



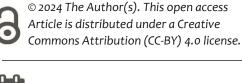


Recognized by the Ministry of Higher Education, Afghanistan. Journal homepage: krj.kardan.edu.af

The Impact of Work Life Balance on Employees Engagement with Mediating Role of Psychological Contract Fulfilment

Bilal Danish Wajid Kabir Jowhar Masooudi Dr. Muhammad Fayaz

To cite this article: Danish, B., Kabir, W., Masooudi, J., & Fayaz, M. (2024). The impact of work-life balance on employee engagement with mediating role of psychological contract fulfilment. *Kardan Research Journal*, 1 (1), 11-28.





Published online: 30 December 2024



Submit your article to this journal

The Impact of Work Life Balance on Employees Engagement with Mediating Role of Psychological Contract Fulfilment Kardan Research Journal 1 (1) 11–28 ©2024 Kardan University Kardan Publications Kabul, Afghanistan

Received: 28 Sep 24 Revised: 25 Oct 24 Accepted: 28 Nov 24 Published: 30 Dec 24 Bilal Danish Wajid Kabir Jowhar Masooudi Dr. Muhammad Fayaz

Abstract

Work-life balance is essential for employee engagement because it enables people to successfully manage their personal and professional obligations, which lowers burnout and boosts job satisfaction. Employees are more driven, effective, and dedicated to their company when they feel supported in preserving this balance. The current research investigates the impact of work-life balance (WLB) on employee engagement, emphasizing the mediating role of psychological contract fulfilment (PCF). Data was collected from diverse employees across various sectors through a structured questionnaire. This study employs a quantitative methodology to address the research questions and objectives effectively. The findings reveal a significant positive correlation between work-life balance and employee engagement, indicating that individuals who experience a healthier WLB are more inclined to demonstrate higher dedication and enthusiasm in their positions. Moreover, psychological contract fulfilment was identified as a crucial mediator in this relationship. This research contributes to the overall organizational behaviour of employees by highlighting the interplay between WLB, PCF, and engagement. Organizations seeking to enhance employee engagement should adopt policies that promote work-life balance while ensuring transparency and equity in meeting psychological expectations. Practical suggestions include implementing flexible work arrangements, fostering open communication, and routinely assessing employee perceptions of psychological contract fulfilment to maintain a motivated and productive workforce.

Keywords: Work-Life Balance, Employee Engagement, Psychological Contract Fulfillment, Organizational Behavior, Workplace Policies

1. Introduction

Employee engagement has received extensive focus in business settings, given its key role in influencing workplace dynamics. Over the last two decades, employee engagement has significantly evolved, with various interpretations emerging in response to shifting business trends (Riaz et al., 2021). As Gupta, Ganguli, and Ponnam (2015) indicate, human resource professionals have long studied how engagement impacts the broader organizational environment, emphasizing its crucial role in organizational effectiveness.

Research supports the idea that fully engaged employees contribute significantly to individual and team performance (Mahmood et al., 2019). These employees perform better in their own roles and influence their colleagues in positive ways, enhancing overall team dynamics and contributing to shared goals. This collaborative energy is crucial for building a high-performing work culture. In addition, organizations that provide resources such as flexible work arrangements are better positioned to increase employee engagement by supporting a healthy balance between work and personal responsibilities (Karatepe et al., 2018). Such resources are instrumental in boosting employees' job satisfaction and commitment by helping them balance their professional and personal obligations.

A key factor in promoting employee engagement is balancing work and personal life. Various studies have emphasized the influence of work-life balance on organizational performance and employee well-being (Riaz et al., 2021). When employees can sustain a healthy separation between their professional and personal lives, they experience lower stress levels and face a reduced risk of burnout (Kaya & Karatepe, 2020). This balance is crucial for enhancing employees' mental health and plays a pivotal role in improving organizational performance. Employees who can effectively manage their work and personal responsibilities are more likely to feel satisfied in their roles and demonstrate a stronger commitment to their jobs, increasing their productivity (Anitha, 2014). For this reason, organizations must ensure that employees' workloads are manageable to prevent negative impacts on their personal lives and job satisfaction.

A positive work-life balance benefits employees' well-being and drives better organizational outcomes by cultivating psychological ownership. This sense of attachment and accountability toward one's work and organization boosts job satisfaction and lowers turnover intentions. Anitha (2014) found that improving work-life balance could enhance employee productivity by 37%, underscoring its substantial impact on performance. Similarly, Bal & Vossaert (2019) identified work-life balance as a key factor influencing job-related outcomes, such as turnover, absenteeism, job satisfaction, and performance, alongside non-work-related areas like family relationships and stress management. A balanced work-life environment encourages employees to align with organizational goals while deepening their commitment and engagement (Prasetyaningtyas et al., 2021).

The study investigates the relationship between work-life balance and employee engagement, specifically through the mediating role of psychological contract fulfilment. By examining how work-life balance affects engagement via psychological contract fulfilment, the study aims to clarify these intricate dynamics. Gaining insights into the connections between work-life balance, employee engagement, and psychological contracts can help organizations craft strategies to boost employee satisfaction, commitment, and performance, thereby driving organizational success.

