

# Work-Life Balance, Workplace Environment, Psychosocial Factors And Commercial Bank Employees Performance In Nakuru City, Kenya

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## Abstract

To survive and grow, institutions have to embrace and prioritize strategies of keeping at equilibrium the quality of work life and workplace high. The strategies which are interconnected and affected by increased environmental dynamics and uncertainties should consequently factor employee's long-term benefits into the initial cost considerations. This research examined a moderation-mediation model on the effect of work life balance; with workplace environment moderating and psychosocial factors mediating on employee's performance in commercial Banks in Nakuru Kenya. More specifically the study sought to examine the sub-constructs of work-family conflict, work- extracurricular conflict, supervisor support, role incongruity, quality leadership, error rate and work results of the Bank employees. By synthesizing existing research, this study will contribute to a better understanding of the significance of work-life balance initiatives in organizations and their potential impact on enhancing employee performance, job satisfaction, and overall organizational outcomes. This study was grounded on spillover theory and the role theory. The two theories offered complementarity with others theories and thus were the most relevant and feasible theory. The population of the study was 736 non-managerial staff from which a sample of 172 respondents was drawn from both the foreign and domestic owned Bank employees' using stratified random sampling. Correlation results showed work life balance and employees performance had a relatively significant relationship ( $r = .384$ ,  $p$ -value  $< 0.007$ ), Work place environment had a high correlation with employees performance ( $r = .479$ ,  $p$ -value  $< 0.001$ ) and Psychosocial factors being the mediating variable also showed a weak positive correlation with employees performance ( $r = .287$ ,  $p$ -value =  $.0.005$ ). The results showed that work-life balance and employee performance had a positive and significant effect. The results of the mediation show that psychosocial factors can partially mediate the effect of work-life balance on employee performance, while workplace environment strongly mediating the effect of work life balance on employee performance. The results of this study contribute to the understanding of the intricate interplay between psychosocial factors, workplace environment, and individual performance. The identified moderation effect underscores the importance of cultivating a positive work environment to maximize the positive influences of psychosocial factors on employee performance

**Key words:** Work-Life Balance, Workplace Environment, Psychosocial, Employees Performance

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## I. INTRODUCTION

Work-life balance is a concept including proper prioritizing between "work" (career and ambition) and "lifestyle" (health, pleasure, leisure, family and spiritual development/meditation) (Clark, 2019; Johnson, Smith & Brown, 2020). Other quarters define work-life balance as "A form of interrole conflict in which the role pressures from the work and family domains are mutually incompatible in some respect. That is, participation in the work (family) role is made more difficult by virtue of participation in the family (work) role. The best work-life balance will be different for each person. There is no one size fits all in work-life balance. Work-life balance does not mean that there must be equal balance across all aspects of an individual's life. The optimum work-life balance will not remain static but will vary over time relative to the environment and organization culture.

The International Labour Organization (ILO) mandate is to promote social justice and improve working conditions and employment opportunities globally. ILO develops and promotes international labor standards through conventions and recommendations that set out fundamental principles and rights at work. In Kenya, and largely in the mainstream financial sector, most commercial banks claim to have a planned approach to the management of their people. Their commitment typically takes the form of slogans such as "people are our most important asset" or "our people make the difference." Difficulties arise when these organizations fail to go beyond the slogans and fail to consider "people assets" in the strategic planning process. The type of workplace

environment in which employees operate determines whether or not such organizations' will prosper (Chandrasekhar, 2011).

Employee's performance according to Armstrong (2006), is the rating system used to determine abilities and output. It further goes to say that an effective employee is a combination of a good skill set and a productive work environment. The study cannot understate the need to ensure quality expectation in output on employee in terms of actual and desired performances. As such the performance indicators include error rate and work results. Lockett (2012), alludes that work life balance is the equilibrium between professional work and other activities, so that it reduces friction between official and domestic life. In this study work life balance policies are programs established by an employer that offer employees options to address work and personal responsibilities. Work life balance indicators include Work – Family conflict and Work- Extracurricular Conflict.

### **Problem statement**

One of the employee's expectation and requirement in a workplace is an environment that facilitates them to perform their work optimally. Banking institutions make significant investments in designing, building and ultimately recruiting knowledgeable personnel. The immediate work environment in terms of actual physical layout and design of an office is extremely important when it comes to maximizing individual performance. Inflexible work schedules, rigid work place practices, poor workplace layout and designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting and excessive noise adversely affect employee performance. In addition, incongruent psychosocial factors - the non-physical aspects of a workplace, such as working conditions, social support from supervisor and interpersonal conflicts also largely impact negatively on employees' performance. Employee performance is a critical determinant of a commercial bank's success and productivity. Researchers have extensively studied the factors influencing performance in the workplace, with a growing recognition of the impact of both psychosocial factors and the work environment on employee outcomes. This study seeks to bridge the gap between these two domains by examining their interplay in shaping employee performance.

