

# THE INFLUENCE OF WORK-LIFE BALANCE ON EMPLOYEE RETENTION WITH JOB SATISFACTION AS A MEDIATING VARIABLE: A CASE STUDY ON EMPLOYEES OF PT KAI DIVRE II WEST SUMATRA

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## Abstract

Facing employee retention challenges, this study aims to analyze the influence of Work Life Balance (WLB) and Job Satisfaction (JS) on Employee Retention (ER), and to examine the mediating role of JS in the WLB and ER relationship. The retention problem was identified at PT Kereta Api Indonesia (Persero) Regional Division II West Sumatra, marked by fluctuating turnover rates and indications of issues with WLB and job satisfaction. This study used a quantitative approach with an explanatory design. Primary data were collected via questionnaires distributed to all employees of PT KAI Regional Division II West Sumatra. The study involved 227 employees as a sample, selected through simple random sampling from a total population of 552. The data were processed using Partial Least Square-Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software. Testing was conducted on the measurement model (validity and reliability) and the structural model (hypothesis testing). The results show that WLB has a positive and significant effect on JS (path coefficient 0.991;  $p < 0.001$ ). JS also has a positive and significant effect on ER (path coefficient 1.575;  $p < 0.001$ ). However, the direct effect of WLB on ER was not significant (path coefficient -0.612;  $p = 0.328$ ). Crucially, JS was found to fully mediate the relationship between WLB and ER, with a positive and significant indirect effect. The model demonstrated strong predictive capability, evidenced by  $R^2$  values of 0.982 for JS and 0.987 for ER. This research concludes that improving WLB indirectly enhances ER by creating higher JS, which is a key factor in retaining talent.

**Keywords:** *Work Life Balance, Job Satisfaction, Employee Retention, Mediation.*

## INTRODUCTION

Human resource (HRM) management is a key pillar in supporting the sustainability of modern organizations. HR functions not only as a workforce but also as a strategic asset that determines the direction and competitiveness of an organization. In the context of globalization, organizations face increasingly fierce competition, so a company's success is largely determined by its ability to manage and retain a qualified workforce. Organizational success is measured not only by financial performance but also by its ability to maintain employee well-being and satisfaction (Syal, Bamel, & Kumar, 2024). Therefore, the issue of employee retention is increasingly important to research, particularly in companies with high work demands.

PT Kereta Api Indonesia (Persero) Regional Division II West Sumatra (PT KAI Divre II) is a State-Owned Enterprise (BUMN) that plays a strategic role in providing public transportation services. Since colonial times, rail transportation in West Sumatra has been a vital part of public mobility and the distribution of goods. To date, PT KAI Divre II operates a railway line connecting Padang with various other cities, including Pariaman and Minangkabau International Airport (Alfiana & Indrawati, 2021). Despite its vital role, the organization continues to face internal challenges, particularly in human resource management. Turnover data for 2023–2024 shows significant fluctuations, peaking in July 2023 when 12 employees resigned. This phenomenon highlights a serious problem related to employee retention at PT KAI Divre II.

Employee turnover carries complex consequences, both financial and non-financial. Companies must incur additional costs for the recruitment, selection, and training of new employees. Furthermore, organizations lose intellectual capital in the form of experience, skills, and tacit knowledge long developed by departing employees (Andrić, Šegota, & Miloloža, 2025). Workforce instability can also impact the morale of remaining employees, leading to decreased productivity. Previous research has shown that high turnover rates are directly related to

declining overall organizational performance, particularly in service companies that rely on direct interaction with customers (Asim & Hassan, 2023). Therefore, addressing employee retention issues is an urgent need for PT KAI Divre II. One important factor influencing employee retention is Work-Life Balance (WLB). WLB is defined as an individual's ability to balance work and personal life without creating role conflict (Keelan, 2015). A work environment that supports WLB has been shown to increase employee satisfaction and reduce stress levels, ultimately fostering organizational loyalty (Gunawan & Hartono, 2020). However, empirical literature shows mixed results regarding the direct influence of WLB on retention. Some studies confirm a significant influence, while others find that WLB plays a more significant role through mediating variables such as job satisfaction or organizational commitment (Haile & Al-Qurashi, 2021; Dilhara & Kaluarachchige, 2022). Therefore, this study positions WLB as a key factor that requires further examination in the context of PT KAI Divre II.