1.1 Problem Statement

One aspect that has received relatively little attention is the psychological contract fulfilment: employees' beliefs about the mutual obligations between them and their employers (Rousseau & Tuoriwala, 1998). This concept is central to understanding employee engagement, as it encompasses employees' perceptions of whether their employer has honoured promises, such as job security, career growth, and support. When employees feel that these obligations have not been met, they may perceive a breach in

the psychological contract, leading to disengagement and a decline in performance. This perspective aligns with the Conservation of Resources (COR) theory, which posits that individuals are motivated to conserve and protect their resources—time, energy, and emotional investment (Hobfoll, 1989). Employees who perceive a breach in the psychological contract experience a depletion of these vital resources, which can result in disengagement and reduced motivation.

In Afghanistan's context, where political instability and frequent organizational changes are common, employees may be particularly sensitive to breaches in the psychological contract. Unmet expectations regarding job security, fair compensation, and career development could exacerbate disengagement, especially in sectors where resources are already scarce. As employees grapple with uncertainty, the failure to address their needs can lead to significant resource loss and disengagement, affecting individual well-being and organizational performance.

On the other hand, when employees perceive that their psychological contract is being honoured, they experience a gain in resources—such as trust, motivation, and commitment—which fosters greater engagement and positive outcomes (Bal, De Cooman, & Mol, 2013). According to the COR theory, this resource gain motivates employees to invest in their roles, leading to higher work engagement and improved performance. Thus, the antagonistic perspective highlights the importance of fulfilling the psychological contract to prevent resource depletion and disengagement. Failing to meet employees' expectations can result in disengagement, harming individual well-being and negatively impacting organizational success.

1.2 Gap of the Study

This research emphasizes the crucial role of psychological contract fulfilment as a mediator in the relationship between work-life balance and employee engagement. The study aims to investigate how fulfilling psychological contracts can influence and potentially strengthen the connection between work-life balance and employee engagement, highlighting the importance of meeting mutual obligations between employees and employers.

The existing literature presents various empirical studies examining the impact of various job and personal resources on work engagement. Research has demonstrated that job resources, such as supervisor support, training opportunities, and personal resources, including self-efficacy and optimism, are essential for promoting engagement. Key studies include those by Rich et al. (2010), Bakker and Demerouti (2008), Vera et al. (2016), Lee and Ok (2015), and Mishra et al. (2014). These findings underscore the necessity of exploring how diverse factors enhance employee engagement.

Despite its relevance, the role of psychological contract fulfilment in bolstering work-life balance and employee engagement remains underexplored. Soares and Mosquera (2019) assert that employees harbour beliefs about the reciprocal obligations between themselves and their employers, which are central to their levels of engagement. Employees feeling that their organization has not honoured its commitments can lead to dissatisfaction and diminished engagement. Conversely, when employees perceive that their psychological contract is being fulfilled, their engagement and motivation levels can significantly rise.

This research addresses this gap by comprehensively analyzing how psychological contract fulfilment mediates the relationship between work-life balance and employee engagement. It is investigated whether fulfilling psychological contracts enhances the positive effects of work-life balance on employee engagement or if it merely moderates these impacts. By exploring this relationship, the study seeks to offer a clearer understanding of how work-life balance initiatives can be effectively designed and implemented to boost employee engagement.

1.3 Significance of the Study

The importance of the study stems from its thorough examination of the complex relationships among work-life balance, employee engagement, and the fulfilment of psychological contracts, particularly emphasizing the mediating role of the psychological contract. Attaining an appropriate work-life balance is essential for employees' overall well-being, influencing multiple aspects of their professional lives. When individuals effectively juggle the demands of their professional and personal responsibilities, they tend to experience increased job satisfaction, lower levels of stress, and a deeper commitment to their organizations. This balance fosters an atmosphere where employees can excel without feeling overextended.

Exploring this topic further reveals the essential function of the psychological contract within this framework. This concept refers to the unspoken expectations and obligations shared between employees and employers, encompassing formal agreements and perceived commitments that shape their working relationship. Employees who believe their psychological contract is being honoured are more inclined to feel motivated and engaged in their roles. This sense of fulfilment can significantly impact how they view their work-life balance and their overall engagement. A favourable psychological contract enhances employees' trust in their organization's commitment to their welfare, boosting their job satisfaction and engagement levels.

The framework provided by the Conservation of Resources (COR) theory, developed by Hobfoll in the late 1980s and 1990s, offers valuable insights into these relationships. This theory posits that individuals with abundant resources are better equipped to handle stress and engage in productive workplace behaviours. They can leverage their resources to obtain even more, leading to greater overall work engagement. A positive balance between work and personal life supplies essential resources such as energy, self-efficacy, and a constructive mindset. These resources enhance intrinsic motivation and deepen engagement in work tasks, as indicated by studies like those conducted by Niessen et al. (2018). Employees who successfully balance their work and personal lives tend to feel more energized and motivated, resulting in higher levels of engagement.

