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# The Influence of Work Life Balance on Employee Loyalty in Companies

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**Abstract:** In the contemporary era characterized by globalization and accelerated technological advancement, work-life balance has become an important issue faced by companies in maintaining employee performance and loyalty. An imbalance between the demands of work and personal life can have a negative impact on employee well-being and affect productivity levels and job satisfaction. Therefore, this study aims to examine the effect of work-life balance on employee loyalty, as well as to explore the factors that influence the relationship. This study aims to analyze the extent to which work-life balance policies implemented by companies can increase employee loyalty. This research also aims to identify policies and best practices that can be implemented to create an effective work-life balance. This research employs a quantitative approach with data collection through a survey involving 175 employees from the electricity, energy, and service sectors at PLN Indonesia Power UBP Asam-Asam. The collected data will be analyzed using simple linear regression techniques to test the relationship between work-life balance and employee loyalty. Additionally, descriptive analysis will be used to describe the demographic characteristics of the respondents and the company's work-life balance policies.

Keyword: Work-Life Balance, Employee Loyalty, Job Satisfaction, Company.

## **INTRODUCTION**

Human resources significantly affect the success of an organization in meeting its goals because they are the main agents of all resources (Dirani, KM, et al., 2020). Human resources (HR) refers to the employees that work for a firm or organization. A key component of initiatives to boost competitiveness in the global market is effective HR management, which also helps the company develop a competitive edge. Additionally, HR and an organization's or company's sustainability are closely and inextricably linked (Pham et al., 2020). The progress and success of an organization are greatly influenced by the presence of competent individuals in it. In the context of information technology, the term "brainware" is used to describe individuals who play a role in operating computer systems (Anwar & Abdullah, 2021).

A key element of human resource management in a company is employee work loyalty. Other names for loyalty include devotion, trust, and loyalty to a person or organization, along with affection and an innate responsibility to deliver the best possible service and conduct (Cachón-Rodríguez et al., 2022). Leadership, work climate, relationships among employees, effective management techniques, stress levels, business culture, work environment, job satisfaction, and pay are some of the variables that might affect loyalty. The study's findings demonstrated that employee loyalty is positively impacted by supportive work environments, leadership attention, effective internal communication, and high-quality work. On the other hand, poor levels of happiness and stress at work might erode this devotion. Therefore, in order to preserve and enhance employee loyalty, businesses must concentrate on these elements (Dhir et al., 2020).

The idea of work-life balance highlights the significance of striking a balance between one's professional aspirations and endeavors, as well as one's personal fulfillment, leisure time, family obligations, and spirituality. This equilibrium is necessary for people to handle their job and leisure activities in a balanced way (Putu & Yuliana, 2023). Psychological happiness is influenced by work-life balance and manifests as self-assurance, contentment, and a harmonious existence. Furthermore, there is no doubt that work-life balance improves employee retention and job satisfaction. According to Kasbuntoro et al. (2020), job satisfaction and work-life balance are strongly positively correlated, with a 50.7% contribution (Ahmad Saufi et al., 2023).

Achieving work-life balance leads to higher employee retention and satisfaction rates. Increased levels of self-confidence, life contentment, and general harmony in employees' lives are other indications of this balance's positive impact on psychological health (Rodríguez-Sánchez et al., 2020). Furthermore, work-life balance is crucial for assisting people in preserving a positive relationship between their professional obligations and their leisure pursuits. Attempts to strike this equilibrium typically have positive effects on job satisfaction (Sindhuja & Sekar Subramanian, 2020). In order to improve job happiness and guarantee employee retention in a company, it is crucial to give the interaction between professional and personal responsibilities more thought. It is anticipated that increasing work-life balance will positively affect job satisfaction levels (Adriano & Callaghan, 2020).

Through a number of methods, a healthy balance between work-related responsibilities and leisure time can increase productivity. First of all, this equilibrium lowers stress and fatigue levels, enabling workers to handle stress more effectively and lowering the risk of burnout, which in turn increases attention and vigor to carry out duties (Paudel et al., 2024). Additionally, because they feel appreciated and have enough time to engage in activities outside of work, employees who sense balance are more likely to be highly motivated and engaged in their professional undertakings, which enhances the quality of task execution. Additionally, the balance attained benefits physiological well-being and sleep quality since workers may maintain their health and get better sleep, which impacts output and lowers absenteeism. Additionally, workers who are successful in striking this balance typically report higher levels of job satisfaction, which lowers staff attrition and boosts retention, hence boosting total organizational productivity. Finally, this balance facilitates the formation of strong social relationships with family and friends, which can increase their happiness and well-being, in addition to having beneficial effects on work productivity (Tamunomiebi & Oyibo, 2020).

