

## The Effect of Work-Life Balance and Rewards on Performance Mediated by Psychological Well-Being

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### ABSTRACT

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**Objective:** This study aims to determine the influence of Work-Life Balance and Reward in improving Work Performance with Psychological Well-Being as a mediating variable.

**Methods:** The study was conducted at Stanagiri Luxury and Khastana in the areas of Tegal Suci, Sebatu, Tegallalang, Gianyar, Bali with 120 samples using purposive sampling. The data was processed using SPSS to describe the demographics of the respondents, and AMOS SEM to confirm the hypothesis.

**Results:** Work-Life Balance had a significant and positive effect on Psychological Well-Being. Work Life Balance has a significant and positive effect on work performance. Reward has no effect on Psychological Well-being. Rewards have no effect on Work Performance. Psychological Well-Being has a significant and positive effect on Work Performance. Psychological Well-Being mediates the relationship between Work-Life Balance and Individual Work Performance. Psychological Well-Being mediates the relationship between Reward and Job Performance.

**Conclusion:** Work-Life Balance has a positive and significant effect on Psychological Well-being and Work Performance. On the other hand, Rewards do not have a significant effect on Psychological Well-Being or Work Performance. Psychological well-being has a positive and significant effect on Work Performance and acts as a mediator in the relationship between Work-Life Balance, Reward, and Individual Work Performance.

**Keywords:** Work Life Balance; Reward; Individual Work Performance; Psychological Well-Being.

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## INTRODUCTION

Competition in the business world today is very competitive, so it requires all business people to continue to adapt and innovate (Anastasia Riani at all, 2022). A company that develops well must certainly have quality human resources for the sustainability of the company in the future. Sustainability in a company is certainly influenced by the existence of human resources to help realize the company's goals (Shintianingsih & Utomo, 2024). Human resources are a vital foundation that supports a company's operations, are the main force in carrying out various activities, and stand out as an invaluable strategic asset (Chali & Lakatos, 2024). The abilities and skills of human resources in a company play a very important role in achieving the vision and mission in the company (Nadapdap & Harahap, 2023). Human resources play a role in managing and regulating company activities to achieve preset goals (Dupri at all, 2023). Individual work performance is the key to the problem of predicting achievement in a (Dwiliessanti & Yudiarso, 2022).

Problems related to employee performance that arise are a sign that the executive and administrative duties of the head of human resource assets are very important. If problems that arise related to employee performance are not handled properly, there will be a decline in the company's development (Prasetyo et al., 2023). Decreased performance in employees often occurs due to several problems that are often overlooked, such as work-life balance issues, which will put pressure on employees' lives (Pane, 2022). Problems in work demands and life balance will have an impact on the health and well-being of employees.

Employee dissatisfaction with their accomplishments (Huo & Jiang, 2023) has the potential to lower levels of self-understanding and self-esteem, which ultimately negatively impacts psychological well-being. This phenomenon reflects the imbalance between professional responsibilities and employees' personal lives, as posited by (Tamunomiebi & Oyibo, 2020), which highlights the importance of harmony between work roles and personal lives in maintaining the holistic well-being of individuals.

To achieve continuous performance improvement, factors are needed to support employee performance, both directly and indirectly. Actions that can be taken to overcome this problem include paying attention to the individual life balance of employees or work-life balance. Achieving maximum performance is not easy, because employee performance is highly dependent on employees. For this reason, leaders play a very important role in this regard, to provide motivation, enthusiasm and appreciation for their employees. In this case, it is important for companies to pay special attention to the achievements achieved by employees by giving a word back. Reward rewards can be in the form of compliments, compensation, bonuses, or rewards for employees who excel in predetermined achievements to improve performance in the company (Saari Duck, 2021).

The amount of rewards that companies give to employees is the result of their performance based on responsibility to the company. For this achievement, the company will appreciate employee performance by providing rewards that can be felt directly by employees (M. F. A. Prathama & Handayani, 2022). This reward is one of the self-rewards that can increase employee satisfaction so that it can improve psychological well-being that affects employee performance. The distribution of rewards from the Company can provide psychological opinions for employees (Shadiq at all., 2022). Employees who have psychological well-being that will affect job satisfaction which will have an impact on improving employee performance (Sofyanty & Setiawan, 2020).