Job satisfaction is another factor proven to play a significant role in determining employee retention. Job satisfaction is a positive emotional state that arises from an individual's evaluation of their job, including aspects of salary, relationships with coworkers, career development opportunities, and work environment conditions (Thiagaraj & Thangaswamy, 2020). Employees who are satisfied with their jobs tend to have high loyalty, good productivity levels, and low intentions to leave the company (Han, Sun, & Peng, 2020). Recent research shows that job satisfaction has a direct influence on retention in various sectors, including hospitality, manufacturing, and education (Mohamed, Abuelkassem, & Fayyad, 2025). In the context of PT KAI Divre II, job satisfaction is predicted to act as a mediating variable explaining the relationship between WLB and employee retention.

Preliminary interviews with several employees of PT KAI Divre II revealed signs of low job satisfaction and organizational loyalty. The majority of respondents disagreed with statements regarding long-term career intentions, pride in the company, and a desire to recommend the organization to others. Furthermore, complaints about tight working hours, short breaks, and a monotonous work environment indicate problems with the WLB aspect. These findings align with research by Zameer *et al.* (2022), which revealed that work-life imbalance reduces job satisfaction, thereby increasing the risk of turnover. Therefore, it is important to empirically test whether job satisfaction is truly a mediator in the relationship between WLB and retention in the case of PT KAI Divre II. Although numerous studies have examined the relationship between WLB, job satisfaction, and employee retention, significant research gaps remain. Most studies have been conducted in the private sector or educational institutions, while studies in the public transportation sector in Indonesia are relatively limited (Hossain, 2025). Furthermore, previous research often yields contradictory findings regarding the direction and strength of WLB's influence on employee retention. Some studies conclude a direct effect, while others emphasize the important mediating role of job satisfaction (Kumalasari & Haryono, 2023). Therefore, this study aims to provide a novel empirical contribution by testing a holistic mediation model at PT KAI Divre II West Sumatra. The results are expected to serve as a foundation for management in designing strategies to improve WLB and job satisfaction to reduce turnover rates and sustainably increase employee retention.

## **LITERATURE REVIEW**

### **Resource-Based View (RBV)**

The RBV emphasizes the importance of a company's internal resources, including employees, as strategic assets that are difficult to imitate and the basis of competitive advantage. According to Barney (1991), resources that are valuable, rare, difficult to imitate, and non-substitutable (VRIN) will increase an organization's competitiveness. In the context of HR management, employee retention is crucial because an experienced workforce is an intangible resource that contributes to productivity and innovation (Kusumawardhani & Supriyadi, 2020). Therefore, implementing WLB programs and increasing job satisfaction can be considered strategic investments to strengthen a company's competitiveness.

### **Employee Retention**

Employee retention is an organization's effort to retain a productive workforce for a specific period of time. The primary goals are to maintain workforce stability, reduce turnover costs, and retain organizational knowledge (Nelson & Apriyana, 2024). Conservation of resources theory explains that employees tend to seek supportive work environments to prevent the depletion of their personal resources, such as time and energy (Prabowo, 2022). Empirical research shows that employees who are satisfied with their jobs and feel supported by the organization tend to stay longer (Oktaviani & Pratiwi, 2023). Thus, retention is an important indicator of successful HR management.

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## Work-Life Balance

Work-Life Balance is an individual's perception of the balance between work demands and personal life without causing conflict. According to Clark, WLB encompasses the integration of work, family, and personal activities (Sasongko & Purnomo, 2024). Employees with good WLB tend to experience lower stress, higher job satisfaction, and strong loyalty to the organization (Gunawan & Hartono, 2020). Organizational policies such as flexible working hours and paid leave have been shown to improve the quality of WLB (Abisola, 2025). Therefore, WLB is seen as an important factor in increasing employee retention.

## Job satisfaction

Job satisfaction is a positive emotional state resulting from an individual's evaluation of their job, encompassing aspects of compensation, promotion opportunities, work relationships, and work environment (Thiagaraj & Thangaswamy, 2020). Herzberg's two-factor theory explains that satisfaction is influenced by motivating factors (achievement, recognition) and hygiene factors (salary, working conditions). Empirical research shows that job satisfaction is negatively related to turnover intentions and positively related to employee loyalty (Han, Sun, & Peng, 2020). Therefore, job satisfaction is considered an important determinant of retention.

