

The Effect of Work-Life Balance and Work Environment on Employee Performance with Job Satisfaction as a Mediating Variable

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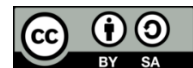
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ABSTRACT

This study examines the effect of work-life balance and work environment on employee performance with job satisfaction as an intermediary variable. Using a quantitative approach, data were collected from 180 employees through a structured questionnaire measured on a five-point Likert scale. Data analysis was conducted using Structural Equation Modeling–Partial Least Squares (SEM-PLS 3). The results reveal that work-life balance and work environment both have significant positive effects on job satisfaction, with the work environment showing the stronger influence. Job satisfaction, in turn, has a very strong positive effect on employee performance. Mediation analysis confirms that job satisfaction fully mediates the effect of work environment on performance and partially mediates the effect of work-life balance on performance. These findings suggest that organizational performance can be improved by creating a supportive work environment and promoting work-life balance, with job satisfaction serving as the key mechanism that drives employee productivity.

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1. INTRODUCTION

Employee performance is one of the most critical determinants of organizational success, especially in today's highly competitive and dynamic business environment where organizations are increasingly challenged to maintain optimal performance levels while also ensuring the well-being and satisfaction of their workforce. Among the many factors influencing employee performance, work-life balance and the work environment have gained significant scholarly and managerial attention because

they are closely linked to employee outcomes such as job satisfaction, commitment, and productivity. Research indicates that work-life balance has a direct positive effect on employee performance by enabling employees to manage personal and professional responsibilities effectively, thereby enhancing job satisfaction and productivity [1], [2]. Moreover, the work environment can mediate this relationship, as a supportive and positive environment enhances the benefits of work-life balance on performance [2]. A conducive work

environment also plays a vital role in improving employee performance by providing safe and comfortable conditions that allow employees to work efficiently [3], [4], while simultaneously impacting job satisfaction, which in turn strengthens performance outcomes [4]. In this context, job satisfaction emerges as a crucial mediating factor between work-life balance, work environment, and employee performance, since satisfied employees are more likely to perform better [1], [4]. Thus, enhancing job satisfaction through improved work-life balance and work environment can lead to significant improvements in employee outcomes and overall organizational success [1].

Work-life balance refers to the equilibrium between professional responsibilities and personal life, where employees who manage their time and energy effectively between work and non-work domains tend to experience less stress, greater satisfaction, and improved performance, while poor work-life balance often results in burnout, reduced productivity, and increased turnover intentions. Achieving work-life balance is therefore crucial for both employees and organizations as it significantly impacts productivity, mental well-being, and employee retention, with a balanced scenario allowing individuals to manage responsibilities effectively, reduce stress, and improve overall quality of life, whereas imbalance can lead to burnout, decreased productivity, and serious health issues. Several factors influence work-life balance, including supportive work culture and flexible company policies that help attract and retain top talent [5], [6], employees' ability to manage their time and priorities effectively (Putri et al., 2024), as well as encouragement and understanding from supervisors that enhance employees' capacity to balance work and personal life [5]. The implications of work-life balance are substantial: it increases job satisfaction, motivation, and performance while reducing turnover intentions [7], improves employees' mental and physical health leading to enhanced productivity [6], and positively

impacts organizational outcomes such as employee morale, loyalty, and commitment which are crucial for long-term success [8].

The work environment, encompassing both physical and psychological aspects, plays a crucial role in shaping employee experiences, where a supportive, safe, and engaging environment fosters motivation, collaboration, and a sense of belonging that directly contributes to performance improvement, while unfavorable conditions may lead to dissatisfaction, disengagement, and diminished outcomes. A conducive work environment not only enhances job satisfaction but also improves productivity and overall performance, with studies emphasizing the importance of physical conditions and social dynamics in the workplace. Clean, well-lit, and safe environments, along with adequate facilities such as air conditioning, Wi-Fi, and necessary work aids, are essential for comfort, efficiency, and motivation [9]. Beyond the physical workspace, organizational culture and social dynamics, including positive coworker relationships and supportive leadership, are vital for improving employee comfort and performance [10], while a collaborative and supportive culture enhances involvement and motivation, resulting in higher output and work quality [11]. Furthermore, psychological and emotional factors are equally significant, as motivation is strongly influenced by the atmosphere of the workplace, with positive relationships and a pleasant environment fostering employee engagement [12]. Empirical findings further confirm that a positive work environment has a substantial impact on employee performance, with studies reporting up to a 79.8% positive effect on performance metrics [10].