Furthermore, the relationship between employee engagement and resource acquisition is noteworthy. Engaged employees are in a better position to obtain resources related to their job roles, facilitating a phenomenon known as work-to-family enrichment. This occurs when improvements in work roles positively influence family life and vice versa, as described by (Mo et al., 2021). This mutual relationship illustrates the interconnectedness of work engagement and work-life balance, suggesting that enhancing one can positively affect the other.

Investigating the interplay between work-life balance, employee engagement, and psychological contract fulfilment yields important insights for organizations. Understanding these dynamics allows for developing specific policies and programs to

promote work-life balance and increase employee engagement. By holistically addressing these factors, organizations can cultivate an environment that supports their employees' well-being and boosts their overall commitment and productivity.

2. Theoretical Background and Hypothesis Development

The Conservation of Resources (COR) theory, introduced by Hobfoll in the late 1980s and 1990s, is a key framework for examining the relationship between employee engagement and work-life balance (WLB). This theory suggests that individuals are motivated to obtain, protect, and preserve valuable resources, including time, energy, and various personal competencies. When individuals possess abundant resources, they are generally more resilient and proactive in addressing challenges across their work and personal spheres, leading to greater engagement and overall life satisfaction.

In the workplace context, having sufficient resources like time and energy is essential for promoting work engagement. Employees equipped with these resources are more likely to immerse themselves fully in their tasks, demonstrating heightened enthusiasm and concentration. The COR theory implies that a healthy work-life balance is a significant resource, facilitating a positive outlook on work. When individuals manage their professional responsibilities and personal lives effectively, they tend to feel more energized and satisfied, boosting their engagement levels. Research by Niessen et al. (2018) backs this statement, indicating that employees with a balanced work-life dynamic exhibit higher engagement and job satisfaction, highlighting the interdependent nature of these elements.

COR theory also highlights the concept of resource gain spirals. When individuals maintain a favourable work-life balance, they are likely to experience heightened energy levels, self-efficacy, and optimism, which can further propel their engagement at work. This enhanced engagement can facilitate the acquisition of additional work-related resources, creating a positive feedback loop that encourages productivity and personal fulfilment. For example, employees who feel valued and supported in their work are more likely to experience increased job satisfaction, translating into further professional and personal achievements.

The concept of the psychological contract is also crucial in understanding the dynamics between employees and employers. Introduced by Rousseau (1995) and further elaborated by Schein (1980), the psychological contract encompasses the implicit expectations and commitments shared between employees and their organizations. It reflects the mutual beliefs, perceptions, and informal obligations that characterize the employment relationship. This contract is not limited to formal agreements; it also includes employees' expectations regarding their roles, rewards, and the support they receive from the organization.

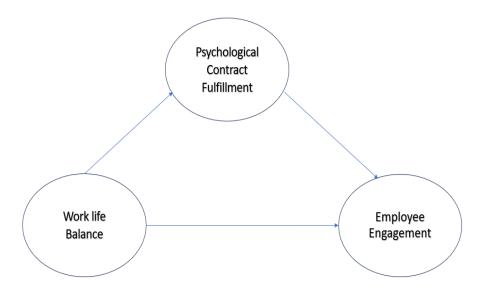
Employee engagement, as conceptualized by Kahn (1990), refers to the degree to which individuals are involved in their work roles and how their experiences shape their levels of engagement. Kahn's framework emphasizes that engagement encompasses cognitive, emotional, and physical dimensions, and it is influenced by how individuals invest themselves in their roles and navigate their engagement over time. This framework provides a nuanced understanding of engagement, recognizing that it is not a static condition but rather a dynamic process influenced by various factors, including organizational support and interpersonal relationships.

The Conservation of Resources theory frameworks, employee engagement, psychological contract fulfilment, and work-life balance research contribute to a holistic understanding of the interaction between employee engagement and work-life balance. These concepts illuminate the reciprocal relationship between these factors and emphasize the necessity of nurturing a supportive and engaging work environment. Organizations can enhance employee engagement, satisfaction, and overall well-being by promoting positive experiences and perceptions in both work and personal domains.

2.1 Conceptual Framework

The theoretical model consists of three variables and three hypotheses. Among these, one serves as the mediating variable, while the other two represent the independent and dependent variables. Figure 1 illustrates the theoretical model.

Figure 1Conceptual framework



2.2 Work-Life Balance and Psychological Contract Fulfillment

Recently, employees have become more vocal about their desire for employers to assist them in managing work and personal responsibilities. This trend reflects an increasing societal emphasis on work-life balance (WLB) as an essential employment component. According to Russo et al. (2015), employees seek assurance that their employers are recognized and accommodate their needs outside the workplace. As a result, commitments to work-life balance have become a crucial aspect of psychological contract fulfilment, as highlighted by Morgan and King (2012). This development underscores employers' need to understand and address the diverse needs of their workforce to create a positive and productive work environment.