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## THEORETICAL STUDIES

### **Theory Planned Behavior**

Theory planned behavior Emphasis is placed on beliefs, a person's behavior with resources that encourage a person to perform certain behaviors (Gunawan & Hermawan, 2020). One will consider several beneficial factors that will be felt such as costs and results to be obtained before taking action (Koay et al., 2024). Theory planned behavior is the best theory used to explain a person's behavior (Fauzi at all, 2024). Theory planned behavior has components that are closely related to a person's behavior in acting, namely attitude behavioral, subjective norm and perceived behavioral control (Gunawan & Hermawan, 2020). Attitude behavioral is a negative, positive evaluation of behavior with consequences that will be obtained if someone takes action. This behavioral attitude is associated with rewards that It is hoped that by Reward given by someone to encourage the individual's performance.

### **Individual Work Performance**

Individual work performance is a person's behavior that is in line with the organization's expectations (Dwiliessanti & Yudiarso, 2022). Performance is the overall outcome of an individual during a predetermined period of time to carry out duties and responsibilities with predetermined criteria and standards in accordance with predetermined objectives. Employee performance is the results achieved by employees in carrying out their work in accordance with their responsibilities for their work (Filed in 2021). A person will try to adapt and work on(Kalischko & Riedl, 2024). Employee performance is the level of ability of employees to complete certain tasks or jobs in the context of knowledge, expertise, and job needs (Otoo, 2024). Performance is a level of a person's ability to carry out their duties with their responsibilities and ability to achieve predetermined standards (Nurdin, 2021).

### **Work Life Balance**

A person's balance in carrying out the role of an individual's life and the role in job responsibilities or called work life balance. Work life balance also defined as the compatibility between the world of work, career and personal life, family hobbies, and others (Panda & Sahoo, 2021). Work life balance refers to an individual's ability to meet the demands of work and family, as well as responsibilities and activities outside of his or her work (Lorentzon at all, 2024). Work life balance It refers to the extent to which an individual feels satisfied in fulfilling a role based on responsibility. Work life balance With regard to capacity, a person can achieve a balance between the demands of work and the needs of his or her personal and family (Dewi at all, 2022). Work-life balance is a state of conflict between roles and responsibilities for work and family that can be overcome with good management. Employees' view of work-life balance is the ability of employees to strike a balance between workplace demands and responsibilities outside of work demands (Rifai & Medreza, 2024).

### **Reward**

Reward is a gift or award given by the company to employees for an achievement made by employees to the company. reward carried out as one of the management strategies in the company to improve employee performance to be better than before (Gunawan & Hermawan, 2020). The purpose of designing a reward system in an organization is to motivate, retain and improve the quality of employees (Alves at all, 2024). Reward which is given to employees has the goal of making an employee more active and enthusiastic to improve the improvement of his achievements in the company (Gunawan & Hermawan, 2020). Reward It is one of the

references and motivations of employees to improve employee performance by allocating and managing their time to provide maximum results for their responsibility for their work in the company. Reward given to encourage employees in providing new ideas to innovate (Lwanga & Ngulube, 2024). The reward system is very important as a consideration for company innovation in the future (Alves at all, 2024).

### **Psychological Well-Being**

Psychological Well-Being is a condition of a person who has a positive attitude towards himself and others (B. P. Pratama & Endratno, 2022). Psychological Well-Being or the psychological well-being owned by a person is a personal resource (Muhadi & Izzati, 2020). Psychological Well-Being It includes a positive assessment of oneself and acceptance of past life. Psychological Well-Being also includes positive sustainable development, and has the belief that his life has a purpose to be implemented (Bozek at all, 2020). Psychological Well-Being is a life balance related to the ability to balance the demands of one's work and personal life (Wibawa at all, 2024). Psychological Well-Being is very important in the sustainability of employees in meeting the demands of work and daily life. Psychological Well-Being will affect a person in responding to situations and interacting with others (Wibawa at all, 2024).

### **HYPOTHESIS**

Based on the background and theoretical studies that have been prepared, several hypotheses that will be proposed in this research can be prepared as follows:

#### **Work life Balance and Individual Work Performance**

Work Life Balance is the ability of individuals to balance obligations in daily life and obligations in the work environment (Parenten at all, 2024). Work Life Balance can show the possibility of significantly improving a person's morale. Work Life Balance qualified in developing levels of motivation and satisfaction Individual Work Performance (Panda & Sahoo, 2021). Work Life Balance is the welfare of every individual where a person manages responsibilities in daily life professionally in the demands of work (Chatterjee at all, 2023).

