser test. The results of the scatterplot test show that if the points are randomly distributed and do not form a pattern, it is concluded that there is no similarity in the residual variances from one observation to another, indicating that heteroscedasticity does not occur in the regression model. The basis for decision-making using the Glejser test is as follows:

1. If the significance value is > 0.05 , it means there are no symptoms of heteroscedasticity.
2. If the significance value is < 0.05 , it means there are symptoms of heteroscedasticity.

Multiple Linear Regression is a forecasting analysis tool that aims to determine the effect of two or more independent variables, or X, on the dependent variable, or Y (Djuli Sjafei Purba et al., 2021). This study uses multiple linear regression with the following formula:

$$Y = \alpha + \beta_1 CSR + \beta_2 ROA + \beta_3 DAR + \beta_4 IM + e \dots \dots \dots 1$$

The purpose of the coefficient of determination test (adjusted R-square) is to measure the percentage of the independent variables' ability to influence the dependent variable. The coefficient of determination test results range from above zero to below 100% (Djuli Sjafei Purba et al., 2021).

Furthermore, the t-test, or partial test, aims to determine the effect of the individual independent variable (X) on variable Y. The significance level used is 0.05. If the significance value is less than the confidence level, it means the alternative hypothesis states that the independent variables partially influence the dependent variable (Sudariana & Yoedani, 2022). The steps to accept or reject a hypothesis are as follows:

1. If the calculated t-value is greater than the t-table, Ho is rejected and Ha is accepted. This means the independent variable has a significant effect on the dependent variable.

2. If the calculated t-value is less than the t-table, H_0 is accepted and H_a is rejected. This means the independent variable does not have a significant effect on the dependent variable.

To simplify calculations, all of the above tests will use the SPSS application.

Result

Respondent Identity

Based on the questionnaire's results distributed to café employees in Malang City, respondents provided information for the study, including job description, age, and salary. The questionnaire was distributed in the form of a Google Form to all cafe employees.

Tabel 2 Gender

Gender	Number	Percentage
Male	42	61,8%
Female	26	38,2%

Source : data processed, 2025

The overwhelming majority of male respondents completed the questionnaire, representing 61.8% of the 68 respondents, while the remaining 38.2% were female. This number of respondents indicates that male employees are also needed in café operations, as they are scheduled to work the night shift, as some cafés in Malang operate 24 hours a day. Meanwhile, female employees dominate the finance and administration departments, such as cashiers and waiters.

Table 3 Age Characteristics

Age	Number	Percentage
17-20 Years	10	14,4%
21-24 Years	50	72,47%
>25 Years	8	11,3%

Source : data processed, 2025

According to the results table, 72.47% of the 68 respondents are between the ages of 21 and 24. While in second place with an age range of 17-20 years has a percentage of 14.46%, and the remaining 11.3% are employees aged 25 <. From these results show that the average productive age of employees in coffee shops in Malang City is in late adolescence, where at that age is a period of searching for identity, gathering experience and skills to be able to develop further. Working in a café is one way of self-development where employees are asked to provide good service, build relationships with coworkers, record finances accurately and add innovation skills in creating menus.

Table 4 Characteristics of salary

Salary	Number	Percentage
IDR. < 499.000	2	2,9%
IDR. 500.000 - IDR. 999.000	9	13,2%
IDR. 1.000.000 - IDR. 1.999.000	34	50%
IDR. 2.000.000 - IDR. 2.999.000	18	26,5%
IDR. 3.000.000 - IDR. 4.000.000	2	2,9%
> IDR. 4.000.000	3	4,4%

Source : data processed, 2025

Based on the monthly income of coffee shop employees in Malang City, the majority have a monthly salary of IDR. 1,000,000 - IDR. 1,999,000 with a percentage of 50% of all respondents. Then, only 3 respondents have a salary above IDR. 4,000,000, this shows that the majority of coffee shop employees in Malang City have a relatively low monthly income and are not commensurate with the responsibilities they carry out. And it shows the need for attention to the economic welfare of the workforce in the FnB sector.