Despite the heightened focus on work-life balance, there remains a notable gap in research concerning how various demographic groups, particularly older employees, respond to WLB initiatives. Many existing studies have largely overlooked this workforce segment, resulting in a significant gap in our understanding of their specific needs and responses. Kraak et al. (2017) note the scarcity of research addressing the psychological

contract fulfilment of older workers, which hinders our ability to design effective work-life balance programs tailored for them. Older employees may have unique expectations and requirements regarding integrating their professional and personal lives, and meeting these needs is essential for enhancing their job satisfaction and overall engagement.

Given the critical nature of psychological contract fulfilment in nurturing a motivated and dedicated workforce, it is vital to conduct further research on how older workers perceive and respond to support for work-life balance. Understanding their viewpoints could yield valuable insights for employers looking to establish more inclusive and effective WLB strategies. By addressing this research gap, organizations can better align their policies with the diverse needs of all employees, fostering a more supportive and equitable work environment that recognizes and accommodates the varied circumstances of their workforce.

H-1: Work-life balance has a positive effect on psychological contract fulfilment.

2.3 Psychological Contract Fulfillment and Employee Engagement

Employee engagement is vital in determining workplace performance, and its connection to psychological contracts is especially noteworthy. Psychological contracts refer to the implicit and informal understandings employees develop concerning their expectations and duties towards their employer. As noted by Kaya & Karatepe (2020), these contracts encapsulate employees' perceptions about the conditions of their employment and their mutual responsibilities. When workers sense that their employer has not fulfilled these expectations, it can lead to what is known as a psychological contract violation.

A psychological contract violation arises when employees feel their employer has failed to uphold the implicit commitments or promises. This perceived betrayal can profoundly affect their engagement levels and overall performance. For example, if employees believe they are not receiving the anticipated benefits or recognition, their motivation and dedication to the organization may diminish. Kaya and Karatepe (2020) emphasize that such breaches can result in lowered job satisfaction, a decline in trust in the organization, and a subsequent drop in performance.

On the other hand, when organizations make a concerted effort to honour their psychological contracts, employees are more inclined to feel appreciated and engaged. A favourable alignment between employees' expectations and the organization's support and resources cultivates a more dedicated and productive workforce. Therefore, organizations must comprehend and address psychological contracts to enhance employee engagement and boost overall performance. Companies can foster a healthier and more motivated workforce by clearly communicating and fulfilling promises and expectations.

H-2: The fulfilment of psychological contracts has a positive effect on employee engagement.

2.4 The Relationship Between Work-Life Balance and Employee Engagement: Mediating Effect of Psychological Contract Fulfillment

Research demonstrates that maintaining a healthy work-life balance significantly enhances employee engagement. When employees successfully manage their

professional responsibilities alongside personal commitments, they are more likely to display increased levels of productivity and engagement in their work. As highlighted by Bataineh (2019), achieving this balance mitigates stress, prevents burnout and improves overall job satisfaction, resulting in a stronger commitment to their roles.

However, this relationship is substantially influenced by the fulfilment of psychological contracts. As discussed by Cassar and Buttigieg (2015), violations of these implicit agreements occur when employers fail to meet their commitments, which can negatively affect employee performance. Employees who perceive unmet expectations — particularly regarding work-life balance and other critical job elements — tend to lose trust in their organization, leading to a decline in performance.

Additionally, Coyle-Shapiro et al. (2019) emphasize the serious impact that breaches of psychological contracts can have on employee attitudes and behaviours. Feelings of betrayal and disengagement often arise when staff members believe their organization has not delivered its promises. This disillusionment frequently manifests in negative behaviours, such as tardiness, extended lunch breaks, and a tendency to leave work early. Such actions reflect not only a lack of commitment but also contribute to decreased productivity and lower morale within the workplace.

Organizations that successfully uphold their psychological contracts will likely cultivate a more engaged and motivated workforce. By ensuring that commitments related to work-life balance are honoured, employers can enhance employees' perceptions of fairness and respect, boosting their engagement levels and overall job satisfaction.

H-3 The fulfilment of psychological contracts mediates the relationship between work-life balance and employee engagement.

3. Research Methodology

3.1 Research Design

This study employs a quantitative methodology to address the research questions and objectives effectively. Primary data collection uses a meticulously pre-designed questionnaire to gather relevant data. This questionnaire has been structured to capture a comprehensive range of responses related to the study's focal points.

Furthermore, these questionnaires are distributed among individuals working within various non-governmental organizations (NGOs) in Afghanistan. Each respondent is provided with the questionnaire, enabling them to contribute their insights and perspectives. By engaging participants from this sector, the research aims to obtain valuable input reflecting the realities and experiences of employees within these organizations. This approach ensures the collection of robust data and enhances the relevance and applicability of the findings to the unique context of NGOs in Afghanistan.

3.2 Population and Sample of the Study

The population for this study comprises individuals working in the health and education sectors within non-governmental organizations and government institutions in Afghanistan. These organizations include MSH, YHDO, NRC, Save the Children, and the Ministry of Public Health. The researcher has gathered a sample of 175 individuals by applying a specific formula, all of whom are currently employed in Afghanistan by the

aforementioned international and national organizations, as well as in the private sector and government agencies.

