

Analysis of the Influence of Work-Life Balance and Employee Empowerment on Job Satisfaction through Knowledge Management at National Private Banks in Malang City

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ABSTRACT

This study aims to analyze the influence of work life balance and employee empowerment on job satisfaction both directly and indirectly through knowledge management. The sample in this study was 191 people. The data analysis technique used SEM. The results of the analysis show that work life balance has an effect on knowledge management. Employee empowerment has an effect on knowledge management. Work life balance has an effect on job satisfaction. Employee empowerment has an effect on job satisfaction. Knowledge management has an effect on job satisfaction. Work life balance has an effect on job satisfaction through knowledge management. Employee empowerment has an effect on job satisfaction through knowledge management.

Keywords: *Work Life Balance, Employee Empowerment, Knowledge Management, Job Satisfaction*

1. INTRODUCTION

In the era of digital transformation and increasingly complex work environments, effective human resource (HR) management is crucial for organizations, including the banking sector. One of the key issues in modern HR management is creating a healthy Work-Life Balance (WLB) and employee empowerment, both of which contribute to increased job satisfaction. Research Greenhaus & Allen (2011) emphasizes that work-life balance has a direct impact on employee mental health, productivity, and job satisfaction. This is in line with studies Sirgy & Lee (2018), which states that an imbalance between personal life and work can trigger chronic stress and burnout, which results in high turnover intention in the service sector, including banking.

Employee empowerment as a participative management approach has also been shown to be a positive predictor of commitment and job satisfaction (Fernandez & Moldogaziev, 2013). Spreitzer (1995) emphasizes that employee empowerment increases the perception of control, meaning, and individual competence in carrying out their tasks. In the banking context, empowerment also allows for flexibility in decision making, especially in the customer service line (Kim, 2002). However, both variables require systemic support for their impact to be more optimal. This is where Knowledge Management (KM) plays an important role. According to Nonaka & Takeuchi (2007), KM is a means to build and disseminate organizational knowledge, and create competitive advantage through collective learning. Research Arif & Rahman (2018) shows that KM plays a significant role in increasing employee job satisfaction through effective knowledge management, team collaboration, and improving individual capabilities within the organization.

Panahi et al. (2020) stated that employee empowerment has an influence on knowledge management. Meanwhile, Alvesson (2004) emphasized the importance of building a knowledge sharing culture in service organizations such as banks, where intangible assets are the mainstay of productivity. Job satisfaction as a dependent variable has also been shown to have a positive correlation with KM and empowerment. Robbins & Judge (2019) states that employees who feel heard, empowered, and have access to information and knowledge tend to have more positive work perceptions. This is reinforced Luthans (2015), which states that KM helps create a work environment based on collaboration and growth. The study Giannakis & Harker (2014) and Armstrong & Taylor (2023) in the banking context shows that WLB, empowerment, and KM synergistically can increase employee retention and loyalty. In addition, De Zoysa & Sivalogathasan (2018) in his research on Islamic banks found that the combination of training, empowerment, and work-life balance can increase job satisfaction by up to 40% compared to the traditional model. With this background, this study focuses on National Private Banks in Malang City which face challenges in maintaining employee productivity

while ensuring their psychological well-being. Therefore, this study is important to determine the direct effect of Work-Life Balance and Employee Empowerment on Job Satisfaction with Knowledge Management as an intervening variable.

2. RESEARCH METHODS

This study uses an explanatory quantitative approach with a survey method, which aims to explain the influence of the Work-Life Balance and Employee Empowerment variables on Job Satisfaction, with Knowledge Management as a mediating variable. This approach was chosen because it is appropriate for testing hypotheses and analyzing causal relationships between variables through statistical data processing. The location of this research was carried out at a National Private Bank in Malang City, considering that this area is one of the centers of regional banking activities that has experienced significant growth in services and human resources. The research was conducted in the period from January to March 2025. The population in this study were all permanent employees working at national private banks in Malang City totaling 365 people. Determination of the number of samples using the Slovin formula, so that the number of samples obtained was 191 people. The sampling technique used was purposive sampling, with the criteria: permanent employees, and have worked for at least one year.

The variables in this study consist of two independent variables, namely Work-Life Balance (X1) and Employee Empowerment (X2), one intervening variable, namely Knowledge Management (Z), and one dependent variable, namely Job Satisfaction (Y). Data were collected using a questionnaire distribution with a Likert scale of 1–5, and distributed both directly and through online media. The Work-Life Balance indicator was adapted from Greenhaus & Allen (2011), including time balance, satisfaction balance, and involvement balance. Employee Empowerment refers to the dimensions developed Fernandez & Moldogaziev (2013), namely access to information, training and development, discretion in decision making, and participation in decision making. Knowledge Management is developed Sari (2022), which includes technology, organizational structure and organizational culture. Meanwhile, the Job Satisfaction indicator refers to Hasibuan (2019), which includes enjoying their work, loving their work, positive work morale, work discipline and work performance. The data obtained were analyzed using descriptive statistics to describe the characteristics of respondents and the average value of each variable. Furthermore, path analysis was carried out using AMOS to test the direct and indirect effects between variables.