### **Objective of the Study**

The general objective of this study was to investigate the effect of work-life balance and workplace environment on psychosocial factors and commercial banks employees' performance in Nakuru City, Kenya.

### **Hypothesis of the study**

**H<sub>0</sub>1:** Work-Life Balance has no statistically significant effect on Commercial Bank employee performance in Nakuru City, Kenya.

**H<sub>0</sub>2:** Mediation of Psychosocial factors have no statistically significant effect on Commercial Bank employee performance in Nakuru City, Kenya.

**H<sub>0</sub>3:** Moderation of workplace environment has no statistically significant effect of on work-life balance and commercial bank employee performance in Nakuru City, Kenya.

### **Justification of the Study**

This research is an extension of ideas dropped from previously-published work (Samson, Waiganjo, & Koima, (2015) on Effect of Workplace Environment on the Performance of Commercial Banks Employees in Nakuru Town with the International Journal of Managerial Studies and Research (IJMSR), 3(12), 76–89. The interest was sparked by the change and or new knowledge, interventions and strategies which the researcher supposes should be enacted, by methods which would support and promote how work life balance predicts employee's performance in the current dispensation. Ideally, the study, augmented with real-time longitudinal studies to obtain a better understanding of causal relationships (both degree and direction) between the various contemporary aspects of work-life balance with psychosocial factors within their workplace environment to the overall employees performance.

## **II. LITERATURE REVIEW**

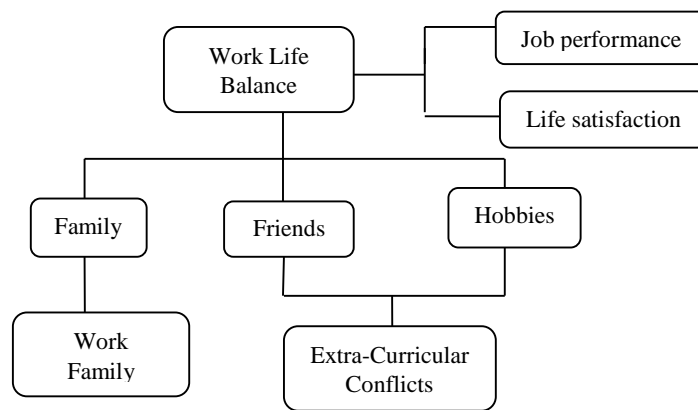
A review of the available literature was done at the initial stages to contextualize the study and identify gaps. This review continued long after some of the fieldwork had begun. This approach helped augment the context within which the research was done and anchored. The literature mainly enumerated the problems that were ordinarily associated with Commercial Bank employee's performance. The same literature is used as a source of information to justify the rationale for healthy workplace environment on Commercial Banks employees in Nakuru, Kenya.

**Theoretical Review.**

Environmental influences and differences may make a theory work in one place while making it irrelevant in another. The study was grounded on spillover theory which is based on asymmetric boundaries between the family and work and the role theory which postulates that the role occupied by an employee at work and elsewhere exists in relation to other employee who relies on the role played by the individual. The two theories offered complementarity with others theories and thus were the most relevant and feasible theory.

**Work life balance**

Work-life balance refers to the equilibrium between the time and effort individuals dedicate to their work and personal life. Maintaining a healthy work-life balance is essential for employee satisfaction, motivation, and overall productivity. When employees have enough time and energy to attend to their personal responsibilities and interests, they are likely to be more engaged and focused during working hours. Factors that can contribute to work-life balance include flexible working hours, telecommuting options, paid time off, and supportive company policies. When bank employees have access to these benefits, they can better manage their personal commitments, reducing stress and burnout.



**Figure 1: Work-Life Balance Relationships**

**Workplace environment**

The workplace environment encompasses various components and aspects, including physical (a comfortable, safe, and well-equipped workspace), social (team dynamics, positive relationships among colleagues, collaboration, creativity, and a sense of belonging) and cultural factors (open communication, feedback, and recognition) all influence employees' experiences and behavior at work. A positive and supportive workplace environment can significantly impact employees' performance and job satisfaction.