In addition to these direct relationships, job satisfaction is often identified as an important mediating variable. Employees who perceive a healthy work-life balance and a conducive work environment are more likely to report higher levels of satisfaction with their jobs. This satisfaction, in turn, acts as a motivational driver that

enhances commitment and performance. Understanding this mediating role is therefore essential for developing more comprehensive human resource strategies that not only address structural and cultural aspects of the workplace but also ensure the psychological well-being of employees.

This study seeks to analyze the effect of work-life balance and work environment on employee performance, with job satisfaction serving as an intermediary variable. Using a quantitative approach with 180 respondents and data analyzed through Structural Equation Modeling–Partial Least Squares (SEM-PLS 3), the research aims to contribute both theoretically and practically. Theoretically, it enriches the literature on organizational behavior and human resource management by highlighting the mediating role of job satisfaction. Practically, it provides valuable insights for managers and policymakers in designing workplace policies and interventions that improve employee well-being and performance. The objectives of this research are therefore threefold: (1) to examine the effect of work-life balance on job satisfaction and employee performance, (2) to evaluate the influence of the work environment on job satisfaction and employee performance, and (3) to investigate the mediating role of job satisfaction in the relationship between work-life balance, work environment, and employee performance.

2. LITERATURE REVIEW

2.1 Work-Life Balance

Work-life balance is a critical factor influencing job satisfaction and employee performance, with research consistently showing that a balanced integration of work and personal life can significantly enhance satisfaction and productivity, while poor balance often leads to dissatisfaction, stress, and decreased output. Studies reveal that employees who successfully balance their professional and personal responsibilities report higher job satisfaction [13], [14], [15], [16] emphasize that job characteristics tied to work-life balance are strong predictors of satisfaction, underscoring the importance of

effective job design. Beyond satisfaction, work-life balance directly influences employee performance, as employees with healthier balance tend to experience less burnout and achieve better results [14], while Mahalakshmi (2024) highlights that workload and flexibility in work arrangements are crucial in creating a productive environment. To strengthen these outcomes, strategies such as revisiting job designs, offering flexible work options, and enhancing supervisor support have been recommended [17], along with allocating resources for fringe benefits and providing diverse employment alternatives to address flexibility challenges [16].

2.2 Work Environment

The work environment plays a crucial role in determining job satisfaction and employee performance, as a positive environment characterized by supportive leadership, fair treatment, and effective communication enhances employee motivation, engagement, and satisfaction, ultimately improving performance and reducing turnover intentions. A well-designed physical workspace significantly reduces stress and enhances productivity [18], while adequate facilities and resources enable employees to perform tasks efficiently and increase job satisfaction [19]. Beyond the physical aspect, organizational culture and social dynamics also matter, with a positive culture fostering engagement and satisfaction essential for high performance [20], and workplace social support, including collaborative relationships and supportive leadership, boosting motivation and reducing stress [19]. Job satisfaction further mediates the relationship between the work environment and performance, as supportive conditions raise satisfaction levels, which in turn enhance performance outcomes [21], with satisfied employees more likely to stay loyal and perform at their best even under challenges [22]. Moreover, employee engagement thrives in a positive work environment, where clear job design, responsibilities, and supportive practices make employees feel valued and committed,

thereby driving organizational success [19], [20].

2.3 Job Satisfaction

Job satisfaction is a multifaceted construct that significantly influences employee performance and organizational success, encompassing intrinsic factors such as recognition, career advancement, and work-life balance, which foster positive emotional states, morale, and productivity [23], as well as extrinsic factors like compensation and working conditions, where a conducive work environment directly boosts satisfaction and employee productivity [24]. Research consistently identifies job satisfaction as a key predictor of performance and a mediating variable between organizational conditions and employee outcomes, with studies showing that improvements in the work environment enhance satisfaction, which in turn increases productivity [24], and that satisfaction also mediates the link between performance and work discipline, indicating that satisfied employees tend to be more disciplined and perform better [25]. Furthermore, organizational influences such as corporate climate, competitive compensation, and inclusive leadership are strongly associated with higher job satisfaction, contributing to positive organizational culture and greater employee commitment [26], while individual characteristics like age, educational background, and work experience shape satisfaction differently across industries, underscoring the importance of tailored management approaches [26].