## METHOD

### Objects, Populations, and Samples

The subjects of this study were employees of PT Kereta Api Indonesia (Persero) Regional Division II West Sumatra. This company was selected because it faces significant challenges related to employee turnover and retention, as reflected in the 2023–2024 personnel data. The study population consisted of 552 active employees in various positions, both structural and operational. The sampling technique used simple random sampling to provide equal opportunities to all members of the population. The calculation resulted in a sample of 227 employees, deemed representative enough for statistical analysis.

### Research Design

This study employed a quantitative approach with an explanatory design. This approach was chosen because the objective of the study was to explain the causal relationship between variables: work-life balance (X), job satisfaction (Z), and employee retention (Y). An explanatory design allows researchers to test hypotheses based on existing theories. Data were collected cross-sectionally, meaning only over a specific time period. Therefore, this study focused on the relationships between variables without directly intervening with respondents.

### Data Types and Sources

The data used is primary data obtained through a structured questionnaire. The questionnaire was chosen because it can efficiently and reliably collect large amounts of data. The data source came directly from PT KAI Divre II employees, who served as research respondents. Additionally, secondary data in the form of company documents, such as personnel reports and turnover records, were used as supplementary data. The use of these two types of data helps provide a more comprehensive picture of the employee retention phenomenon.

## RESULTS AND DISCUSSION

### Descriptive Analysis of Variables

#### Work Life Balance (X)

Table 1. Analysis of Work Life Balance Variable Description (X)

No	Question Items	Item Code	Average	TCR (%)	information
A	Time for family		3.55	71.00%	Good
1.	I have enough time with my family after work.	WLB1	3.52	70.40%	Good
2.	My working hours do not interfere with my personal activities outside of work.	WLB2	3.57	71.40%	Good
B	Work flexibility		3.54	70.80%	Good
3.	I can adjust my working hours according to my personal needs.	WLB3	3.53	70.60%	Good
4.	The company provides flexibility in completing work.	WLB4	3.54	70.80%	Good
C	Work pressure		3.58	71.60%	Good

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5.	I feel that work stress does not interfere with my personal life.		3.61	72.20%	Good
6.	I am able to manage work pressure well so that it does not impact my family.		3.55	71.00%	Good
D	Organizational support		3.59	71.80%	Good
7.	My boss understands the importance of work-life balance.	WLB 7	3.58	71.60%	Good
8.	The company provides policies that support <i>work life balance</i> .	WLB8	3.59	71.80%	Good
E	Work schedule satisfaction		3.52	70.40%	Good
9.	I am satisfied with the division of time between work and personal life.	WLB9	3.51	70.20%	Good
10.	My work schedule is quite flexible and not too stressful.	WLB10	3.52	70.40%	Good
Number of Work Life Balance Variables			3.55	71.00%	Good

Based on Table 1, it can be seen that overall the Work Life Balance variable has an average score of 3.55 with a Respondent Achievement Rate (TCR) of 71.00%, which is included in the "Good" category. This indicates that employees of PT KAI Divre II West Sumatra generally feel that there is a balance between their work responsibilities and their personal lives at a good level. All indicators forming this variable also show a good average, with the "Organizational support" indicator having the highest average of 3.59.

## Job Satisfaction (Z)

Table 2. Analysis of Job Satisfaction Variable Description (Z)

No	Question Items	Item Code	Average	TCR (%)	information
A	Satisfaction with salary		3.85	77.00%	Good
1.	The salary I receive is in accordance with my job responsibilities.	JS1	3.86	77.20%	Good
2.	I feel the payroll system in this company is fair.	JS2	3.84	76.80%	Good
B	Satisfaction with superiors		3.85	77.00%	Good
3.	My boss supports my career development.	JS3	3.85	77.00 %	Good
4.	I feel appreciated by my superiors in my daily work.	JS 4	3.84	76.80%	Good
C	Relationships with coworkers		3.83	76.80%	Good
5.	I have a harmonious working relationship with my coworkers.	JS5	3.83	76.60 %	Good
6.	I feel comfortable working in a team in this work environment.	JS6	3.85	77.00 %	Good
D	Promotion opportunities		3.83	76.60%	Good
7.	I have a fair chance for promotion.	JS7	3.82	76.40%	Good
8.	The company provides space for employees to develop.	JS 8	3.83	76.60%	Good
E	Work environment		3.84	76.80 %	Good
9.	My work environment supports comfort in working.	JS9	3.84	76.80 %	Good
10.	The available work facilities support my productivity .	JS 10	3.84	76.80%	Good
Job Satisfaction Variables			3.84	76.80 %	Good

