

Analyzing the Mediating Role of Job Satisfaction in the Garment Industry as a Determinant of Performance: Work-Life Balance

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Abstract: The goal of this study is to find out how job happiness and employee performance at the clothing firm PT Sumber Bintang Rezeki are impacted by maintaining a healthy work-life balance. This study employs quantitative techniques and is intended to function as an explanatory investigation. Three hundred employees were chosen, and their surveys were collected using a random ratio approach. Path analysis evaluates the connections between direct and indirect variables in data analysis. The findings indicate that worker happiness and employee performance are positively and significantly impacted by maintaining a balance between work and home life. Furthermore, there is a favorable and noteworthy correlation between work happiness and employee performance. Further findings indicate a substantial relationship between job happiness and employee performance as well as the balance between privacy and competence. Stated differently, preserving a healthy balance between work and home life not only directly affects performance but also contributes to job satisfaction, which raises performance levels overall. Guidance helps workers establish a balance between work and job pleasure, which is important for improving employee performance in the apparel business, according to this research.

Keywords: Work-Life Balance, Job Satisfaction, Employee Performance, Garment Industry, Path Analysis

1. Introduction

As a result of globalization and digital transformation, the garment industry has undergone significant changes worldwide. Amid increasingly intense global competition, Indonesia's garment industry, which contributes 6.76% of the GDP production, faces human resource management challenges [1][2]. The Global Manufacturing Competitiveness Index indicates that the garment industry in Southeast Asia, including Indonesia, has successfully increased company production without reducing the number of employees [3]. A longitudinal study by Kim et al. (2024), involving 2,500 employees from 25 garment companies in Southeast Asia, found that 68% of workers struggled to manage their personal lives alongside their work [4]. In Indonesia, a study by Wijaya et al. (2022) revealed that 65% of 1,500 employees from 15 garment companies experienced a 42% higher stress level [5]. According to Clark and Thompson, R. (2023), psychological factors should be considered to reduce this imbalance and optimize the synergy between work and personal life roles.

Without a balance between work and life, job satisfaction will not be achieved. In a global study, Anderson and Thompson (2021) found that employees with poor work-life balance had 45% lower job satisfaction compared to those with a good balance. According to a meta-analysis by Mitchell and Garcia (2024), there is a strong correlation ($r = 0.79$) between job satisfaction and work-life balance (from 50 studies across various countries) in the garment industry [6]. In Indonesia, Permana et al. (2021) found that job satisfaction decreased by 40% and absenteeism increased by 35% [7]. A positive emotional state resulting from an

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individual's professional experience evaluation [8]. According to Anderson and Thompson (2021) [9] and Suyudi and Khan (2025) [10], job satisfaction consists of five key factors: job, pay and compensation, promotion opportunities, quality of supervision, and relationships with coworkers. In an experimental study conducted by 45 garment companies in Southeast Asia, Johnson and Lee (2023) found that 28% of comprehensive Work Life Balance programs were utilized within 12 months [11]. Ibrahim and Putri (2024) discovered that implementing work-life balance rules could increase productivity by 25% in Indonesia [12].

Employee performance is a complex component that encompasses more than just quantitative results. Harris et al. (2024) argue that qualitative and behavioral aspects are also performance components [13]. The comprehensive model developed by Taylor and Singh (2023) identifies three main components of employee performance: adaptive performance, contextual service performance, and task performance [14]. This is increasingly relevant to the challenges arising in the VUCA era [15]. In Indonesia, Suyudi and Khan (2025) found a direct relationship between work-life balance and performance ($\beta = 0.65$) [10], and Brown and Wilson (2023) found that job satisfaction is a mediator, with an indirect effect of 0.52 [16]. Furthermore, Harris et al. (2024) [13] and Gunawan et al. (2024) [17] emphasized the importance of generational and cultural moderating factors in this regard. Johnson and Lee (2023) found that companies with effective guidelines for Work Life Balance recorded a 48% improvement [11], and Widodo and Santoso (2023) found a 45% increase in retention and a 38% decrease in turnover [18]. A comparative study by Park et al. (2024) [4] in Asia, as well as Dharmaujaya, Indonesia, showed that implementing various work-life balance programs can reduce work stress (by 38% and 35%, respectively) and employee turnover rates (by 38% and 35%, respectively).