Theory Planned Behavior assumes that a person behaves and behaves rationally which results in an individual thinking and behaving in a manner that is the cause and effect of their actions (Kamil, 2023). Companies that ignore work life balance will experience a decrease in performance. Therefore work life balance It's important to improve Individual Work Performance which will affect the development of the company's performance (Susanto at all., 2022).

H1: Work Life Balance has a positive effect on Individual Work Performance.

#### **Rewards and Individual Work Performance**

Reward is a statement to a person for the achievements that have been achieved, which can be in the form of material and non-material forms (Saari Duck, 2021). Reward It is very important to motivate someone, therefore the company must develop a reward system to meet the wishes of employees in order to improve Individual Work Performance (Manzoor at all., 2021). Gift reward It is hoped that it can motivate a person to achieve Individual Work Performance The better (Sidik at all, 2023).

Planned Behavior assumption that a person has considerations that will support his behavior including behavior and traits in the work environment. One of the results that the company will

give to employees is in the form of rewards that have the goal of increasing Individual Work Performance (Gunawan & Hermawan, 2020). With the existence of a corporate reward system, it can motivate to maintain and improve Individual Work Performance (Manzoor at all, 2021).

H2: Rewards have a positive effect on Individual Work Performance.

### **Work Life Balance and Psychological Well-Being**

Work-life balance or work-life balance refers to an individual's ability to manage his or her work and personal life roles in a balanced manner. According to recent research, this balance is important for psychological well-being, allowing employees to better manage stress as well as improve their overall quality of life (Panda & Sahoo, 2021).

Work-life balance good is believed to positively affect psychological well-being (Saraswati & Lie, 2020). Showing that this balance allows employees to better manage their workload so that it can improve their happiness as well as mental well-being. The balance between work and personal life helps employees in strengthening interpersonal relationships and increasing their life satisfaction.

H3: Work-Life Balance has a positive effect on Psychological Well-Being

### **Reward and Psychological Well-Being**

Consistent and appropriate rewards contribute to increasing job satisfaction as well as reinforcing positive feelings towards their work (Lwanga & Ngulube, 2024). Rewards given appropriately can strengthen an individual's emotional attachment to their work, increase self-esteem, and reinforce the perception of self-worth (Shadiq et al., 2022). In the work environment, regular and appropriate rewards can increase an individual's confidence and satisfaction, which ultimately contributes to their psychological well-being (Chen et al., 2022).

Rewards are also considered an important form of social support. Studies have found that individuals who receive rewards in the form of praise or recognition tend to feel more accepted and valued by their environment, which directly improves interpersonal relationships one of the important dimensions of psychological well-being (Park et al., 2021).

H4: Rewards have a positive effect on Psychological Well-Being

### **Psychological Well-Being and Individual Work Performance**

Psychological well-being is a condition that reflects a person's level of mental health, including affective, cognitive, and social aspects of daily life (Utami, 2020). Good individual performance contributes to the overall success of the organization, as the quality and output of the individual's work determine the effectiveness of the team and the organization. Individuals with psychological well-being High ones are usually more motivated and engaged in their work, as well as showing better performance (Lu et al., 2022). A healthy psychological state helps individuals to manage stress, face challenges, and achieve work goals, which directly improves their performance.

H5: Psychological Well-Being has a positive effect on Individual Work Performance

### **Psychological Well-Being mediates the effect of Work Life Balance on Individual Work Performance**

Work life balance It is considered as an interrelated work and non-work activity to encourage growth in accordance with individual priorities in life. Work life balance is a welfare that can be determined by oneself which will be achieved as a goal with responsibility effectively (S. &

S.N., 2023). Someone who experiences a level of Psychological well-being which will affect the level of productive commitment to their work (J&H, 2023). Psychological well-being improve physical and mental health, while work life balance Includes satisfaction that includes satisfaction in work and non-work activities. In line with this perception work life Balance is considered an indicator of a person's psychological well-being (Kirby at all, 2022).