3.3 Sampling Technique

This study utilized a non-probability convenience sampling method. A minimum of 175 respondents were surveyed to adequately represent the target population sample. Data collection involves distributing an online questionnaire through Google Forms, targeting individual employees from non-governmental organizations, private sector companies, and government institutions in Afghanistan.

3.4 Data Collection Tool

A questionnaire has been crafted and formulated, utilizing items from Scale7A to measure work-life balance, which was derived from the study "Measuring Work-Life Balance and Its Covariates" by Dex and Bond (2005) and the research conducted by Conway and Briner (2002). Additionally, elements from the work of Schaufeli, Shimazu, Hakanen, Salanova, and De Witte were incorporated. Subsequently, these questionnaires were distributed to employees working in international organizations, where respondents were asked to indicate their level of agreement using a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

4. Data Analysis And Finings

4.1 Organization

In Table 5, the survey results reveal distinct trends in employment sectors among the 175 respondents. A significant majority, comprising 111 participants, which accounts for 63.4% of the total respondents, reported that they are employed with non-governmental organizations (NGOs). This substantial proportion highlights NGOs' prominent role in the employment landscape within the surveyed population, reflecting a significant engagement with the non-profit sector. This might indicate a strong presence of humanitarian, developmental, or social service work individuals.

In contrast, a smaller segment of the respondents, 22 individuals or 12.6%, are employed within government sectors. This percentage underscores the presence of government roles among the participants, though it is less prevalent than NGO employment. The involvement in government positions suggests a noteworthy but smaller representation of individuals working in public service and administration within the surveyed group.

The remaining 42 respondents, representing 24% of the total, are employed by private companies. This group illustrates the diversity of the employment sector, encompassing those engaged in private enterprises and commercial activities. This percentage of respondents working in the private sector indicates a balanced mix of employment types within the survey sample, contributing to a varied perspective on employment experiences in Afghanistan.

The data underscores a dominant employment trend within NGOs, with notable representation in both government and private sectors. This distribution provides valuable insight into the diverse employment landscape of the respondents, highlighting the varying sectors that contribute to their professional experiences.

Table 5: Organization

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	NGO	111	63.4	63.4	63.4
	Government	22	12.6	12.6	76.0
	Private	42	24.0	24.0	100.0
	Total	175	100.0	100.0	

Source: Author compilation through SPSS analysis

4.2 Reliability Test

As shown in Table 6, the dependability of the data collection instruments was evaluated using Cronbach's Alpha, a statistical metric utilized to assess the internal consistency of the survey tools used in this research. Cronbach's Alpha is an essential indicator of how consistently the items within a measurement instrument evaluate the same fundamental construct. In this evaluation, the aggregate Cronbach's Alpha score for the 24 items in the survey was determined to be 0.739.

According to Uma Sekaran's authoritative book, "Business Research Methods," a Cronbach's Alpha score nearing 1.0 indicates significant internal consistency and dependability. This guideline implies that as the score approaches 1, the reliability of the measurement instrument increases. In this context, a Cronbach's Alpha of 0.739 reflects a substantial level of reliability for the survey tool utilized in this study.

Additionally, the assessment of a complete set of 14 items demonstrated excellent reliability, confirming that the items reliably measure the intended variables with a high degree of precision. This outstanding reliability rating emphasizes the strength of the data collection tool and boosts the credibility of the primary data obtained through this research. The strong internal consistency evident in this Cronbach's Alpha score supports the validity of the research outcomes. It ensures that the survey instruments employed effectively capture the desired data.

Table 7: Cronbach Alpha

S. N	Construct	Cronbach Alpha	No of item
1	Work-life Balance	.635	7
2	Psychological contract fulfilment	.569	4
3	Employee Engagement	.579	3

Source: Author compilation through SPSS analysis

4.3 Normality test

Table No. 8 provides an in-depth examination of the data distribution for each variable, emphasizing two critical statistical measures: Skewness and Kurtosis. The Skewness values for all variables are between -3 and +3, which falls within the typical range that signifies an approximately symmetric data distribution. This range indicates that the data is not significantly skewed, suggesting a balanced arrangement around the mean.

In addition, the Kurtosis values for each variable also lie within the range of -10 to +10. This range signifies characteristics of a normal distribution, indicating that the data does

not display extreme tails or outliers that could distort the findings. The Kurtosis values further affirm that the data distribution is neither excessively peaked nor too flat, consistent with the traits of a normal distribution.

Since both Skewness and Kurtosis values reside within the acceptable ranges, it is clear that the data approximates a normal distribution. This normality supports the application of parametric tests in subsequent analyses. Such tests are particularly advantageous in this situation, as they presume that the data adheres to a normal distribution, enabling more robust and precise evaluations of relationships among variables. Therefore, with the data satisfying these normality requirements, parametric methods can be employed confidently to investigate and identify the relationships between the variables in question.