2.4 Employee Performance

Employee performance is a multifaceted concept influenced by job satisfaction, work environment, motivation, and organizational support, with high-performing employees being crucial for achieving competitive advantage, innovation, and sustainability. Research indicates that satisfied employees are more productive, innovative, and committed, thereby enhancing overall organizational performance, and studies show that satisfaction often precedes improved performance rather than the reverse. Job

satisfaction is a critical determinant, with strong correlations between satisfaction and organizational outcomes, as satisfied employees contribute to reduced production costs and increased efficiency [27], [28], while a positive work environment and supportive management further foster satisfaction and boost performance [20]. Motivation, both intrinsic and extrinsic, also significantly impacts performance, as motivated employees are more engaged, innovative, and productive [29], and engagement itself—closely tied to motivation—is essential for maintaining high levels of performance and reinforcing a positive organizational culture [20]. Moreover, organizational culture and support play a vital role, with strong organizational commitment and supportive environments enhancing satisfaction and performance [20], [30], while innovative behavior, shaped by organizational competence and commitment, serves as an intervening factor that further elevates employee performance [30].

2.5 Relationship among Variables

Empirical findings suggest strong linkages among the variables under investigation, where work-life balance, work environment, and job satisfaction are interrelated and collectively influence employee performance. Employees who maintain a healthy balance between work and personal life consistently report higher satisfaction levels, which contribute to their well-being and performance [1], [31], [32], [33]. Similarly, a positive work environment characterized by safety, fairness, and support significantly enhances job satisfaction, with studies confirming that conducive workplace conditions lead to higher satisfaction and improved performance outcomes [1], [32], [34]. Furthermore, job satisfaction is positively associated with employee performance, as satisfied employees are more motivated, demonstrate better performance, and show lower turnover rates [1], [31], [33]. Importantly, job satisfaction also serves as a mediating variable, channeling the positive effects of work-life balance and work environment into enhanced employee

performance, thereby underscoring its critical role in organizational success [1], [33].

2.6 Conceptual Framework and Hypotheses

Based on the literature, the conceptual framework of this study posits



3. METHODS

3.1 Research Design

This study employed a quantitative research design to examine the effect of work-life balance and work environment on employee performance with job satisfaction as an intermediary variable. The quantitative approach was chosen to test hypotheses and measure the relationships among variables in a structured and objective manner. Structural Equation Modeling–Partial Least Squares (SEM-PLS 3) was used as the primary data analysis tool due to its ability to handle complex models with mediating variables and relatively small sample sizes.

3.2 Population and Sample

The population of this research consisted of employees working in organizations that represent diverse sectors. A total of 180 respondents were selected as the sample, using a purposive sampling method, with criteria that respondents must (1) be employed full-time, (2) have at least one year of work experience, and (3) be directly involved in operational or managerial activities. This sampling approach ensured that participants had adequate knowledge and experience relevant to the study variables.

3.3 Data Collection Method

Data were collected through a structured questionnaire distributed both physically and online. The questionnaire consisted of closed-ended questions measured using a five-point Likert scale ranging from 1 = strongly disagree to 5 =

strongly agree. The use of the Likert scale allowed for capturing the intensity of respondents' perceptions regarding work-life balance, work environment, job satisfaction, and employee performance.

3.4 Measurement of Variables

The constructs in this study were operationalized based on prior validated research and adapted to the current context, with Work-Life Balance (WLB) measured by indicators such as time management, balance between work and personal life, flexibility, and reduced conflict between work and non-work roles; Work Environment (WE) assessed through indicators including physical working conditions, relationships with colleagues, leadership support, and organizational climate; Job Satisfaction (JS) measured by satisfaction with salary, career growth, recognition, work itself, and interpersonal relationships; and Employee Performance (EP) evaluated using indicators of task completion, quality of work, productivity, responsibility, and achievement of organizational goals, with all constructs consisting of multiple indicators whose validity and reliability were subsequently tested using SEM-PLS 3.

