

Dynamics of Job Satisfaction and Its Intervening Effect: An Empirical Study of Diversified Company

¹Noleesha Francess, ²Anuradha Iddagoda & ³D.H.S.W. Dissanayake

Abstract

The purpose of this study is to unearth and bridge a population gap, which is the mediating effect of job satisfaction on the relationship between dynamics of job satisfaction, i.e., work-life balance, leadership and employee retention. This is quantitative study with hypothesis testing through correlational investigation in a non-contrive setting. Conducted with minimum researchers' interference, the time horizon of this study is cross-sectional with individual unit of analysis, i.e. managerial employees and non-managerial employees in XYZ diversified company using 77 samples selected based on simple random sampling. Data was gathered through a self-directed questionnaire. In order to bridge the identified population gap, a set of hypotheses was developed based on theoretical and empirical justifications. The findings suggest that there is a mediating effect of job satisfaction on the relationship between work-life balance and retention. As employee retention is crucial for any organization's success, organizations should give more emphasis on the constructs such as work-life balance and job satisfaction in order to enhance retention of employees.

Keywords: *Employee Retention, Job satisfaction, Leadership, Work-Life balance*

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About the authors:

¹Chartered Institute of Personnel Management Sri Lanka (CIPM). noleeshafrances96@gmail.com. <https://orcid.org/0000-0002-0127-2361>

²Corresponding author. Senior Lecturer, University of Sri Jayewardenepura, Sri Lanka. anuradhaiddagoda@sjp.ac.lk. <https://orcid.org/0000-0003-2586-430X>

³Senior Lecturer. Wayamba University of Sri Lanka

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1. Introduction

Organizations were constantly prompted by social changes and economic improvements in the competitive, global business environment, which consequently transmitted demands to the labour market. Human resources are regarded as the organization's most significant resource since they are the only live resource capable of managing all other resources. Therefore, employees are the most valued and dynamic resource in any organization. However, technological advancement has emerged as one of the most significant challenges in today's corporate environment. The pace of technological development in recent years has resulted in scarcity of highly trained people. Employee retention is becoming increasingly important due to the shortage of skilled labour, higher time and cost for new employee training and labour turnover. In this ever-changing business world, companies need to anticipate and adapt to technological innovations and compete with other competing companies around the world. As a consequence, having a sufficient labour force in an organization is essential.

Employee retention can be characterized as a company's endeavour to create a working environment that encourages present employees to stay on. Therefore, organizations establish and maintain several retention strategies to fulfill the diverse needs of employees in order to improve job satisfaction while also reducing the high costs of hiring and training new workers. Simultaneously, the errand of human resource management in an organization is done flawlessly by placing the appropriate person for the right job in the right place at the right time. Notwithstanding, retaining is a higher priority than recruiting. Moreover, employee retention is vital to an organization's competitive advantage since it influences efficiency, productivity, and long-term viability.

Employee job satisfaction has a substantial influence on employee retention. Job satisfaction is any combination of mental, physical, and environmental circumstances that leads a person to remark, "I am satisfied with my job" (Biaison, 2020). While numerous external factors impact job satisfaction, it remains an internal element that affects how the person feels. In other words, job satisfaction refers to characteristics contributing to a sense of fulfilment. Kossivi et al. (2016) define employee retention as a method organizations use to keep an efficient staff while meeting operational needs. Employee retention aims to maintain or encourage employees to stay

with a company for as long as possible. Retaining skilled employees becomes a vital factor for any business and a challenge in the present business.

Respective to XYZ organization, the researcher discovered based on the preliminary investigation that the company is experiencing a high turnover, which implies that staff retention is low and not up to standard. It was also discovered that increasing voluntary employee exits negatively impacted XYZ organization employee retention levels, resulting to higher business expenses and impeding their future performance. Consequently, most XYZ employees are forced to quit because they are dissatisfied with their employment and the organization. The majority are dissatisfied, reflecting absenteeism and a lack of enthusiasm for work, and there has been an upward trend in turnover percentages over the past year. In addition, depression and frustrations have increased with time. When one employee leaves the company, the rest of the staff will be overburdened, which will reduce the balance of work-life. Observations also revealed that a lack of effective leadership leads to staff weariness and, as a result, a loss of morale and quality. As a result, the preliminary investigations' primary concern was that critical elements like work-life balance and leadership were at the root of employee dissatisfaction.