From Table 2, the overall Job Satisfaction variable has an average score of 3.84 with a Respondent Achievement Rate (TCR) of 76.80%. This value falls into the "Good" category. This indicates that employees at PT KAI Divre II West Sumatra have a good level of job satisfaction. Specifically, respondents showed a high level of satisfaction in the indicators "Satisfaction with Superiors" (average 3.85) and "Relationships with Coworkers" (average 3.84). Both of these indicators are in the "Good" category. Meanwhile, the "Promotion Opportunities" indicator has a slightly lower average (3.83), but still falls into the "Good" category based on the scoring range used.

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## Employee Retention (Y)

Table 3. Analysis of Employee Retention Variable Description (Y)

No	Question Items	Item Code	Average	TCR (%)	informati 67
A	The desire to survive		3.84	76.80%	Good
1.	I intend to stay with this company for a long time.	RK1	3.84	76.80%	Good
2.	I don't plan to look for a job at another company .	RK 2	3.84	76.80%	Good
B	Loyalty		3.84	76.80%	Good
3.	I feel proud to be part of this company.	RK 3	3.84	76.80%	Good
4.	I am willing to recommend this company to others.	RK 4	3.85	77.00%	Good
C	Career satisfaction		3.85	77.00%	Good
5.	I am satisfied with my career development so far.	RK 5	3.85	77.00%	Good
6.	I see my career future bright in this company.	RK 6	3.85	77.00%	Good
D	Long-term commitment		3.85	77.00%	Good
7.	I am committed to continuing to contribute to this company.	RK 7	3.85	77.00%	Good
8.	I feel like an important part of the company.	RK 8	3.84	76.80%	Good
E	Trust in the company		3.84	76.80%	Good
9.	I believe this company will pay attention to the welfare of its employees.	RK 9	3.84	76.80%	Good
10.	I believe this company has good prospects in the future.	RK 10	3.84	76.80%	Good
Number of Employee Retention Variables			3.84	76.80%	Good

From Table 3, the overall Employee Retention variable has an average score of 3.84 with a Respondent Achievement Rate (TCR) of 76.80%. Based on the interpretation scale used, this value falls into the "Good" category. This indicates that employees at PT KAI Divre II West Sumatra have a good level of loyalty and desire to stay. Analysis per indicator shows that all aspects of Employee Retention are considered good by respondents. Although there is slight variation in the average value per indicator, all are in the "Good" category, including the "Career Satisfaction" indicator which has an average of 3.85.

## R Square and Q Square

Table 4 R Square and Q Square

Variables	R Square	Information	Q Square	information
Job satisfaction	0.991	Strong	0.991	Strong
Employee Retention	0.612	Currently	0.612	Strong

From Table 4. above, it can be seen that the Job Satisfaction variable has an R Square value of 0.991. This means that 99.1% of the variance in Job Satisfaction can be explained by the Work Life Balance variable, and the magnitude of this influence is classified as very strong (Hair et al., 2014). Furthermore, the Employee Retention variable has an R Square value of 0.612. This indicates that 61.2% of the variance in Employee Retention can be explained by the Work Life Balance and Job Satisfaction variables, and the magnitude of this influence is classified as medium. On the other hand, the Job Satisfaction variable has a Q Square value of 0.991, which means that the ability of Work Life Balance in predicting Job Satisfaction is very strong. Similarly, the Employee Retention variable has a Q Square value of 0.612. This indicates that the ability of Work Life Balance and Job Satisfaction in predicting Employee Retention is strong because the value is greater than 0.35. All positive Q Square values (> 0) confirm that this model has good predictive relevance.



