

# INVESTIGATING THE ROLE OF WORK-LIFE BALANCE AND JOB SATISFACTION ON EMPLOYEE RETENTION

**Nandhini P**

*II MBA, School of Management*

*Dwaraka Doss Govardhan Doss Vaishnav College, Chennai, TamilNadu*

## Abstract

*Employee retention is no longer just an operational concern – it's a strategic imperative for organizational success. As companies face increasing turnover rates, understanding the key drivers of employee commitment has become essential. This study delves into the impact of work-life balance and job satisfaction on employee retention, drawing insights from 146 respondents.*

*The findings reveal a significant positive correlation between both factors and retention, with job satisfaction emerging as the strongest predictor ( $r = .417$ ), followed by work-life balance ( $r = .323$ ). Regression analysis further highlights that work-life balance accounts for 10.4% of retention ( $R^2 = 10.4\%$ ), while job satisfaction explains a larger 17.4% ( $R^2 = 17.4\%$ ). These results underscore that while flexible work policies and a balanced lifestyle contribute to retention, a fulfilling job experience, career growth opportunities, and a positive work culture are far more influential in keeping employees committed.*

*The study suggests that organizations looking to reduce attrition should focus beyond work-life balance initiatives and invest in strategies that enhance job satisfaction, such as career development programs, recognition mechanisms, and competitive compensation structures. The message is clear: when employees feel valued and engaged, they are more likely to stay and contribute to long-term organizational success.*

**Keywords:** *Employee Retention, Job Satisfaction, Regression Analysis, Work-Life Balance, Workplace Culture*

## Introduction

Employee retention is a critical concern for organizations aiming to sustain a skilled and dedicated workforce. As businesses grow, retaining employees has become as important as recruiting them, given the high costs of turnover, productivity loss, and knowledge drain. In this competitive environment, two key factors that significantly influence employee retention are work-life balance and job satisfaction. Work-life balance refers to an employee's ability to manage professional responsibilities alongside personal commitments without excessive stress or conflict. Job satisfaction, on the other hand, is a broader concept encompassing factors like job role fulfillment, work environment, compensation, and career growth opportunities. Together, these elements play a crucial role in shaping employees' decisions to stay with or leave an organization.

The modern workplace has evolved rapidly, with increasing demands on employees' time and energy. In high-pressure work environments, employees often struggle to maintain a balance between their personal and professional lives, leading to stress and burnout. When employees feel overwhelmed by work demands, they may experience dissatisfaction, reduced engagement, and a stronger inclination to seek alternative job opportunities. Conversely, when organizations implement policies that support work-life balance, such as flexible work arrangements and wellness programs, employees are more likely to remain committed and productive.

Job satisfaction is equally important in determining retention rates. Employees who feel valued, fairly compensated, and have opportunities for career advancement are less likely to leave their jobs. A positive work environment, recognition for contributions, and meaningful work responsibilities contribute to higher job satisfaction levels. In contrast, dissatisfaction due to lack of growth, inadequate rewards, or poor workplace culture can drive employees toward resignations.

Organizations that prioritize work-life balance and job satisfaction tend to experience lower turnover rates and higher employee engagement. By fostering a culture that acknowledges employees' personal and professional needs, businesses can enhance loyalty and commitment. Strategies such as flexible schedules, remote work options, mental health support, and career development programs can significantly improve retention.

In today's competitive job market, organizations cannot afford to overlook the importance of employee well-being. Work-life balance and job satisfaction are not just personal preferences but essential components that influence organizational success. Retaining employees requires a holistic approach where businesses recognize the importance of a healthy work environment, fair compensation, and supportive leadership. A proactive approach to these factors not only ensures reduced attrition but also contributes to long-term business stability and growth.

## **Review of Literature**

Employee retention has become a critical concern for organizations worldwide as businesses strive to maintain a stable and productive workforce. Retention strategies often revolve around understanding the key factors that influence employees' decisions to stay within an organization. Among these factors, work-life balance and job satisfaction play significant roles. Work-life balance refers to the equilibrium between professional responsibilities and personal life, while job satisfaction pertains to employees' overall contentment with their job roles, compensation, work environment, and career growth opportunities. This literature review explores the existing studies on work-life balance, job satisfaction, and their impact on employee retention.