Considering the determinant identified, this study intends to investigate the dynamics of job satisfaction and its intervening effect on employee retention. There are six objectives in this study in order to bridge this research gap. The main objective is to identify the dynamics of job satisfaction and its intervening effect. The five specific objectives are; (1) to identify the impact of work-life balance on job satisfaction, (2) to identify the impact of leadership on job satisfaction, (3) to identify the job satisfaction on employee retention (4) to identify whether job satisfaction significantly mediate the relationship between work-life balance and retention, and (5) to identify whether job satisfaction significantly mediate the relationship between leadership and retention. In this study, researcher got the permission to conduct the study for the XYZ organization but did not get the permission to reveal the actual name of the company in the study.

2. Literature review

2.1. Employee Retention

Employee retention is critical for a company since obtaining the right talent is challenging. Many businesses are facing human resource issues due to the present economic climate. Layoffs are one of the businesses' most prevalent survival strategies in such situations. Employees prefer to quit on their terms when their employers terminate their job. Employee turnover and attrition are used to determine employee retention. Employee retention refers to an organization's combined efforts, resulting in which employees create a positive impression of the organization and are less likely to quit voluntarily (Khan, 2019). According to Mitchell et al. (2001), there are various reasons for an employee to resign voluntarily. Personal characteristics may influence some, while organizational challenges may influence others. Family situations, professional advancement, and attractive job offers are significant concerns. High employee turnover rates are caused by a lack of promotion possibilities, unequal treatment among employees, and a misalignment between personal and company ideals, to name a few organizational factors.

As stated by Akila (2012), employees nowadays differ from one another. It is the employer's responsibility to retain the best employees. A good leader knows how to find and keep good employees. He further highlighted five significant aspects that affect retention: Compensation, support, relationships, the environment, and growth are all critical considerations. Employee retention is defined comprehensively as “a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the objectives” (Singh & Dixit, 2011, p. 442). This is the working definition of the study for the construct of employee retention.

2.2. Job Satisfaction

Despite its extensive usage in scientific research and everyday life, there is still no universal agreement on job satisfaction. In reality, there is no one-size-fits-all definition of what a job entails. The mix of psychological, physiological, and environmental factors that cause a person to state, "I am content with my job honestly", is what Hoppock (2017) referred to as job satisfaction. Even though external circumstances heavily influence the employee's job satisfaction, it remains an internal component of how the person feels. According to Armstrong and Taylor (2006), job satisfaction is related to people's views and feelings about their jobs.

Favourable thoughts about the job indicate job satisfaction. On the other hand, job discontent is indicated by unfavourable and unfavourable views toward the job.

As Desai (2018) views, job satisfaction levels can range from exceedingly satisfied to highly dissatisfied. People can have attitudes regarding many aspects of their jobs, such as the type of work, their co-workers, supervisors or subordinates, and their compensation, in addition to general views about their jobs. Lin and Lin (2011) believe co-worker relationships as the camaraderie, acceptance, and loyalty that develops between group members, as well as the amount of confidence, trust, and respect that subordinates have in their superiors. Furthermore, they pointed out that the level of trust held by subordinates and co-workers impacts job satisfaction. Opatha (2015) defines job satisfaction as a feeling about a job or job experiences and feeling derive from an evaluation of the job. It is an attitude which is the degree to which an employee has favourable or positive feelings about his or her job. This serves as the working definition of the study.

2.3. Work-Life Balance

Work-life balance concerns have become increasingly essential due to increased stress, competitiveness, and anxieties. Employees are seeking methods to maintain a healthy work-life balance. Greenhaus et al. (2003), as cited by Silva and Iddagoda (2021), explain work-life balance as a person's level of commitment to and satisfaction with both his or her professional and personal roles. Voyandoff (2005) states that work-life balance encompasses work-family balance and combining personal lifestyle with professional commitments while preserving excellent health and leisure time. According to Karthik (2013), as cited in Attar et al. (2021), firms can adopt work-life balance programs to increase sustainability and reduce turnover and exhaustion. Implementing efforts to ensure a good balance between personal and professional life has the potential for long-term rewards. A company's personnel are more creative and productive when they have a healthy balance between their working and personal lives. Maintaining a balance between work and personal life is complicated and not as straightforward as it may appear to be. It is no surprise that businesses are now implementing initiatives to assist workers in achieving a balance between their personal and professional life, as doing so improves employee performance, efficiency, loyalty, and happiness in both areas (Attar et al., 2021). The current study selects the definition given by Iddagoda et al. (2021) as the operational

definition of work-life balance, “*ensuring the balance between fulfilling the duties for the family members, either in a nuclear family or extended family, and fulfilling duties for the employer.*”