Validity Test

Table 5 Validity Test Table

Indicator	Welfare Level	Work-Life Balance	Employee Performance
Salary	.710		
Benefits	.640		
Occupational Health and Safety Insurance	.563		
Physical Work Environment	.732		
Non-Physical Work Environment	.674		
Professional and Career Development	.565		
Flexible Working Hours		.805	
Supervisor Support		.688	
Co-Worker Support		.645	
Work-Personal Boundaries		.717	
Family Time		.790	
Quality Accuracy			.635
Quantity of Output Produced			.816
Timely Arrival Discipline			.748
Quality Contribution			.760
Task Completion by Deadline			.723

Source : data processed, 2025

The computed r value from the SPSS output results is greater than the r table, indicating that each question indicator has significant findings based on the validity test results for the three variables. This means that each statement submitted in the questionnaire to respondents is declared valid in the measurement.

Reliability Test

Table 6 Reliable Test Table

Variable	Cronbach alpha	Keterangan
Welfare Level	.706	Reliable
Work-Life Balance	.788	Reliable
Employee Performance	.787	Reliable

Source : data processed, 2025

According to the reliability test findings for the three variables mentioned above, the three items' Cronbach Alpha value is greater than 0.60, meaning that the three questionnaire items are reliable.

Descriptive Analysis of Variables

This descriptive variable was used to obtain respondents' descriptions of the questionnaire questions regarding employee welfare, work-life balance, and employee performance in coffee

shops in Malang City. Descriptive analysis was conducted by calculating the average value of respondents' answers, grouped by class interval. In this study, the class interval used was 0.75, so they can be categorized as follows.

Table 7 Categories of Average Respondents' Answers

Category Interval	Category Interval
4,21-5,00	Strongly Agree
3,41-4,20	Agree
2,61-3,40	Neutral
1,81-2,60	Disagree
1-1,80	Strongly Disagree

Source : data processed, 2025

From the questionnaire data that has been distributed, there is a Likert scale of 1-5 using positive questions with interval category divisions as in the table above.

Tabel 8 Analisis Deskriptif Indikator Variabel Welfare Level

Indicator	Average	Category
Salary	2.8529	Neutral
Benefits	3.1912	Neutral
Occupational Health and Safety Insurance	3.5000	Agree
Physical Work Environment	4.2794	Strongly Agree
Non-Physical Work Environment	4.0441	Agree
Professional and Career Development	4.1765	Agree

Source : data processed, 2025

Based on the interval category reference in Table 6, descriptive analysis for the Welfare Level variable shows that there are various perspectives among respondents. In general, indicators related to the physical Work Environment (Average: 4.2794) and Non-physical Work Environment (Average: 4.0441) received the Strongly Agree and Agree categories, meaning that employees feel quite satisfied with the comfort of the workspace, supporting facilities, and relationships between employees. However, on the other hand, indicators such as Salary (Average: 2.8529) and Benefits (Average: 3.1912) are in the Neutral category. These results confirm the findings in the introduction, where the majority of respondents have a relatively low monthly income (50% earn IDR 1,000,000 - IDR 1,999,000) and show that direct compensation in the form of salary and benefits is still an issue that requires more attention in the coffee shop business in Malang City.

Tabel 9 Analisis Deskriptif Indikator Variabel Work-Life Balance

Indicator	Average	Category
Flexible Working Hours	3.5735	Agree
Supervisor Support	3.5441	Agree
Co-Worker Support	4.1765	Agree
Work-Personal Boundaries	3.5588	Agree
Family Time	3.6324	Agree

Source : data processed, 2025

The results of table 8 indicate that all indicators of the Work-Life Balance variable are in the Agree category. The highest average is in Co-Worker Support reaching (Average: 4.1765), while other indicators such as Work Time Flexibility (Average: 3.5735), Superior Support

(Average: 3.5441), Work-Personal Boundaries (Average: 3.5588), and Time for Family (Average: 3.6324) also get the agree category. Although in general respondents agree with their WLB conditions, this is in accordance with the phenomenon mentioned in the introduction regarding working hours that do not guarantee going home on time and work demands that have the potential to cause WLB problems.

Tabel 10 Analisis Deskriptif Indikator Variabel Employee Performance

Indicator	Average	Category
Quality Accuracy	4.6324	Strongly Agree
Quantity of Output Produced	4.4265	Strongly Agree
Timely Arrival Discipline	4.4412	Strongly Agree
Quality Contribution	4.0735	Agree
Task Completion by Deadline	4.2206	Strongly Agree

Source : data processed, 2025

The results of the Employee Performance variable were rated very highly by respondents, with the majority of indicators falling in the Strongly Agree category. The Accuracy Quality indicator (Average: 4.6324), Quantity of output produced (Average: 4.4265), Discipline of Time Arrival (Average: 4.4412), and Completion of Tasks According to Deadlines (Average: 4.2206) all showed strong agreement, while Contribution Quality (Average: 4.0735) was in the Agree category. This shows that despite challenges in terms of salary and work-personal boundaries, coffee shop employees in Malang City tend to provide excellent performance quality.

