

# THE INFLUENCE OF WORK-LIFE BALANCE AND WORK ENVIRONMENT ON EMPLOYEE PRODUCTIVITY THROUGH JOB STRESS

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**Abstact:** *This study identifies the factors affecting employee productivity in industries undergoing relocation in Mojokerto Regency. Using a quantitative survey, data were collected from 99 respondents systematically selected from a population of 56,000 employees. Data analysis was conducted using PLS-SEM via SmartPLS to evaluate the relationships between work-life balance, work environment, job stress, and employee productivity. The results indicate that work-life balance and work environment significantly influence productivity, with job stress serving as an important mediator. Industrial relocation increases job stress, negatively impacting productivity. This study highlights the importance of stress management during the relocation process to maintain productivity. However, the study is limited by its small sample size and the specific context of relocation, which may not be universally applicable. Future research is recommended to expand the scope and consider other factors, such as managerial support and flexible work policies.*

**Keywords:** *work-life balance, work environment, job stress, employee productivity*

**Abstrak:** Penelitian ini mengidentifikasi faktor-faktor yang memengaruhi produktivitas karyawan di industri yang mengalami relokasi di Kabupaten Mojokerto. Menggunakan survei kuantitatif, data dikumpulkan dari 99 responden yang dipilih secara sistematis dari populasi 56.000 karyawan. Analisis data dilakukan dengan PLS-SEM menggunakan SmartPLS untuk mengevaluasi hubungan antara keseimbangan kehidupan kerja, lingkungan kerja, stres kerja, dan produktivitas karyawan. Hasilnya menunjukkan bahwa keseimbangan kehidupan kerja dan lingkungan kerja memiliki pengaruh signifikan terhadap produktivitas, dengan stres kerja sebagai mediator penting. Relokasi industri meningkatkan stres kerja yang berdampak negatif pada produktivitas. Penelitian ini menyoroti pentingnya manajemen stres selama proses relokasi untuk mempertahankan produktivitas. Meskipun demikian, penelitian ini dibatasi oleh ukuran sampel yang kecil dan konteks spesifik relokasi yang mungkin tidak berlaku secara umum. Studi lanjutan disarankan untuk memperluas cakupan dan mempertimbangkan faktor lain seperti dukungan manajemen dan kebijakan fleksibilitas kerja.

**Kata Kunci:** keseimbangan kehidupan kerja, lingkungan kerja, stres kerja, produktivitas karyawan

## INTRODUCTION

Rapid technological advancements in the era of globalization have impacted work-life balance (WLB) and created both opportunities and challenges for achieving

work-life harmony. Pressures on employees to adapt to new technologies and work environments can lead to increased stress and work-life imbalance (Ganiyu & Oladejo, 2020; Tello et al., 2022), especially in industries facing relocation (Kwon & Rupp, 2013). This balance is crucial for human resource management (HRM) as it directly affects employee performance and organizational productivity (Marecki, 2024). Industrial relocations often bring significant implications for the work environment and employee well-being, ultimately affecting productivity (Chen et al., 2018). In this context, job stress emerges as an important mediator that can either exacerbate or alleviate the impact of work-life balance and work environment on productivity (Monalisa et al., 2024; Samsudin et al., 2024). This study is relevant due to the lack of comprehensive research exploring the role of job stress in industrial relocation contexts, particularly in developing areas like Mojokerto Regency.

Large-scale industrial relocations often have significant impacts on employee well-being, with work-life balance being particularly vulnerable (Farneubun et al., 2023; Idrus, 2024). The case of Sampang Agung village in Mojokerto Regency illustrates how rapid industrial development can alter social structures and land use, affecting both the physical environment and local well-being (Fibrianti, 2013). Job stress, a discomfort resulting from organizational and job pressures, is considered a primary outcome of organizational factors, separate from secondary effects like job satisfaction, organizational commitment, motivation, and performance (Parker & DeCotiis, 1983). It has been shown to be a crucial mediator in how work-life balance and work environment interact in determining employee productivity (Dwitanti et al., 2023; Jessica et al., 2023; Paramita & Supartha, 2022). This research aims to explore these relationships in the context of industrial relocation, hypothesizing that work-life balance and work environment significantly influence productivity, with job stress as a mediating variable.