Psychological well-being is a state of Where a person can accept himself and others well. If a person can balance his daily activities with his work activities comfortably and satisfactorily, then he will have the enthusiasm to do his work (Zafirah & Budiono, 2024). Individual work performance bad can be affected by a person's low psychological well-being (Ahnaf & Eryandra, 2024).

H6: Psychological Well-Being can mediate the effect of work-life balance on Individual Work Performance

### **Psychological Well-Being mediates the effect of Rewards on Individual Work Performance**

Reward usually aims to improve and develop the business. By giving reward to employees aims to reward their work. By giving reward can affect their welfare (Fakhrurrazi at all, 2016). If employees do not get rewards according to the results and achievements they have achieved, then the employee cannot meet their life needs, therefore psychological well-being they are unstable so they will have an impact on individual work performance (Yudha at all., 2021).

Reward given to a person will affect a person's psychological well-being. Employees who have psychological well-being a good one will have an impact on the improvement individual work performance (Kundi at all, 2020). Based on the above explanation, the hypothesis in this study is in accordance with the research conducted by (2024) which states that a combination of extrinsic and intrinsic rewards can produce an ape region that will support psychological well-being. (Zafirah & Budiono, 2024) which states that psychological well-being affects work performance.

H7: Psychological Well-Being can mediate influence Reward against Individual Work Performance.

## **METHOD**

This study uses a quantitative research method to analyze the complex interaction between Work-Life Balance, Rewards, Individual Work Performance, and Psychological Well-Being as mediating variables. The focus population is employees of Stanagiri Luxury Retreat and Khastana. The research design is causal, with the main objective of examining the cause-and-effect relationship between independent, mediating, and dependent variables. The variables used include Work-Life Balance as an independent variable, Reward as an independent variable, Individual Work Performance as a dependent variable, and Psychological Well-Being as a mediation variable.

Data was collected through a questionnaire using a Likert scale of 1 to 5, distributed to 120 respondents who were deliberately selected with certain criteria. The data analysis consisted of descriptive analysis to describe the characteristics of respondents and the distribution of data, as well as inferential analysis using Structural Equation Modeling (SEM) with the help of AMOS software. This technique makes it possible to measure the direct and indirect influence of variables as well as the mediating role of Psychological Well-being. Prior

to the main analysis, validity and reliability tests were performed using Cronbach's Alpha to ensure the accuracy and consistency of the research instruments used.

Analysis using AMOS SEM has the advantage of simultaneously testing complex theoretical models, taking into account the relationships between latent variables and manifest indicators. AMOS is also able to take into account measurement errors, so that the analysis results are more accurate and reliable. Another advantage lies in its ability to test the effects of mediation and moderation directly, as well as providing goodness-of-fit indicators such as CFI, TLI, and RMSEA to assess model suitability. In addition, AMOS is able to handle lost data efficiently and presents model visualizations that facilitate the interpretation of research results.

## RESULTS AND DISCUSSION

### Results

#### Validity and Reliability

The data collected must go through validity and reliability tests to ensure that in the process of descriptive statistical analysis, all the data used has been proven to be valid and trustworthy.

**Table 1** Validity and Reliability of Research Data

Variable	Indicators	Item total Corelation	Cronbach Alpha	Information
Work Life Balance	WLB1	.812	0.904	Valid and Reliable
	WLB2	.802		
	WLB3	.799		
	WLB4	.744		
	WLB5	.653		
Psychological Well-Being	PWB1	.479	0.833	Valid and Reliable
	PWB2	.706		
	PWB3	.662		
	PWB4	.763		
	PWB5	.614		
Reward	RWR1	.700	0.865	Valid and Reliable
	RWR2	.785		
	RWR3	.669		
	RWR4	.727		
	RWR5	.549		
Individual Work Performance	IWP1	.804	0.903	Valid and Reliable
	IWP2	.802		
	IWP3	.798		
	IWP4	.743		
	IWP5	.652		

Based on the results of the validity and reliability test in table 1, all variables in this study showed good instrument quality. The Work Life Balance variable consisting of five

indicators (WLB1–WLB5) has an item-total correlation value ranging from 0.653 to 0.812. All items show strong validity, and Cronbach's Alpha value of 0.904 indicates a very high level of reliability.

