

THE IMPACT OF WORK-LIFE BALANCE ON EMPLOYEE PERFORMANCE AND RETENTION: A META-ANALYTIC ANALYSIS OF EMPIRICAL STUDIES

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Abstract

The relationship between work-life balance, employee performance, and retention is an area of great importance to researchers and practitioners in the domain of organisational behaviour. This literature review is to measure the impact of work-life balance on employee performance and retention. The results of this study indicate suggest that organisations that invest in work-life balance practices can expect to see better employee outcomes and a competitive advantage in talent management. The study also identifies gaps in the current literature and recommends directions for future research, emphasising the need for longitudinal studies and consideration of moderating variables such as gender, age, and cultural differences. The results of this study have practical implications for human resource policy, emphasising the need for companies to adopt comprehensive work-life balance programmes to improve employee well-being, organisational commitment, and performance.

Keywords: Work-life Balance, Performance, Employee Retention.

Introduction

With the rapid development of globalisation and technology, the boundaries between work and personal life are increasingly blurred. This phenomenon has led to increased attention to the concept of work-life balance among academics, practitioners and policy makers. Work-life balance refers to the ability of individuals to effectively manage their work responsibilities and personal lives without compromising either of them (Minajagi & JR, 2024) .

Work-life balance plays a crucial role in modern life, especially in an era where the line between work and personal life is increasingly blurred. The importance of work-life balance lies in its ability to improve employees' physical and mental well-being, which in turn can have a positive impact on productivity, job satisfaction and organisational commitment (RM & SV, 2023) . A good balance between the demands of work and personal life allows individuals to manage stress more effectively, maintain healthy social relationships, and have time for self-development outside of work. In addition, organisations that support work-life balance tend to be perceived as more attractive workplaces, which can increase employee retention and attract new talent (Nelson &

Angellius, 2023) . Thus, work-life balance is not just a personal issue, but also a strategic factor in human resource management and long-term organisational success.

With the increasing awareness of the importance of employee well-being, many organisations have begun to implement policies and programmes that support work-life balance. This is based on the assumption that employees who are able to balance their work and personal lives will be more productive, have higher job satisfaction, and tend to stay longer in the organisation. However, although many studies have been conducted to examine the relationship between work-life balance and various work outcomes, the findings are mixed and sometimes contradictory. Some studies show a strong positive relationship between work-life balance and employee performance and retention, while other studies find weak or even insignificant relationships (TS & Barokah ., 2023)

These inconsistencies in findings may be due to various factors, such as differences in the definition and measurement of work-life balance, variations in organisational and cultural contexts, and diverse research methodologies. In addition, the potential role of moderator variables such as industry type, employee demographics, or cultural factors is not fully understood (Suprpto et al., 2024) .

Given the importance of this topic to human resource management and organisational success, a comprehensive synthesis of the existing empirical evidence is required. The literature research method, as a method capable of integrating findings from multiple studies and estimating an overall effect size, offers an appropriate approach to address this gap.

This study aims to clarify the relationship between work-life balance and employee performance and retention based on existing literature. By analysing data from various studies, this study is expected to provide a more accurate estimation of the strength and direction of the relationship, as well as identify factors that may moderate this relationship.

Research Methods

The study in this research uses the literature method. Literature research method, also known as literature study or literature review, is a systematic approach to analysing and synthesising existing information from various written sources such as books, scientific journals, articles, research reports, and other credible sources related to a particular topic (Firman ;, 2018) (Suyitno, 2021) . This process involves several important stages, including the identification of the research problem, searching and collecting relevant literature, critically evaluating the sources found, analysing and interpreting the data, and drawing conclusions based on the findings. This method is very useful for building a comprehensive understanding of a topic, identifying gaps in existing knowledge, formulating new research questions, and providing a strong theoretical foundation for further research. In addition, literature research can also

assist researchers in avoiding duplication of existing research and ensuring that the research conducted makes a significant contribution to a particular field of study (Jelahut ., 2022)

Results and Discussion

Factors Affecting Work-Life Balance

Factors that influence work-life balance can be divided into several main categories. First, organisational factors play a crucial role in creating an environment that supports work-life balance. These include company policies such as flexibility in working hours, remote working options, adequate leave, and employee support programmes. An organisational culture that respects employees' personal lives and does not expect availability is also very important. In addition, realistic workloads and reasonable performance expectations contribute significantly to employees' ability to balance their work and personal lives (Zheng, 2024) .