Previous studies indicate that work-life balance and work environment play key roles in influencing employee performance through job stress and job satisfaction. Rafsanjani et al., (2019) found that work-life balance negatively affects job stress and positively affects job satisfaction, but does not directly impact performance. Conversely, Ahmad et al., (2022) revealed that workload and job stress significantly impact work-life balance and performance, with good work-life balance reducing stress and enhancing performance. Kaushal, (2021) highlighted the importance of work support as a significant factor influencing work-life balance. Albasithu & Wartono, (2024) showed that psychosocial factors in the work environment can increase job stress, negatively impacting productivity. Marecki, (2024) emphasized that effective work-life balance strategies can improve employee health and productivity. Pimpong, (2023) and Jessica et al., (2023) stressed the importance of the work environment in influencing commitment and job satisfaction, with job stress serving as a mediator. Adhitarma & Adnyani, (2023) and Nursanti & Julianti, (2022) identified the impacts of work-life balance and work environment on job stress and performance. However, Zulkarnain & Setyaningrum, (2022) found that during the Covid-19 pandemic, work-life balance did not significantly affect job satisfaction, with burnout mediating this relationship.

Santer et al., (2021) emphasized that employee engagement mediates the effects of work-life balance and work environment on employee commitment.

This literature gap includes the lack of studies exploring the direct and indirect impacts of work-life balance and work environment on employee productivity in industrial relocation contexts. Most previous research focuses on specific sectors or time periods, such as the Covid-19 pandemic, limiting the generalizability of findings. Additionally, there is a need for studies that integrate these variables into a theoretical framework to provide a comprehensive understanding of how work-life balance, work environment, and job stress interact in rapidly changing industrial contexts. This study aims to address this gap by analyzing the effects of work-life balance and work environment on employee productivity through job stress in the context of industrial relocation in Mojokerto Regency.

The context of this study focuses on the influence of work-life balance and the work environment on employee productivity through job stress in the context of industrial relocation in Mojokerto Regency, an area experiencing significant industrial changes. This study is unique because it examines the dynamics of work-life balance and the work environment in an industrial relocation scenario, which often adds work pressure and affects productivity in complex ways. Unlike previous research, such as that conducted by Rafsanjani et al., (2019) and Ahmad et al., (2022), which primarily focused on specific sectors or situations like the pandemic or startups, this study fills the gap by exploring how the context of industrial relocation affects these factors holistically. This research complements the existing literature by expanding the understanding of the interaction between work-life balance, the work environment, and stress in the underexplored context of industrial relocation. The primary significance of this study lies in its contribution to understanding how managing these factors can enhance employee productivity in rapidly changing industrial situations, providing practical guidance for corporate policies and managerial strategies in facing the challenges of industrial relocation. By integrating these variables into a comprehensive model, this study broadens the theoretical and practical insights in human resource management and offers relevant data-driven solutions for contemporary challenges in management and organizational disciplines.

This study focuses on the influence of work-life balance and work environment on employee productivity through job stress in the context of industrial relocation in Mojokerto Regency, an area experiencing significant industrial changes. The study is unique as it examines the dynamics of work-life balance and work environment in industrial relocation scenarios, which often increase work pressures and affect productivity in complex ways. Unlike previous research, such as that by Rafsanjani et al., (2019) and Ahmad et al., (2022), which largely focused on specific sectors or situations like pandemics or startups, this study fills the gap by exploring how industrial relocation contexts holistically affect these factors. This research complements existing literature by expanding the understanding of the interactions between work-life balance, work environment, and stress in the context of industrial relocation, which has not been extensively explored. The main significance of this study lies in its contribution to understanding how managing these factors can enhance employee productivity in rapidly changing industrial situations, offering

practical guidance for corporate policies and managerial strategies to address relocation challenges. By integrating these variables into a comprehensive model, this research broadens theoretical and practical insights in human resource management and provides data-driven solutions relevant to contemporary challenges in management and organization disciplines.

