

## ABSTRACT

*In the context of a more dynamic economy, especially in the financial services sector in Jakarta, the significant increase in the number of workers in this sector indicates its growth, emphasizing Jakarta's importance as the national economic center. However, behind this growth, there is a phenomenon of declining worker productivity in the financial services sector, which is contradictory to the increase in the sector's Gross Regional Domestic Product (GRDP). Therefore, this study focuses on the productivity of employees in the financial services sector in Jakarta, which will be analyzed using two causative factors: flexible work arrangements and toxic work environments.*

*Flexible work arrangements and toxic work environments are considered to have a significant impact on work productivity based on previous studies. Flexible work arrangements have become a trend in human resource management to improve employee well-being and work efficiency, while toxic work environments are known to reduce employee productivity and well-being. This study uses a quantitative methodology by collecting data through surveys of employees in the financial services sector in Jakarta. Data analysis was conducted using the Partial Least Square Structural Equation Model (PLS-SEM) method to identify the influence of these two factors on productivity, which is measured using productivity perceptions.*

*The results of the study show that flexible work arrangements in the financial services sector in Jakarta are rated well, and employees perceive their productivity as high, even though they rate the occurrence of toxic behavior as quite frequent. Flexible work arrangements themselves have a positive influence on the productivity of employees in the financial services sector in Jakarta. Meanwhile, toxic work environments have proven to have a negative influence. The implications of this research are expected to provide insights to companies in the financial services sector to optimize flexible work arrangements and create a conducive work environment through collaborative leadership interventions.*

**Keywords:** *flexible work arrangements, toxic workplace environments, productivity*