3.5 Data Analysis Technique

The collected data were analyzed in several stages, beginning with descriptive statistics to provide an overview of respondents' characteristics and general responses to each variable, followed by measurement model (outer model) testing that assessed convergent validity (factor

loadings and AVE), discriminant validity (Fornell-Larcker criterion and cross-loadings), and reliability (Cronbach's Alpha and Composite Reliability). Next, structural model (inner model) testing was conducted to evaluate the strength and significance of relationships among variables using path coefficients, R-square values, t-statistics, and p-values, while mediation analysis was applied to examine the role of job satisfaction as a mediating variable between work-life balance, work environment, and employee performance. All analyses were carried out using SmartPLS 3 software, which provides robust estimates even under conditions of non-normal data distribution and moderate sample sizes.

4. RESULTS AND DISCUSSION

4.1 Descriptive Analysis

Descriptive analysis was conducted to provide an overview of the respondents' characteristics and their responses to each research variable: work-life balance, work environment, job satisfaction, and employee performance. Out of the 180 respondents, 54% were male and 46% were female, indicating a relatively balanced gender distribution. In terms of age, the largest group was within the 26–35 years category (45%), followed by those aged 36–45 years (30%), while 15% were under 25 years and 10% were above 45 years. Educational background was dominated by bachelor's degree holders (60%), with the rest comprising diploma (25%) and postgraduate (15%) qualifications. Regarding length of employment, 40% had 1–5 years of

experience, 35% had 6–10 years, and 25% had more than 10 years, demonstrating that the sample included both early-career and experienced employees.

The descriptive statistics for the study variables show consistently high scores across all constructs. Work-Life Balance (WLB) had a mean score of 3.78 (SD = 0.64), indicating that respondents generally managed to balance work demands with personal life, although some challenges persisted. Work Environment (WE) scored an average of 3.85 (SD = 0.61), suggesting that employees perceived their workplace as conducive, with supportive leadership and positive relationships among colleagues. Job Satisfaction (JS) showed a mean of 3.81 (SD = 0.66), reflecting that most respondents were satisfied with their jobs, especially regarding recognition, growth opportunities, and interpersonal relations. Employee Performance (EP) had the highest mean score of 3.92 (SD = 0.59), indicating that respondents perceived themselves as performing well in task completion, quality of work, and productivity.

4.2 Measurement Model Evaluation (Outer Model)

The measurement model was evaluated using factor loadings, Cronbach's Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE) to assess construct reliability and validity.

4.2.1 Convergent Validity

Convergent validity is met if item loadings are greater than 0.70, CR exceeds 0.70, and AVE is above 0.50. The results are presented in Table 4.1.

Table 4.1. Convergent Validity and Reliability Results

Variable	Code	Loading Factor	CA	CR	AVE
Work-Life Balance	WLB.1	0.862	0.916	0.941	0.799
	WLB.2	0.934			
	WLB.3	0.914			
	WLB.4	0.866			
Work Environment	WE.1	0.776	0.851	0.893	0.622
	WE.2	0.826			
	WE.3	0.778			
	WE.4	0.746			
	WE.5	0.807			

Employee Performance	EP.1	0.825	0.881	0.913	0.677
	EP.2	0.871			
	EP.3	0.848			
	EP.4	0.807			
	EP.5	0.759			
Job Satisfaction	JS.1	0.862	0.857	0.903	0.699
	JS.2	0.817			
	JS.3	0.841			
	JS.4	0.824			