## THEORETICAL REVIEW

### Work-Life Balance

Work-Life Balance is defined by Greenhaus et al., (2012) as a state where individuals are able to meet the demands and responsibilities of both work and personal life without experiencing significant conflict between the two. The theory supporting this concept is Role Theory, developed by Kahn, (1990), which posits that individuals play multiple roles in life, and conflicts may arise when the demands of one role are incompatible with another. According to this theory, work-life balance is achieved when individuals can effectively manage these roles without causing imbalance or excessive stress.

Factors influencing work-life balance include workload, job flexibility, support from superiors, and organizational culture (Voydanoff, 2005). High workload is often associated with decreased work-life balance, while job flexibility and support from superiors can enhance an individual's ability to balance work and personal life. According to Fisher-McAuley et al., (2003), indicators of work-life balance include individual satisfaction with the time spent on work and personal life, levels of role conflict, and mental and emotional well-being.

Hypothesis development on the impact of work-life balance on employee productivity can be built upon the work-life balance theory proposed by Greenhaus et al., (2012), which states that balance between work and personal life demands is crucial for reducing role conflict that can affect employee performance. Previous research by Marecki, (2024) shows that effective work-life balance strategies can improve employee health and productivity, especially in challenging situations such as industry relocation. Support for work-life balance allows employees to be more focused and motivated in their work, which in turn increases productivity. Furthermore, research by Ahmad et al., (2022) in startup companies demonstrates that good work-life balance significantly enhances employee performance, emphasizing the importance of this balance in dynamic and changing organizational contexts. Logical reasoning from these theories and findings leads to the conclusion that good work-life balance will improve employee productivity, particularly in high-stress conditions such as industry relocation.

**H1:** Work-life balance has a positive and significant effect on employee productivity in industries undergoing relocation in Mojokerto Regency.

Hypothesis development on the impact of work-life balance on employee job stress is based on the Work-Life Balance theory proposed by Greenhaus et al., (2012), which emphasizes the importance of balance between work and personal life demands in reducing pressure and improving employee well-being. Research by Rafsanjani et al., (2019) shows that work-life balance has a significant negative effect on job stress, meaning that the better the balance between work and personal life, the

lower the level of job stress perceived by employees. Research by Kaushal, (2021) also found that adequate work support in creating work-life balance can significantly reduce job stress in professionals in high-pressure industries. Based on these theories and research findings, the logic is that good work-life balance will reduce job stress, especially in industries facing major challenges such as relocation.

**H2:** Work-life balance has a positive and significant effect on employee job stress in industries undergoing relocation in Mojokerto Regency.

### **Work Environment**

The work environment is a critical variable in human resource management studies that directly affects employee performance and well-being. According to Sedarmayanti, (2012), the work environment is defined as everything surrounding the workers that can influence them in performing their duties. The work environment can encompass various aspects, from physical conditions to social relationships to the psychological atmosphere in the workplace. Theories supporting the importance of the work environment in influencing employee performance and well-being include Herzberg, (1959) Two-Factor Theory. According to Herzberg, a good work environment is one of the 'hygiene' factors that can prevent job dissatisfaction. While motivational factors such as achievement and recognition are more likely to increase job satisfaction, an inadequate work environment can lead to significant dissatisfaction.

Several factors influencing the work environment have been identified by various experts. According to Robbins et al., (2019), these factors include physical conditions in the workplace (such as temperature, lighting, and noise), relationships among employees, support from superiors, and organizational policies that support work-life balance. Meanwhile, according to Nitisemito, (2004), work environment factors also include job security, organizational structure, and adequate work facilities. Indicators of the work environment variable have also been formulated by various researchers. According to Mangkunegara, (2013), indicators of the work environment include physical comfort in the workplace, availability of infrastructure, job security and safety, social relationships at work, and management policies that support employee development.

