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Employee Retention Analysis Using a Work-Life Balance Approach Moderated by the Role of Affective Commitment

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Abstract –

Employee retention issues pose a serious challenge for organizations, especially amid growing demands for a better work-life balance. Work-life balance (WLB) is seen as a key factor in retaining employees, but its impact can vary depending on an individual's level of affective commitment to the organization. This study aims to analyze the influence of work-life balance on employee retention, with affective commitment as a moderating variable. A quantitative approach was used, with data collected through a survey of 200 employees in the private sector selected through purposive sampling. Data were analyzed using the SEM PLS method. The results indicate that work-life balance has a positive and significant effect on employee retention. Additionally, affective commitment was found to positively moderate this relationship, meaning that the higher an employee's affective commitment, the stronger the influence of work-life balance on retention. These findings reinforce the importance of employees' emotional connection to the organization in efforts to retain workforce. The practical implications of this study suggest that

organizations need to not only create a work environment that supports work-life balance, but also build strong emotional bonds with employees through supportive leadership, a positive work culture, and recognition of individual contributions.

Keywords — Employee retention; Work-life balance; Affective commitment

I. INTRODUCTION

The issue of employee retention has become a serious concern in the dynamics of modern organizations. High employee *turnover* rates have consequences that include not only increased recruitment and training costs, but also the loss of organizational knowledge, declining work morale, and disruption to company productivity (Kim et al., 2021). Therefore, strategies to retain competent employees have become an urgent need for organizations, especially amid increasingly competitive business competition. Employee retention cannot be viewed solely as the result of financial incentives, but also includes psychological aspects and life balance offered by the organization to individuals.

One factor that has been widely studied in relation to employee retention is *work-life balance* (WLB). This concept refers to an individual's ability to balance the demands of work with their personal life so as not to cause excessive role conflict (Allen, 2012; Hirschi et al., 2019). Good WLB has been shown to reduce stress levels, increase job satisfaction, and encourage employees to stay longer in the organization (Hashim, 2022; Landolfi et al., 2020). In the context of human resource practices, various studies also confirm that flexible working hours, family-friendly policies, and organizational support for WLB have a significant impact on employee loyalty (Allen et al., 2013; *Frontiers in Psychology*, 2023).

However, the influence of WLB on retention is not always consistent and can vary between individuals. Some studies have found that even though organizations have provided WLB policies, employee turnover intentions remain high if emotional attachment to the organization is weak (To & Wu, 2025; Bandyopadhyay & Bandyopadhyay, 2024). This emphasizes the importance of considering other psychological variables that can strengthen this relationship, one of which is affective commitment.

Affective commitment is a dimension of employees' emotional attachment to the organization, where individuals feel a sense of ownership, attachment, and desire to remain part of the organization (Meyer & Allen, 1991; Meyer et al., 2002). Employees with high affective commitment tend to stay even when facing work pressures or challenges, while those with low affective commitment are more likely to seek alternative employment (Gim et al., 2015; Kellerer, 2025). Furthermore, affective commitment has been shown to moderate the relationship between organizational factors and retention intentions, including in relation to job satisfaction and retention (Bandyopadhyay & Bandyopadhyay, 2024).

Thus, studies on employee retention through the perspective of WLB and affective commitment are both relevant and important. Previous research has identified WLB as an important predictor of retention (Hashim, 2022; Zumrah et al., 2022), but inconsistent results indicate the need for a moderation approach. To & Wu (2025) emphasize that organizational commitment, particularly the affective dimension, can strengthen the effect of WLB on turnover

intention. These findings reinforce the argument that the success of WLB policies depends not only on organizational structural mechanisms but also on the extent to which employees build emotional bonds with their company.

In the context of organizations in Indonesia, the issue of employee retention is increasingly complex due to high labor mobility and the shifting preferences of millennials and Gen Z toward flexibility and quality of life. The younger generation places work-life balance as a top priority in choosing and staying in a job. Therefore, organizations need to adjust their HR management strategies by integrating WLB policies and strengthening affective commitment in order to retain the best talent.

Based on this description, this study was conducted to analyze the effect of *work-life balance* on employee retention with affective commitment as a moderating variable. The results of this study are expected to not only contribute theoretically to enriching the study of employee retention but also offer practical implications for organizations in designing sustainable human resource management strategies.

II. METHOD

This research design uses a quantitative approach. The quantitative approach was chosen because it is in line with the research objectives, namely to test hypotheses constructed from previous theories and research. The type of research used is explanatory research with a *Partial Least Squares Structural Equation Modeling* (PLS-SEM) approach. This approach was chosen because it is capable of explaining the causal relationship between variables, both directly and through moderating variables. PLS-SEM is also considered appropriate because it can be used for research models involving reflective constructs, is capable of handling data with normal and non-normal distributions, and does not require a large sample size (Ringle et al., 2014; Hoyle, 1999).