Table 8: Descriptive Statistics

	Number	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Work-life Balance	175	347	.184	357	.365
Psychological Contract Fulfilment	175	599	.184	453	.365
Employee Engagement	175	470	.184	825	.365
Valid N (listwise)	175				

Source: Author compilation through SPSS analysis

4.4 Pearson Correlation

Table 9 illustrates several significant correlations illuminating the relationships among various workplace factors. The Correlation Coefficient between Work-Life Balance and Psychological Contract Fulfillment is measured at 0.311. This value exceeds zero, indicating a moderate positive association between these two variables. It implies that as employees enjoy a better work-life balance, their perception of fulfilling their psychological contract with their employer tends to improve to a moderate degree.

Moreover, the Correlation Coefficient for Work-Life Balance and Employee Engagement is 0.384. This stronger positive value reflects a more robust positive relationship, suggesting that improvements in work-life balance correlate with higher levels of employee engagement. In other words, as employees effectively balance their professional and personal lives, their engagement with their work increases accordingly.

Additionally, the Correlation Coefficient between Employee Engagement and Psychological Contract Fulfillment stands at 0.316. This positive correlation indicates a moderate association between these variables, suggesting that when employees feel more engaged in their roles, their sense of fulfilment concerning the psychological contract with their employer also rises.

These correlation coefficients underscore the interconnected nature of work-life balance, employee engagement, and psychological contract fulfilment. The moderate to positive relationships among these factors highlight the importance of cultivating a supportive work environment that promotes employees' well-being and engagement, ultimately contributing to a more enriching work experience.

Table 9 *Variables*

	Work-life Balance	Psychological Contract Fulfilment	Employee Engagement
Work-life Balance	1		
Psychological Contract Fulfilment	.311**	1	
Employee Engagement	.384**	.316**	1

^{*.} The correlation shows significance at the 0.01 level (two-tailed).

Source: Author compilation through SPSS analysis

4.5 Mediation Investigation

Per Preacher and Hayes (2008), establishing a mediation relationship between variables requires an analysis of the indirect effect of the independent variable on the dependent variable. In this study, Work-Life Balance is identified as the independent variable (X), while Employee Engagement is the dependent variable (Y). To identify a mediating relationship, assessing the indirect effect of Work-Life Balance on Employee Engagement is essential by examining the associated confidence intervals.

Table 4.10 presents relevant data under the category "Indirect effect(s) of X on Y." The Lower Limit Confidence Interval (BootLLCI) is reported as 0.0215, and the Upper Limit Confidence Interval (BootULCI) is 0.1823. Since neither the Lower Limit nor the Upper Limit includes zero, this indicates that the indirect effect is statistically significant, thereby confirming the existence of a mediation relationship between Work-Life Balance and Employee Engagement. This suggests that the effect of Work-Life Balance on Employee Engagement is influenced by additional mediating factors, indicating that the relationship involves more than just a direct connection. The findings highlight the complexity of how Work-Life Balance interacts with Employee Engagement, emphasizing the importance of understanding the mediating factors involved in this dynamic.

Run MATRIX Procedure:

Model: 4

Y: Employee Engagement (EE)

X: Work-life Balance (WLB)

M: Psychological contract fulfilment (PCF)

Sample Size: 175

.3164

Table 10

Overall Effect of X on Y

Effect	Se	T	P	LLCI	ULCI	c_cs
.3531	.1011	5.4732	.0000	.3536	.7525	.3842
Direct Impact of X on Y						
Effect	Se	T	P	LLCI	ULCI	c'_cs

.0000

.2503

.6606

Indirect Impact(s) of X on Y:

.4555

	Effect	BootSE	BootLLCI	BootULCI
Psychological contract fulfilment	.0976	.0405	.0215	.1823

Total Standardized Indirect Effect(s) of X on Y:

.1039

4.3827

	Effect	BootSE	BootLLCI	BootULCI
Psychological contract fulfilment	.0678	.0284	.0152	.1273

The confidence level for all confidence intervals in the output is 95.0000. Additionally, for the percentile bootstrap confidence intervals, 5000 bootstrap samples were utilized.

4.6 Hypothesis Testing

Table No. 11 indicates that all significance values are below the 0.05 threshold, demonstrating the statistical significance of the results. This finding offers compelling evidence in support of the proposed research hypotheses. Essentially, the data verifies that the relationships among the variables, as suggested, are present and hold statistical significance. As a result, these findings affirm the proposed connections between the variables, enhancing the credibility of the research hypotheses.

Table 11 *Hypothesis Impact*

S.N	Hypothesis	Status
1	H-1 Work-life balance positively impacts psychological contract fulfilment. ($P = .000$) => ($P < .005$)	Accepted
2	H-2 Psychological contract fulfilment positively impacts employee engagement. (P = $.000$) => (P < $.005$)	Accepted
3	H3: Psychological contract fulfilment mediates between work-life balance and employee engagement.	Accepted

The table above illustrates that the p-value linked to the hypothesis concerning the positive relationship between work-life balance and employee engagement is .000. This figure is considerably lower than the established threshold of .005, thereby offering substantial support for the acceptance of the hypothesis. A wide range of empirical studies have consistently demonstrated a positive relationship between these two variables, reinforcing the notion that an effective work-life balance is vital for enhancing employee engagement levels. In the absence of a proper work-life balance, organizations are likely to witness a marked decline in employee engagement, which can have negative implications for overall productivity and workplace morale.