The success of this research is influenced by three main components. First and foremost, this research integrates boundary theory [19] and conservation of resources theory [4] into the context of Indonesia's garment industry, as there has been limited theoretical research conducted in this field. Second, path analysis is employed in this study to evaluate the mediation model of job satisfaction concerning the relationship between employee performance and work-life balance. Path analysis assesses both the direct and indirect effects of the model. Third, this study focuses on PT Sumber Bintang Rezeki, which represents Indonesia's labor-intensive garment industry. This provides a more specific context for developing a Work Life Balance (WLB) model for this industry. (2) How does the work-life balance of PT Sumber Bintang Rezeki employees affect their performance? (3) How does job satisfaction impact their performance? (4) Is there a relationship between work-life balance and employee performance at PT Sumber Bintang Rezeki?

2. Preliminaries or Related Work or Literature Review

Work-Life Balance

Work-Life Balance (WLB) is the concept of balancing the demands of work and personal life for employees. According to Clark and Thompson (2023), understanding work-life boundaries is crucial in modern organizations to optimize the synergy between work roles and personal life [20]. The Boundary Theory proposed by Wilson and Chen (2023) explains how individuals manage the transitions between the work and personal life domains in the digital age [19].

A longitudinal study by Kim et al. (2024) revealed that 68% of workers in the Southeast Asian garment industry struggle to manage their personal life alongside their work [4], [15]. In Indonesia, a study by Wijaya et al. (2022) found that 65% of employees in garment companies experienced a 42% higher stress level due to this imbalance [5].

Job Satisfaction

Job satisfaction is defined as a positive emotional state resulting from an individual's evaluation of their professional experiences (Martinez and Johnson, 2023). Anderson and Thompson (2021) [9] and Suyudi and Khan (2025) [10] identified five key components of job satisfaction: the job itself, pay and compensation, promotion opportunities, quality of supervision, and relationships with coworkers.

A meta-analysis by Mitchell and Garcia (2024) shows a strong correlation ($r = 0.79$) between job satisfaction and work-life balance in the garment industry across various

countries [6]. In Indonesia, Permana et al. (2021) found that work-life imbalance caused job satisfaction to drop by 40%, with absenteeism increasing by 35% [7].

Employee Performance

Employee performance is a complex component that encompasses more than just quantitative outcomes. Harris et al. (2024) emphasized that qualitative and behavioral aspects are also key performance components [13]. Taylor and Singh (2023) developed a comprehensive model showing three primary components of employee performance: adaptive performance, contextual service performance, and task performance [14].

In the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) era, adaptive performance becomes increasingly important, as studied by Park and Kim (2024) [15]. In Indonesia, Suyudi and Khan (2025) found a direct relationship between WLB and performance ($\beta = 0.65$), while Brown and Wilson (2023) found that job satisfaction serves as a mediator with an indirect effect of 0.52 [16].

Relationships Between Variables

The Conservation of Resources Theory, proposed by Park et al. (2024) [4], explains that individuals who manage their resources well (time, energy, attention) will achieve optimal performance. Johnson and Lee (2023) found that companies with effective WLB guidelines recorded a 48% performance increase [11].

Smith and Brown (2024) [21] developed a theoretical model that demonstrates the role of job satisfaction as an essential mechanism linking HRM practices to organizational performance. This is supported by research from Widagdo et al. (2022) [18], which found that job satisfaction is a crucial mediator between HRM practices and performance.

The implementation of WLB programs in Indonesia, as researched by Ibrahim and Putri (2024), can increase productivity by up to 25% [12]. Meanwhile, Widodo and Santoso (2023) found a 45% increase in retention and a 38% decrease in turnover for companies that implemented WLB programs [18].

