

EMPLOYEE PRODUCTIVITY CORRELATION: WORK-LIFE BALANCE

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ABSTRACT

This study aims to analyze the effect of work-life balance on employee retention and job satisfaction. The work-life balance phenomenon is increasingly important in the modern era because individuals are required to be able to balance the demands of work and personal life. This study used a quantitative method with an associative approach, involving 196 respondents determined using the Lameshow formula. The research instrument was tested for validity and reliability using SmartPLS 3.2.9 through convergent validity, composite reliability, Cronbach's alpha, and AVE values. The results of the analysis showed that work-life balance has a positive and significant effect on employee retention with a T-statistic value of 21.024 ($p < 0.005$), and a positive and significant effect on job satisfaction with a T-statistic value of 26.903 ($p < 0.005$). These findings confirm that employees who are able to manage work-life balance tend to have higher job satisfaction and greater commitment to the organization. Therefore, management strategies that support work-life balance can be an important effort in improving employee performance and loyalty.

KEYWORDS

Work life-Balance, Employee Retention, and Job Satisfaction



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INTRODUCTION

The term work-life balance has become a common trend lately. Individual management is gaining increasing attention in line with changing times, including lifestyle, exercise, and synergy with work. Work-life balance, by general definition, is a state in which a person can balance work demands with personal needs. Circumstances that enable a person to balance responsibilities and time for professional and personal life, such as family, hobbies, lifestyle, and recreation, make self-management essential. This phenomenon is not unique to Indonesia; Australia has also normalized work-life balance, allowing for enjoyment of leisure time on weekends, according to (Toruan, 2025). Amidst

the increasingly rapid pace of demands, the need for work-life balance is increasingly important for many people. This term refers to an individual's ideal state of productivity at work, without sacrificing health, personal time, or happiness. Research (Natalia, 2025) assesses work-life balance across various aspects, such as annual leave, maternity benefits, minimum wage, access to healthcare, and levels of citizen security and happiness. The global work-life balance index ranks Australia and Singapore as the best countries in terms of achieving a healthy work-life balance, according to (Idris, 2025).

Simply put, work-life balance is a psychological variable that addresses the balance between work life and other aspects of an individual's life (Prasartika et al., 2021). They then state that work-life balance can be defined as the extent to which an individual feels satisfied and equally involved in the various roles they undertake. An ideal work-life balance is not easy to achieve. Clearly, individuals can achieve good work-life balance by achieving three main aspects: time balance, involvement balance, and satisfaction balance (Suhartini, 2021). According to Sharma (2022), several factors can influence a person's mental health, including workplace, friends, long working hours, negative perceptions, and background. Work-life balance is a program designed for every individual to prepare them for facing work responsibilities and achieving a balanced work-life balance in the future (Sabuero, 2024). Effective communication and management, as well as sociological and psychological norms, are said to be key to achieving job satisfaction.

An individual's emotional state characterized by a sense of joy and affection for work and life defines job satisfaction (Thursday, 2024). When someone has a positive opinion of their work environment, they tend to develop a sense of comfort and happiness in their work and life, leading to higher productivity and efficient use of work time. Increased productivity can be projected to lead to increased employee performance. An employee's positive feelings about the work performed based on the results of an evaluation of its characteristics are subjective evaluations carried out by individuals at a large level (Damara, 2024). The more aspects of the job that are equal to a person's expectations of the organization, the higher the level of satisfaction they feel. Conversely, if there are fewer aspects of the company that are equal to a person's expectations of the company, the lower the level of satisfaction they feel (Oktridaini, 2024).

An organization's ability to retain its employees for a longer period of time is determined by preventing employee turnover (Hayati, 2024). Employees who manage and balance work and life tend to have higher job satisfaction, lower job stress, and greater commitment to the company. A work culture that provides flexibility and encourages employees to maintain boundaries between work and personal life can reduce employee turnover and build a more stable workforce. Every company, in carrying out its operational activities, requires several factors that support skills to achieve optimal performance. Furthermore, research (Ralahallo et al., 2024) states that one of the most important factors in a company is the quality of human resources (HR) and their well-being, such as work-life balance. Good performance in an organization is greatly influenced by effective and efficient HR management. Optimal utilization of human resources is key to achieving organizational goals. In addition to addressing skills and expertise, HR management is also tasked with building conducive behavior by developing individual behavioral science in examining various factors that influence work-life balance. Employee performance refers to the work results achieved in carrying out assigned tasks according to responsibilities. According to (Maulidya, 2024), performance is the balance between quality and quantity achieved by employees.

With the phenomenon of work-life balance, according to (Zulfikar, 2025), excessive work becomes one of the triggers of stress and reduces the quality of life. The balance between work and personal life is often referred to as work-life balance is always

sought by everyone. This balance is clearly the responsibility of many parties, including companies and countries that create work regulations (Widodo, 2025). One aspect that is a major concern for this generation is work-life balance or the balance between work and personal life. This study has been examined by (Fiska, 2025) stating that the influence of work-life balance on job satisfaction in Generation Z has had a significant impact on job satisfaction with an impact of up to 44.3%. Mental health and productivity as many as 67% of Generation Z believe that a good work-life balance has a positive impact on their mental health, which leads to increased productivity and job satisfaction.