#### **METHOD**

#### **Research Design**

This study uses a quantitative approach with a survey method to analyze the relationship between work-life balance and employee loyalty at PLN Indonesia Power UBP Asam-Asam. Because it enables objective and quantifiable measures of the link between the two variables, the quantitative approach was selected (Bambang Suhartaman, 2024). In addition to determining how work-life balance affects employee loyalty, this study looks at the best practices and policies that PLN Indonesia Power UBP Asam-Asam can use. Finding a good balance between the demands of job and personal life is the study's main goal. Deeper understanding of the significance of putting work-life balance rules into place to boost employee loyalty is anticipated as a result of this.

## **Population and Sample**

This study was carried out at PLN Indonesia Power UBP Asam-Asam, which is involved in the energy, service, and electrical industries. All permanent staff members with at least two years of experience who worked in the unit were included in the study population. The sample used was 175 employees selected using *purposive sampling technique*. This technique considers criteria such as status as a permanent employee and length of service in the company to ensure that respondents have sufficient understanding of the *work-life balance issue* This strategy seeks to gather pertinent information to characterize workers' experiences juggling work and personal obligations. This sampling aims to ensure that the selected respondents have a good understanding of the research topic.

#### **Data collection technique**

A questionnaire served as the primary instrument in the survey approach used to collect data for this investigation. The questionnaire is divided into two primary sections: questions on respondents' demographics, such as age, gender, and length of service, and questions about how respondents view work-life balance metrics and employee loyalty. The measurement scale used is the Likert scale 1-5, which allows respondents to provide an assessment of the statements given according to their level of agreement. The questionnaire will be distributed to 175 respondents who have been selected by *purposive sampling*.

## **Data Analysis Techniques**

(*Partial Least Square-Structural Equation Modeling*) software was used for data processing. SmartPLS SEM is able to map the relationship between variables while performing various analyzes in one test. The use of this tool aims to help researchers test theories and determine the existence of relationships between the variables studied. *Partial Least Square* can also represent latent variables measured based on available indicators (Edeh et al., 2023).

## **RESULTS AND DISCUSSION**

#### **Respondent Characteristics**

Respondent characteristics are the background of the respondents themselves, such as in this study the characteristics of the respondents selected are employees at the PLN Indonesia company including all permanent employees working in the unit, with a minimum of 2 years of work experience. Based on the characteristics, the following data were obtained from respondents:

Table 1. Characteristics Based on Length of Service						
No	Length of work	Amount	Presentation			
1.	2-7 years	93	53%			
2.	8-13 years	72	41%			
3.	14-17 years	10	6%			
	Total	175 people	100%			

From table 1, it can be concluded that the characteristics of respondents based on length of service show that there are 93 respondents who have worked for 2-7 years, there are 72 people who have worked for 8-13 years, and there are 10 people who have worked for 14-17 years at the PLN Indonesia PLTU Asam-Asam company with a total of 175 respondents.

#### **Data Analysis Results and Discussion**

Data processing was done using software called Partial Least Square-Structural Equation Modeling. The association between variables can be mapped using SmartPLS SEM while doing several analyses in a single test.

## Partial Least Square (PLS) model scheme

The Partial Least Square (PLS) analysis method with the SmartPLS 4 software is used in this study's hypothesis testing. The following is the proposed PLS program model scheme:



Source: SmartPLS Data Processing, 2025 Figure 1. Partial Least Square (PLS) Model Scheme

## **Outer Model Evaluation Or Measurement Model**

According to the study's final outer model evaluation, three indicators represented the work-life balance variable and four indications represented the employee loyalty variable. Four criteria are used in the SmartPLS analysis phases to assess the outer reflective model: Cronbach's Alpha, Composite Reliability, and Average Variance Extranced (AVE) for each variable are used to test the validity and reliability of the variables. The four testing criteria are as follows:

## 1) Convergent Validity

The outer loading or loading factor value is used to test for convergent validity. If the outside loadings are greater than 0.70, the indicator is deemed to have convergent validity in the good category. The following are the outer loading values of each indicator in the research variables:

Table 2. Outer Loadings						
		Work life balance (WLB	)			
Indicator	Employee Loyalty (LK) Y	Х	Information			
LK 1	0.854		Valid			
LK 2	0.829		Valid			
LK 3	0.734		Valid			
LK 4	0.705		Valid			
WLB 1		0.765	Valid			
WLB 2		0.872	Valid			
WLB 3		0.842	Valid			

Table 2 above shows the outcomes of processing utilizing SmartPLs, where the correlation between the construct and the variables of all indicators, or the outer model value, already has a value > 0.7, which means that all indicators in this study can be considered valid.

## 2) Discriminant Validity

*Discriminant Validity* can be determined using the *Average Variance Extracted* (AVE) method for each indicator that has a criterion of > 0.5 to be considered valid.

Fable 3. Discri	minant Validity	of the Average	Variance	Extracted	(AVE) Method
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	Average Variance Extracted (AVE)	Information
Employee Loyalty Y	0.614	Valid
Work life balance X	0.685	Valid
So	man Smant DIS 1 data processing 2025	

Source: SmartPLS 4 data processing, 2025

The Employee Loyalty variable's AVE value is > 0.5 with a value of 0.614, and the Work-Life Balance variable's value is > 0.5 with a value of 0.685, according to the data in Table 3 above. This demonstrates the strong discriminant validity of each variable.

#### 3) *Composite Reliability* Test

One component for evaluating the dependability of variable indicators is Composite Reliability. If each variable's Composite Reliability value is more than 0.70, the variable is considered to meet Composite Reliability. The following is the Composite Reliability *value* of each variable:

Table 4. Composite Reliability					
	Composite Reliability	Composite Reliability	Information		
(rho_a)		(rho_c)	mormation		
Employee Loyalty Y	0.852	0.863	Reliable		
Work life balance X	0.778	0.867	Reliable		
Smart PLS Data Processing 4, 2025					

SmartPLS Data Processing 4, 2025

Table 4 above shows that the Composite Reliability value of the Work-Life Balance variable is > 0.7 with values of 0.778 and 0.867, and with values of 0.852 and 0.863, the Employee Loyalty variable is > 0.7. This indicates that both variables are dependable because each one has a Composite Reliability > 0.7.

## 4) Cronbach's Alpha

The Cronbach's Alpha value can be used to reinforce the above Composite Reliability reliability test. If a variable's Cronbach's Alpha is more than 0.70, it can be considered dependable. The following are the Cronbach's Alpha values of each variable.

	Table 5. Cronbach's Alpha	
	Cronbach's alpha	Information
Employee Loyalty Y	0.794	Reliable
Work life balance X	0.775	Reliable
Source:	SmartPLS Data Processing 4 202	5

Source: SmartPLS Data Processing 4, 2025

The employee loyalty variable's Cronbach's alpha value is > 0.7, with a value of 0.794, and the work-life balance variable's is > 0.7, with a value of 0.775, according to the data in table 5 above. This demonstrates the dependability of both variables.

## 5) Multicollinearity Test

By evaluating the correlation between independent variables, this multicollinearity test seeks to identify multicollinearity between variables. The results of the multicollinearity test are presented in the table below:

	VIF	Information
Work life balance X -> Employee Loyalty Y	1,000	Non Multicollinearity

SmartPLS Data Processing 4, 2025

If the outer results of the Work-life balance variable on Employee Loyalty of 1,000 are less than 5, then the multicollinearity test is not violated, according to table 6 above, which shows the findings of the collinearity statistic (VIF).

## Inner Model Evaluation

The Coefficient of Determination (R2), Goodness of Fit Test, and Hypothesis Test (Direct Effect and Indirect Effect) were used to evaluate this model, the three test criteria are as follows:

1) *Coefficient Determination* (R2)

The degree to which the dependent variable is impacted by other factors is shown by the magnitude of the coefficient determination (R-square). According to Chin, the dependent latent variable's R2 value of 0.67 or higher in the structural model indicates that the independent variable, which affects, has a good impact on the dependent variable, which is influenced. In the meantime, it falls into the weak category if the result is 0.19– 0.33 and the moderate category if the result is 0.33–0.67. The following is the R-Square value derived from the data processing carried out using smartPLS 4:

Table 7. Coefficient of Determination					
	R-square	R-square adjusted			
Employee Loyalty Y	0.551	0.561			
Source: SmartPLS Data Processing, 2025					

The work-life balance variable has a median category value of 0.551, which indicates the degree of its influence on employee loyalty as seen in the R-square table.