In the Psychological Well-Being variable, five indicators (PWB1–PWB5) showed item-total correlation values ranging from 0.479 to 0.763. Although there is one item with a correlation value close to the minimum limit, which is 0.479, the overall instrument is still valid and reliable, supported by Cronbach's Alpha value of 0.833 which indicates good internal consistency. Furthermore, the *Reward* variable also consists of five indicators (RWR1–RWR5) with item-total correlation values ranging from 0.549 to 0.785. All items are declared valid and the instrument has a high level of reliability with a Cronbach's Alpha value of 0.865.

Finally, the Individual Work Performance variable has five indicators (IWP1–IWP5) with item-total correlation values ranging from 0.652 to 0.804. All indicators show strong validity, and Cronbach's Alpha value of 0.903 confirms that this instrument is very reliable. Thus, all items in the four research variables can be declared valid and reliable and suitable for use in the next stage of analysis. After the validity and reliability test is met in accordance with the conditions, this data can be used as a basis for descriptive analysis and inferential analysis.

### Respondent Demographics

Demographic analysis provides an important foundation for understanding how each individual's unique characteristics affect the way they perceive and respond to various stimuli or information. For example, age differences can affect the way an issue is viewed based on different life experiences, while education can affect the level of understanding and preferences of individuals in responding to something. Similarly, gender variables can be a differentiating factor in perceptions, which are often influenced by social norms and different roles in society.

**Table 2** Respondent Demographic Data

Category Demographics		Frequency	Percent
Gender	Man	69	57.5
	Woman	51	42.5
		120	100
Age	< 26 (Z)	25	20.8
	27 – 42 (Y)	30	25.0
	43-58 (X)	50	41.7
	>59	15	12.5
		120	100.0
Education	High School / Equivalent	28	23.3
	S1	78	65.0
	S2	14	11.7
		120	100

Demographic data of the respondents in this study includes gender, age, and education level categories. In terms of gender, the total number of respondents was 120 people, with the majority being male as many as 69 people or 57.5%, while women amounted to 51 people or 42.5%. In the age category, respondents were divided into four ranges that covered various generations. A total of 25 respondents (20.8%) are under the age of 26 years (generation Z), 30



respondents (25.0%) are 27-42 years old (generation Y or millennials), and the majority, namely 50 respondents (41.7%), are at the age of 43-58 years (generation X). Meanwhile, the age group over 59 years old includes 15 respondents or 12.5%. In terms of education, the majority of respondents have a high level of education, with 65% (78 respondents) having a bachelor's degree (S1), followed by 23.3% of respondents with a high school education or equivalent (28 people), and 11.7% of respondents with a master's degree (S2).

### REGRESSION ANALYSIS

The following is a table that shows the results of the data normality assessment after improvements are made in the analysis of the Structural Equation Modeling (SEM) model.