The use of PLS-SEM in this study was based on the consideration that employee retention, *work-life balance*, and affective commitment are complex and multidimensional constructs. With its flexibility, PLS-SEM can test research models that are still in the theoretical development stage, while providing more reliable results for both formative and reflective constructs (Schaufeli, 2004; Sun, Ji, & Ye, 2018).

The population of this study was private sector employees in Indonesia. The research sample consisted of 200 respondents, determined through *purposive sampling*. The criteria for respondents were: (1) permanent employees, (2) having a minimum of one year of service, and (3) willing to complete the questionnaire. The sample size was determined based on the minimum *sample size* requirement for SEM-PLS, which is five to ten times the number of indicators used in the study (Hair et al., 2021).

Data were collected using an online questionnaire with a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5). The questionnaire was compiled based on theoretical indicators of the research variables, which included *work-life balance*, *affective commitment*, and employee retention. The research instrument was tested for validity through *expert judgment* and for reliability using Cronbach's Alpha coefficient during the pilot test stage.

Table 1. Operational Definition

Variable	Operational Definition	Dimensions and Factors	Sample Statements	Measurement Scale	References
Work-Life Balance	Employees' perceptions of the extent to which work and personal life can be balanced without causing role conflict.	1. <i>Time balance</i> 2. <i>Involvement balance</i> 3. <i>Satisfaction balance</i>	"I can balance my time between work and personal life."	Likert 1-5	Greenhaus & Allen (2011); Haar et al. (2014)
Affective Commitment	The level of emotional attachment, identification, and involvement of employees with the organization.	1. Sense of belonging 2. Identification 3. Loyalty	"I feel proud to be part of this organization." "	Likert 1-5	Meyer & Allen (1991); Meyer & Herscovitch (2001)
Employee Retention	Employees' desire to remain and work in the organization in the long term.	1. Job satisfaction 2. Loyalty 3. Intention to stay	"I intend to continue working at this company for the next few years."	Likert 1-5	Tett & Meyer (1993); Hashim (2022)

III. RESULTS AND DISCUSSION

3.1 Descriptive Statistics

This study involved 200 private sector employees in Indonesia as respondents. The demographic characteristics of the respondents included gender, age, length of service, and highest level of education. This information is important to describe the profile of the participants and support the validity of the study.

Table 2. Respondent Characteristics

Respondent Profile	Category	Number (people)	Percentage
Gender	Male	112	56
	Female	88	44
Age	< 30 years	34	17

	30–39 years	87	43.5
	≥ 40 years	79	39.5
Length of Service	< 5 years	46	23
	5–10 years	68	34
	> 10 years	86	43
Education	High School/Diploma	52	26
	a Bachelor's Degree	118	59
	Master's/Doctorate	30	15
	rate		

Source: Author's compilation, 2025

The distribution of respondents shows that the proportion of male employees (56.0%) is slightly higher than that of female employees (44.0%). In terms of age, the majority are in the productive age group of 30–39 years (43.5%), followed by employees aged ≥ 40 years (39.5%). In terms of length of service, the largest composition is employees with more than 10 years of work experience (43.0%), indicating the existence of a group with relatively high loyalty. Meanwhile, in terms of education, most employees have a bachelor's degree (59.0%), followed by diploma/high school (26.0%) and postgraduate (15.0%).

3.2 Evaluation of Measurement Model

The validity and reliability of the instrument were tested to ensure that the research constructs could be measured accurately and consistently. Convergent validity was examined through factor loading values (>0.7), average variance extracted (AVE >0.5), and construct reliability using composite reliability (CR >0.7) and Cronbach's alpha (>0.7) according to the guidelines of Hair et al. (2019). Discriminant validity was tested using the Fornell–Larcker criteria and the Heterotrait–Monotrait (HTMT) ratio.

3.2.1 Reliability

Based on the SmartPLS processing results, most indicators met the outer loadings criteria above 0.7. Several indicators with low values (<0.7) were eliminated to improve model reliability. The CR values ranged from 0.854 to 0.923 and Cronbach's alpha from 0.812 to 0.915, so it can be concluded that the construct has good internal consistency.

3.2.2 Convergent and discriminant validity

The AVE values of all constructs ranged from 0.621 to 0.742, exceeding the threshold of 0.5. The Fornell–Larcker criteria indicate that the square root of AVE is higher than the correlation between constructs. In addition, the HTMT ratio for all construct pairs is below 0.9, thus fulfilling discriminant validity (Henseler et al., 2015).