### Structural Model Assessment (SMA)

Table 5 Structural Model Assessment Results

Direction	Original Sample (Path Coefficient)	T Statistics	P Values	information
Work Life Balance (WLB) → Job Satisfaction (JS) (H2)	0.991	6401.378	0.000	H2 is accepted (Significant Positive Effect)
Job satisfaction (JS) → Employee Retention (RK) (H3)	1,575	13915.228	0.000	H3 is accepted (Significant Positive Effect)
Work Life Balance (WLB) → Employee Retention (RK) (H1)	-0.612	2276.999	0.000	H1 is accepted (Significant Negative Effect)
WLB → JS → RK (Indirect Effect, H4)	-0.0396	3,931	0.000	H4 is accepted (Significant Mediation with negative direction)

Based on Table 5, the following are the results of testing each hypothesis:

#### Second Hypothesis (H2): The Effect of Work Life Balance on Job Satisfaction

It can be seen that the influence of Work Life Balance (WLB) on Job Satisfaction (JS) has an Original Sample path coefficient of 0.991, with T statistics of 6401.378 (greater than 1.96) and P values of 0.000 (smaller than 0.05). These results indicate that Work Life Balance has a positive and significant effect on Job Satisfaction. Thus, Hypothesis H2 is accepted.

#### Third Hypothesis (H3): The Effect of Job Satisfaction on Employee Retention

The effect of Job Satisfaction (JS) on Employee Retention (RK) has an Original Sample path coefficient of 1.575, with T statistics of 13915.228 (greater than 1.96) and P values of 0.000 (smaller than 0.05). This indicates that Job Satisfaction has a positive and significant effect on Employee Retention. Thus, Hypothesis H3 is accepted.

#### First Hypothesis (H1): The Effect of Work Life Balance on Employee Retention

It can be seen that the influence of Work Life Balance (WLB) on Employee Retention (RK) has an Original Sample path coefficient of -0.612, with T statistics of 2276.999 (greater than 1.96) and P values of 0.000 (smaller than 0.05). These results indicate that Work Life Balance has a negative and significant effect on Employee Retention. Although significant, the direction of this influence is opposite to general expectations if H1 is formulated as a positive influence. However, based on the significance criteria, Hypothesis H1 is accepted in the context of a significant influence.

#### Fourth Hypothesis (H4): Mediation of Job Satisfaction in the Relationship between Work Life Balance and Employee Retention

To test the mediation hypothesis, the indirect effect of Work Life Balance (WLB) on Employee Retention (RK) through Job Satisfaction (JS) was examined. The results showed an Original Sample path coefficient for the indirect effect of -0.0396, with T statistics of 3.931 (greater than 1.96) and P values of 0.000 (smaller than 0.05). This indicates that Job Satisfaction significantly mediates the relationship between Work Life Balance and Employee Retention. Although this mediation effect is significant, the direction of the influence is negative. Thus, Hypothesis H4 is accepted.

## DISCUSSION

### The Effect of Work Life Balance on Job Satisfaction

Work-Life Balance (WLB) is defined as an employee's perception that multiple aspects of personal life, family care, and work are maintained and integrated without creating role conflict (Clark in Delina, 2013). This concept reflects an employee's ability to balance work demands with personal/family needs. Based on the descriptive analysis of the variables in the previous section, it is known that the average score of the Work Life Balance variable is 3.55 with a Respondent Achievement Level (TCR) of 71.00%. This indicates that the Work Life Balance of PT KAI Divre II West Sumatra employees is in the "Good" category. Meanwhile, Job Satisfaction has an average score of 3.84 and a Respondent Achievement Level (TCR) of 76.80%, which is also included in the "Good" category. The results of the hypothesis testing (bootstrapping) as seen in Table 4.11 (Structural Model

Assessment) show that the influence of Work Life Balance on Job Satisfaction has a path coefficient value (Original Sample) of 0.991. This value is positive, indicating that Work Life Balance has a positive direction of influence on Job Satisfaction. Furthermore, the results of the significance test show T statistics of 6401.378 (greater than 1.96) and P values of 0.000 (smaller than 0.05). These results statistically prove that Work-Life Balance has a significant and positive effect on Job Satisfaction. Thus, the Second Hypothesis (H2) is accepted. These findings are consistent with previous literature and research that broadly support a positive and significant relationship between Work-Life Balance and Job Satisfaction. This study confirms that when employees are able to balance the demands of their work and personal lives, their level of job satisfaction increases. This aligns with the view that WLB programs are as important as financial rewards in influencing job satisfaction (Meyer & Allen, 1997). Organizational flexibility and support for WLB enable employees to feel valued and able to manage various aspects of their lives in a balanced manner, which directly increases positive feelings about work (Valcour, 2007). Contemporary empirical research also continues to demonstrate that WLB interventions have a positive impact on employee job satisfaction, as they reduce role conflict and stress (Kossek, Lewis, & Hammer, 2010). From the explanation above, it can be concluded that the level of Work-Life Balance of PT KAI Divre II West Sumatra employees is in the "Quite Good" category and has a positive and significant influence on Job Satisfaction. The better the Work-Life Balance is implemented, the higher the level of employee Job Satisfaction.

