

Work Life Balance and Employees Psychological Well-Being : Moderated by Transformational Leadership

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ABSTRACT

This study aims to examine the influence of work-life balance on employees' psychological well-being and to explore the moderating role of transformational leadership in this relationship. In today's dynamic work environment, maintaining a balance between professional responsibilities and personal life has become essential for ensuring mental and emotional health among employees. Drawing upon theories of occupational stress and leadership, this study proposes that a positive work-life balance significantly contributes to enhanced psychological well-being. Furthermore, it hypothesizes that transformational leadership characterized by inspiration, individual consideration, intellectual stimulation, and idealized influence can strengthen this relationship by creating a supportive and motivating workplace climate. Data were collected through a structured questionnaire from employees across various sectors. The results indicate that work-life balance has a positive and significant effect on psychological well-being. Additionally, transformational leadership was found to moderate this effect, amplifying the positive impact of work-life balance when transformational leadership levels are high. These findings suggest that organizations should not only support initiatives for better work-life balance but also invest in cultivating transformational leadership practices to improve employee well-being. Implications for management and suggestions for future research are discussed.

Keywords: Work-Life Balance, Psychological Well-Being, Transformational Leadership, Employee Welfare, Organizational Behavior

1 Introduction

In today's increasingly complex and fast-paced work environment, employees are frequently required to juggle multiple responsibilities, both within and outside the workplace [1]. The demands of modern life ranging from long working hours, tight deadlines, digital connectivity that blurs the boundary between home and work, to personal obligations have made it more difficult for individuals to maintain a healthy balance between their professional roles and personal lives [2]. This has brought attention to the idea that Work-Life Balance (WLB) is a significant factor in determining both corporate performance and employee well-being [3].

The degree of engagement and satisfaction people have with their jobs in the home and at work is known as work-life balance [4]. A healthy WLB enables employees to meet the demands of their professional life while also fulfilling their personal and familial responsibilities without significant conflict [5]. Numerous research have demonstrated the tight relationship between WLB and psychological well-being, which encompasses high levels of stress and sensitivity, life satisfaction, emotional stability, and a feeling of purpose [6]. Psychological well-being, in turn, plays a vital role in sustaining employee productivity, motivation, creativity, and long-term engagement at work.

On the contrary, a lack of balance can lead to adverse outcomes such as stress, burnout, emotional exhaustion, absenteeism, high turnover, and diminished work performance [7]. Employees who perceive an imbalance between their work and personal lives may experience continuous strain, which can erode their mental health and weaken their commitment to the organization.

Beyond individual coping mechanisms, organizational support structures and leadership styles

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have been identified as critical in influencing how well employees manage work-life boundaries. Among the various leadership models, transformational leadership has gained substantial attention in organizational behavior literature due to its ability to inspire, empower, and support employees. As outlined by Bass and Riggio (2006), transformational leadership is defined by four primary behaviors: Inspiring leaders communicate a compelling vision, intellectually stimulating leaders foster creativity and innovation, individually attentive leaders pay attention to the needs and development of each employee, and ideally influential leaders serve as role models and earn respect and trust.

It is possible for transformational leaders to establish a productive and inspiring workplace where staff members feel appreciated, supported, and inspired to advance. These leaders can offer emotional and practical support, reduce role ambiguity, and foster trust all of which can help employees manage competing demands in work and life more effectively.

In this context, transformational leadership may play a moderating role, meaning it could strengthen or weaken the impact of WLB on psychological well-being. When transformational leadership is present, employees may experience additional emotional resources and support systems that allow them to better translate their WLB into improved psychological outcomes [8]. Conversely, in the absence of such leadership, the benefits of WLB may not fully materialize due to a lack of organizational support and motivation.

Despite the theoretical support for the role of leadership in enhancing employee well-being, there is still a scarcity of empirical research examining the specific moderating effect of transformational leadership in the relationship between WLB and psychological well-being [9]. Most existing studies have focused on the direct relationships between these variables in isolation, without exploring how leadership might influence or enhance the effects of WLB.