Table 3. Summary of Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability	AVE
Work-Life Balance	0.854	0.891	0.621
Affective Commitment	0.915	0.923	0.742
Employee Retention	0.812	0.879	0.689

Source: SmartPLS Output, 2025

3.3 Evaluation of Structural Model

The structural model was tested to evaluate the relationships between latent variables according to the hypothesis. The analysis used *bootstrapping* with 200 samples.

Table 4. Structural Model Results (Bootstrapping)					
Hypotheses	Path	Original Sample (O)	T Statistics	P Values	Description
H1	WLB → Retention	0.324	4.912	0.000	Significant
H2	AC → Retention	0.287	3.654	0.000	Significant
H3	WLB*AC → Retention	0.176	2.417	0.016	Significant

Source: SmartPLS Output, 2025

3.3.1 Direct Path Coefficient

The test results show that *work-life balance* has a positive and significant effect on employee retention ($\beta = 0.324$; $p < 0.001$). Furthermore, affective commitment also has a significant positive effect on retention ($\beta = 0.287$; $p < 0.001$). These findings support hypotheses H1 and H2.

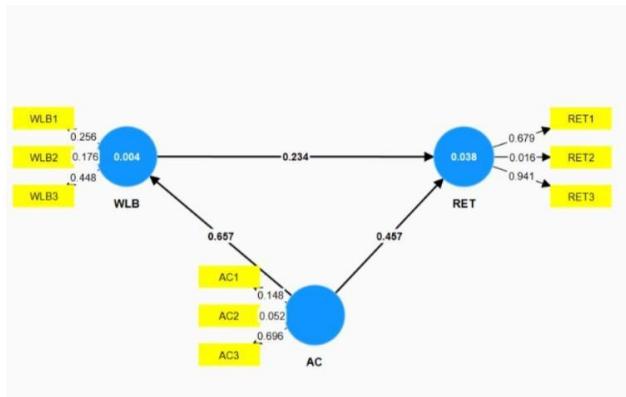
3.3.2 Moderation test

The moderation hypothesis (H3) shows that the interaction between *work-life balance* and affective commitment has a significant effect on retention ($\beta = 0.176$; $p < 0.05$). These results show that the higher the affective commitment of employees, the stronger the effect of WLB on retention.

3.3.3 R² Value and Effect Size (f²)

The R² value for the retention variable is 0.482, which falls into the moderate to strong category (Chin, 1998). This shows that the combination of WLB and AC can explain 48.2% of the variation in employee retention. The f² analysis shows a moderate effect size on the relationship between WLB and retention, as well as a small to moderate effect on AC moderation.

Figure 2. SEM-PLS Diagram Result



Source: SmartPLS output, 2025

Explanation:

B = Path coefficient value

P = SmartPLS bootstrapping results

Dotted line: Moderating effect

This study contributes new insights by examining employee retention in the private sector in Indonesia through the role of *work-life balance* and *affective commitment*. Most previous studies have been conducted in the health, banking, or public organization sectors, so this study expands the context to the private sector, which is characterized by high demands for productivity and flexibility. In this situation, *work-life balance* becomes an important issue that affects employee retention. The results show that the balance between work demands and personal life not only affects individual satisfaction but also strengthens the intention to remain in the organization. Furthermore, the role of *affective commitment* has been proven to significantly moderate this relationship, indicating that emotional attachment to the organization plays a vital role in strengthening the positive effect of *work-life balance* on retention.

3.4 Interpretation of Results

3.4.1 Hypothesis 1 (H1)

The analysis shows that *work-life balance* has a positive and significant effect on employee retention. This finding is consistent with the *work-family enrichment* theory proposed by Greenhaus & Allen (2011), in which life balance allows individuals to feel more satisfied, healthy, and motivated to remain in their jobs. Employees who are able to manage their roles at home and at work in a balanced manner will feel more productive and have positive energy to contribute. In the context of private companies in Indonesia, this factor becomes even more crucial given the high workload and organizational expectations. Research by Haar et al. (2014) also supports this finding by showing that good *work-life balance* leads to increased loyalty and decreased *turnover*. Thus, companies that want to retain their employees must provide policies that encourage flexibility, such as adaptive work schedules, mental health support, and family welfare programs.