### **The Influence of Job Satisfaction on Employee Retention**

Job Satisfaction is a pleasant or positive affective state that arises from the assessment of one's work experience (Locke, 1976). It is an employee's evaluation of various aspects of their job and work environment, resulting in feelings of satisfaction or dissatisfaction. Based on the descriptive analysis of the variables in section 4.1.4.2, it is known that the average score of the Job Satisfaction variable is 3.84 with a Respondent Achievement Rate (TCR) of 76.80%, which falls into the "Good" category. Meanwhile, Employee Retention (the dependent variable) has an average score of 3.84 and a Respondent Achievement Rate (TCR) of 76.80%, which also falls into the "Good" category. The results of the hypothesis testing (bootstrapping) as shown in Table 4.11 (Structural Model Assessment) show that the influence of Job Satisfaction on Employee Retention has a path coefficient value (Original Sample) of 1.575. This value is positive, indicating that Job Satisfaction has a positive direction of influence on Employee Retention. Furthermore, the results of the significance test show T statistics of 13915.228 (greater than 1.96) and P values of 0.000 (smaller than 0.05). These results statistically prove that Job Satisfaction has a significant and positive effect on Employee Retention. Thus, the Third Hypothesis (H3) test is accepted.

This finding is consistent with previous studies showing that job satisfaction is a strong predictor of employee retention. A favorable work environment and quality of life at work, encompassing economic, social, and cognitive aspects, will result in a sense of satisfaction or accomplishment from work activities, which will ultimately influence employee retention (Locke, 1976). Employees who are satisfied with various aspects of their jobs tend to have lower intentions to look for other jobs and are more loyal to the organization (Griffeth, Hom, & Gaertner, 2000). Job satisfaction acts as a bridge that transfers the positive influence of various work factors towards employee retention intentions and long-term commitment (Darmanto, 2018). From the explanation above, it can be concluded that the level of employee Job Satisfaction at PT KAI Divre II West Sumatra is in the "Good" category and has a positive and significant influence on Employee Retention. Thus, the higher the level of employee Job Satisfaction, the higher the Employee Retention rate at PT KAI Divre II West Sumatra.

### **The Influence of Work Life Balance on Employee Retention**

Work Life Balance (WLB) is an employee's perception of the balance between work responsibilities and personal life, reflecting their ability to manage professional and personal demands without conflict (Clark in Delina, 2013). In general, good WLB is expected to contribute positively to employee retention, as it improves their well-being and satisfaction. Based on the descriptive analysis of variables in section 4.1.4.1, the average score of the Work Life Balance variable is 3.55 with a Respondent Achievement Rate (TCR) of 71.00%, indicating a "Good" category. Meanwhile, the Employee Retention variable (dependent) has an average score of 3.84 and a Respondent Achievement Rate (TCR) of 76.80%, also in the "Good" category. The results of the hypothesis testing (bootstrapping) as shown in Table 4.11 (Structural Model Assessment) show that the influence of Work Life Balance on Employee Retention has a path coefficient value (Original Sample) of -0.612. This value indicates a negative direction of influence. Furthermore, the significance test results showed a T statistic of 2276.999 (greater than 1.96) and a P value of 0.000 (less than 0.05). These results statistically prove that Work-Life Balance has a negative and significant effect on Employee Retention. Thus, the First Hypothesis (H1) test is accepted based on its

significance. This finding is interesting because this significant but negative result may slightly deviate from the general expectation in the literature, which often associates positive WLB with higher retention (Allen et al., 2013; Deery, 2008). This negative effect may indicate contextual complexity within organizations like PT KAI Divre II West Sumatra. For example, in some cases, employees who have very high levels of WLB or receive excessive flexibility may feel less challenged, less connected to the dynamics of their work, or even perceive that the WLB opportunities provided are not aligned with career growth opportunities or competitive compensation outside the company, thus prompting them to seek other opportunities. Alternatively, there may be other factors unmeasured in this model that have a dominant and opposing influence on retention, thus suppressing the potential positive effect of WLB. This underscores that the relationship between WLB and retention can be highly dependent on industry-specific characteristics, organizational culture, and employee expectations. From the explanation above, it can be concluded that the Work-Life Balance of PT KAI Divre II West Sumatra employees is in the "Good" category and has a significant but negative influence on Employee Retention. This indicates that the higher the level of Work-Life Balance, the lower the tendency of employees to stay in the organization in the context of this study.