By addressing these objectives, this study offers several theoretical and practical contributions. Theoretically, it integrates concepts from occupational health psychology, organizational behavior, and leadership to develop a more nuanced understanding of how employee well-being can be supported [10]. Practically, it provides valuable insights for organizational leaders, human resource managers, and policymakers to develop strategies that not only promote work-life balance policies but also cultivate leadership behaviors that enhance employee mental health [11]. In sum, in a competitive and dynamic workplace, investing in employees' psychological well-being through work-life balance initiatives and effective leadership practices is no longer optional it is a strategic necessity for sustainable performance and organizational growth.

2 Literature Review

Work-Life Balance and Psychological Well-Being

Work-life balance is commonly defined as an individual's perception of equilibrium between work obligations and personal life [12]. Achieving a good WLB leads to reduced stress, improved emotional stability, and better cognitive functioning key indicators of psychological well-being [13]. Empirical studies show that WLB is positively associated with job satisfaction and life satisfaction, which are components of psychological well-being [14]. The psychological well-being framework developed by Ryff (1989) is a comprehensive approach to understanding individual mental well-being. The six main elements of this idea are autonomy, self-acceptance, constructive interpersonal relationships, environmental mastery, life purpose, and personal growth. Each dimension reflects an important aspect of a person's life that contributes to the overall quality of psychological well-being. By considering the balance between these dimensions, we can understand how individuals are able to maintain mental health in facing various life challenges.

An individual's capacity to accept themselves is referred to as the self-acceptance dimension, including their strengths and weaknesses. Individuals with high levels of self-acceptance tend to have a positive view of themselves, which in turn increases self-esteem and reduces the tendency to experience stress. In the context of life balance, someone who fully accepts themselves will be better able to manage personal and social expectations without feeling emotionally burdened. Autonomy reflects an individual's ability to regulate themselves and make decisions based on personal values and beliefs, rather than external pressures. In the world of work and personal life, autonomy plays an important role in maintaining healthy boundaries between work demands and personal needs. When a person has control over his or her choices, he or she is better able to adapt to the dynamics of life without losing direction or identity, thus preventing emotional exhaustion.

The environmental mastery dimension describes an individual's ability to manage the environment and use it to meet life's needs. In the context of work-life balance, individuals with this ability can establish routines, prioritize tasks, and create environments that support well-being. They tend to be more resilient to stress and more efficient in completing work without sacrificing time for themselves or their families. Positive relationships with others are an important pillar in Ryff's framework. Healthy social support from coworkers, family, or close friends can be a source of strength in dealing with stress. Meaningful social interactions provide a sense of belonging and security, which ultimately increases emotional resilience. In the context of life balance, harmonious relationships act as a buffer against the negative impacts of exhausting work.

When individuals are able to balance the various roles in their lives such as the role of worker, spouse, parent, or community member they are less likely to experience emotional exhaustion. Instead, this balance increases feelings of happiness, satisfaction, and the ability to face life's challenges with greater resilience. This suggests that life balance is not just about time management, but also about strengthening psychological aspects within an individual.

Thus, Ryff's psychological well-being framework provides a strong foundation for understanding the importance of balance in various domains of life. Each dimension proposed by Ryff is interrelated and contributes to an individual's ability to respond to stress in a healthy and adaptive manner. Therefore, interventions aimed at improving mental well-being should consider all of these dimensions, especially in the context of modern life that demands high levels of psychological flexibility and resilience.

Transformational Leadership

Transformational leadership, as proposed by Bass (1985), is a leadership approach that focuses on inspiring and motivating followers to exceed established expectations. This leadership style not only directs individuals to achieve organizational goals but also seeks to develop their personal potential. Transformational leadership emphasizes the importance of building a shared vision that can unite individual values with the organization's mission, thereby encouraging a sense of collective responsibility in achieving common goals.

Bass identified four essential elements of transformational leadership: idealized influence, personalized attention, intellectual stimulation, and inspirational drive. When leaders exhibit idealized influence, their followers look up to them as trusted role models. Meanwhile, the term "inspiring motivation" describes a leader's capacity to communicate a goal that arouses passion and optimism. Intellectual stimulation encourages followers to think critically and creatively, and dare to propose new ideas. Finally, giving each person in the organization unique regard demonstrates the leader's unique focus on their needs, potential, and growth.

Various studies have shown that transformational leadership is positively correlated with better employee psychological conditions. Arnold et al. (2007) noted that this leadership style contributes to increased optimism, employee engagement, and job satisfaction. When leaders are able to give meaning to work, support personal growth, and create a supportive work environment, employees feel more valued and motivated. This strengthens their emotional attachment to the organization, which ultimately results in improved overall performance.