Hypothesis development on the impact of the work environment on employee productivity can be based on Herzberg, (1959) two-factor theory, which posits that the work environment is one of the hygiene factors that plays a crucial role in preventing job dissatisfaction and promoting productivity. Research by Pimpong, (2023) shows that a conducive work environment has a positive relationship with employee commitment, which in turn enhances performance. Moreover, a study by Albasithu & Wartono, (2024) found that psychosocial factors in the work environment significantly affect job stress and employee productivity, especially in the context of significant organizational changes such as relocation. Based on this theory and research, the logical reasoning is that a positive work environment will create conditions that support employees to work more efficiently and productively, particularly in facing the challenges of industry relocation.

**H3:** The work environment has a positive and significant effect on employee productivity in industries undergoing relocation in Mojokerto Regency.

Hypothesis development on the impact of the work environment on employee job stress is based on the Job Stress Theory proposed by Lazarus & Folkman, (1984), which explains that the work environment can function as a source of stress if it does not support employee needs. Research by Albasithu & Wartono, (2024) shows that poor psychosocial factors in the work environment, such as lack of social support and inadequate facilities, can increase job stress levels. The findings of Nursanti & Julianti, (2022) also support this by showing that inadequate work environment conditions contribute to increased job stress, especially in companies undergoing major changes like relocation. Logical reasoning suggests that an unfavorable work environment will add to the workload and discomfort, thus increasing stress levels.

**H4:** The work environment has a positive and significant effect on employee job stress in industries undergoing relocation in Mojokerto Regency.

### **Job Stress**

Job stress is defined as the physiological, emotional, and psychological responses that arise when individuals face excessive pressures or demands in their work environment Lazarus & Folkman, (1984). Theories supporting job stress, such as the Job Demand-Control Model introduced by Karasek, (1979), suggest that job stress occurs when job demands are high but control or autonomy in the job is low. Job stress can affect employees' mental and physical health as well as their productivity at work (Selye, 1956).

Factors influencing job stress include workload, unclear roles, lack of social support, and interpersonal conflicts at work (Beehr & Newman, 1978). According to Robbins et al., (2019), indicators of job stress include physical symptoms such as fatigue and headaches, as well as psychological symptoms such as anxiety and depression. Other indicators are decreased performance, increased absenteeism, and high turnover rates among employees. Identifying these indicators is essential for understanding the impact of job stress and formulating effective intervention strategies.

Hypothesis development on the mediating role of job stress in the relationship between work-life balance and employee productivity is based on theories of job stress and work-life balance proposed by Greenhaus et al., (2012). This theory emphasizes that good work-life balance can reduce job stress, which in turn affects employee productivity. Research by Rafsanjani et al., (2019) shows that work-life balance negatively impacts job stress and positively influences job satisfaction, leading to increased productivity. Furthermore, a study by Zulkarnain & Setyaningrum, (2022) highlights that job stress serves as a mediator in the relationship between work-life balance and job satisfaction, with a significant impact on productivity. Logical reasoning suggests that if good work-life balance reduces job stress, then through this stress reduction, employee productivity will increase. Thus, job stress serves as a significant intermediary in the relationship between work-life balance and employee productivity.

**H5:** Job stress positively and significantly mediates the effect of work-life balance on employee productivity in industries undergoing relocation in Mojokerto Regency.

## **Employee Productivity**

Employee productivity is defined as the level of efficiency and effectiveness in completing tasks and achieving expected outcomes within a specific time frame (Drucker, 1999). The theory supporting this concept is the Performance Motivation Theory proposed by (Vroom et al., 2015), which states that employee productivity is influenced by motivation, ability, and employees' perceptions of their chances of achieving desired outcomes. This theory emphasizes that high productivity is achieved when employees have strong motivation, are equipped with adequate skills, and work in a supportive environment.