3. RESULTS AND DISCUSSIONS

3.1. Results

The results of data processing through structural analysis using AMOS software are presented visually in the following image.

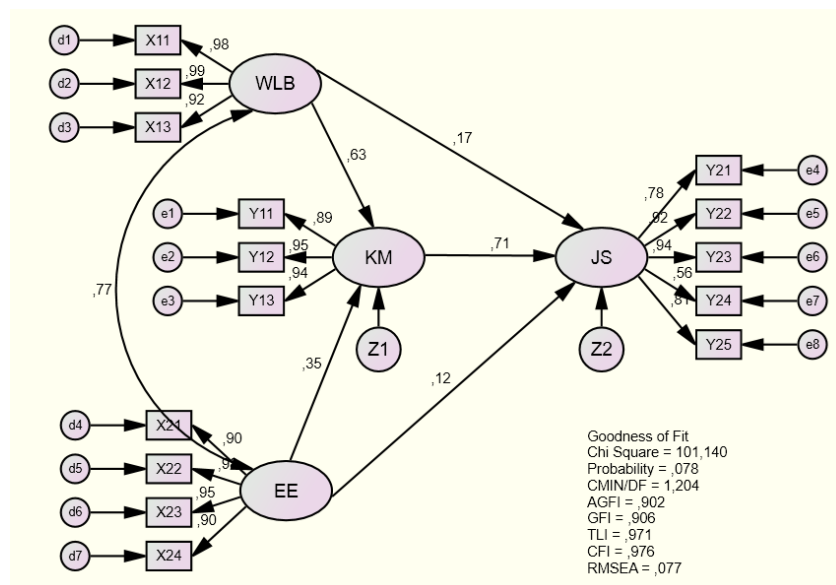


Figure 1 SEM Analysis Results

Table 1. Results of Direct and Indirect Effects

Variables	Direct Effect	P-value	Indirect Effect	Total Effects	Results
Work life balance→Knowledge Management	0.63	0,000	-	0.63	Significant
Employee Empowerment→Knowledge Management	0.35	0,000	-	0.35	Significant
Work life balance→Job Satisfaction	0.17	0.015	-	0.17	Significant
Employee Empowerment→Job Satisfaction	0.12	0.030	-	0.12	Significant
Knowledge Management→Job Satisfaction	0.71	0,000	-	0.71	Significant
Work life balance→Knowledge Management→Job Satisfaction	0.17	-	$0.63 \times 0.71 = 0.45$	0.62	Significant
Employee Empowerment→Knowledge Management→Job Satisfaction	0.12	-	$0.35 \times 0.71 = 0.25$	0.37	Significant

Based on table 1, it can be explained that work life balance has an effect on knowledge management. Employee empowerment has an effect on knowledge management. Work life balance has an effect on job satisfaction. Employee empowerment has an effect on job satisfaction. Knowledge management has an effect on job satisfaction. Proven by a p value of less than 0.05. Work life balance has an effect on job satisfaction through knowledge management. Employee empowerment has an effect on job satisfaction through knowledge management. Proven by a greater indirect effect value than a direct effect.

3.2. Discussions

3.2.1. The Influence of Work Life Balance on Knowledge Management

Work-life balance has an effect on knowledge management, which means that employees of national private banks in Malang City who have a good work-life balance tend to be more active and effective in managing knowledge in the workplace. Work-Life Balance (WLB) plays an important role in creating a work environment that supports learning, collaboration, and knowledge exchange, core elements in Knowledge Management (KM). Employees who have a balance between work and personal life tend to have higher motivation, and are more open to sharing knowledge and learning from colleagues. In the banking sector, this is crucial given the high work intensity and operational complexity that require efficient knowledge flow. Research by Sirgy & Lee (2018) found that employees with high levels of WLB can increase participation in knowledge sharing activities. Nguyen & Mohamed (2011), explains that a work environment that supports work-life balance will create an open organizational culture, which is the main foundation for the success of Knowledge Management. WLB is not only a personal matter, but also an organizational strategy in building a dynamic knowledge system. However, not all studies state that WLB has a direct influence on KM. Work-life balance is becoming increasingly important given the challenges of digitalization and the demands of hybrid work that can cause information overload. When employees feel supported personally and professionally, they will be more enthusiastic in adopting KM systems, whether in the form of procedural documentation, internal training, or digital discussion forums.