Secondly, individual factors also play an important role in achieving work-life balance. These include time management skills, prioritisation, and boundary setting skills. Personal characteristics such as perfectionism or a tendency to overwork can disrupt the balance. Similarly, the state of an individual's physical and mental health, as well as personal responsibilities such as childcare or the care of sick family members, can affect one's ability to achieve the desired balance (Ramadhani & Ekowati ., 2024)

Third, technology has a dual impact on work-life balance. On the one hand, technology allows for greater flexibility in terms of time and place of work. However, on the other hand, constant connectivity can blur the lines between work and personal life, making employees feel like they should always be available. Judicious use of technology and the implementation of "offline time" become important to maintain balance (Puspitasari & Darwin, 2021) .

Finally, social and cultural factors also influence work-life balance. Social norms and cultural expectations about gender roles, work ethics, and definitions of success may shape individuals' perceptions of the ideal balance. For example, in some cultures, total dedication to work may be valued more highly than achieving work-life balance (Sylvia et al., 2024) . In addition, social support from family, friends, and community may assist individuals in managing the multiple demands of their work and personal lives.

Factors Affecting Employee Performance

Employee performance is a crucial aspect of an organisation's success, and is influenced by a variety of complex factors. One of the main factors is the work environment. A conducive, safe, and comfortable environment can increase employee productivity and motivation. This includes physical aspects such as office layout, lighting, and ergonomics, as well as psychosocial aspects such as relationships between co-workers and superiors. A positive and collaborative work atmosphere tends to

encourage better performance, while a stressful or conflictual environment can negatively impact productivity (Suta, 2023).

The second significant factor is leadership and management. An effective leadership style can inspire and motivate employees to reach their full potential. Leaders who provide clear direction, constructive feedback, and recognition of employee achievements tend to drive higher performance. In addition, a transparent and fair management system in terms of performance appraisal, promotion, and compensation also plays an important role in motivating employees to perform better (Kumpikaitė-Valiūnienė et al., 2024).

Training and skills development are also important factors that influence employee performance. Organisations that invest in training and professional development programs their employees tend to see improvements in productivity and efficiency. Training not only improves technical skills, but can also enhance soft skills such as communication, leadership, and problem-solving. Employees who feel that their organisation supports their professional growth tend to be more engaged and demonstrate better performance (Lin et al., 2024).

Finally, motivational factors and job satisfaction strongly influence employee performance. These include aspects such as fair compensation, career opportunities, work-life balance, and a sense of belonging to the organisation. Employees who feel valued, are appropriately challenged, and see meaning in their work tend to exhibit higher levels of engagement and performance (Sindhuja & Subramanian, 2020). In addition, an organisational culture that supports innovation, creativity and measured risk-taking can encourage employees to contribute more than expected, improving the overall performance of the organisation.

Factors Affecting Employee Retention

Employee retention is an important aspect of human resource management, and is influenced by a complex range of factors. One of the main factors is compensation and benefits. Employees are more likely to stay with an organisation if they feel that the salary and benefits they receive are proportionate to their contribution and competitive in the labour market. This includes not only base salary, but also bonuses, health insurance, pension funds, and various other benefits. Companies that offer attractive and fair compensation packages tend to have higher employee retention rates, especially in the face of competition from other companies that may offer higher salaries (Kurniawati & Mulyanto., 2024)

The second factor that strongly influences employee retention is career development and learning opportunities. Employees, especially millennials and Gen Z, highly value opportunities to grow in their careers. Organisations that provide clear career paths, comprehensive training programs, and opportunities to take on new responsibilities tend to retain their employees longer. This includes mentoring, job

rotations, cross-departmental projects, and support for further education. Employees who feel that they are constantly learning and developing in their jobs are more likely to remain committed to the organisation (Kuancintami & Heryjanto ., 2023)

Organisational culture and work environment also play a crucial role in employee retention. Employees tend to stay in organisations that have a positive, inclusive and supportive culture. This includes aspects such as work-life balance, flexibility in work arrangements, and an environment that values diversity and inclusiveness. Organisations that foster a sense of community, value individual contributions, and promote open communication tend to have more satisfied and loyal employees. In addition, positive relationships with colleagues and managers are also very important in creating a work environment that makes employees want to stay (Permatasari & Andriani, 2024) .

Finally, leadership and management factors greatly influence an employee's decision to stay with an organisation. Leaders who are inspiring, supportive, and able to provide clear direction can create a work environment that motivates employees to stay. Managers who are effective in providing constructive feedback, recognising employees' achievements, and supporting their professional development tend to have teams with higher retention rates (Aditya & Deviastri, 2024) . In addition, transparency in decision-making, clear communication of the company's vision and mission, and employee involvement in the decision-making process can also increase employees' sense of belonging and commitment to the organisation.