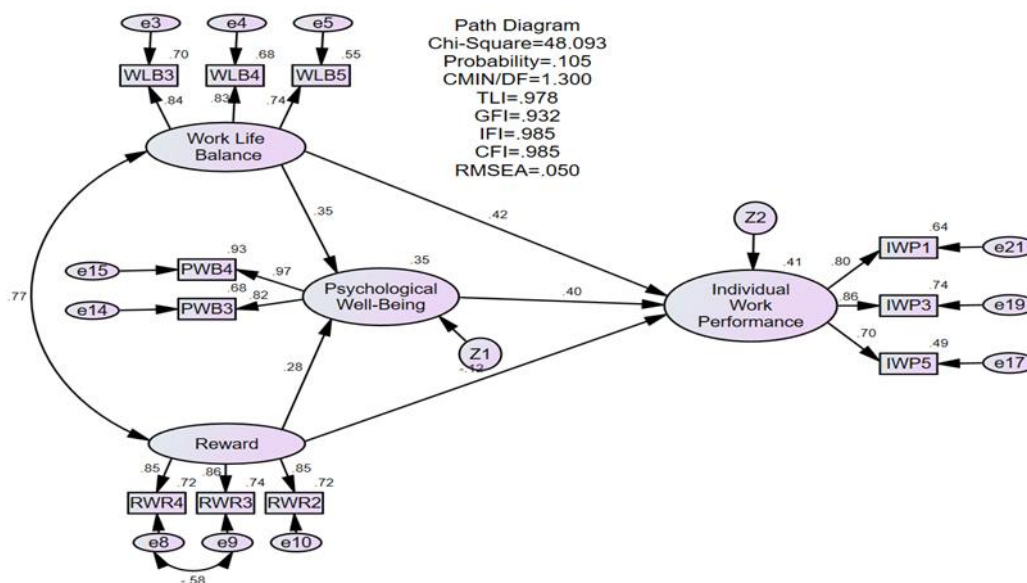


Figure 1: Structural Equation Model

Figure 1 shows a path diagram from the Structural Equation Modeling (SEM) analysis which illustrates the relationship between the variables Work Life Balance, Reward, Psychological Well-Being, and Individual Work Performance. Based on this model, it can be seen that Work Life Balance and Reward have a direct influence on Psychological Well-Being. Furthermore, Psychological Well-Being acts as a mediating variable that has a positive influence on Individual Work Performance. In addition to mediation, Work Life Balance also has a direct influence on individual performance. The results of this assessment will provide an idea of whether the data distribution has met the necessary requirements to proceed with further SEM analysis.

### Loading Factor

The value of an adequate loading factor is an important indicator of the strength of the relationship between the latent variable and its measuring indicator. In SEM analysis, the loading factor value should ideally be above a certain threshold (generally 0.5 or even 0.7 in some cases). Paying attention to the value of this loading factor helps ensure that the model built is inadequate at the indicator level. The following table presents information on loading factor values:

**Table 2** Standardized Regression Weights

Observation Variables		Latent Variable	Estimate
WLB3	<---	Work Life Balance	.840
WLB4	<---	Work Life Balance	.826
PWB3	<---	Psychological Well-Being	.823
PWB4	<---	Psychological Well-Being	.966
IWP3	<---	Individual Work Performance	.863
RWR2	<---	Reward	.851
RWR3	<---	Reward	.858
RWR4	<---	Reward	.847
WLB5	<---	Work Life Balance	.739
IWP5	<---	Individual Work Performance	.701
IWP1	<---	Individual Work Performance	.798

This table shows the loading factor between the indicator variable and the latent variable in the SEM model. WLB3 (0.840) and WLB4 (0.826) have a strong contribution in measuring Work-Life Balance (WLB). PWB3 (0.823) and PWB4 (0.966) greatly contribute to Psychological Well-Being (PWB), with PWB4 as the strongest indicator. For Individual Work Performance (IWP), IWP3 (0.863) had a strong relationship, while IWP5 (0.701) and IWP1 (0.798) continued to show significant contributions. In Resilience at Work (RWR), RWR2 (0.851), RWR3 (0.858), and RWR4 (0.847) showed high consistency of contributions. Overall, the loading factor values in this table are quite high, indicating that each indicator has a strong contribution to its latent variables. Indicators such as PWB4 (0.966) and WLB3 (0.840) show a very strong relationship, while lower value indicators such as IWP5 (0.701) continue to make a fairly good contribution. This SEM model is valid and reliable in measuring the latent variables studied.

### Goodness of Fit

In a study using AMOS (Analysis of Moment Structures), Goodness of Fit (GoF) is an indicator used to assess the extent to which a structural model or measurement model is in accordance with empirical data. The GoF helps determine whether the model under test is acceptable or needs to be modified. The results of the Goodness of Fit test show that the model has a good match with the data. A Chi-Square value = 48.093 with probability = 0.105 indicates that the model does not differ significantly from the empirical data. In addition, the CMIN/DF = 1.300 ratio is within a good boundary ( $\leq 2$ ), while the TLI = 0.978, GFI = 0.932, and CFI = 0.985 indices are all above 0.90, indicating an excellent model. The value of RMSEA = 0.050 is also within the acceptable limit ( $\leq 0.08$ ). Thus, this model can be said to have a good match rate and can be used for further analysis. After being declared eligible, conclusions can be drawn from the value of the results of the proposed hypothesis analysis. The following is a table of Regression Weights:

**Table 3** Regression Weights

Endogenous Variables	Regression	Variable Exogenous	Estimate	S.E.	C.R.	P	Label
Psychological Well-Being	<---	Work Life Balance	.410	.187	2.197	.028	Confirmed
Psychological Well-Being	<---	Reward	.319	.173	1.842	.066	Confirmed below significant 10%
Individual Work Performance	<---	Psychological Well-Being	.379	.109	3.482	***	Confirmed
Individual Work Performance	<---	Work Life Balance	.467	.191	2.451	.014	Confirmed
Individual Work Performance	<---	Reward	-.126	.167	-.756	.449	Not Confirmed