**Psychosocial factors**

Different scholar underscores the uniqueness of psychosocial factors on the specifics of the perceptions and experiences an employee holds in relation to the workplace. Numerous studies have highlighted the significance of psychosocial factors, such as job satisfaction, work engagement, and interpersonal relationships, on employee performance (Smith et al., 2017; Johnson & Brown, 2018; Adams & Roberts, 2019). Positive psychosocial factors are associated with enhanced motivation, commitment, and job-related well-being, leading to improved individual performance. Psychosocial factors refer to the psychological and social aspects of work that impact employee well-being and performance. These factors can include workload, job autonomy, job satisfaction, job security, interpersonal relationships, and emotional support. The study brings to light the fact that psychosocial aspects which include perceptions and experiences of the employee in relation to the workplace; affect employees' performance through manageable workload; some personal control over the job; support from colleagues and supervisors; positive relationships at work; a reasonably clear role; and a sense of control or involvement in changes at the workplace.

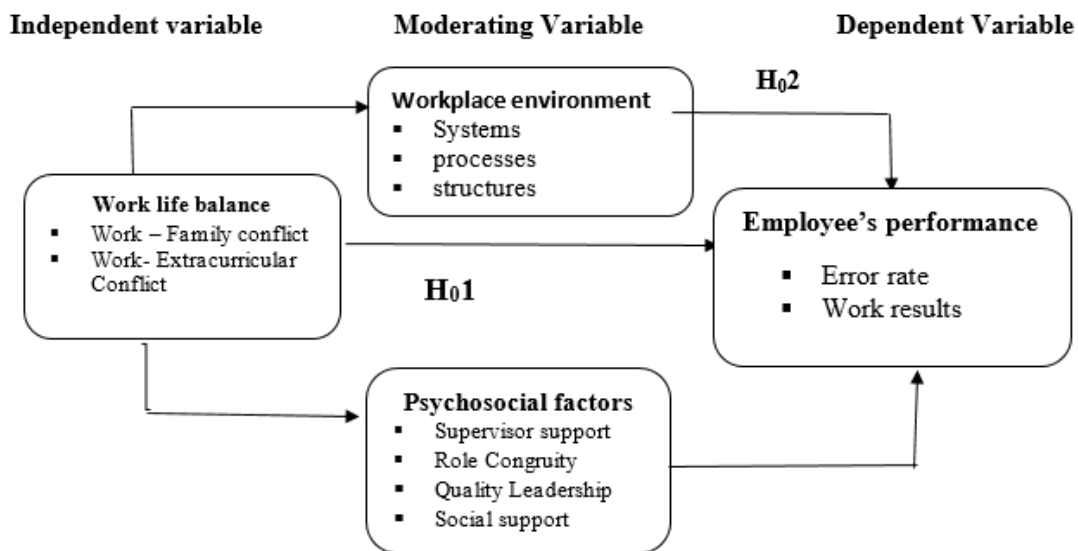
**Employees Performance**

The combination of a balanced work-life, positive workplace environment, and supportive psychosocial factors can significantly impact employees' performance. The quality of employee performance can be influenced and depends on the safety and comfort of working conditions and the workload of employees (Malik, Ahmad, Gomez, & Ali, 2011). Simply put, employee performance is how a member of staff fulfils the duties of their role, completes required tasks and behaves in the workplace. Measurements of performance include the

quality, quantity and efficiency of work through the work results and reduced error rates. Subsequently and most importantly these factors can lead to higher employee performance and contribute to the overall success of the bank. And hence Satisfied and engaged employees are more likely to deliver exceptional customer service, positively impacting the bank's reputation and customer loyalty.

**Conceptual Framework**

The conceptual framework depicts a direct relationship influencing work life balance and employee’s performance with psychosocial factors mediating the dependent variable. Workplace environment was conceptualized to moderate because banks operates within an open environmental system. Psychosocial factors mediated the representation of perceptions and experiences of the employee in relation to the workplace. Conditions abound that the independent variable (work life balance) must significantly predict the mediator (psychosocial factors) and again the dependent variable (Employees Performance). Another condition infers that when the mediator (psychosocial factors) is put with the Independent Variable (Work life balance) predicting the DV (Employees Performance) then the Independent Variable (Work life balance) should no longer be significant.



**Figure 2: Conceptual Framework**

**III. RESEARCH METHODOLOGY**

**Research Philosophy/Design**

This study adopted a positivist research philosophy with formulated objectives and hypotheses tested with observable social reality and rationale to get the results of a study. This study further applied a cross-sectional survey design (obtained at a single point in time using a single questionnaire).