Work-life balance is one of the most discussed topics in human resource management, as it directly affects employees' well-being and productivity. A positive work-life balance ensures that employees have sufficient time and energy to devote to their personal lives, reducing stress and burnout (Greenhaus & Allen, 2011). Research indicates that when employees feel they can manage their work and personal responsibilities effectively, they are less likely to seek employment elsewhere (Hill et al., 2008). A study by Clark (2000) highlighted that work-life balance significantly influences job engagement and commitment, which are essential factors for employee retention. Employees who struggle with work-life conflict often experience job dissatisfaction and increased turnover intentions (Kossek & Ozeki, 1998). Flexible work arrangements, such as remote work and flexible hours, have been found to improve work-life balance and enhance employee retention (Bloom et al., 2015).

Job satisfaction is another crucial determinant of employee retention. It encompasses various aspects, including salary, work environment, career growth opportunities, and interpersonal

relationships within the organization. Employees who experience higher levels of job satisfaction are more likely to remain with their employer for an extended period (Herzberg, 1968). Research by Locke (1976) indicated that job satisfaction is a strong predictor of employee retention. Employees who perceive their jobs as meaningful and rewarding are less inclined to leave their organizations (Spector, 1997). Moreover, satisfaction with compensation and benefits plays a pivotal role in determining employees' intent to stay (Judge et al., 2001). Organizations that offer competitive salaries, incentives, and career development programs tend to have lower turnover rates (Glebbeek & Bax, 2004). Numerous studies have established a positive correlation between work-life balance and job satisfaction. Employees who achieve a good balance between work and personal life exhibit higher job satisfaction levels (Kalliath & Brough, 2008). A study by Beauregard & Henry (2009) found that work-life balance policies, such as paid leave, flexible work schedules, and wellness programs, significantly contribute to job satisfaction. Furthermore, research suggests that work-life balance not only enhances job satisfaction but also reduces employee turnover (Allen et al., 2000). When organizations implement policies that support employees' personal and professional needs, they create a positive work culture that fosters loyalty and commitment (Wayne et al., 2017).

Studies indicate that work-life balance and job satisfaction collectively influence employee retention. Employees who experience job satisfaction and a good work-life balance exhibit greater organizational commitment and lower turnover intentions (Meyer & Allen, 1991). Companies that prioritize work-life balance witness lower employee attrition rates compared to those that do not (Hyman et al., 2005). Moreover, research suggests that employees who perceive their work environment as supportive are more likely to remain engaged and productive (Demerouti et al., 2001). A study by Schaufeli & Bakker (2004) highlights that work-life imbalance leads to burnout, which is a major factor driving voluntary resignations.

To retain employees effectively, organizations must adopt strategies that promote work-life balance and job satisfaction. Some recommended strategies include implementing remote work options, flexible schedules, and compressed workweeks, which can significantly improve work-life balance (Shockley & Allen, 2013). Organizations that provide mental health support, fitness programs, and stress management initiatives contribute to employees' overall well-being (Brough et al., 2014). Providing training, mentorship, and growth opportunities increases job satisfaction and fosters employee retention (Jehanzeb & Bashir, 2013). Acknowledging employees' contributions through incentives, bonuses, and awards enhances job satisfaction and loyalty (Deci & Ryan, 2000). Encouraging open communication, work-life balance policies, and leadership support helps in retaining employees (Saks, 2006).

Work-life balance and job satisfaction are essential factors influencing employee retention. Employees who experience a healthy balance between work and personal life tend to be more satisfied with their jobs and, consequently, remain loyal to their organizations. Various studies highlight that organizations that implement policies promoting work-life balance and job satisfaction witness lower turnover rates and higher employee engagement. Organizations aiming to improve retention should focus on flexible work arrangements, career development opportunities, and a supportive work environment. Future research can explore industry-specific retention strategies and the role of emerging workplace trends, such as hybrid work

models, in enhancing employee satisfaction and retention. By prioritizing these aspects, businesses can cultivate a committed and motivated workforce, ultimately driving organizational success.