3.4.2 Hypothesis 2 (H2)

The analysis found that *affective commitment* has a positive relationship with employee retention. Employees who have emotional attachment to the organization tend to feel proud and satisfied at work, so their desire to stay is

higher. This is in line with Meyer & Allen's (1997) three-component model, which emphasizes that *affective commitment* is the strongest form of commitment in deterring individuals from leaving. In this study, emotional attachment is reflected in feelings of being valued, recognition, and alignment of values between employees and the organization. This strengthens the motivation to continue contributing. Companies that ignore this emotional aspect risk losing potential employees even though they provide adequate material compensation.

3.4.3 Hypothesis 3 (H3)

The research findings show that *affective commitment* can moderate the influence of *work-life balance* on employee retention. In other words, employees who have a good *work-life balance* will have a stronger desire to stay if they also feel emotionally attached to the organization. Conversely, even with a high *work-life balance*, employees with low *affective commitment* still have a risk of leaving the company. These findings indicate that *work-life balance* alone is not enough; it must be accompanied by feelings of pride, comfort, and belief in the organization's values. This supports *Affective Events Theory* (Weiss & Cropanzano, 1996), which asserts that emotional reactions to work experiences play an important role in shaping long-term behavior. In the context of the private sector, retention strategies must include two aspects: creating work policies that support balance and strengthening employees' emotional bonds through supportive leadership, recognition of contributions, and an inclusive work culture.

3.5 Theoretical Contribution

This study enriches the literature by integrating the perspectives of *work-life balance* (Greenhaus & Allen, 2011), the organizational commitment model (Meyer & Allen, 1997), and affective events theory (Weiss & Cropanzano, 1996) in the context of employee retention in the Indonesian private sector. The results of this study broaden the understanding that *work-life balance* not only functions as an individual factor but also as a strategic predictor in reducing *turnover intention* when reinforced by *affective commitment*. Thus, this study emphasizes the importance of looking at life balance and emotional commitment simultaneously in explaining the phenomenon of retention.

3.6 Practical Implications

The practical implications of this study are the need for organizations to develop dual-based retention strategies: (1) creating a work system that supports *work-life balance*, such as flexible working hours, health programs, and family leave; and (2) strengthening *affective commitment* through an inclusive organizational culture, supportive leadership, and recognition of individual contributions. By combining both, companies will be more effective in reducing *turnover* rates and retaining the best talent.

3.7 Limitations and Future Directions

This study has several limitations. First, data were collected from 200 respondents in the private sector using *purposive sampling*, so the results may not necessarily apply to the public sector or other industries. Second, this study only examined the role of *affective commitment* as a moderator, whereas other factors such as job satisfaction, leadership, and organizational support also have the potential to influence retention. Third, the quantitative approach with SEM-PLS has limitations in capturing the subjective nuances of employee experiences. Future research is recommended to use a mixed approach with in-depth interviews and test the model in various sectors to obtain a broader and more general picture.

IV. CONCLUSIONS

This study confirms that *work-life balance* has a positive and significant influence on employee retention in the Indonesian private sector. Employees who are able to balance the demands of work and personal life tend to feel more satisfied, motivated, and have sufficient energy to contribute optimally. These findings are consistent with the work-family enrichment theory, which states that life balance allows individuals to experience personal satisfaction while increasing their loyalty to the organization. In the context of the private sector, where workloads are high and demands for flexibility are increasing, attention to life balance is a key factor in retaining workers.

In addition, affective commitment has been shown to play an important role in strengthening employee retention. Employees who have a strong emotional attachment to the organization tend to feel proud to be part of the company, feel valued, and are motivated to stay, even when faced with work pressures. The role of affective commitment shows that organizational policies cannot be solely structural or financial in nature, but must be supported by efforts to build strong emotional bonds with employees. These bonds reflect a sense of belonging, identification, and loyalty that influence employees' decisions to remain with the organization in the long term.

The research findings also show that affective commitment acts as a moderating variable that strengthens the influence of *work-life balance* on retention. This means that the benefits employees derive from work-life balance will be more optimal if they also feel emotionally attached to the organization. Conversely, employees with low affective commitment may still appreciate *work-life balance* policies, but their influence on retention intentions is weaker. This emphasizes the importance of dual retention strategies, which not only focus on providing flexibility or wellness programs, but also strengthen emotional attachment through an inclusive organizational culture, supportive leadership, and recognition of individual contributions.

Overall, this study enriches the literature on employee retention by demonstrating the importance of integrating *work-life balance* and affective commitment. Effective retention strategies require attention to both aspects simultaneously so that employees feel balanced, valued, and emotionally attached to their organization. The practical implications of this study confirm that organizations that successfully combine life balance support and emotional bond strengthening will be better able to retain the best talent, reduce turnover, and increase productivity and operational stability on an ongoing basis.

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