2.4. Leadership

Leadership has been noted as the most influential psychosocial factor in the workplace for many employees (Jacobs, 2019). According to Lok and Crawford (2004), leadership in the context of organizations refers to the tactics taken by superiors in their daily interactions with employees. A leader possesses the abilities and strengths in a certain sector such that he can persuade others to carry out certain actions in concert to attain one or more goals (Nur & Widhi, 2019). According to Stup (2006), as cited in Ali and Farid (2016), employee performance is mainly determined by a company's leadership. It has been discovered that workers who are satisfied with their leaders and feel they are being taken care of with respect and cherished by their management feel more committed to their organizations. Leadership is essential to develop interpersonal communication and collaboration and a better knowledge of the external and internal environment. No matter if the organization is profitable, the quality of the leadership style will determine if it is competent and sustainable.

Leaders use their conduct to influence individuals and groups towards a specific objective. A manager's leadership style is one of the essential tools for determining an organization's performance. Leadership is a collection of relevant perspectives that enhance the ability and behaviours of others in order to fulfil shared group purpose and requirements, which include certain styles. Leadership styles define the organization's purpose, direction, and staff program. These leadership styles are authoritarian, paternalistic, democratic, laissez-faire, transactional, and transformational (Martindale, 2011, as cited in Mehrad & Fallahi, 2014). Iddagoda (2021) defines leadership as inspiring, leading, and influencing people when necessary. This is the working definition of this study.

2.5. Relationship between leadership and job satisfaction

Employees' perceptions of leadership support are built on mutual relationships and commitments. Relational processes, which are the foundation of effective leadership, are built on social interactions (Bulinska-Stangrecka et al., 2021). Successful leadership and employee job satisfaction are usually regarded to be two of the most important factors in determining the

success of an organization. It is important for an organization's leader to provide a pathway and guide followers in the direction of achieving their goals. Additionally, employees who are overly satisfied with their jobs are more inclined to work harder and pursue their passions. Several studies have found that how people are handled and the leadership style have a direct impact on an organization's capacity to retain its employees. Furthermore, it was referred that how workers see a company is heavily influenced by their connection with their leaders (Kossivi et al., 2016). As a consequence, it is imperative for both the supervisor and the subordinate to have a supportive and inspiring relationship in order to enhance the organization's efficacy and competency. The interaction between subordinates and management is significant in enhancing job productivity (Ilham, 2018). Employee satisfaction can be boosted by the leadership's concentration and positive relationships with subordinates so that employees feel valued members of the organization. According to Stup (2006) as cited in Ali and Farid (2016), employee performance is mostly determined by the leadership of a company. It has been discovered that workers who are satisfied with their own leaders and feel like they are being taken care of with respect and cherished by their own management feel more committed to their organizations.

2.6. Relationship between work life balance and job satisfaction

Work-life balance (WLB) is about striking the proper balance between work and life, as well as feeling at comfort with both work and family obligations. WLB can be an essential aspect of any organization's retention strategy where rules should be in place if organizations wish to keep their workforce. According to Agha et al., (2017), job satisfaction refers to how employees feel about their jobs determined by how pleased, or unsatisfied people are with their jobs. It was also shown that job satisfaction is a significant predictor of overall well-being and employee inclinations to quit. Employees in organizations that recognize and promote a healthy balance between work and personal life are more productive and happy. As a result, employees acquire desired attitudes and pleasant sentiments regarding their work when they are satisfied with their jobs. Kermansaravi et al. (2014) point out that quality of work life is a broad term that includes physical and psychological health, economic conditions, personal views, and interactions with the environment. It also specifies the employee's reaction to work, particularly its critical consequence in terms of job needs satisfaction and psychological wellness. According to this concept, work-life quality focuses on personal results, work experiences, and how to

enhance work in order to satisfy personal demands. According to Malik et al., (2014) it is an important component of overall satisfaction since it provides the person with the required energy to accomplish and continue in his profession. Furthermore, it gives him the authority to develop and initiate in his profession. Job satisfaction provides the worker with peace of mind and relaxation, which leads to an increase in his passion and attention on his work.