Partial Hypothesis Test (t Test)

As this research data analyzed using SPSS tool, then classing assumption tests were occupied. We performed normality, heterocedasticity, and multicollinearity as classic assumption test. The result of the tests are displayed in the figure below.

One-Sample Kolmogorov-Smirnov Test				Unstandardized Residual
N				68
Normal Parameters ^{a,b}	Mean			.0000000
	Std. Deviation			2.26535666
Most Extreme Differences	Absolute			.089
	Positive			.055
	Negative			-.089
Test Statistic				.089
Asymp. Sig. (2-tailed) ^c				.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.			.197
	99% Confidence Interval	Lower Bound		.187
		Upper Bound		.207

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Figure 2. Normality test

Source: data processed, 2025.

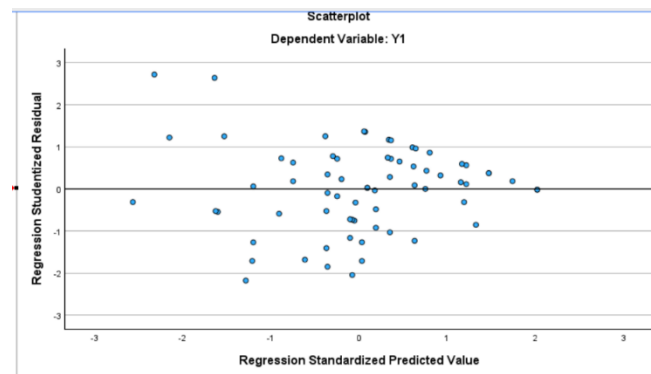


Figure 3. Heterocedasticity test

Source : data processed, 2025.

Coefficients^a

		Collinearity Statistics	
Model		Tolerance	VIF
1	V1	.663	1.508
	V2	.663	1.508

a. Dependent Variable: Y1

Figure 4. Multicollinierity test

Source: data processed, 2025.

The image above is the result of a classical assumption test that has met the requirements.

Table 11 Partial Test Result (t)

Variable	T hitung	Sig.	Conclusion
Welfare Level	2.658	.010	Accepted
Work-Life Balance	2.587	.012	Accepted

Source : data processed, 2025

Based on the results of the t-test hypothesis test above, it can be concluded that the test of the first hypothesis (H1) is accepted, meaning that there is an influence of X1 on Y. Meanwhile, the results of the test of the second hypothesis (H2) are accepted, meaning that there is an influence of X2 on Y. The acceptance of the hypothesis is due to the significance value being less than 0.05.

Coefficient of Determination Delta Test (R2)

Table 12 Coefficient of Determination Delta Test (R2)

Model Summary				
Model	R	R square	Adjusted R Square	Std. Error of the Estimate
1	.579	.335	.315	2.29994

Source : data processed, 2025

Based on the results of the table above, the R-square value is 0.335. This means that 33.5% of the distribution of the dependent variable can be explained by the independent variable. The remaining 66.5% can either be explained by factors other than the independent variable (error component) or cannot be explained by the independent variable. A small r-square value means a large error component. By looking at this value, it can be said that the employee performance variable of coffee shops in Malang City (Y) is influenced by 33.5% by the welfare level (X1) and work-life balance (X2) variables.

Discussion

Based on the statistical test results in this study, several statements address this problem, including:

The Effect of Welfare Level on Employee Performance

The T-test results indicate that welfare level has a positive and significant influence on employee performance, meaning Hypothesis 1 (H1) is accepted. This finding suggests that the better the level of welfare perceived by employees, the higher the quality of their performance. A company's attention to compensation, health insurance, and the work environment will be rewarded with loyalty and increased work engagement. However, the results show differences in the welfare level indicators. For example, the physical and non-physical work environment scored very well, while the salary and benefits indicators were in the neutral category.

The results of this study are supported by previous research conducted by Agis Sa'adah Puspitasari and Muhammad Darwin (2021) entitled "The Effect of Work-Life Balance and Welfare Level on Millennial Employee Performance Through Work Engagement." The results showed that five direct influence hypotheses were accepted and one was rejected. Meanwhile, two indirect influence hypotheses were accepted and rejected, respectively. The Work Engagement variable, as an intervening variable, was only able to mediate the effect of Work-Life Balance on Employee Performance.