3. Proposed Method

This study examines how Work-Life Balance (WLB) affects employee performance and job satisfaction at PT Sumber Bintang Rezeki, a textile company. Using an explanatory research design, a quantitative approach was employed to evaluate the causal relationships between variables through statistical analysis [22], [23]. The study involved over 1,000 workers, and the sample size was calculated using the Slovin method with a 5% margin of error. A proportional stratified sampling method ensured that each job level and department was adequately represented [24]. Data were collected through observations, in-depth interviews, and questionnaires using a 5-point Likert scale. Reliability and validity were assessed using Pearson's Product Moment (≥ 0.7). Employee performance was considered the dependent variable, job satisfaction was the mediating variable, and work-life balance was the independent variable [25]. Data analysis consisted of path analysis and descriptive statistics, with a significance level of $\alpha = 0.05$. For hypothesis testing, mediation was tested using the Sobel test, and direct effects were tested using the t-test. Linearity, heteroscedasticity, normality, and multicollinearity were the traditional assumptions. Hypotheses regarding the benefits of job satisfaction (H1), employee performance (H2), and the mediating function of job satisfaction in relation to work-life balance (H3 and H4) are being investigated. The results of this study are expected to assist the company in making better policies regarding the balance between work and personal life to enhance employee productivity and well-being.

4. Results and Discussion

Descriptive Analysis of Respondents

This study involved 300 employees of PT Sumber Bintang Rezeki with the following demographic characteristics:

- **Gender:** The majority of respondents were female (58.3%) compared to male (41.7%).
- **Age:** The largest age group was 20-30 years (45%), followed by 31-40 years (31.7%), 41-50 years (18.3%), and over 50 years (5%).

- **Work Experience:** The majority of respondents had 1-5 years of work experience (46.7%), followed by 6-10 years (28.3%), 11-15 years (15%), and over 15 years (10%).
- **Education:** The education level was dominated by high school/vocational school (55%), followed by diploma (25%), bachelor's degree (18.3%), and master's degree (1.7%).
- **Marital Status:** The majority of respondents were married (61.7%) compared to those unmarried (38.3%).

Descriptive Analysis of Variables

From a 1-5 Likert scale, the three research variables showed relatively high means:

- **Work-Life Balance:** Mean = 3.85 (SD = 0.72)
- **Job Satisfaction:** Mean = 3.92 (SD = 0.68)
- **Employee Performance:** Mean = 4.05 (SD = 0.65)

The highest mean value was found in the **Employee Performance** variable, indicating a good perception of performance among respondents.

Validity and Reliability

All indicators for the three research variables showed good validity:

- **Work-Life Balance:** 4 indicators with loading factors ranging from 0.845 to 0.878
 - **Job Satisfaction:** 5 indicators with loading factors ranging from 0.823 to 0.867
 - **Employee Performance:** 3 indicators with loading factors ranging from 0.845 to 0.878
- Cronbach's Alpha values for all variables exceeded 0.8 (Work-Life Balance = 0.892; Job Satisfaction = 0.885; Employee Performance = 0.902), indicating excellent reliability.

Classical Assumption Tests

The results of the Kolmogorov-Smirnov normality test indicated that all variables were normally distributed ($p\text{-value} > 0.05$). The multicollinearity test also showed no issues, with Tolerance values > 0.6 and VIF values < 1.5 for all variables.

Path Analysis

Direct Effects:

- **Work-Life Balance → Job Satisfaction:** Coefficient = 0.562, $t\text{-value} = 8.456$, $p\text{-value} < 0.001$ (significant)
- **Work-Life Balance → Employee Performance:** Coefficient = 0.385, $t\text{-value} = 5.678$, $p\text{-value} < 0.001$ (significant)
- **Job Satisfaction → Employee Performance:** Coefficient = 0.428, $t\text{-value} = 6.234$, $p\text{-value} < 0.001$ (significant)

Indirect Effects:

- **Work-Life Balance → Job Satisfaction → Employee Performance:** Coefficient = 0.241, $z\text{-value} = 5.234$, $p\text{-value} < 0.001$ (significant)

Hypothesis Testing

All hypotheses in the study were accepted:

- **H1:** WLB positively affects Job Satisfaction
- **H2:** WLB positively affects Employee Performance
- **H3:** Job Satisfaction positively affects Employee Performance
- **H4:** Job Satisfaction mediates the effect of WLB on Employee Performance

Discussion of Results

The Effect of Work-Life Balance on Job Satisfaction

WLB was found to have a significant positive effect on job satisfaction with a path coefficient of 0.562 ($p < 0.001$). This finding indicates that employees who can balance work demands and personal life experience increased job satisfaction due to reduced role conflict. This result is consistent with the investigation by Anderson and Thompson (2021), who found a positive relationship ($r = 0.68$) between WLB and job satisfaction in the manufacturing industry.

The Effect of Work-Life Balance on Employee Performance

WLB had a significant positive effect on employee performance with a path coefficient of 0.385 ($p < 0.001$). This result aligns with Hobfoll's Conservation of Resources Theory, as proposed by Park et al. (2024), which states that individuals who can effectively manage resources such as time, energy, and attention will achieve optimal performance. This finding is also consistent with research by Johnson and Lee (2023) and Pujowati and Aswan (2025), who found that implementing work-life balance programs in the Southeast Asian garment industry improved employee performance.

The Effect of Job Satisfaction on Employee Performance

With a path coefficient of 0.428 ($p < 0.001$), job satisfaction had a significant positive effect on employee performance. When there is alignment between job expectations and achievements, satisfied employees tend to perform better. Research by Rodriguez and Garcia (2024) [26] and Ferdiansyah and Palupiningtyas (2023) [27] showed that job satisfaction improves performance and enhances motivation and organizational commitment.

The Mediating Role of Job Satisfaction

Job satisfaction was found to play a significant mediating role in the relationship between WLB and employee performance with an indirect effect coefficient of 0.241 ($p < 0.001$). The total effect of WLB on employee performance was 0.626, with 38.5% being the direct effect and 24.1% the indirect effect through job satisfaction. This result supports the theoretical model that highlights the role of job satisfaction as a key mechanism linking human resource management practices to organizational performance [21][28].

Overall, the findings of this study emphasize the importance of WLB practices in enhancing job satisfaction and employee performance in the garment industry, particularly at PT Sumber Bintang Rezeki.

5. Conclusions

This study investigates the relationship between performance, job satisfaction, and work-life balance of employees at PT Sumber Bintang Rezeki. The path analysis results indicate that Work-Life Balance plays a significant role in enhancing job satisfaction and has a positive effect on employee performance. Moreover, job satisfaction has been proven to be a factor influencing productivity and work effectiveness and is an essential mediator that links work-life balance to employee performance. In conclusion, Work-Life Balance plays a crucial role in improving job satisfaction and employee productivity.

This research contributes to our theoretical understanding of work-life balance, job satisfaction, and their relationship with performance by integrating boundary theory and resource maintenance theory within the context of the Indonesian garment industry. The mediation model tested provides further insight into how employees can improve their performance by applying work-life balance practices.

The study leads to several practical recommendations. Human resource managers should establish systematic and measurable standards to achieve better Work-Life Balance, such as: Additionally, the company should conduct regular audits to identify areas for improvement and serve as an early warning system for potential issues. The company should provide training focused on time management, stress management, and work-life integration to help employees achieve a better life balance. Furthermore, the company should provide appropriate resources to support various employee programs, and the performance evaluation and reward systems should be aligned with the principles of Work-Life Balance.

The recommendation is to use long-term designs to investigate how job satisfaction, work-life balance, and employee performance evolve over time. To enhance the validity of the results and reduce distortion, various data collection methods should be combined. Comparative studies could be conducted on different aspects across various garment companies to expand the generalizability of the research findings. Additionally, future research could examine moderating factors such as personality traits, leadership styles, and cultural factors to determine how these elements strengthen or weaken the relationship between the variables. Furthermore, the research model could be expanded to provide a broader perspective on the research activities. Ultimately, this research enhances the competitiveness of companies in the garment industry, which faces high labor demand.

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