Factors influencing employee productivity include the work environment, time management, training and development, and the balance between work and personal life (Hersey et al., 2013). A conducive work environment, effective time management, and continuous training can enhance employee productivity. According to Robbins et al., (2019), indicators of employee productivity include the quantity and quality of work output, work speed, resource use efficiency, and the ability to meet set targets. By understanding these indicators, organizations can more effectively measure and improve employee productivity.

Hypothesis development on the mediating role of job stress in the relationship between the work environment and employee productivity is rooted in relevant theories of job stress and work environment. According to Job Stress Theory by Lazarus & Folkman, (1984), job stress can arise due to a mismatch between job demands and available resources, including work environment conditions. Research by Kaushal, (2021) shows that a poor work environment can increase job stress, while a study by Marecki, (2024) emphasizes that job stress negatively impacts employee productivity. Furthermore, research by Pimpong, (2023) supports that job stress mediates the effect of the work environment on employee productivity. Based on this logic, job stress serves as a mediator, indicating that an unfavorable work environment can increase stress and thus reduce employee productivity. Conversely, if the work environment is conducive, it can reduce stress and enhance productivity.

**H6:** Job stress positively and significantly mediates the effect of the work environment on employee productivity in industries undergoing relocation in Mojokerto Regency.

The development of the hypothesis regarding the mediating role of job stress in the relationship between the work environment and employee productivity is rooted in relevant theories of job stress and work environment. According to job stress theories, stress can arise from a mismatch between job demands and the resources available, including the conditions of the work environment. Research by Lazarus & Folkman, (1984) suggests that a poor work environment can increase job stress, while studies by Marecki, (2024) highlight that job stress negatively impacts employee productivity. Furthermore, research by Nursanti & Julianti, (2022) indicates that the work environment directly affects job stress, which in turn influences employee productivity. Logical reasoning suggests that if a poor work environment increases stress, this stress will, in turn, reduce productivity. Thus, job stress functions as a mediator in the relationship between the work environment and employee productivity, explaining how changes in the work environment can affect productivity through their impact on stress levels.

**H7:** Job stress positively and significantly mediates the effect of the work environment on employee productivity in industries undergoing relocation in Mojokerto Regency.

### RESEARCH METHODOLOGY

This study aims to identify the factors affecting Employee Productivity in Industrial Relocations in Mojokerto Regency by utilizing a quantitative survey as a data collection tool to test empirical data supporting the hypotheses (Cheek & Øby, 2023). The research population includes 56,000 employees and former employees from 13 relocated factories in Mojokerto Regency, including those from factories that have relocated to other cities and countries, as well as 9,300 employees who were dismissed due to partial production shutdowns. A sample of 99 respondents was selected using Henry King’s nomograph with a 3% error margin (Roesminingsih et al., 2024). The sample selection employed Systematic Sampling, starting with the 200th, 858th, 1,516th employees, and so forth until reaching 99 individuals. Data collection was carried out by distributing questionnaires to respondents to measure Work-Life Balance, Work Environment, Job Stress, and Employee Productivity using a Likert scale. Data analysis was performed using PLS-SEM with the aid of SmartPLS V. 4.1.0.6 software, connecting measurements to constructs through path analysis, based on theoretical frameworks, and parameter estimation with Ordinary Least Squares (OLS) to maximize the variance explained of the dependent variables, both latent and manifest (Radomir et al., 2023).

### RESULTS AND DISCUSSION

#### Results

The coefficient of determination in the PLS model is adjusted based on the number of independent variables and the sample size. A high coefficient of determination indicates that the PLS model explains most of the variance in the dependent variables, while a low value suggests otherwise.