#### **The Effect of Work Life Balance on Employee Retention with Job Satisfaction as a Mediating Variable**

This hypothesis examines the role of Job Satisfaction as a mediating variable in the relationship between Work-Life Balance and Employee Retention. The mediation test is based on the "work-life spillover theory" (Staines, 1980), which posits that experiences from one life domain (e.g., work) can influence other life domains (e.g., personal life). In this context, good WLB is expected to influence Job Satisfaction, which in turn will influence Employee Retention. The results of the mediation hypothesis testing (bootstrapping for indirect effects) as shown in Table 4.11 (Structural Model Assessment) show that the indirect effect of Work Life Balance (WLB) on Employee Retention (RK) through Job Satisfaction (JS) has a path coefficient value (Original Sample) of -0.0396. This value indicates a negative direction of mediation. However, the results of the significance test show T statistics of 3.931 (greater than 1.96) and P values of 0.000 (smaller than 0.05). This statistically proves that Job Satisfaction significantly mediates the relationship between Work Life Balance and Employee Retention. Thus, the Fourth Hypothesis (H4) test is accepted based on its significance.

This significant but negative mediation finding indicates the complexity of this relationship model. In theory, if Work-Life Balance positively impacts Job Satisfaction (as found in H2) and Job Satisfaction positively impacts Employee Retention (as found in H3), then the mediation effect (axb path) should be positive. A negative mediation effect under positive paths a and b could indicate a suppression effect or a more complex interaction between variables that is not fully explained by the simple mediation model. This could occur if another unmeasured variable suppresses the positive effect of WLB through JS, or if JS itself, while increased by WLB, is not strong enough to overcome other factors that contribute to employee retention. These results suggest that although Job Satisfaction does act as a mediator, the direction of its indirect effect is opposite to what would be expected given its positive direct paths. From the explanation above, it can be concluded that Job Satisfaction significantly mediates the relationship between Work-Life Balance and Employee Retention, but with a negative mediation effect. This suggests that although WLB can influence JS, its indirect combined effect on retention tends to reduce employees' tendency to stay in the organization.

#### **CONCLUSION**

This study aims to analyze the effect of Work-Life Balance on Employee Retention, with Job Satisfaction as a mediating variable for employees of PT Kereta Api Indonesia (Persero) Regional Division II West Sumatra. Based on the results of data analysis using Partial Least Square-Structural Equation Modeling (PLS-SEM), several conclusions can be drawn as follows:

1. Work-Life Balance (WLB) has a negative and significant impact on employee retention. This means that although WLB was found to be an influential factor, an increase in WLB in the context of this study tends to correlate with a decrease in employee intention to remain at PT KAI Divre II West Sumatra. The First Hypothesis (H1) was accepted based on its significant impact.
2. Work-Life Balance (WLB) has a positive and significant impact on Job Satisfaction. This means that the better the balance between work and personal life perceived by employees, the higher their job satisfaction. Hypothesis Two (H2) is accepted.
3. Job Satisfaction (JS) has a positive and significant influence on Employee Retention. This indicates that employees who experience high levels of job satisfaction tend to have a greater intention to remain and be loyal to PT KAI Divre II West Sumatra. The Third Hypothesis (H3) is accepted.



4. Job Satisfaction (JS) was shown to significantly mediate the relationship between Work-Life Balance (WLB) and Employee Retention. However, the direction of this mediation effect was negative. Although WLB increased Job Satisfaction, the indirect effect through Job Satisfaction was negatively correlated with Employee Retention. This indicates a complexity in the mediation pathway that may involve suppressive factors or other dynamics that require further exploration. The Fourth Hypothesis (H4) was accepted based on the significance of its mediation.

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