In a parallel analysis, the second hypothesis investigates the positive correlation between psychological contract fulfilment and employee engagement, which also reveals a p-value of .000. This value, being beneath the .005 threshold, further validates the acceptance of this hypothesis. The findings suggest that employee engagement tends to be significantly higher in organizations that effectively fulfil the psychological contracts with their employees. This highlights the importance of addressing psychological expectations and ensuring employees feel valued and supported by their organizations.

The third hypothesis delves into the mediating effect of psychological contract fulfilment on the relationship between work-life balance and employee engagement. The results obtained also lend robust support to this hypothesis, with the Bootstrap Lower Limit Confidence Interval (BootLLCI) recorded at .215 and the Bootstrap Upper Limit Confidence Interval (BootULCI) at .1823. Both values exceed zero, adhering to the criteria established by Preacher and Hayes (2008). This indicates that psychological contract fulfilment serves as a mediator in the relationship between work-life balance and employee engagement within organizations, suggesting that fulfilling psychological contracts can enhance the positive effects of work-life balance on employee engagement.

The statistical evidence presented strongly supports all three hypotheses: the direct influences of work-life balance and psychological contract fulfilment on employee engagement and the mediating role of psychological contract fulfilment in the relationship between work-life balance and employee engagement. This thorough and detailed analysis emphasizes the key factors influencing employee engagement. It provides valuable insights for organizations looking to develop strategies to improve employee satisfaction, commitment, and overall productivity within the workplace. By understanding and addressing these dynamics, organizations can foster a more engaged and motivated workforce, ultimately leading to enhanced organizational success.

5. Discussion Conclusion and Recommendation

5.1 Discusion

This study has thoroughly examined the influence of work-life balance and psychological contract fulfilment on employee engagement in Afghanistan. The results underscore the critical importance of a healthy work-life balance in enhancing employee engagement, as it fosters enthusiasm and dedication and significantly boosts productivity levels. Additionally, the research highlights the role of psychological contract fulfilment as a vital mediator in this relationship. When employees perceive that their employers are meeting their commitments, they are more likely to feel valued and, as a result, become more engaged in their work. This suggests that organizations aiming to improve

employee engagement should prioritize promoting work-life balance and fulfilling psychological contracts, ultimately leading to a more motivated and productive workforce.

These findings are particularly significant for Afghan organizations, where unique sociocultural and economic conditions can affect work-life balance and psychological contract fulfilment. Organizations can improve employee satisfaction, retention, and performance by addressing these factors. Practical strategies include offering flexible work arrangements, fostering a supportive workplace culture, managing workloads effectively, and ensuring transparent communication.

While this study provides important insights, further research is needed to investigate these dynamics across various sectors and contexts. Such exploration will help organizations navigate workforce management challenges and achieve sustainable growth.

H-1: Work-life balance has a positive effect on psychological contract fulfilment.

Work-life balance is increasingly recognized as a key factor in fostering a positive psychological contract between employees and employers. When individuals can effectively juggle their work responsibilities with their personal lives, they are more inclined to believe that their organization acknowledges their needs and cares about their well-being. This sense of appreciation and understanding from the employer cultivates a stronger psychological contract, making employees feel that the conditions of their employment are being respected. As a result, employees perceive their workplace as more supportive and fairer, enhancing their psychological contract fulfilment. This greater fulfilment can improve job gratification and provide deeper assurance to the organization.

H-2: The fulfilment of psychological contracts has a positive effect on employee engagement.

Psychological contract fulfilment is vital for enhancing employee engagement. When employees sense that their organization is fulfilling its promises and obligations, they are more inclined to feel appreciated and recognized. This satisfaction deepens their emotional attachment to their work, leading to increased enthusiasm and participation in their job duties. Engaged employees are characterized by a stronger commitment, a willingness to go above and beyond, and heightened motivation, all of which contribute to improved productivity and organizational success. Therefore, a strong psychological contract enhances how employees perceive their work environment and cultivate a more profound engagement with their roles and responsibilities.

H-3 The fulfilment of psychological contracts mediates the relationship between work-life balance and employee engagement.

Psychological contract fulfilment is a vital mediator between work-life balance and employee engagement. When employees achieve a satisfactory work-life balance, it positively shapes their views on how well their organization fulfils its commitments, enhancing their sense of psychological contract fulfilment. This increased fulfilment leads to elevated levels of employee engagement. While work-life balance directly influences engagement, fulfilling the psychological contract brings this relationship to fruition. By prioritizing employees' work-life balance, organizations can improve psychological

contract fulfilment, enhancing engagement and fostering greater job satisfaction and performance.

5.2 Recommendations

Work-life balance and psychological contract fulfilment are increasingly recognized as critical components of employee engagement, particularly within Afghanistan's evolving organizational landscape. Supporting employees in balancing their professional and personal lives contributes to a positive workplace culture where mutual trust and commitment are emphasized. When organizations meet employees' expectations aligning with psychological contract terms related to growth, stability, and work-life flexibility, they boost morale and drive engagement. Organizations can foster a productive and motivated workforce by addressing these areas thoughtfully. Organizations should adopt flexible policies that support employees' ability to manage personal and professional responsibilities. Improved work-life balance will help meet employees' psychological expectations of support from the organization, fulfilling their psychological contract and boosting engagement. Strengthen Commitment to Psychological Contract Fulfillment.