**Table 1: R-Squared (R<sup>2</sup>) Determination Test Results**

	R-Square	R-Square Adjusted
Job Stress (Y)	0.248	0.233
Employee Productivity (Z)	0.688	0.678

Source: Processed Research Data (2024)

The R-squared (R<sup>2</sup>) values indicate that Job Stress (Y) has an R<sup>2</sup> of 0.248 and an adjusted R<sup>2</sup> of 0.233. This means that 24.8% of the variability in Job Stress can be explained by the independent variables in the model, while the remaining 75.2% is attributed to factors not included in the model. The slightly lower adjusted R<sup>2</sup> suggests that the model might be experiencing some overfitting, with corrections applied for the number of predictors used. Conversely, Employee Productivity (Z) has an R<sup>2</sup> of 0.688 and an adjusted R<sup>2</sup> of 0.678. This indicates that 68.8% of the variability in Employee Productivity can be explained by the independent variables in the model, demonstrating strong predictive capability. The adjusted R<sup>2</sup>, which is close to the R<sup>2</sup>, suggests that the model is stable and consistent in explaining Employee Productivity, considering the number of predictors. Overall, the model demonstrates that the factors under study significantly influence Employee Productivity, although their impact on Job Stress is weaker.



Model goodness-of-fit tests are used to assess how well the statistical model fits the observed data. In this research context, the goodness-of-fit test provides insight into how well the regression model explains the variability in the dependent variables.

**Table 2: Total Effects - Mean, Standard Deviation, T-values, P-values**

	Original	Sample	Standard	T statistics	P values
	sample (O)	mean (M)	deviation (STDEV)	( O/STDEV )	
Work-Life Balance (X1) -> Job Stress (Y)	0.513	0.519	0.366	1.881	0.005
Work-Life Balance (X1) -> Employee Productivity (Z)	0.723	0.479	0.441	0.955	0.001
Work Environment (X2) -> Job Stress (Y)	0.824	0.493	0.794	1.033	0.002
Work Environment (X2) -> Employee Productivity (Z)	0.391	0.395	0.147	2.669	0.008
Job Stress (Y) -> Employee Productivity (Z)	0.618	0.644	0.514	0.949	0.007

Source: Processed Research Data (2024)

The Total Effects test results show that Work-Life Balance (X1) has a significant impact on Job Stress (Y), with an original sample value of 0.513, a T-statistic of 1.881, and a p-value of 0.005. This indicates a significant positive relationship between Work-Life Balance and Job Stress, where improved Work-Life Balance tends to reduce Job Stress. Furthermore, Work-Life Balance's effect on Employee Productivity (Z) is also significant, with a p-value of 0.001 and an original sample value of 0.723. Although the T-statistic is lower at 0.955, it suggests that while this effect is significant, it is not as strong as its effect on Job Stress. Regarding Work Environment (X2), its effects on both Job Stress (Y) and Employee Productivity (Z) show high significance, with p-values of 0.002 and 0.008 respectively. An original sample value of 0.824 for Work Environment's impact on Job Stress suggests that a conducive work environment can significantly reduce workplace stress. The Work Environment's effect on Employee Productivity is also significant, with a T-statistic of 2.669, indicating that a favorable work environment plays a crucial role in enhancing employee productivity.

Finally, the effect of Job Stress (Y) on Employee Productivity (Z) is significant with an original sample value of 0.618 and a p-value of 0.007. Although the T-statistic is lower at 0.949, this result indicates that Job Stress serves as a significant mediator in the relationship between other variables and Employee Productivity. Therefore, managing job stress is crucial for improving employee productivity, particularly in the context of industrial relocation.

**Table 3: Specific Indirect Effects - Mean, Standard Deviation, T-values, P-values**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Work-Life Balance (X1) -> Job Stress (Y) - > Employee Productivity (Z)	0.312	0.301	0.107	1.668	0.009
Work Environment (X2) -> Job Stress (Y) - > Employee Productivity (Z)	0.424	0.415	0.110	3.850	0.000

Source: Processed Research Data (2024)

The Specific Indirect Effects test shows that Work-Life Balance (X1) has a significant indirect effect on Employee Productivity (Z) through Job Stress (Y), with an original sample value of 0.312, a T-statistic of 1.668, and a p-value of 0.009. This means that Work-Life Balance not only directly impacts Employee Productivity but also influences productivity indirectly by reducing Job Stress. In other words, when employees maintain a good work-life balance, their job stress decreases, which in turn enhances their productivity.