3.2.2. The Influence of Employee Empowerment on Knowledge Management

Employee empowerment has an effect on knowledge management, which means that the higher the level of employee empowerment, the more effective the knowledge management process that occurs in the organization. This is because empowered employees tend to be more proactive in sharing knowledge, more responsible in managing information, and more motivated to innovate and improve work processes through the use of knowledge they have. When employees are given greater trust, autonomy, and responsibility in making decisions, employees tend to feel more appreciated and motivated to be actively involved in the process of sharing and utilizing knowledge. This empowerment encourages the growth of a collaborative work culture, where employees are not only task implementers, but also act as contributors of information and ideas that are valuable to the organization. This strengthens the mechanism of

knowledge sharing horizontally and vertically in the generally hierarchical banking organizational structure. Research results Irwan et al. (2025) found non-financial incentives such as empowerment can increase employee engagement in knowledge-related activities, including information archiving, work process documentation, and experience-based innovation. This finding is reinforced Hamdan & Braendle (2024) which shows that employee empowerment strategies in the Southeast Asian business sector, including banking, are positively correlated with the effectiveness of knowledge transfer and strategic information management. Empowerment also bridges the gap between tacit knowledge (knowledge that is personal and difficult to express) and explicit knowledge (documented knowledge), thus encouraging the creation of a comprehensive and sustainable knowledge management system. In practice, National Private Banks in Malang City can implement empowerment through regular training, structured delegation of authority, and recognition of employee contributions of ideas and solutions. When employees feel that their voice and knowledge are valued, employees will be more motivated to be involved in collecting, storing, and disseminating relevant information, which ultimately increases the overall competitiveness of the organization. Therefore, employee empowerment strategies not only have an impact on improving individual performance, but also strengthen the adaptive and responsive knowledge management structure to change.

3.2.3. The Effect of Work Life Balance on Job Satisfaction

Work life balance affects job satisfaction, which means that the more balanced an employee's work life and personal life are, the higher the level of job satisfaction they feel. This balance reflects an individual's ability to meet work demands without sacrificing aspects of personal life such as family time, recreation, and mental health. In a demanding work environment, such as in the banking sector, an imbalance between work and personal life is often a source of stress, fatigue, and even burnout. Conversely, employees who feel that there is organizational support in maintaining this balance tend to have higher work motivation, are loyal to the company, and show increased productivity. The results of this study support Firdaus (2025) which found that work-life balance has a significant positive effect on job satisfaction. This study emphasizes that flexible working hours, hybrid work systems, and managerial understanding of employee personal needs are important factors in building sustainable job satisfaction. This condition also applies generally in various sectors, including the banking sector, where long working hours and target pressure can be reduced through more humanistic work policies that are responsive to employee needs. Thus, organizational strategies that focus on creating work-life balance not only have an impact on employee personal comfort, but also on overall performance and work atmosphere. The results of this study also support Fadilla (2022) as well as Aliya & Saragih (2020) which found that work life balance has an effect on job satisfaction. However, the results of this study do not support Lumunon et al. (2019) who found that work life balance does not affect job satisfaction.

3.2.4. The Influence of Employee Empowerment on Job Satisfaction

Employee empowerment has an effect on job satisfaction, which means that the higher the level of empowerment felt by employees, the greater the sense of satisfaction that arises in carrying out work tasks. When employees are given the freedom to make decisions, are involved in the problem-solving process, and are given the trust to develop their creativity, employees will feel appreciated and have a real contribution to the success of the organization. This has a direct positive effect on job satisfaction, because employees not only go through routines, but also feel like they are an important part of strategic decision-making. The results of this study support Sulistio & Darmastuti (2024) who found that employee empowerment significantly increases job satisfaction in the Islamic banking environment in Indonesia. Job autonomy, delegation of responsibility, and open communication are aspects of empowerment that strengthen loyalty and pride in work. The results of this study also support Resnadita (2020) who explained that empowerment influences the increase in satisfaction." Therefore, in the context of modern human resource management, employee empowerment is not only a motivational strategy, but also an important tool for creating a healthy, dynamic, and growth-oriented work environment. Empowered employees will consistently perceive work as more meaningful and enjoyable, thereby increasing overall job satisfaction.