The results of the measurement model assessment indicate that all constructs meet the criteria for reliability and validity. For Work-Life Balance (WLB), the four indicators (WLB.1–WLB.4) show high loading factors ranging from 0.862 to 0.934, with Cronbach's Alpha (CA) of 0.916, Composite Reliability (CR) of 0.941, and Average Variance Extracted (AVE) of 0.799, all exceeding the recommended thresholds (CA and CR > 0.70, AVE > 0.50). This demonstrates that the WLB construct is highly reliable and has strong convergent validity. Similarly, the Work Environment (WE) construct, measured with five indicators, shows acceptable loading factors between 0.746 and 0.826, with CA of 0.851, CR of 0.893, and AVE of 0.622, confirming good reliability and adequate convergent validity despite slightly lower loadings compared to other constructs. For Employee Performance (EP), the five indicators (EP.1–EP.5) produce loadings

between 0.759 and 0.871, with CA of 0.881, CR of 0.913, and AVE of 0.677, suggesting strong internal consistency and convergent validity. Likewise, Job Satisfaction (JS) demonstrates good reliability and validity, with four indicators showing loadings from 0.817 to 0.862, CA of 0.857, CR of 0.903, and AVE of 0.699. Overall, these results confirm that the measurement model is robust, as all constructs achieve high reliability and convergent validity. This provides a solid foundation for further testing in the structural model, ensuring that the relationships among work-life balance, work environment, job satisfaction, and employee performance can be analyzed with confidence.

4.2.2 Discriminant Validity

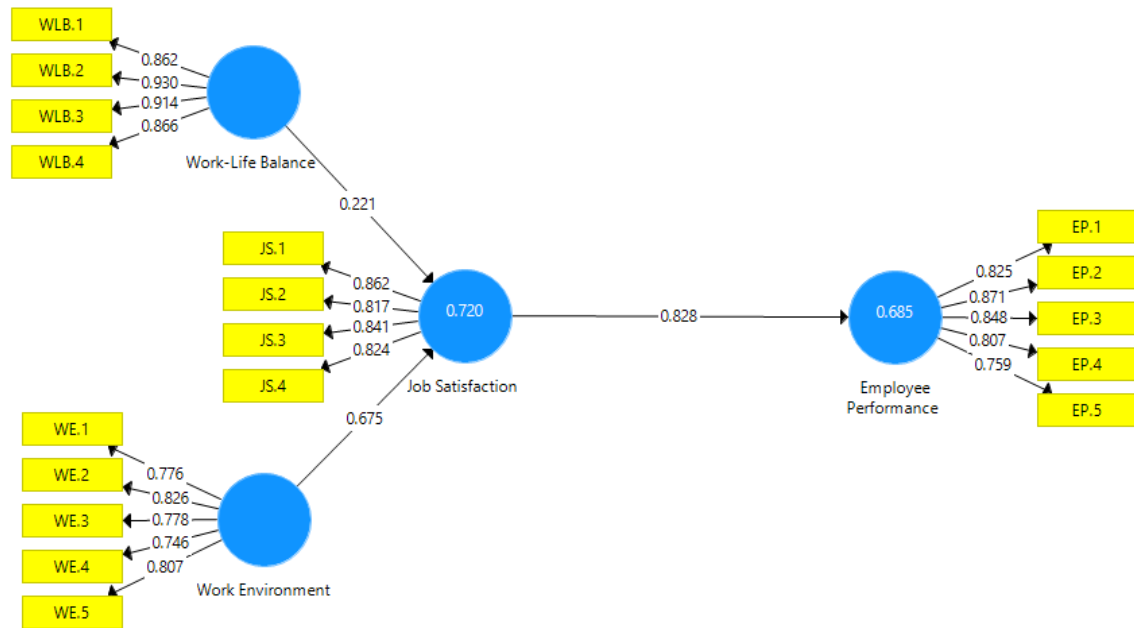
Discriminant validity was assessed using the Fornell–Larcker criterion, which requires the square root of AVE (diagonal values) to be greater than the correlations between constructs.

Table 4.2. Discriminant Validity (Fornell–Larcker Criterion)

	Employee Performance	Job Satisfaction	Work Environment	Work-Life Balance
Employee Performance	0.823			
Job Satisfaction	0.728	0.836		
Work Environment	0.699	0.735	0.787	
Work-Life Balance	0.532	0.715	0.725	0.894

The diagonal values (square root of AVE, shown in bold) are higher than the inter-construct correlations, which confirms that

each construct is distinct from the others and thereby fulfills the requirement of discriminant validity.