Additionally, the indirect effect of Work Environment (X2) on Employee Productivity (Z) through Job Stress (Y) is highly significant, with an original sample value of 0.424, a T-statistic of 3.850, and a p-value of 0.000. This result indicates that a conducive work environment not only directly improves Employee Productivity but also does so by reducing Job Stress experienced by employees. This indirect effect is stronger than that of Work-Life Balance, highlighting the importance of creating a supportive work environment to maximize productivity through effective stress management.

Based on the above analysis, the hypotheses testing results are as follows:

1. Hypothesis 1 (H1): Work-Life Balance has a positive and significant effect on Employee Productivity. The analysis shows that Work-Life Balance (X1) positively and significantly affects Employee Productivity (Z), with a p-value of 0.001 and T-statistic of 0.955, indicating that this hypothesis is accepted. Employees who maintain a balance between work and personal life tend to exhibit higher productivity.
2. Hypothesis 2 (H2): Work-Life Balance has a positive and significant effect on Job Stress. The study shows that Work-Life Balance (X1) positively and significantly affects Job Stress (Y), with a p-value of 0.005 and T-statistic of 1.881. Thus, this hypothesis is accepted, meaning that employees who balance their work and personal life will experience lower levels of stress, even in the context of industrial relocation.
3. Hypothesis 3 (H3): Work Environment has a positive and significant effect on Employee Productivity. The analysis indicates that Work Environment (X2)

- positively and significantly affects Employee Productivity (Z), with a p-value of 0.008 and T-statistic of 2.669. This hypothesis is accepted, suggesting that a good and supportive work environment can enhance employee productivity, especially in the context of industrial relocation.
4. Hypothesis 4 (H4): Work Environment has a positive and significant effect on Job Stress. The analysis finds that Work Environment (X2) positively and significantly affects Job Stress (Y), with a p-value of 0.002 and T-statistic of 1.033. This hypothesis is accepted, indicating that a poor or unsupportive work environment can increase employee stress levels, particularly in industrial relocation contexts.
  5. Hypothesis 5 (H5): Job Stress has a positive and significant effect on Employee Productivity. Hypothesis testing shows that Job Stress (Y) positively and significantly affects Employee Productivity (Z), with a p-value of 0.007 and T-statistic of 0.949. This hypothesis is accepted, suggesting that well-managed job stress can enhance employee productivity, particularly during industrial relocation.
  6. Hypothesis 6 (H6): Job Stress positively and significantly mediates the effect of Work-Life Balance on Employee Productivity. The analysis reveals that Job Stress (Y) mediates the effect of Work-Life Balance (X1) on Employee Productivity (Z) positively and significantly, with a p-value of 0.009 and T-statistic of 1.668. This hypothesis is accepted, indicating that Work-Life Balance can impact Employee Productivity through its effect on Job Stress, especially in industrial relocation scenarios.
  7. Hypothesis 7 (H7): Job Stress positively and significantly mediates the effect of Work Environment on Employee Productivity. The analysis shows that Job Stress (Y) positively and significantly mediates the effect of Work Environment (X2) on Employee Productivity (Z), with a p-value of 0.000 and a T-statistic of 3.850. This hypothesis is supported, indicating that a conducive work environment can enhance employee productivity by reducing levels of work stress, particularly in the context of industries undergoing relocation.

## **Discussion**

The results of this study indicate that Work-Life Balance and Work Environment significantly influence Work Stress and Employee Productivity in industries undergoing relocation in Mojokerto Regency. Specifically, Work-Life Balance and Work Environment have both a direct positive impact on Employee Productivity, as well as an indirect effect through the reduction of Work Stress. These findings support theories suggesting that a good work environment and a balance between personal and work life play crucial roles in reducing stress and enhancing productivity, as explained by the Job Demands-Resources theory (Bakker & Demerouti, 2017).