3.2.5. The Influence of Knowledge Management on Job Satisfaction

Knowledge management has an effect on job satisfaction, which means that the better an organization is at managing knowledge through the process of creating, storing, distributing, and utilizing information, the higher the level of job satisfaction of its employees. In a modern work environment, especially in the banking sector, access to relevant information, knowledge-based training, and opportunities to share and utilize knowledge collaboratively are important sources of motivation for employees. When employees feel that knowledge is valued and used in organizational decision-making, employees will feel more meaningful, appreciated, and motivated in carrying out their duties. This creates a sense of satisfaction because employees see the direct impact of their contributions to the progress of the

organization. In practice, effective implementation of knowledge management not only facilitates better decision-making, but also strengthens employees' emotional involvement in the organization. The results of this study support Kianto et al. (2016) as well as Arif & Rahman (2018) who found that knowledge management influences job satisfaction. Putra et al. (2023) mentioned that organizations that actively create internal learning and information sharing environments show higher levels of job satisfaction among banking staff in Indonesia. This proves that knowledge management is not only a systemic aspect, but also a cultural aspect that can shape work comfort and loyalty. Therefore, implementing a strong knowledge management system is a strategic investment in improving employee psychological well-being. It also creates an organizational culture that is open, adaptive, and based on continuous learning, which ultimately supports long-term job satisfaction.

3.2.6. The Effect of Work Life Balance on Job Satisfaction through Knowledge Management

Work life balance affects job satisfaction through knowledge management, which means that the balance between work life and personal life not only directly improves employee well-being, but also creates a conducive environment for effective knowledge management, which ultimately has a positive impact on job satisfaction. When employees feel that their time is valued and their personal needs are taken care of by the organization, they tend to be more open to participating in learning activities, information sharing, and knowledge-based innovation. In a balanced working environment, employees have more energy, focus, and motivation to access, manage, and disseminate the knowledge they have, which is the core of knowledge management. A well-running knowledge management process then strengthens employees' sense of involvement and self-confidence because employees feel they have adequate access to information and opportunities to develop themselves. Research results Firdaus (2025) found that work life balance has an effect on job satisfaction. Research Fadilla (2022) as well as Aliya & Saragih (2020) which found that work life balance has an effect on job satisfaction. The results of this study support Kianto et al. (2016) as well as Arif & Rahman (2018) who found that knowledge management affects job satisfaction. Knowledge management acts as a mediator between work-life balance and job satisfaction, as it allows employees to maximize their potential without sacrificing personal aspects of life. Thus, organizations that want to improve job satisfaction should not only pay attention to working hours and task load, but also need to build an inclusive, collaborative, and technology-enabled knowledge management system that allows employees to learn and develop continuously.

3.2.7. The Influence of Employee Empowerment on Job Satisfaction through Knowledge Management

Employee empowerment affects job satisfaction through knowledge management, which means that when employees are given authority, trust, and responsibility in decision making and carrying out tasks, employees not only feel more appreciated, but are also encouraged to be more active in the knowledge management process. Empowered employees tend to be more open in sharing ideas, storing and documenting knowledge, and engaging in organizational learning. These processes are the core of knowledge management, namely creating, disseminating, and applying knowledge in the organization to achieve efficiency and innovation. With increasing knowledge management activities, the quality of the work environment also increases. Employees have better access to information, feel more prepared to face work challenges, and have the opportunity to develop professionally. This strengthens employee satisfaction with the work they do. Research results Sulistio & Darmastuti (2024), explains that employee empowerment not only has a direct impact on job satisfaction, but also encourages a knowledge-based work culture that strengthens relationships between individuals in the organization. Research Putra et al. (2023) also emphasized that knowledge management is an important element in strengthening the positive impact of empowerment on job satisfaction, especially in the Indonesian banking sector. Therefore, in an effort to increase job satisfaction, banks need to combine employee empowerment strategies with strengthening knowledge management systems. When employees feel they have authority and access to relevant information, employees not only work more productively, but also are more satisfied with the organization.

4. CONCLUSION

Based on the discussion that has been presented, it can be concluded that employee empowerment and work-life balance have a positive and significant influence on knowledge management. Employee empowerment and work-life balance have a positive and significant influence on job satisfaction. Employee empowerment characterized by the delegation of authority, trust, and involvement in decision-making encourages employees to feel appreciated and actively contribute to the organization, which ultimately increases job satisfaction. On the other hand, the balance between personal life and work creates a healthier and more harmonious work atmosphere, which is the foundation for employees to feel comfortable, focused, and productive. Knowledge management acts as a mediator of empowerment and work-life balance on job satisfaction. When employees are given space to manage knowledge effectively, both in

sharing information, learning, and innovating, they will feel more involved and satisfied with their role in the organization. Therefore, organizations that want to improve job satisfaction as a whole need to not only pay attention to the aspects of empowerment and work-life balance, but also build a solid, participatory, and sustainable knowledge management system.

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