4.3 Structural Model Evaluation – R-Square

The R-Square (R^2) values indicate the proportion of variance in the endogenous variables explained by the exogenous variables. In this study, two endogenous constructs were analyzed: job satisfaction and employee performance. Job Satisfaction ($R^2 = 0.720$; Adjusted $R^2 = 0.716$) shows that 72% of its variance is explained by work-life balance and work environment, while the remaining 28% is influenced by other factors such as leadership style, organizational culture, or compensation. The adjusted R^2 value of 0.716 confirms the stability of the model and suggests minimal bias due to sample size. According to Chin (1998), an R^2 value above 0.67 is considered substantial, meaning this model strongly explains job satisfaction. Meanwhile, Employee Performance ($R^2 = 0.685$; Adjusted $R^2 = 0.682$) indicates that 68.5% of its variance is explained by work-life balance, work environment, and job satisfaction. The adjusted R^2 value, which is close to the original, confirms the robustness of the model, and based on Chin's criteria, this level of explanatory power is considered moderate-to-substantial, showing that the proposed model adequately captures the determinants of employee performance.

The R^2 results highlight the important role of work-life balance and work environment in shaping job satisfaction, which in turn drives employee performance. The high explanatory power for job satisfaction (72%) confirms that these two variables are critical drivers of how employees perceive their jobs, while the explanatory power for employee performance (68.5%) demonstrates that satisfaction, supported by balance and conducive environments, significantly enhances performance. These findings are consistent with prior studies (Judge et al., 2001; Raziq & Maulabakhsh, 2015; Haar et al., 2014), which emphasize the mediating role of job satisfaction and the strong influence of organizational conditions on performance outcomes. The results also reinforce the theoretical framework that positions job satisfaction as a key mechanism linking organizational support to performance. To further test these relationships, the inner model was assessed using path coefficients, t-statistics, and p-values obtained through bootstrapping in SmartPLS, with results presented in Table 4.4.

Table 4.4. Path Coefficient Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Job Satisfaction -> Employee Performance	0.828	0.832	0.024	34.311	0.000
Work Environment -> Job Satisfaction	0.675	0.676	0.071	9.548	0.000
Work-Life Balance -> Job Satisfaction	0.221	0.223	0.084	2.631	0.009

The structural model results demonstrate that job satisfaction has a strong, positive, and highly significant effect on employee performance ($O = 0.828$, $T = 34.311$, $P = 0.000$), indicating that satisfied employees are more committed, productive, and motivated, which directly improves performance outcomes. Additionally, the work environment shows a substantial positive and significant influence on job satisfaction ($O = 0.675$, $T = 9.548$, $P = 0.000$), suggesting that supportive, safe, and motivating workplace conditions foster higher levels of satisfaction among employees. Meanwhile, work-life balance also has a positive and significant impact on job satisfaction ($O = 0.221$, $T = 2.631$, $P = 0.009$), although its effect size is smaller compared to the work environment, highlighting that while balancing personal and professional responsibilities enhances satisfaction, environmental factors exert a stronger influence.

Mediation Analysis

The study also examined the mediating role of job satisfaction in linking work-life balance and work environment to employee performance, revealing that the work environment significantly influences job satisfaction ($\beta = 0.675$, $p < 0.001$), which in turn strongly predicts performance ($\beta = 0.828$, $p < 0.001$), indicating a significant indirect effect where a conducive work environment enhances satisfaction and subsequently improves performance. Similarly, work-life balance significantly predicts job satisfaction ($\beta = 0.221$, $p = 0.009$) and, through satisfaction, positively affects performance; although its indirect effect is weaker compared to the work

environment, it remains statistically significant, demonstrating that maintaining balance indirectly contributes to better employee performance via increased job satisfaction.

4.4 Discussion

The findings of this study highlight the crucial role of work-life balance, work environment, and job satisfaction in shaping employee performance. The analysis confirms that both work environment and work-life balance significantly influence job satisfaction, which in turn strongly predicts employee performance. These results are consistent with the theoretical framework of organizational behavior, which posits that employees' perceptions of their working conditions and personal well-being directly affect their attitudes and behaviors in the workplace.