### **Research Methodology**

This study follows a descriptive research design, as it aims to analyze the factors influencing work-life balance, job satisfaction, and employee welfare in relation to retention strategies at Pon Pure Chemicals Group. A descriptive research design is suitable for understanding employees' perceptions and experiences within the organization, providing insights into key variables affecting their decision to stay or leave. This research employs a quantitative research approach, focusing on numerical data collection and statistical analysis to ensure objective assessment and validation of findings.

To collect primary data, a structured questionnaire was designed and distributed using Google Forms. The questionnaire contained close-ended questions based on established measurement scales to evaluate various aspects of work-life balance, job satisfaction, and employee retention. The questions were structured in a Likert scale format to capture employees' opinions effectively. The sampling method used for this study was convenience sampling, as responses were gathered from employees who were readily available and willing to participate. This method ensured ease of access to participants while still allowing for diverse perspectives from different departments within the organization. The final sample size for the study was 146, ensuring an adequate data set for statistical analysis. The data analysis process involved both descriptive and inferential statistics. Descriptive statistics such as mean, standard deviation, and frequency distribution were used to summarize demographic information and general trends. Inferential statistical techniques, including correlation analysis and regression analysis, were applied to examine relationships among key variables and determine their impact on employee retention. The research also utilized reliability tests to ensure the consistency and validity of the data collected.

The questionnaire was divided into multiple sections to capture various aspects of employee experience. The first section covered demographic details such as age, gender, job tenure, and department. The second section measured work-life balance, assessing factors such as flexibility, workload, and personal well-being. The third section focused on job satisfaction, including elements like career growth, salary satisfaction, and workplace relationships. The fourth section evaluated employee welfare, exploring benefits, organizational support, and well-being programs. The final section analysed retention strategies, identifying key motivators and deterrents affecting employees' decisions to stay within the company.

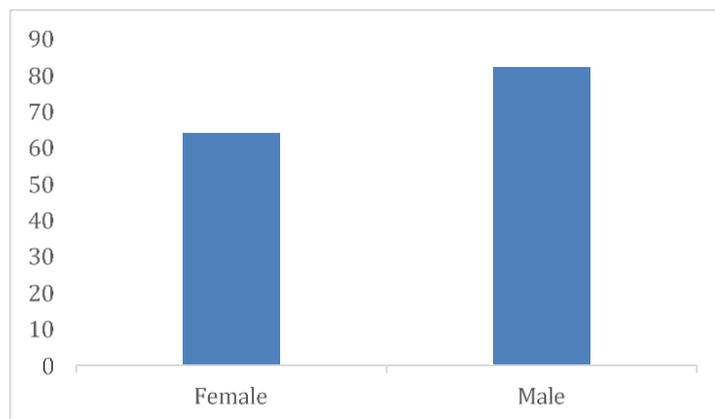
Ethical considerations were strictly followed in this research. Confidentiality and anonymity of responses were maintained to protect participants' identities. Informed consent was obtained before data collection, ensuring participants were aware of the study's purpose and their voluntary involvement. The collected data was securely stored and used solely for academic purposes. By maintaining ethical research standards, the study ensures credibility and reliability in its findings.