This table displays the results of regression analysis in the SEM model, which tests the relationship between exogenous variables (Work-Life Balance and Reward) and endogenous variables (Psychological Well-Being and Individual Work Performance). Work-Life Balance has a positive and significant effect on Psychological Well-Being (Estimate: 0.410, C.R.: 2.197, P: 0.028) and on Individual Work Performance (Estimate: 0.467, C.R.: 2,451, P: 0.014). Psychological Well-Being also has a positive and very significant influence on Individual Work Performance (Estimate: 0.379, C.R.: 3.482, P: \*\*\*). On the other hand, Reward had no significant effect on Psychological Well-Being (Estimate: 0.319, C.R.: 1.842, P: 0.066) or Individual Work Performance (Estimate: -0.126, C.R.: -0.756, P: 0.449). Overall, Work-Life Balance plays an important role in improving an individual's psychological well-being and performance, while Rewards do not have a significant impact.

### Mediation Analysis

#### Work Life Balance → Psychological Well-Being → Individual Work Performance

**Table 4** Analysis results Work Life Balance, Psychological Well-Being and Individual Work Performance

Endogenous Variables	Regression	Variable Exogenous	Estimate	S.E.	C.R.	P	Label
Psychological Well-Being	<---	Work Life Balance	.410	.187	2.197	.028	Confirmed
Individual Work Performance	<---	Psychological Well-Being	.379	.109	3.482	***	Confirmed

Endogenous Variables	Regression	Variable Exogenous	Estimate	S.E.	C.R.	P	Label
Individual Work Performance	<---	Work Life Balance	.467	.191	2.451	.014	Confirmed
							Mediate partially

Based on the data in the table: Work Life Balance has a significant effect on Psychological Well-Being (0.410, p-value = 0.028). Psychological Well-Being had a significant effect on Individual Work Performance (0.379, p-value < 0.001). Thus, these two pathways (Work Life Balance → Psychological Well-Being and Psychological Well-Being → Individual Work Performance) are significant, suggesting that Psychological Well-Being mediates the relationship between Work Life Balance and Individual Work Performance.

### Reward → Psychological Well-Being → Individual Work Performance

**Table 5** Analysis results Reward, Psychological Well-Being, and Individual Work Performance

Endogenous Variables	Regression	Variable Exogenous	Estimate	S.E.	C.R.	P	Label
Psychological Well-Being	<---	Reward	.319	.173	1.842	.066	Significantly below 10%
Individual Work Performance	<---	Psychological Well-Being	.379	.109	3.482	***	Confirmed
Individual Work Performance	<---	Reward	-.126	.167	-.756	.449	Not Confirmed
The role of mediation							Fully mediating

Interpretation: The relationship between Reward and Psychological Well-Being shows a C.R. value. at 1,842, which is close to the 1.96 limit which usually shows significance at the level of 0.05. A P-value of 0.066 indicates that this relationship is almost significant, but it is still slightly higher than 0.05, so it can be considered a weak significance.

### Discussion

The analysis that has been carried out in the research that has been carried out has provided a review in the development of individual work performance. Where The results of the analysis show that Work Life Balance (WLB) has a positive and significant influence on Psychological Well-Being (PWB). This relationship corresponds to the theory that states that when individuals feel they have enough time and energy to balance work with aspects of personal life, stress levels are reduced and life satisfaction increases, which ultimately reinforces psychological well-being (Panda & Sahoo, 2021). Work Life Balance A good one

can provide employees with opportunities to rest, interact with family, and meet emotional needs, all of which support their mental well-being (Panda & Sahoo, 2021; Saraswati & Lie, 2020).

Work Life Balance also showed a significant positive influence on Individual Work Performance (IWP). When a work-life balance is achieved, employees have better energy and focus at work, thus improving their performance. Employees who feel stressed or overwhelmed due to the imbalance between work and personal life often experience decreased performance. Therefore, Work Life Balance A good one can increase productivity because employees are more focused, satisfied, and motivated. Based on research conducted by (Susanto et al., 2022; Zahra et al., 2024). Reward has no significant influence on Psychological Well-Being. Even though reward is expected to improve welfare, this relationship may not be significant due to the type of reward The awards may not meet the deep psychological needs of employees, such as intrinsic rewards or social recognition. If rewards are only material or formal without regard to the aspect of personal recognition, this has less impact on psychological well-being. Based on research conducted by (Ahmada et al., 2023; Jung et al., 2023).