First, the results demonstrate that job satisfaction has the strongest and most direct impact on employee performance. This aligns with Herzberg's Two-Factor Theory and prior studies [35], which emphasize that satisfied employees are more motivated, engaged, and productive, and in this study, job satisfaction effectively mediates the relationship between contextual factors (work-life balance and work environment) and employee performance, showing that employees who are satisfied with their roles are more likely to channel positive attitudes into higher performance outcomes. Job satisfaction has been shown to mediate the relationship between work environment and employee productivity, where improvements in workplace conditions lead to higher satisfaction and, consequently, enhanced

productivity [24]. In the context of Generation Z employees, it significantly mediates the relationship between work motivation, leadership style, work competence, and performance, underscoring its central role in organizational strategies [36]. Similarly, job satisfaction partially mediates the link between employee motivation and job performance, highlighting the importance of considering both satisfaction and motivation to strengthen performance outcomes [37]. Contextual factors such as work-life balance and supportive work environments are therefore crucial in shaping job satisfaction, which in turn influences performance, with tailored motivational strategies that align individual and organizational goals proving essential for sustaining high levels of productivity [29]. The interplay between motivation, work-life balance, and satisfaction ultimately creates a productive work environment, as motivated employees are more engaged and committed to their roles [29].

Second, the work environment was found to be the most influential determinant of job satisfaction ($\beta = 0.675$, $p < 0.001$). This result confirms previous findings that a safe, supportive, and motivating work environment fosters satisfaction and engagement, as employees who perceive their workplace as supportive and engaging are more committed and productive [20], while organizational support and positive work relationships further enhance satisfaction and subsequently improve performance [38]. Leadership and motivation also play a vital role in shaping conducive environments, where effective leadership styles and motivational strategies significantly influence performance with job satisfaction serving as a mediating factor, and motivation—both intrinsic and extrinsic—being closely tied to satisfaction and performance, particularly when supported by equitable compensation and opportunities for skill development [39], [40]. Ultimately, employee satisfaction directly correlates with improved performance, as supportive environments combined with strong leadership and motivational practices foster higher

engagement and productivity [20], [40], and the integration of motivational elements with conducive workplace conditions maximizes employee potential and overall organizational performance [39].

Third, work-life balance also exerts a significant positive influence on job satisfaction ($\beta = 0.221$, $p = 0.009$), although its effect is smaller than that of the work environment. This finding aligns with studies showing that work-life balance positively impacts job satisfaction by enabling employees to manage professional and personal responsibilities effectively, thereby reducing stress and increasing happiness [31], [32], with evidence from healthcare settings further confirming its significant influence, sometimes even greater than that of the work environment [41]. At the same time, a positive work environment is crucial for enhancing satisfaction, as it directly affects employee comfort and engagement and plays an important role in reducing work stress, which further boosts satisfaction [42]. While both factors are important, some studies suggest that the work environment exerts a more direct and substantial effect on job satisfaction compared to work-life balance [32], [42], with balance often acting as a mediator that enhances the positive impact of conducive workplace conditions [1]. Overall, employees who can manage both work and personal domains effectively experience reduced stress, greater happiness, and ultimately higher satisfaction, yet organizational conditions appear to remain the primary driver of satisfaction in this sample.

Finally, the mediation analysis reveals that job satisfaction plays a key intermediary role. Specifically, the work environment's effect on employee performance is almost entirely mediated by job satisfaction, while work-life balance partially influences performance through the same mediator. These findings suggest that organizational strategies aiming to improve performance should prioritize policies and practices that enhance job satisfaction, such as fostering supportive workplace cultures, encouraging flexible working arrangements, and ensuring fair recognition systems.

5. CONCLUSION

The study concludes that employee performance is significantly influenced by work-life balance, work environment, and job satisfaction, with job satisfaction emerging as the most critical determinant that serves as the primary pathway through which work-life balance and work environment enhance performance. The findings reveal that a supportive and motivating work environment is the strongest contributor to job satisfaction, while work-life balance also plays an important but more modest role, and

mediation analysis further shows that job satisfaction fully mediates the relationship between work environment and performance and partially mediates the relationship between work-life balance and performance. These results underscore the importance for organizations to invest in improving workplace conditions and implementing policies that encourage a healthy balance between professional and personal life, since prioritizing employee satisfaction not only enhances individual well-being but also drives higher productivity and long-term organizational success.

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