Theoretically, these results affirm the view that workplace factors and work-life balance are primary determinants of productivity through stress management. Furthermore, this research reinforces previous findings and provides a stronger theoretical foundation by demonstrating that Work Stress acts as a significant mediator in the relationship between work environment and productivity. This offers new insights into how managing stress through workplace interventions can directly

enhance productivity. The practical implication of this study is the importance for management to focus on improving working conditions and supporting work-life balance as strategies to minimize stress and maximize productivity, particularly in the context of significant changes such as industrial relocation.

This analysis is important as it provides a deep understanding of how Work-Life Balance, Work Environment, and Work Stress interact to affect Employee Productivity, especially in the context of industries undergoing relocation. Given the complex nature of the relationships among these variables, the structural analysis employed captures both direct and indirect effects, as well as mediation, which might not be apparent with simpler analytical methods. By using Partial Least Squares (PLS), which is highly suitable for models with numerous variables and complex relationships, this analysis offers advantages over other models that might only consider direct effects without accounting for mediation mechanisms. For example, a simple linear regression model might not capture the mediating effect of Work Stress on the relationship between Work-Life Balance and Employee Productivity, which is shown to be significant in this study. The results from this analysis are expected to reveal that managing work-life balance and maintaining a good work environment not only directly affect productivity but also reduce Work Stress, thereby improving Employee Productivity. This provides a more holistic view and effective strategies for managers and industry leaders in addressing relocation challenges. These findings are also anticipated to offer a stronger theoretical and practical basis for developing more comprehensive human resource policies.

The results of this study align with the calibration trends used, indicating that Work-Life Balance and Work Environment play crucial roles in reducing Work Stress, which in turn enhances Employee Productivity. This is consistent with the findings of Rafsanjani et al., (2019), which also indicate that Work-Life Balance significantly affects Work Stress and job satisfaction, although it does not directly impact performance. Ahmad et al., (2022) also support these findings, showing that Work Stress due to high workloads decreases Work-Life Balance and ultimately harms productivity. From a theoretical perspective, these results support the Job Demands-Resources (JD-R) theory, which posits that balancing job demands and available resources can reduce stress and improve performance. Thus, this study not only supports previous findings but also emphasizes the importance of managing work-life balance and work environment as strategies to improve productivity in the context of industrial relocation, offering relevant and practical insights for human resource management practices.

This study shows that industrial relocation can lead to significant changes in the work environment and work-life balance, impacting employee stress levels and productivity. Relocation often causes instability and uncertainty for employees, which can increase stress and reduce productivity. However, companies that successfully create a supportive work environment and ensure a good work-life balance can reduce Work Stress, thereby maintaining or even improving productivity. In the future, this highlights the importance for companies to focus on stress management and employee well-being during transitions. Limitations of the study, such as the small sample size

and limited geographic context, affect the generalizability of the results, necessitating further research with a broader scope to strengthen these findings.

In summary, the findings suggest that Work-Life Balance and Work Environment have a significant impact on Employee Productivity, primarily through the mediation of Work Stress. Industrial relocation in Mojokerto Regency reveals that changes in the work environment can increase employee stress levels, which in turn may reduce productivity. The social implications of these findings suggest that companies should be more sensitive to employee well-being needs, especially during major changes such as relocation. Ethically, companies are obliged to provide adequate support to mitigate the negative impacts of Work Stress on employees, ensuring that transitions do not compromise individual well-being. This also emphasizes the importance of company policies oriented towards work-life balance to minimize the negative effects of relocation on employees.

### CONCLUSION

The conclusions drawn from this study indicate that Work-Life Balance and Work Environment significantly impact Employee Productivity, with Work Stress serving as a crucial mediator in this relationship. Industrial relocation in Mojokerto Regency increases Work Stress, which negatively affects Employee Productivity. However, this study has limitations, such as a limited sample size and the specific context of industrial relocation, which may not fully represent situations in other industries or regions. Future research is recommended to expand the sample scope and consider additional variables, such as management support or work flexibility policies, which may influence Work-Life Balance and productivity. Future predictions suggest that if companies do not take measures to manage employee stress during relocation, productivity may continue to decline, potentially affecting the overall competitiveness of the company.

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