## 2) Goodness of Fit Test

The Q-squared number provides information on the quality of fit evaluation. In regression analysis, the Q-Square value is equivalent to the coefficient determination (R-Square); the higher the Q\_Square, the better the model can be considered to fit the data. The results of the calculation of Q-Square are as follows:

Q Square = 1 - (1-R1)= 1 - (1-0.551)= 1 - 0.449= 0.55

According to the aforementioned computation results, the Q-square is 0.55, or 55%. This indicates the extent of the variety of research data that the research model may provide, with additional elements outside the scope of this study accounting for the remaining 45%. Based on these findings, it can be concluded that this study model has a good goodness of fit.

# 3) Hypothesis Testing

By examining r Statistics and P Values, the data processing outcomes can be utilized to address the study's hypothesis. If the P Value is less than 0.05, the hypothesis is accepted. Because there are independent, dependent, and mediating variables in this study, there are both direct and indirect influences. In the smartPLS program, the results of the hypothesis test can be seen through the Path Coefficient Bootstrapping Technique as follows:

		_			_
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (/O/STDEV/)	P values
Work life balance X -> Employee Loyalty Y	0.333	0.374	0.090	3,692	0.000
	Source	· Smart DIS D	ata Processina 21	025	

Table 8	Hynothesis	Test Result	te Using Path	• Coefficient	Rootstranning	Technique
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Source: SmartPLS Data Processing, 2025

Work-life balance has an impact on employee loyalty, according to test results on its impact on employee performance. The original sample value was 0.333, and the tstatistic value was 3.692> t-table 1.65366.

Table 9. Results of Hypothesis Testing of Work Life Balance Indicators						
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (/O/STDEV/)	P values	
WLB 1 -> Employee Loyalty Y	0.765	0.647	0.238	3.212	0.002	
WLB 2 -> Employee Loyalty Y	0.872	0.873	0.112	7,797	0.000	
WLB 3 -> Employee Loyalty Y	0.842	0.857	0.124	6,801	0.000	

Source: SmartPLS Data Processing, 2025

Time Balance Has a Positive Influence on Employee Loyalty

Table 9 above shows that there is a significant influence of P-values 0.002 < 0.05 and that the t-statistic of the relationship between time balance and employee loyalty is 3.212>1.65371. With H1 marked as Accepted, it may be inferred that employee loyalty is positively impacted by the time balance indication.

Balance of Engagement Has a Positive Impact on Employee Loyalty

Table 9 above shows that the t-statistic for the relationship between employee loyalty and involvement balance is 7.797>1.65371, with a significant influence of P-values 0.000<0.05. With H2 marked as Accepted, it may be inferred that employee loyalty is positively impacted by the participation balance indicator.

Balance of Satisfaction Has a Positive Influence on Employee Loyalty

Table 9 above shows that there is a significant influence of P-values 0.000 < 0.05 and that the t-statistic of the relationship between time balance and employee loyalty is 6.801>1.65371. With H3 marked as Accepted, it can be inferred that employee loyalty is positively impacted by the satisfaction balance indication.

#### **CONCLUSION**

This study concluded that time balance, engagement, and satisfaction have a positive effect on employee loyalty. A good time balance allows employees to divide their time between work and personal life more optimally, reduce work stress, and increase satisfaction and productivity. Time flexibility also provides a sense of appreciation, which ultimately makes employees more comfortable working in the long term.In addition, the balance of engagement and satisfaction is also an important factor in increasing employee loyalty. Companies that are able to provide an optimal level of engagement without burdening employees can increase their motivation and loyalty. Balanced job satisfaction, both in terms of compensation, work environment, and career opportunities, makes employees more committed. However, it is important to maintain this balance, because excessive satisfaction without challenges can reduce motivation, while satisfaction that is too low can encourage the desire to resign.

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