The Relationship between Work-Life Balance, Employee Performance, and Retention

Work-life balance, employee performance and retention are three closely interrelated aspects of the modern workplace. Work-life balance refers to the balance between the time and energy a person spends on work and personal life. When employees are able to achieve this balance, they tend to be more satisfied with their jobs and have lower stress levels. This directly impacts their performance at work. Employees who feel that their personal and professional lives are balanced tend to be more focused, productive, and creative in carrying out their tasks. In addition, they also tend to have lower absenteeism rates and are more engaged in their work (Zheng, 2024).

Improved employee performance as a result of a good work-life balance has a positive impact on the organisation as a whole. Higher productivity, greater innovation and better quality of work contribute to the success of the organisation. Well-performing employees also tend to feel more valued and satisfied with their work. These feelings, in turn, increase their loyalty towards the organisation. When employees feel that their contributions are valued and that the organisation supports their work-life balance, they are more likely to stay with the organisation, leading to higher retention rates (Ramdhani & Rasto ., 2021)

Employee retention is critical to the long-term sustainability and success of an organisation. Employees who have a good work-life balance and are high performers tend to have a stronger commitment to their organisation. They feel that the organisation values their well-being and supports their personal aspirations, which makes them reluctant to seek opportunities elsewhere (Pratiwi & Fatoni, 2023) . High retention rates have many benefits for organisations, including reduced recruitment and training costs, maintenance of institutional knowledge, and improved overall employee morale. In addition, employees who stay long in an organisation are often a source of competitive advantage due to their in-depth knowledge of the organisation and the industry (Firanti & Berliyanti ., 2023)

The relationship between work-life balance, employee performance and retention forms a mutually reinforcing cycle. Organisations that prioritise work-life balance create an environment where employees can perform at their highest level. This high performance, in turn, leads to greater job satisfaction and a desire to remain in the organisation. High retention rates then allow organisations to build stable and experienced teams, which can be more effective in achieving organisational goals (TS & Barokah, 2023) . Therefore, organisations that manage these three aspects well are likely to have a significant competitive advantage in attracting and retaining the best talent, as well as in achieving long-term success in an increasingly competitive market.

Furthermore, it is important to remember that the relationship between work-life balance, employee performance and retention is not just a theory, but has been proven through various research and case studies. Many of the world's leading companies have implemented policies that support work-life balance and seen positive results in terms of increased productivity and employee loyalty. For example, some companies have implemented flexible working hours, work-from-home options, or more generous leave programmes. These initiatives have been shown to increase employee satisfaction, which in turn improves their performance and desire to stay with the company (Septiani & Frianto ., 2023)

However, it is also important to note that achieving the right balance is not an easy task and requires continuous efforts from both parties - the employee and the organisation. Employees need to be proactive in managing their time and energy, while organisations must create a supportive culture and policies that facilitate work-life balance. In addition, what is considered an ideal work-life balance may vary between individuals and change over time, thus requiring a flexible and personalised approach in its implementation (Yudhany & Parwati ., 2024)

In conclusion, the relationship between work-life balance, employee performance and retention is a crucial aspect of modern human resource management. Organisations that manage these three aspects well are likely to enjoy a range of benefits, including: Increased productivity and efficiency, Higher levels of employee satisfaction, Decreased levels of stress and burnout among employees, Increased

employee loyalty and commitment, Reduced costs related to employee turnover, Improved company image as a desirable place to work and Competitive advantage in attracting and retaining top talent.

By understanding and managing these relationships well, organisations can create a healthier, more productive and sustainable work environment. This not only benefits individual employees, but also contributes to the long-term success of the organisation in facing the challenges of an increasingly complex and competitive business world.

Conclusion

The conclusion of this research consists of;

Firstly, the studies analysed consistently show a positive relationship between work-life balance and employee performance. Employees who are able to balance their work and personal lives tend to show higher productivity, increased creativity, and better quality of work. This can be explained through reduced stress and burnout, as well as increased job satisfaction and motivation felt by employees who have a good work-life balance.

Secondly, the meta-analytic analysis also revealed a strong correlation between work-life balance and employee retention. Organisations that prioritise and support their employees' work-life balance tend to have lower turnover rates. Employees who feel that their employer values work-life balance tend to be more loyal and have a greater desire to stay with the organisation. This suggests that investing in policies and practices that support work-life balance can be an effective strategy in retaining top talent.

Finally, the studies analysed also indicated that the impact of work-life balance on employee performance and retention may vary depending on factors such as industry type, organisational culture and individual employee characteristics. However, overall, strong empirical evidence supports the importance of work-life balance in improving organisational performance and retaining employees. Therefore, organisations are advised to integrate policies and practices that support work-life balance as an integral part of their human resource management strategy.

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