**Population of the study**

The population of the study was 736 non-managerial staff from which a sample of 172 respondents was drawn from both the foreign and domestic owned Bank employees’ using stratified random sampling

**Validity and Reliability**

Concurrent, content and face validity were used to check for accuracy and precision of the results obtained for the analysis to actually represent the phenomena under study. Consistency was checked with use of reliability using Cronbach alpha to calculate all the possible split halves with 0.70 as the value deemed to be the lower level of acceptability.

**Data Analysis and Presentation**

The study adopted the application of both a mediator and a moderator. Mediation implied a situation where the effect of the independent variable on the dependent variable was best explained using a third variable which caused the independent variable and was itself a cause for the dependent variable. That is to say instead of work life balance causing employee performance directly, work life balance caused the mediator; psychosocial factors, and psychosocial factors in turn affected employee performance. The causal relationship between work life balance and employee performance in this case was said to be indirect. To examine the research question a

mediation analysis was conducted to assess if workplace environment mediated the relationship between psychosocial factors and employees performance.

The moderating variable specified conditions under which a given predictor was related to the outcome while altering the direction or magnitude of the relationship between two or more variables. Moderation implied an interaction effect, where introducing a moderating variable changes the direction or magnitude of the relationship between two variables. To examine the research questions, a moderation analysis was conducted to assess if workplace environment moderated the relationship between work life balance and employees performance. To assess for moderation a regression was conducted that had the independent variable (work life balance), the moderator (workplace environment) and the interaction between the independent variable and the moderator predicting the dependent variable. Baron & Kenny (1986) assert that for moderation to be supported the interaction term of the regression should be significant.

Multiple regression analysis was used to explore the intensity of the relationship between the individual independent variables and employee's performance as the dependent variable and how that relationship is affected by workplace environment. Null hypothesis was rejected or failed to be rejected based on the p-value obtained and the test were performed at  $\alpha = 0.05$  level of significance.

The following models were fitted to test the hypothesis;

**Model 1:**  $Y = \beta_0 + \beta_1 X_1 + \epsilon$

**Model 2:**  $Y = \beta_0 + \beta_1 X_1 + \beta_{MM} + \epsilon$

### **Assumption for Regression**

The assumption for regression included linearity and normality tests. Linearity was tested using scatter plot and it assumed that the collection of data could be described by a straight line passing through the data array. Normality test was used to check the distribution of data and with all requirements of the structural model equations being met proving it was feasible to do further data analysis.

## **IV. RESULTS AND DISCUSSION**

Prior to a full scale inferential treatment factor loading was conducted. Factor analysis was primarily used for data reduction purposes as it facilitated a smaller set of variables (preferably uncorrelated) from a large set of variables (most of which are correlated to each other) and created indexes with variables that measured similar items (conceptually).

### **Correlations**

The study findings showed that work life balance and employees performance had a relatively significant relationship ( $r = .384$ ,  $p\text{-value} < 0.007$ ). It showed that Commercial Banks that embraced positive work life balance approach achieved effective performance from their operations and interactions. The study findings also showed that work place environment had a high correlation with employees performance ( $r = .479$ ,  $p\text{-value} < 0.001$ ). That meant that a positive change in work place environment resulted in effective employees' performance. Psychosocial factors being the mediating variable also showed a weak positive correlation with employees performance ( $r = .287$ ,  $p\text{-value} = .0005$ ). With all the variables returning a positive correlation, they were therefore subjected to further regression analysis to determine their individual contributions.

### **Moderated Regression**

Moderation regression was used to check how the variable could strengthen, diminish, negate, or otherwise alter the association between independent and dependent variables. The presence of a supportive workplace environment culture was found to strengthen the positive link between work-life balance and performance. The moderation regression analysis indicated that workplace environment significantly moderated the relationship between work life balance and bank employees performance ( $p < 0.05$ ). The strength of the relationship was found to be stronger for employees working in a positive workplace environment compared to those in a less favorable environment.

### **Mediation**

Mediation analysis explains how two variables are related and was used to quantify the causal sequence by which the antecedent variable caused a mediating variable that causes a dependent variable. To explore the mediating role of psychosocial factors, a mediation analysis using bootstrapping methods was performed (Hayes, 2018). The results demonstrated that psychosocial factors partially mediated the relationship between the workplace environment and employee performance. This suggests that positive workplace environments influenced commercial bank employee performance, at least in part, through their impact on psychosocial factors.