2.7. Relationship between job satisfaction and employee retention

Employees are valuable resource in a company since they help the organization achieve its goals and fulfill its mission. According to Armstrong and Taylor (2006), the retention of such workers has been demonstrated to be critical to the development and achievement of the organization's aims and objectives, particularly in terms of gaining a competitive edge over competitors in the era of growing globalization. An effective company is one that is able to establish an atmosphere in which each employee's talent is acknowledged and passionately used to attain organization's goals and targets. High concentrations of job satisfaction are frequently associated with higher levels of employee retention. This demonstrates that employers must keep their employees pleased if they want to retain their highly skilled and valuable workers. Job satisfaction has been shown to be a critical element in employee retention.

According to Irabor and Okolie (2019), employees that are satisfied and content with their employment are more committed to their work and constantly go above and beyond to increase customer satisfaction. Tadesse (2018) stresses that job satisfaction is a state of mind about one's job and its many elements. Hence, it may be stated that employees are more likely to be content with their professions if they have the opportunity to develop their talents, feel a sense of self choice and flexibility when carrying out work-related tasks. Moreover, employees that are pleased with their employment are more likely to be committed to the organization, resulting in a high degree of employee retention. Meanwhile, employees that are unsatisfied with their employment are more likely to be absent (Bigley et al. 1996 cited in Biason, 2020). Biason (2020) cites that employee attendance affects employee motivation and ability in order to enhance organization productivity.

Job satisfaction not only promotes employee retention but also lowers the cost of employing new staff. Kamalaveni et al. (2019) describe unsatisfied employees as challenge to keep

knowledgeable individuals in the business. When a person quits a business, he brings valuable information about the organization, its clients, present projects, and the prior history of its competitors with him to the new employer (Biason, 2020). Therefore, it is paramount to employees' satisfaction of their jobs in order to retain employees.

3. Methodology

This is a quantitative study through hypothesis testing. The type of investigation is correlational in a non-contrived study setting conducted with minimum researchers' interference. The time horizon of this study is cross-sectional with individual unit of analysis, i.e. managerial employees and non-managerial employees in XYZ Company. The study used simple random sampling. Data was gathered through a self-directed questionnaire.

The sample size is 77, and the population is approximately 265. When deciding the sample size, a sample size larger than 30 and less than 500 is appropriate for most research rules laid down by Roscoe (1975) as cited in Sekaran (2003).

According to the data collected through 77 managerial level and non-managerial level employees at XYZ Company, the gender analysis sample consists of 75% of male employees and 25% of female employees. According to the age distribution, most of the sample represents 31 to 40 years old, and 42%, the highest percentage of the total sample. The age from 20 to 30 years old category represents 34% of participants, and age above 50 years is 13 % of the total sample and less no of employees from 41 to 50 years old category and 10% of the total sample. From Employees at XYZ Company, 49% have passed the GCE A/L examination. Although, 22% of employees have educational qualifications of GCE O/Ls. Other 20% of employees have Graduate level qualifications. The least number of employees have Postgraduate or Master level qualification, which is only 6% of the total sample.

Regarding the work experience of XYZ, employees show that 35% of the employees at XYZ Company have 10-15 years of working experience. Even though 32% of employees have 5-10 years of working experience at XYZ Company. 24% of employees have less than five years' service experience. The least number of respondents have more than 15 years' service experience, which is only 8% of the total sample. The analysis identified that 45% of the employees at XYZ Company earned between LKR 30,000-50,000 income per month. As well,

23% of employees earned between LKR 50,000-100,000 income per month. Again 23% of employees earned below LKR 30,000 per month. The least number of respondents (8%) got above LKR 100,000 per month as income.

3.1. Research Design

There are six components of research design identified by Sekaran (2003). They are the study's purpose, the extent of researcher interference with the study, type of investigation, unit of analysis, study setting and time horizon. Table 1 provides the details of the research design of this study.