The results of another previous journal entitled Assessing the influence of employee welfare and compensation on organizational performance: the case of Sahel Sahara Bank Ghana limited conducted by Isaac Ampong (2024) said that the research findings indicate that an effective employee welfare and improvement system is a key aspect of all policies related to the acquisition and utilization of human resources for long-term impact on organizational performance. In the study recommends good management to implement positive techniques to encourage high performance from staff and management to ensure equity in the distribution of employee welfare and benefit packages.

Previous journal related to the next welfare level variable entitled Employee Welfare Affects Company Work Productivity in the Covid-19 Pandemic Era by Afrizal Azis, Rio Eldianson, Maruli Tua Tampubolon (2022) states that the results of data analysis and correlation analysis of the data processing obtained tend to fluctuate depending on the amount of allowances and salaries provided to employees amounting to IDR. 160,776,882 or 9.1% for the increase in 2020. Based on the analysis's findings, it can be said that welfare has a very favorable impact on raising employee work productivity. Companies should continue to offer the same level of allowances in order to boost employee work productivity.

The Effect of Work-Life Balance on Employee Performance

The T-test results indicate that work-life balance has a positive and significant influence on employee performance, meaning Hypothesis 2 or H2 is accepted. These results suggest that

companies should pay attention to organizational support, time flexibility, and work-personal boundaries. A proper balance between work responsibilities and personal/social life can increase employee focus, responsibility, and good mood, which ultimately improves performance quality. Maintaining this balance also reduces conflict between work and personal environments. Although descriptive analysis shows that all Work-Life Balance indicators (Time Flexibility, Supervisor/Co-Worker Support, Work-Personal Boundaries, Time for Family) are in the Agree category, the phenomenon in the field still shows challenges, such as working hours that do not guarantee going home on time and excessive work demands. However, these significant results indicate that efforts to maintain WLB, especially through co-worker support, have a strong positive impact on performance.

The results of this study support previous research conducted by Puspitasari and Darwin (2021), entitled "The Effect of Work-Life Balance and Welfare Level on Millennial Employee Performance Through Work Engagement." The results showed that five direct influence hypotheses were accepted and one was rejected. Meanwhile, two indirect influence hypotheses were accepted and rejected, respectively. The variable "Work Engagement" as an intervening variable only mediates the effect of Work-Life Balance on Employee Performance.

Furthermore, a previous paper by Mezaluna et al. (2025) entitled "The Effect of Work-Life Balance and Workload on Employee Performance" found that employee performance is significantly affected when workload and work-life balance are properly managed. In particular, an excessive workload can impair performance by raising fatigue and lowering general job satisfaction. Conversely, a meaningful work-life balance positively impacts performance by allowing employees to recharge, reduce fatigue, and encourage greater engagement in the workplace.

The results of another previous journal entitled "The Effect of Compensation and Work-Life Balance on Turnover Intention at Okui Kopi" (2022) demonstrate how low turnover intention might result from high compensation. The lower the salary, the higher the turnover intention at OKUI Kopi. A high work-life balance can increase turnover intention, so the less time spent on hobbies, the higher the turnover intention at OKUI Kopi.

Conclusion

The study indicates that Welfare Level as a variable (X1) has a positive and significant influence on Employee Performance (Y) at the Coffee Shop in Malang City, according to the discussion's findings. And Work-Life Balance as a variable (X2) has a positive and significant influence on Employee Performance (Y) at the Coffee Shop in Malang City. Furthermore, the theoretical implication of this study is about strengthening the literature on human resource management, especially in the food and beverage industry which is very dynamic and competitive. While the practical implication of this study is to maintain a positive work environment because it is a major force in employee welfare which is proven to have a significant influence on performance.

Furthermore, the suggestions that are expected to be input are as follows, because the Welfare Level variable in this study is very limited because there are still few journals that discuss it previously so that subsequent researchers can research with other variables and more in-depth such as flexible working hours variables or about jobdesks. And in the future it is hoped to conduct research with different methods in order to get a point of view from other results, So this will provide additional suggestions for Coffee Shop Entrepreneurs in Malang City. Suggestions for Coffee Shop Owners in Malang City are expected to continue to improve internal CSR to their employees by improving operations in managing effective and efficient performance quality in order to be able to compete optimally in the FnB world of Malang City.

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