Ensure management honours job security, growth, and work-life support promises. Keeping these commitments enhances employees' trust in the organization and positively impacts their engagement by fulfilling their psychological contract expectations. Conduct regular assessments to understand employees' work-life needs and adjust policies accordingly.

Establish open feedback channels for employees to discuss unmet needs related to work-life balance. Addressing these issues signals organizational commitment to fulfilling psychological contracts, fostering trust, and raising employee engagement.

5.3 Managerial Implication

The managerial implication of the study on the impact of work-life balance on employee engagement, with the mediating role of psychological contract fulfilment, is that organizations should prioritize creating supportive work-life balance policies. Doing so can enhance employees' engagement through fulfilling psychological contracts, which fosters greater job satisfaction, productivity, and retention. Managers should focus on clear communication, trust-building, and offering flexible work arrangements to align employee expectations with organizational goals.

5.4 Conclusion

The current study was conducted among individuals employed in the health and education sectors within Afghanistan's non-governmental organizations and government institutions. Employees were selected using a convenient sampling method. For analysis, SPSS was utilized to perform mediation analysis tests. The current study explores the connection between work-life balance and employee engagement, highlighting the mediating effect of psychological contract fulfilment. The results indicate that maintaining a positive work-life balance significantly enhances employee engagement by increasing motivation and productivity. Psychological contract fulfilment, which refers to employees' perceptions that their employers are honouring their commitments, plays a critical role in this dynamic. Employees who feel their expectations are being met are more likely to be actively engaged in their work.

Therefore, organizations aiming to improve employee engagement should focus on creating a supportive work-life balance and ensuring that psychological contracts are fulfilled effectively.

References

- Anitha, J. (2014). Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, 63(3), 308–323.
- Bal, P. M., & Vossaert, L. (2019). Development of an i-deals motivation and management measure. *Journal of Personnel Psychology*.
- Cassar, V., & Buttigieg, S. C. (2015). Psychological contract breach, organizational justice, and emotional well-being. *Personnel Review*, 44(2), 217–235.
- Coyle-Shapiro, J. A.-M., Pereira Costa, S., Doden, W., & Chang, C. (2019). Psychological contracts: Past, present, and future. *Annual Review of Organizational Psychology and Organizational Behavior*, 6(1), 145–169.
- Karatepe, O. M., Yavas, U., Babakus, E., & Deitz, G. D. (2018). The effects of organizational and personal resources on stress, engagement, and job outcomes. *International Journal of Hospitality Management*, 74, 147–161.
- Kaya, B., & Karatepe, O. M. (2020). Does servant leadership better explain work engagement, career satisfaction, and adaptive performance than authentic leadership? *International Journal of Contemporary Hospitality Management*, 32(6), 2075–2095.
- Kraak, J. M., Lunardo, R., Herrbach, O., & Durrieu, F. (2017). Promises to employees matter, self-identity too: Effects of psychological contract breach and older worker identity on violation and turnover intentions. *Journal of Business Research*, 70, 108–117.
- Mahmood, M., Uddin, M. A., & Fan, L. (2019). The influence of transformational leadership on employees' creative process engagement: A multi-level analysis. *Management Decision*, 57(3), 741–764.
- Mo, F., Yu, Z., Li, P., Oh, J., Spolski, R., Zhao, L., Glassman, C. R., Yamamoto, T. N., Chen, Y., & Golebiowski, F. M. (2021). An engineered IL-2 partial agonist promotes CD8+ T cell stemness. *Nature*, 597(7877), 544–548.

- Prasetyaningtyas, S. W., Heryanto, C., Nurfauzi, N. F., & Tanjung, S. B. (2021). The effect of work from home on employee productivity in the banking industry. *Jurnal Aplikasi Manajemen*, 19(3), 507–521.
- Riaz, H., Ahmed, H., & Ali, S. B. (2021). Mapping the impact of employee engagement on job performance with mediating role of work-life balance: An investigation of private sector organizations in Pakistan. *Market Forces*, 16(2), 43–62.
- Soares, M. E., & Mosquera, P. (2019). Fostering work engagement: The role of the psychological contract. *Journal of Business Research*, 101, 469–476.

About the Authors

Mr. Bilal Danish, Student, Department of MBA, Kardan University, Kabul Afghanistan.

Mr. Wajid Kabir, Assistant Professor, Department of Economics, Kardan University, Kabul, Afghanistan. <w.kabir@kardan.edu.af>

Mr. Jowhar Massodie, Academic Administrator, Department of Economics, Kardan University, Kabul, Afghanistan. <j.massoudi@kardan.edu.af>

Dr. Muhammad Fayaz, Assistant Professor, Department of MBA, Kardan University, Kabul, Afghanistan. <m.fayaz@kardan.edu.af>