### **Multiple Regression**

To examine the research questions a multiple linear regression was conducted to assess if work life balance predicted employees performance. The results of the linear regression were significant,  $p < 0.05$   $r = 0.28$  suggesting that work life balance accounted for 28% of the variance in employees performance. Work life balance was further a significant predictor of performance  $B = 0.26$ ,  $p < 0.005$  suggesting that for every one unit increase in work life balance employees performance increased by 0.26 units.

## **V. CONCLUSION AND DISCUSSION**

Combining mediation and moderation was especially insightful in understanding the complex interactions and pathways that affected the performance of banks employees. The study examined not only the direct relationships between variables but also the underlying mechanisms (mediation) and the contextual conditions (moderation) that impacted bank employee's performance. Based on the results of the data analysis, corroborations and contradictions by other studies, conclusions were established with theoretical and practical implications being inferred. It could be concluded that the study found imperative and pertinent significance of work life balance in promoting employee's creativity and productivity, reducing stress and resulting to happier people and increased family life. Components key to the efficiency and effectiveness of work life balance were found to be self-management, time management, management of technology, management of leisure time. Balancing work and life were and is always a difficult task for bank employees but striking a balance was deemed essential for their overall wellness.

### **Work-Life Balance and Employee Performance**

Work-life balance did have a significant influence on employee performance indicating a significant direct effect. The absence of conflict in work and family roles aspects enhanced employees performance mainly because of a supportive and flexible work place environment. The results of Kurnia & Widigdo (2021), Nurhasanah, Kalimin, & Syaifuddin (2019) and Kim, (2014) corroborates the findings of this research. However contradictions on the same by Kluczyk (2013) investigating the effect of work-life balance on the workers' welfare within the private sector shows unfavorable impacts of low work-life balance, as indicated by increased family-work levels and a work-family dispute on family gratification.

### **Mediation of Psychosocial Factors and Employee Performance**

This research shows an association between psychosocial factors and employee's performance improved the employee's affective and cognitive outcomes. Analysis showed that psychosocial factors on employee's performance was weak, inconsistent but significant. With statistical and practical significance, psychosocial concepts significantly increased with greater work-life balance if they are satisfied with their work group. The flip side of it could manifest through burnout and anxiety, depression and distress, and or decreased decision-making. As cited by Keleher, Ayton, Barker & Ellis (2010), Keleher, MacDougall, Murphy (2007) corroborates this research with their assertion of a mix of mental health and physical health as encompassing the psychosocial factor. They believe that promotion of health (health promotion) is about efforts to create and support healthy environments while simultaneously creating opportunities for people to learn and perform.

### **Moderation of Workplace Environment and Employee Performance**

The study findings are strengthened by Indarti, Hendriani, & Mahda, (2014), that the work environment is a factor outside of human, both physical and non-physical affecting employees performance. Hustia (2020) also asserts that a good workplace environment affects and has good impact on Employee's performance. These results are starkly different from previous researches which appears that the association between these variables is not universally consistent and may vary depending on organizational factors and industry context. By revealing significant discrepancies in this study findings compared to previous research, the study underscore the importance of context-specific analyses in this area.

### **Implication of the study**

Practical implication was contingent to managers improving work life/workplace standards that humanize experiences through positive interactions of supervisor support, role congruity and quality leadership. Theoretical implications was reinforced by the contribution of this research to the existing theory by explaining why and how a greater work-life balance leads to greater employee performance.

### **Recommendations**

To enhance confidence in the generalizability of the findings, the researcher believe this research should be extended to include other organizations and industries. The study suggests that increased work life balance improves performance, but without longitudinal objective measures the size of the benefit is and could be difficult

to quantify. However, from a practical stand, future researchers should take cognizant that corroborations or contradiction of the study are not only beneficial, but could also be confirmatory to the potential magnitude of the benefit. Augmenting the subjective measures with temporal objectives measures would have strengthened the study by answering this question as well as offering additional support for the use of subjective measures.

### **Suggestions for Further Studies**

This study sheds light on the complex dynamics that underlie employee performance. By examining the mediating role of psychosocial factors and the moderating influence of the workplace environment, we underscore the interconnectedness of these factors in shaping employee outcomes. As organizations strive to maximize their performance, attention to both psychosocial factors and workplace environment becomes paramount for work life balance. Future research should delve deeper into specific strategies to optimize psychosocial factors and workplace environments for the benefit of individual employees and overall organizational success.

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