## Result and Discussion

### Frequency

**Table 1** Descriptive statistics on the frequency of gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	82	56.2	56.2	56.2
	female	64	43.8	43.8	100.0
	Total	146	100.0	100.0	

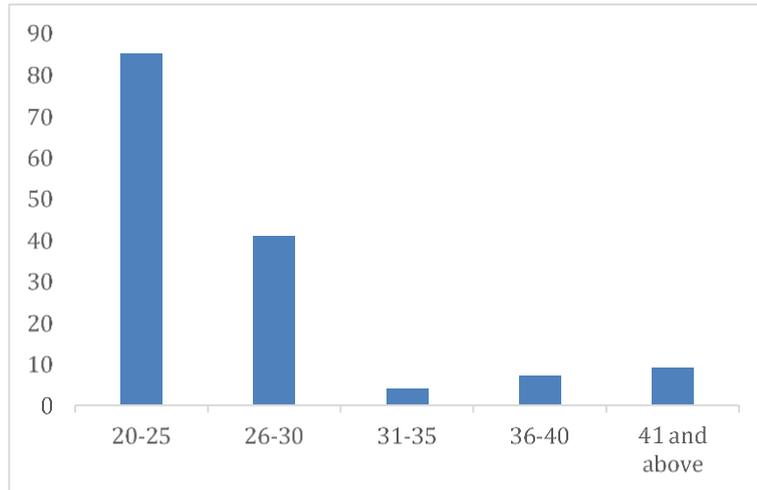


**Figure 1** Bar graph for Descriptive statistics on the frequency of gender

The dataset comprises 146 employees, with 56.2% male and 43.8% female respondents. This distribution provides a balanced representation, ensuring comprehensive insights into gender-based perspectives on work-life balance, job satisfaction, and retention strategies. Understanding gender differences in workplace experiences can help tailor organizational policies for a more inclusive work environment.

**Table 2** Descriptive statistics on the frequency of age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	85	58.2	58.2	58.2
	26-30	41	28.1	28.1	86.3
	31-35	4	2.7	2.7	89.0
	36-40	7	4.8	4.8	93.8
	40&above	9	6.2	6.2	100.0
Total		146	100.0	100.0	

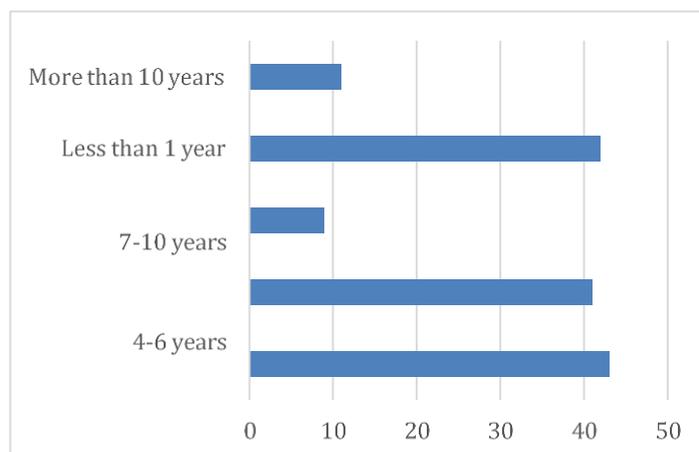


**Figure 2 Bar graph for Descriptive statistics on the frequency of age**

The majority of respondents (58.2%) fall within the 20-25 age group, followed by 28.1% in the 26-30 range. A smaller percentage belongs to older age groups, reflecting a predominantly young workforce. This age distribution is critical in assessing retention strategies, as younger employees often have different career expectations and mobility compared to older employees.

**Table 3 Descriptive statistics on the frequency of work experience in current company**

Work Experience in current company				
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 year	42	28.8	28.8	28.8
1-3 years	43	29.5	29.5	58.2
4-6 years	41	28.1	28.1	86.3
7-10 years	9	6.2	6.2	92.5
More than 10 years	11	7.5	7.5	100.0
Total	146	100.0	100.0	



**Figure 3 Bar graph for Descriptive statistics on the frequency of work experience in current company**

The data indicates that 58.3% of employees have less than three years of experience, while 28.1% have worked for 4-6 years. Employees with over 7 years of tenure constitute a smaller proportion, suggesting potential challenges in long-term retention. These insights highlight the importance of career progression opportunities and employee engagement initiatives.