Reward nor does it show a significant influence on Individual Work Performance. Based on motivation theory Herzberg, reward Materials often play a role in "hygiene" that prevents dissatisfaction but does not necessarily increase job satisfaction or motivation (Prague, 2024). Means reward It may be necessary to maintain a performance level, but it is not a major factor in performance improvement. Therefore, if employees have reached a point of saturation with reward, its effect on performance may not be significant.

Psychological Well-Being has a significant and positive influence on Individual Work Performance. This significant relationship is in accordance with the theory of occupational well-being and the theory of motivation. Psychologically healthy employees tend to be better able to cope with job demands and achieve organizational goals, which increases their productivity (Signorini et al., 2022). Psychological Well-Being provides a stable emotional and mental basis so that they can contribute more optimally to the performance of the organization (Pezirkianidis et al., 2022).

Psychological Well-Being mediates the relationship between Work-Life Balance and Individual Work Performance. Psychological Well-Being can act as a partial mediator in the relationship between Rewards and Individual Work Performance, but this mediating effect is weaker. This is due to the insignificance of the direct influence of Reward on Individual Work Performance, which indicates that the influence of Reward on individual performance is more mediated through Psychological Well-Being.

## **CONCLUSION**

This study confirms that Work-Life Balance (WLB) has a positive and significant effect on Psychological Well-Being (PWB) and Individual Work Performance (IWP). Employees who have a balance between work and personal life experience improved psychological well-being, focus, and work productivity. On the other hand, Rewards do not have a significant effect on PWB or IWP. Material rewards play more of a role as a maintenance factor that prevents dissatisfaction, but does not directly improve motivation or performance. Psychological Well-Being has also been shown to improve Individual Work Performance and act as a mediator in the relationship between Work-Life Balance and individual performance. However, PWB's mediation in the relationship between Reward and IWP is weaker because Reward does not have a significant direct influence. Overall, work-life balance plays a greater role in improving individual well-being and performance than external rewards.

## LIMITATIONS

Although this study makes an important contribution in understanding the influence of Work-Life Balance and Psychological Well-Being on Individual Work Performance, there are several limitations that need to be examined. First, the insignificance of the effect of Rewards on Psychological Well-Being and Individual Work Performance indicates that the dimensions of rewards used in this study may not fully reflect the complexity of employees' psychological needs. Types of rewards that emphasize material aspects more than intrinsic or social recognition have the potential to lead to bias in assessing their impact on psychological well-being and work motivation, as hinted at by Herzberg's theory of motivation.

Second, the limitation lies in the quantitative approach that is cross-sectional, so this study cannot capture the dynamics of changes in employee behavior or perception over time, especially related to psychological fluctuations due to changes in workload, organizational situation, or personal life conditions. Third, the use of respondents from one particular sector or region may limit the generalization of findings to different sectors or cultural contexts of the organization. Factors such as work culture, collectivist values, or informal reward systems in different organizations can yield different results.

## SUGGESTIONS FOR FURTHER RESEARCH

Therefore, follow-up research is highly recommended to be conducted with a longitudinal, qualitative, or mixed-method approach to gain a deeper and more comprehensive understanding of the dynamics of the relationship between Work-Life Balance, Reward, and Psychological Well-Being in influencing Individual Work Performance. The longitudinal approach allows researchers to track changes in employees' perceptions, behaviors, and psychological states over time, so that they can more accurately capture the long-term impact of work-life balance and reward systems on work performance. Meanwhile, a qualitative approach can uncover subjective meanings and personal experiences of employees that may not be revealed through quantitative data, especially regarding perceptions of non-material rewards, workloads, and emotional aspects of psychological well-being.

In addition, the use of the mixed-method will strengthen the validity of the research results by combining the strength of objective quantitative data and contextual qualitative data, so as to provide a more holistic picture of how the three variables affect each other in a complex, dynamic, and challenging work environment. Thus, follow-up studies are expected to not only enrich the scientific literature, but also provide sharper practical implications for managers, policymakers, and organizations in designing sustainable well-being and motivation-based employee performance improvement strategies.

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