Table 1

Research Design

Research Design	Description
The purpose of the study	Hypothesis Testing
The extent of the researcher's interface with the study	Minimum Interference
Type of investigation	Correlational
Unit of Analysis	Individual
Study setting	Non-Contrived
The time horizon of the study	Cross-Sectional

3.2. Conceptual Framework

The conceptual framework is used to identify the relationship between the dependent variable and the independent variables. In this research, work-life balance and leadership can be identified as the independent variable with the dependent variable employee retention by taking job satisfaction as a mediating variable. The framework can be illustrated as follows:

Figure 1

Conceptual Framework



Based on the theoretical assertions derived from General Systems Theory, this study derived hypotheses for the mediating effect. Wright and Snell (1991) state that by describing this model, skills and abilities are treated as inputs from the environment. Leaders engage employees' heads, hearts and hands, intending to cultivate positive results in employees and lead to job satisfaction. According to Opatha (2015), a high work-life balance level leads to employee job satisfaction. So leadership and work-life balance are the inputs. Since job satisfaction is a work-related attitude, it becomes a mental process. Therefore, job satisfaction in the process leads to employee retention (Opatha, 2015).

Consequently, retention is the output. These facts lead to the following hypotheses.

Hypothesis 1 (H1): Work-life balance has an impact on job satisfaction

Hypothesis 2 (H2): Leadership has an impact on job satisfaction

Hypothesis 3 (H3): Job satisfaction has an impact on retention

Hypothesis 4 (H4): Job satisfaction has a significant mediating effect on the relationship between work-life balance and retention

Hypothesis 5 (H5): Job satisfaction has a significant mediating effect on the relationship between leadership and retention.

Table 2 depicts the logical flow between the research gap, research objective and hypotheses.

According to the conceptual framework outlined, each independent variable was tested independently to examine its influence on the dependent variable. Five-point Likert-scale labels were used to operationalize the dependent and independent variables. In addition, the dependent and independent variables were operationalized using primary and secondary data collecting techniques. An ordinal five-point scale was employed to assess strongly disagree, disagree, neutral, agree, and agree strongly agree as the degree of measurement.

Table 2*Logical Flow of Research Gap, Objectives and Hypotheses*

Research Gap Type	Research Objectives	Hypothesis
Population Gap	(1) To identify the impact of work-life balance on job satisfaction	H1: Work-life balance has an impact on job satisfaction
	(2) To identify the impact of leadership on job satisfaction	H2: Leadership has an impact on job satisfaction
	(3) To identify the job satisfaction on employee retention	H3: Job satisfaction has an impact on retention
	(4) To identify whether job satisfaction significantly mediates the relationship between work-life balance and retention	H4: Job satisfaction has a significant mediating effect on the relationship between work-life balance and retention
	(5) To identify whether job satisfaction significantly mediates the relationship between leadership and retention.	H5: Job satisfaction has a significant mediating effect on the relationship between leadership and retention

4. Findings and Discussion

4.1. Test of Relationship

Table 1

Correlation Analysis

	Employee Retention	Work Life Balance	Leadership	Job Satisfaction
Employee Retention	1			
Work-Life Balance	.473**	1		
Leadership	.188	.021	1	.182
Job Satisfaction	.980**	.441**	.182	1

** . Correlation is significant at the 0.05 level (2-tailed).

As shown in table 3, the correlation between the work-life balance and employee retention were statistically significant at the 0.05 level, with a Pearson correlation coefficient of +.473 showing positive relationship. The correlation between job satisfaction and employee retention was statistically significant at the 0.05 level with a Pearson correlation coefficient of +.980, which shows a strong positive relationship. Furthermore, the correlation between work-life balance and job satisfaction was statistically significant at 0.05 level with a Pearson correlation coefficient of +.441 showing a positive relationship. The results showed that employee retention was positively related to one independent variable of work-life balance and the mediator variable of job satisfaction. However, non-significant relationships exist between another variable of leadership and employee retention and leadership with job satisfaction.

4.2. Partial Least Squares Model

Partial Least Squares (SEM-PLS) in Smart PLS version 3.36 was used to assess the hypothesized model.

Evaluation of Outer Model. Using the Partial Least Square (PLS) approach, the relationship between work-life balance, leadership, satisfaction, and employee retention and the indicators was examined. The first step of PLS analysis involves analyzing the measurement model (or outer model) to determine the suitability of the theoretically defined construct and examining the measurement model to guarantee that the survey questionnaire measures the intended variables and ensures the instrument's validity. This procedure evaluates three factors: factor loadings, composite reliability (CR), and extracted average variance (AVE).