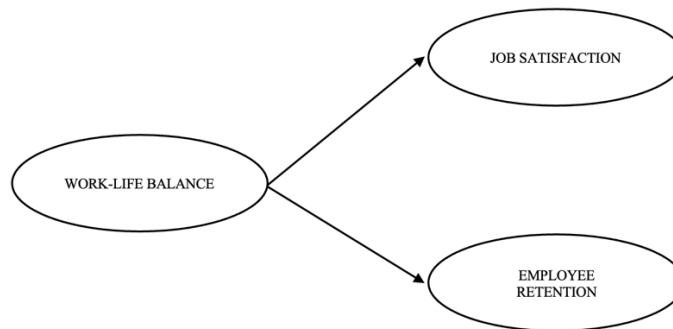


Figure I. Framework

RESEARCH METHOD

This research is a quantitative study that adopts an associative strategy. An associative strategy is a research strategy that aims to determine the relationship (influence) between two or more independent variables on the dependent variable. According to (Hanif, 2021), a quantitative method is a study that examines a specific population or sample. It uses a data collection approach and respondent assessment of the instruments and variables to be studied using a questionnaire. To calculate the unknown population size, this study uses the Lameshow formula, as follows:

$$n = \frac{Z^2 \cdot P \cdot (1-P)}{d^2}$$

Description:

n = Number of Samples

z = Z-score at 95% confidence = 1.96

p = Maximum estimate

d = Error Rate

Based on the problem formulation, the sample size was determined using the Lameshow formula with a maximum estimate of 50% and an error rate of 10%.

$$n = \frac{1,96^2 \cdot 0,5 \cdot (1-0,5)}{0,1^2}$$

$$n = \frac{3,8416^2 \cdot 0,5 \cdot 0,5}{0,1^2}$$

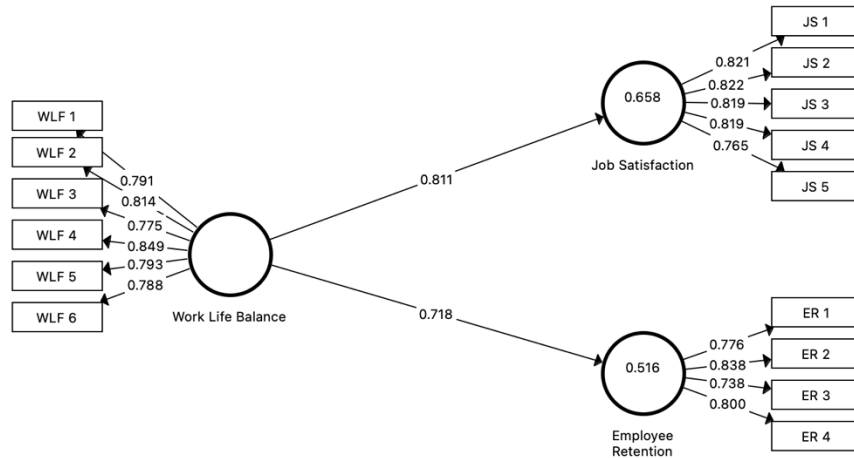
$$n = \frac{0,9604}{0,1^2}$$

$$n = 96,04 = 97$$

Based on the calculation results above, the sample size was narrowed to a minimum of 97 respondents to facilitate the research. Using the Smart PLS 3.0 calculation tool,

several methods were used, including: Algorithm; Path Coefficients, Total Effects, R-Square, and the FIT model. Bootstrapping; Total Effects.

RESULT AND DISCUSSION



	Employee Retention	Job Satisfaction	Work Life Balance
ER 1	0,776		
ER 2	0,838		
ER 3	0,738		
ER 4	0,800		
JS 1		0,821	
JS 2		0,822	
JS 3		0,819	
JS 4		0,819	
JS 5		0,765	
WLF 1			0,791
WLF 2			0,814
WLF 3			0,775
WLF 4			0,849
WLF 5			0,793
WLF 6			0,788

(sumber: data diolah, 2025)

Convergent Validity of the measurement model can be correlated between the item/instrument score and its construct score (loading factor) with the criteria of loading factor value of each instrument > 0.7. Based on the first data processing with the work-life balance variable, there are 4 valid indicators, the second variable with 5 valid indicators, then variable 3 with 6 valid indicators.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Retention	0,798	0,805	0,868	0,622
Job Satisfaction	0,868	0,872	0,905	0,655
Work Life Balance	0,889	0,890	0,915	0,643

Based on the constructs above, this research data is considered reliable because it has a composite reliability and Cronbach's alpha above 0.7, as well as an Average Variance Extracted (AVE) value above 0.5. The SmartPLS 3.2.9 output results show that all constructs have a composite reliability value above 0.7. Therefore, it can be concluded that the construct reliability is good.

	T Statistics (O/STDEV)	P Values
Work Life Balance -> Employee Retention	21,024	0,000
Work Life Balance -> Job Satisfaction	26,903	0,000

The results of data processing to see the relationship between variables can be seen in the table above. By using bootstrapping in the SmartPLS 3.2.9 application, the results of path coefficients and T-Statistics will be obtained. Hypothesis testing proves that work-life balance has an effect on employee retention and job satisfaction. Based on the results that have been processed using the SmartPLS 3.2.9 application, it can be seen that the value of the influence of work-life balance to employee retention is positive and significant. With the value obtained, P-Value is 0.000 <0.005 and T-Value of 21.024>1.960, then for the value of the influence of work-life balance to job satisfaction, it is positive and significant. With the value obtained, P-Value is 0.000 <0.005 and T-Value of 26.903>1.960.

CONCLUSION

Based on the results of this study, it can be concluded that variables such as work-life balance are influential to employee retention and job satisfaction. Employees who are able to balance work and life, have good life management, and have a spirit of good body care. This indicates that internal individual factors play a significant role in building well-being at work. Furthermore, differences in characteristics in each individual are more adaptive because they are accustomed to the flexibility of life and work. Therefore, companies or organizations that provide more management strategies to their employees will have employees who are better at work and deal with good time management.

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