Considering the psychological and organizational benefits that transformational leadership brings, this approach becomes very relevant in the context of human resource management development. Organizations that want to create a productive, innovative, and sustainable work culture need to develop leaders who have transformational qualities. Leadership training, coaching, and mentoring programs can be designed to instill these values in potential leaders. In doing so, organizations will not only achieve high performance but also improve the psychological well-being of their employees in a sustainable manner.

The Moderating Role of Transformational Leadership

The Job Demands-Resources (JD-R) model developed by Bakker and Demerouti (2007) explains that every job has two main characteristics, namely job demands and job resources. Workplace demands encompass physical, psychological, social, or organizational elements that necessitate continuous work and may lead to stress [15]. In contrast, job resources are positive aspects that help individuals achieve job goals, reduce the negative impacts of job demands, and encourage personal growth. Within this framework, leadership can act as an important resource that helps employees face job challenges and

achieve work well-being [16].

Transformational leadership can be considered as one form of strategic job resource in increasing employee motivation and psychological resilience [17]. By employing strategies including idealized influence, intellectual stimulation, inspiring motivation, and personalized concern, transformational leaders may create a work environment that is both supportive and powerful. By providing clear direction, motivating emotionally, and supporting individual needs, leaders help reduce tension due to job demands, while increasing engagement and job satisfaction.

In the context of work-life balance (WLB), transformational leadership plays a vital role in helping employees navigate the dual roles of work and personal life [5]. Transformational leaders tend to provide flexibility, autonomy, and empathy for employees' personal needs. This kind of support allows individuals to feel more able to balance time and energy between work and personal life responsibilities, which ultimately reduces role conflict and increases harmony in life.

Transformational leadership also contributes to building psychological safety, which is a condition where employees feel safe to express opinions, share difficulties, or make requests without fear of stigma or punishment [11]. According to Kelloway et al. (2012), leaders who adopt transformational behaviors create an inclusive and supportive work atmosphere, which not only strengthens the effectiveness of work-life balance but also improves employees' emotional and social well-being. A psychologically safe work environment strengthens employees' trust and loyalty to the organization.

Overall, the transformational leadership approach within the JD-R model framework suggests that the role of leaders is not just to organize work, but also to provide essential support in managing work-life balance. Organizations that want to improve productivity as well as employee well-being should invest resources in developing leaders with transformational characteristics. Through leadership training and strengthening an empathetic work culture, organizations can create a healthier, more adaptive work environment that supports the achievement of WLB and the long-term well-being of employees.

Hypotheses:

H1: Work-life balance has a positive effect on psychological well-being. H2: Transformational leadership moderates the relationship between work-life balance and psychological well-being, such that the relationship is stronger under high levels of transformational leadership.

3 Research Methods

Researchers can examine the association between variables at a certain point in time using a structured survey method thanks to this study's quantitative methodology and cross-sectional design. The population in this study includes employees from various business sectors, including education, finance, services, and manufacturing. Purposive sampling technique was used to select respondents who had at least one year of work experience and worked full-time, with the aim of obtaining data from individuals who had been involved in the formal work environment for a long time. A total of 240 questionnaires were distributed to respondents who met the criteria, and of these, 210 questionnaires were returned and declared valid for further analysis. Measurement of the Work-Life Balance variable was carried out using a scale adapted from Fisher et al. (2009) consisting of 8 items. Meanwhile, Psychological Well-Being was measured using a scale from Ryff (1989) which included 18 items. The 20 items in Bass and Avolio's (1995) Multifactor Leadership Questionnaire (MLQ) were used to measure the Transformational Leadership variable. Every item in the test was scored on a 5-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree".

Data analysis was conducted using hierarchical multiple regression through SPSS software to test the direct effect and moderation effect. Moderation analysis was conducted by including the interaction between Work-Life Balance and Transformational Leadership (WLB x TL) into the regression model. All instruments used in this study were tested for reliability using Cronbach's alpha values, and the results showed that all scales had an adequate level of reliability, which was above the threshold of 0.70.