Construct Validity. It is possible to evaluate the construct validity of particular indicators by assessing their respective cross-loadings and factor loadings. Previous scholars have indicated that the threshold for factor loadings should be greater than 0.60 (Chin et al., 1997; Hair et al., 2019). Examining the factor loadings for each item of the four unobserved variables indicated that the factor loadings for the 20 observable variables are more significant than 0.7, with all values being positive and more than the suggested value.

Convergent Validity. Convergent validity is the degree of agreement between multiple items that assess the same topic. Factor loadings, composite reliability (CR), and average variance extracted (AVE) can be used to evaluate convergent validity (Hair et al., 2019). All

factor loadings, CR, and AVE values are more significant than the suggested cutoff levels, showing that the measurement model has convergent validity.

CR is derived from the observed variable's factor loadings and the specified latent constructs' factor loadings as indicated in Table 2. According to the results, all of the composite reliability values obtained were within the required range of 0.926 to 0.98, which means they are reliable (Hair et al., 2019). After all measurements have been reviewed, the AVE is used to determine the amount of observed variance caused by the latent variable as a whole as a measurement error (Ramayah et al., 2013). Table 24 shows that the AVE ranges from 0.715 to 0.909 for all constructs, which is greater than the minimum recommended value of 0.50 (Barclay et al., 1995).

Table 2

Factor Loading, CR and AVE

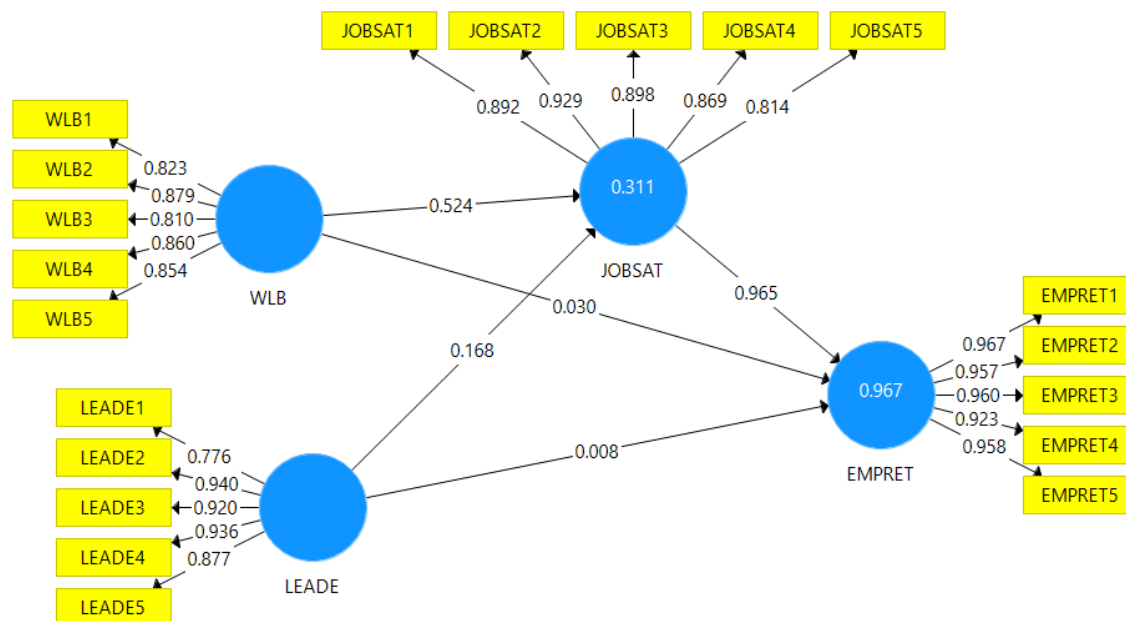
	EMPRET	CR	AVE
EMPRET1	0.967		
EMPRET2	0.957		
EMPRET3	0.960		
EMPRET4	0.923		
EMPRET5	0.958	0.98	0.909
JOBSAT1	0.892		
JOBSAT2	0.929		
JOBSAT3	0.898		
JOBSAT4	0.869		
JOBSAT5	0.814	0.945	0.777
LEADE1	0.776		
LEADE2	0.940		
LEADE3	0.920		
LEADE4	0.936		
LEADE5	0.877	0.951	0.796
WLB1	0.823		
WLB2	0.879		
WLB3	0.810		
WLB4	0.860		
WLB5	0.854	0.926	0.715

EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership, WLB= Work Life Balance

Hence, Figure 1 illustrates the results of the measurement model. The results indicate that all the four constructs of Employee Retention, Job Satisfaction, LEADE, and WLB are valid measures of their respective constructs according to their parameter estimates and are statistically significant at $p < 0.05$.