### Correlation

**Table 4 Correlation between work-life balance, job satisfaction and employee retention**

Correlation	1	2	3
1. Work-Life Balance	-	.348**	.323**
2. Job Satisfaction	-		.417**
3. Employee Retention			-

N=146, \*\*p<0.01

The correlation analysis reveals a significant positive relationship between work-life balance, job satisfaction, and employee retention. Job satisfaction exhibits the strongest correlation with retention ( $r = .417^{**}$ ), followed by work-life balance ( $r = .323^{**}$ ). This underscores the need for organizations to enhance job satisfaction and work-life balance initiatives to mitigate turnover risks.

### Regression

**Table 5 Linear regression report predicting employee retention by work-life balance**

	B	SE B	
Constant	9.686	1.297	
Work-life Balance	.181	.044	.323**

R<sup>2</sup>= .0104, \*\*p<0.01, N=146

The regression model demonstrates that work-life balance has a positive impact on employee retention ( $\beta = .323$ ,  $p < .01$ ), though the explanatory power ( $R^2 = .104$ ) suggests other factors contribute significantly. This finding highlights the necessity for holistic retention strategies, incorporating flexible work arrangements and employee well-being programs.

**Table 6 Linear regression report predicting employee retention by Job satisfaction**

	B	SE B	
Constant	8.030	1.274	
Job satisfaction	.229	.042	.417**

R<sup>2</sup>= .174, \*\*p<0.01, N=146

Job satisfaction emerges as a stronger predictor of employee retention ( $\beta = .417$ ,  $p < .01$ ) compared to work-life balance, with a higher explanatory power ( $R^2 = .174$ ). This reinforces the importance of competitive compensation, career growth opportunities, and a positive workplace culture in enhancing employee commitment and reducing attrition rates.

## Discussion

Employee retention is a critical concern for organizations, as high turnover rates lead to financial burdens, productivity losses, and knowledge drain. This study establishes that both work-life balance and job satisfaction significantly influence employee retention, with job satisfaction emerging as the stronger predictor. These findings align with prior research, reinforcing the idea that employees are more likely to stay when they feel valued, engaged, and satisfied with their work.

Several studies have emphasized the strong relationship between job satisfaction and employee retention. Hom et al. (2017) found that employees experiencing job fulfillment and career growth are less likely to seek external opportunities. Likewise, Kyndt et al. (2009) revealed that a supportive work culture, recognition, and career advancement significantly enhance employee commitment. This is consistent with our study's finding that job satisfaction explains 17.4% of employee retention, highlighting the importance of competitive pay, career growth, and workplace culture in reducing attrition.

Work-life balance has also been widely studied in retention research. According to Haar et al. (2014), employees with better work-life balance exhibit lower stress, higher job satisfaction, and reduced turnover intentions. However, the current study reveals that while work-life balance contributes to retention (10.4%), its impact is lower than job satisfaction. This suggests that although flexible work arrangements and wellness programs are essential, they alone may not be sufficient to retain employees unless they are paired with career development and engagement initiatives.

Interestingly, our findings suggest that a one-dimensional retention strategy is ineffective. While work-life balance initiatives help employees manage personal and professional responsibilities, their impact on long-term retention remains secondary to intrinsic job satisfaction and career fulfillment. This aligns with research by Karatepe & Karadas (2016), which found that employees value organizations that invest in their career growth, professional development, and well-being.

Thus, organizations must adopt a comprehensive retention strategy that integrates work-life balance with job satisfaction factors such as career development, recognition, and compensation. By doing so, they can create an environment where employees feel both supported and motivated to stay.

## Conclusion

This study confirms that work-life balance and job satisfaction play a crucial role in employee retention. Employees who experience a supportive work environment with flexibility and career growth opportunities are more likely to stay committed. The correlation and regression analyses highlight a strong relationship between these factors and retention, emphasizing the need for organizations to prioritize employee well-being.

To reduce attrition, companies should implement flexible work arrangements, competitive compensation, and wellness programs. Future research can explore industry-specific trends and evolving work models. A proactive approach to employee satisfaction ensures long-term stability, productivity, and organizational success.

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