Tabel 1. Regression Analysis Results

Model	Variabel Independen	β (Beta)	t	Sig. (p)	R ²	ΔR^2
1	Work-Life Balance (WLB)	0.472	8.213	< 0.001	0.380	—
2	Work-Life Balance (WLB)	0.361	6.925	< 0.001	0.429	0.049
	Transformational Leadership (TL)	0.389	6.177	< 0.001		
3	Work-Life Balance (WLB)	0.330	6.112	< 0.001	0.450	0.021
	Transformational Leadership (TL)	0.370	5.996	< 0.001		
	WLB × TL (Interaksi)	0.211	3.201	0.002		

4 Results and Discussion

Based on hierarchical multiple regression analysis of 210 respondents, it was found that Work-Life Balance (WLB) has a positive and significant effect on Psychological Well-Being (PWB) with a coefficient value of $\beta = 0.472$, $p < 0.001$. This result indicates that the better the balance between work and personal life felt by employees, the higher the level of psychological well-being they experience. Furthermore, when Transformational Leadership (TL) was entered into the regression model, it was found that this leadership style also had a significant positive effect on Psychological Well-Being ($\beta = 0.389$, $p < 0.001$). Moderation analysis was conducted by adding the interaction between WLB and TL (WLB x TL) to the model. The results show that the interaction has a significant effect on Psychological Well-Being ($\beta = 0.211$, $p < 0.01$), which means that Transformational Leadership moderates the relationship between Work-Life Balance and Psychological Well-Being, where the positive effect of WLB on PWB becomes stronger when the level of Transformational Leadership is high. The R² value increased from 0.38 in the initial model to 0.45 after the interaction was added, indicating an increase in the model's explanatory power by 7%.

The results of this study strengthen the view that Work-Life Balance (WLB) is an important factor in improving employee Psychological Well-Being (PWB). The finding that WLB has a positive and significant effect on PWB ($\beta = 0.472$, $p < 0.001$) supports the occupational stress theory, which states that an imbalance between work and personal life demands can cause psychological stress that negatively impacts mental health (Greenhaus & Allen, 2011). In other words, when employees feel they have enough time and energy to meet demands in both domains, they tend to have higher levels of psychological well-being.

Furthermore, when the Transformational Leadership (TL) variable was entered into the model, the results showed that this leadership style also made a significant positive contribution to psychological well-being ($\beta = 0.389$, $p < 0.001$). This is in line with the findings of Bass and Riggio (2006) that transformational leaders are able to create a supportive work environment, provide inspiration, and pay attention to the individual needs of their subordinates, which ultimately contributes to improving employee mental well-being.

The most interesting thing about this study is the finding that TL significantly moderates the relationship between WLB and PWB ($\beta = 0.211$, $p < 0.01$). This indicates that Transformational Leadership strengthens the positive influence of Work-Life Balance on Psychological Well-Being. In this context, the presence of a transformational leader not only creates a healthy work climate but also strengthens the positive effects of WLB by providing psychological support, flexibility, and motivation needed by employees to balance their work and personal lives.

The increase in the R² value from 0.38 to 0.45 after the inclusion of the interaction variable (WLB x TL) indicates that the model is stronger in explaining the variability of employee psychological well-being, with an increase in apparent power of 7%. This is a significant increase in the context of social research.

Practically, these findings provide important implications for organizations. It is not enough to simply provide policies that support work-life balance such as flexible working hours or welfare programs; organizations also need to develop transformational leadership at all levels of management. Leadership training that focuses on empathy, inspiring communication, and individual development will strengthen the impact of work-life balance policies on employee well-being.

Thus, this study not only contributes to the literature on WLB and psychological well-being, but also opens up new opportunities in developing human resource management strategies that focus on

leadership style as a reinforcing factor. Further research is suggested to test this model in different industry contexts or use a longitudinal approach to test the causal relationship in more depth.

5 Conclusion

The results of this study indicate that Work-Life Balance plays an important role in improving employee psychological well-being. This finding strengthens the understanding that employees who are able to balance work responsibilities and personal life tend to have better mental and emotional conditions. In addition, transformational leadership style has been shown to not only have a direct impact on psychological well-being, but also strengthen the relationship between WLB and PWB. In other words, when employees are led by an inspiring, caring, and personal growth-encouraging leader, the positive impact of Work-Life Balance on psychological well-being becomes greater. Therefore, organizations are advised to not only provide policies that support Work-Life Balance, but also develop transformational leadership capacity in the work environment to create a healthy, productive, and employee-oriented work atmosphere.

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