Figure 1

Measurement Model



EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership, WLB= Work Life Balance

The structural model (inner model), which is the following phase, is evaluated to look at the hypotheses between the constructs in the work life balance, leadership, job satisfaction and employee retention models. First, using t-values derived from the bootstrapping process, the weights or path coefficients of the associations are examined and assessed for significance.

All of the variance inflation factor (VIF) values, according to the analysis, are less than the acceptable threshold of 5. As a result, each set of predictors in the structural model maintains a minimum level of collinearity (Hair et al., 2011). The R^2 values for both the domains, job satisfaction and employee retention, are 0.311 and 0.967, respectively, higher than Falk and Miller's recommended level of 10%. These figures, however, are strong according to the rules of thumb. It means that a variety of factors influence both job satisfaction and employee retention.

Similarly, blindfolding with an omission distance of 8 yields Q^2 values higher than zero. As far as out-of-sample predictions are concerned, this supports the model's predictive validity (Ali & Park, 2016).

The bootstrapping approach (5,000 bootstrap samples; no sign changes) was used to find the p-values for hypothetical paths (Figure 2 and Table 3). This study found a significant positive association between work-life balance and job satisfaction, job satisfaction and employee retention.

Table 3

Path Coefficients

	Path Coefficient	T Statistics	P Values	Conclusion
JOBSAT -> EMPRET	0.965	62.357	0	Supported
LEADE -> EMPRET	0.008	0.45	0.653	Not Supported
LEADE -> JOBSAT	0.168	1.495	0.135	Not Supported
WLB -> EMPRET	0.03	1.354	0.176	Not Supported
WLB -> JOBSAT	0.524	7.491	0	Supported

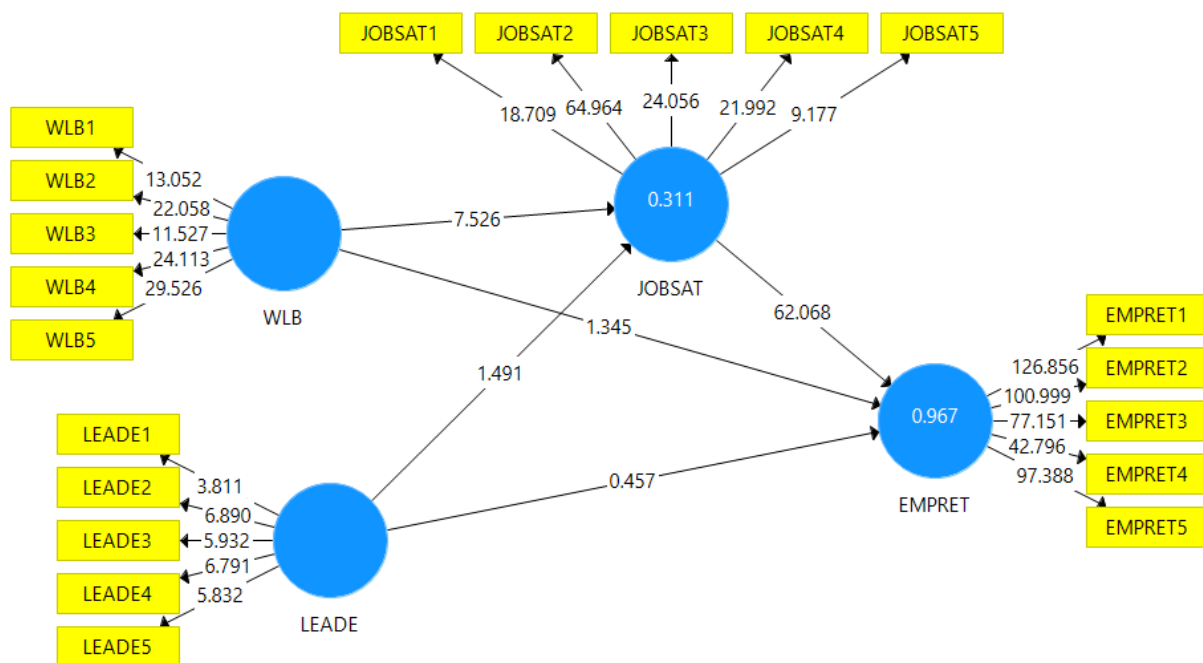
EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership,WLB= Work Life Balance

Mediating effect significance is determined using a non-parametric bootstrapping (Hair et al., 2019; Preacher & Hayes, 2008). Preacher and Hayes (2008), Shrout and Bolger (2002), and Zhao et al. (2010) recommend that the indirect effect of the variables must be significant in order to be included in the analysis. Thus, work-life balance is not directly linked to employee retention but their indirect impact is statistically significant at the 5% level ($p = 0.000$). This provides evidence that job satisfaction is a full mediator in the relationship between work-life balance and employee retention as shown in Table 4 and Figure 2. The bootstrapping approach meets all requirements for certifying job satisfaction as the mediator. A second confirmation of indirect mediation comes from the VAF's magnitude as shown in table 6. This exhibits the full mediation of job satisfaction in the relationship between work life-balance and employee retention.

Table 4*Results of Mediation*

	Direct Effect	Indirect Effect	Total Effect	VAF (%)	Result
WLB -> JOBSAT -> EMPRET	0.03	0.506***	0.538	94.05%	Full Mediation
LEADE -> JOBSAT -> EMPRET	0.168	0.162	0.17		No mediation

EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership, WLB= Work Life Balance

Figure 2*Structural Model*

EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership, WLB= Work Life Balance

According to the findings of the study, there is a substantial link between job satisfaction and employee retention. A job can be influenced by a range of elements such as the quality of one's supervisory relationship, the physical environment in which one works, the degree of fulfillment, and so on. Furthermore, past study has identified a number of elements that play a critical influence in employee retention (Coetzee & Martins, 2007). The hypothesis that there is a

mediating relationship between work-life balance and job satisfaction is accepted based on results. The findings are corroborated by a study done by Fayyazi and Aslani (2015), which found that employees' capacity to manage work and family obligations was crucial in determining job satisfaction. As per the study findings, there is a considerable link between work-life balance and employee retention. The sample comprises of 75% male employees and 25% female employees. As per evidence, women are more conflicted and feel less work-life balance in their jobs than males (Greenhaus et al., 2003). According to Stanz and Greyling (2010), women experience more work-life imbalance between their paid and family roles as compared to men. While various research found no significant gender variations in employee perceptions of work-life balance (Fatoki, 2015).

Moreover, work-life balance is very important for people, but nowadays having work-life balance is becoming more difficult. Many employers are now thinking that if they offer the employees good working conditions, then their employees will be satisfied with their job and therefore less likely to leave them. In a study by Edwards and Rothbard (2000), it is said that "employees with greater work-family conflict were more likely to view their job as a career". Accordingly, if the employees have work-life balance and they can spend time on both family and work, then they will be satisfied with their job and therefore less likely to leave the company. In another study, it is said that "the work-family conflict was related to lower levels of job satisfaction and organizational commitment and higher turnover intentions" (Noor, 2011). This shows how important balance is between family life and working life because employees who cannot cope with both will be unhappy with their job and therefore more likely to leave.

5. Conclusion

According to the structural equation model results, work-life balance positively correlates with job satisfaction and job retention, whereas leadership and job satisfaction exhibit no relationship. Thus, the study's results support evidence from earlier research. It is acceptable to say that job and personal life should be seamlessly merged and should not be allowed to affect one another negatively. This balance or imbalance will likely impact the employees' satisfaction and retention. Organizations should introduce work-life balance policies like flexibility, family-friendly perks, and work-life programs and initiatives in which businesses care about their employees' interests and well-being. Thus, employees' job satisfaction rose, resulting in

increased levels of loyalty and increased employee retention. This study makes a significant contribution to the field of knowledge and expertise in this area by focusing on the diversified company, a previously unexplored sector. This study confirms the existence of a link between work-life balance, job satisfaction, and job retention.

Limitation

The study is limited to investigating two independent factors affecting employee retention: work-life balance and leadership.

Implication for Future Studies

Further studies can be applied in several perspectives. The current study has analyzed only one key player in the corporate sector. Future research can be extended to the whole corporate sector in Sri Lanka. Further, the topic can be applied in other emerging industries like the IT, banking, and healthcare sectors.

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