

# THE EFFECT OF PERFORMANCE RECOGNITION AND WORK-LIFE BALANCE ON EMPLOYEE PERFORMANCE WITH EMPLOYEE JOB SATISFACTION AS AN INTERVENING VARIABLE AT PT. BANK MANDIRI OUTLET PRIORITY OF MEDAN PULAU PINANG

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## Abstract

This study aims to analyze the effect of performance recognition and work-life balance on employee job satisfaction at PT. Bank Mandiri Priority Outlet Medan Pulau Pinang. It also examines the influence of performance recognition, work-life balance, and employee job satisfaction on employee performance at the same institution. Additionally, it investigates the indirect effect of performance recognition and work-life balance on employee performance through employee job satisfaction. The research employs an associative method, with a sample of 93 employees. Path analysis was conducted using SPSS 27 software. The results indicate that performance recognition has a positive and significant effect on employee job satisfaction. Work-life balance also positively and significantly influences employee job satisfaction. Performance recognition, work-life balance, and job satisfaction each have a positive and significant direct effect on employee performance. Furthermore, performance recognition and work-life balance indirectly and positively influence employee performance through the mediating role of job satisfaction

**Keywords:** *Performance Recognition, Work-Life Balance, Job Satisfaction, Employee Performance.*

## INTRODUCTION

The increasingly competitive banking industry demands that every organization manage its human resources optimally to maintain competitive advantage and provide quality service to customers. In the context of modern banking, employee performance is a strategic factor that determines the success of achieving organizational goals, especially in the priority service segment which demands a high level of professionalism, accuracy, and service quality. Bank Mandiri, as one of the largest banks in Indonesia, continues to strive to improve organizational performance through service strengthening, product innovation, and improving the quality of human resources. The Priority Banking service developed by PT. Bank Mandiri positions employees as the spearhead in maintaining priority customer satisfaction and loyalty. Employees at priority outlets are not only required to achieve high performance targets, but also must be able to provide personalized service, maintain long-term relationships with customers, and manage complex financial portfolios. These conditions make employee performance a very crucial aspect, because the quality of service provided will directly affect the company's image and customer trust.

However, employee performance is inseparable from various influencing factors, both organizational and individual. One important factor that plays a role in improving employee performance is performance recognition. Performance recognition is a form of appreciation given by the company for employee contributions and achievements, both in the form of financial and non-financial rewards. Fair and consistent recognition can increase employee motivation, feelings of appreciation, and engagement with the organization. Conversely, a lack of performance recognition can lead to feelings of being unappreciated, lower work morale, and negatively impact employee performance. In addition to performance recognition, work-life balance is also a crucial issue in human resource management, particularly in the banking sector. High work demands, target pressure, and the need to be responsive to customers often make it difficult for employees to balance work and personal life. This imbalance

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between work and personal life can trigger work stress, fatigue, and decreased employee well-being, ultimately impacting productivity and performance. This situation is also evident at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang, where employees face a high workload and intensive service demands. Indications of a decline in average employee performance in recent years indicate that the company needs to examine internal factors that could potentially impact performance. Furthermore, initial observations and pre-survey results indicate employee perceptions regarding suboptimal performance recognition and challenges in maintaining work-life balance. This phenomenon is a serious concern because if not managed properly, it can impact service quality, customer satisfaction, and the sustainability of organizational performance. In this context, employee job satisfaction plays a crucial role as a bridging variable between performance recognition, work-life balance, and employee performance. Job satisfaction reflects the extent to which employees are satisfied with various aspects of their work, such as the work environment, rewards, career development opportunities, and work-life balance. Employees with high levels of job satisfaction tend to demonstrate better performance, stronger loyalty, and higher commitment to the organization. Based on the description, it can be concluded that performance recognition and work-life balance are important factors that have the potential to influence employee performance, both directly and indirectly through job satisfaction. Therefore, research on the effect of performance recognition and work-life balance on employee performance with job satisfaction as an intervening variable is relevant and important to conduct, especially at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang. The results of this study are expected to provide theoretical contributions in the development of human resource management science and provide practical recommendations for companies in improving employee performance sustainably.

## LITERATURE REVIEW

### Performance Recognition

Performance recognition is a form of organizational appreciation for employees' contributions and achievements in carrying out their duties. Recognition can be provided financially or non-financially and plays a crucial role in increasing employee motivation and engagement. Previous research has shown that fair and consistent performance recognition can increase job satisfaction and motivate employees to perform optimally. In the context of service organizations, including banking, performance recognition is a strategic factor in retaining high-performing employees.

### Work Life Balance

Work-life balance refers to an individual's ability to harmoniously balance the demands of work and personal life. This balance is crucial for maintaining employees' physical and mental health and reducing work stress. Literature shows that a good work-life balance positively contributes to job satisfaction, organizational commitment, and employee performance. Conversely, an imbalance between work and personal life can decrease productivity and increase the risk of burnout.

### Employee Job Satisfaction

Job satisfaction is an employee's positive attitude or feeling toward their job, arising from their evaluation of various aspects of the job. Factors such as the work environment, rewards, career development opportunities, and work-life balance influence job satisfaction levels. Satisfied employees tend to have higher work motivation and exhibit positive work behaviors. Therefore, job satisfaction is often positioned as an important variable in explaining employee behavior and performance.

### Employee performance

Employee performance reflects the level of achievement of employee work results in accordance with organizational standards and objectives. Performance is measured through aspects of quantity, quality, timeliness, and work behavior. Human resource management literature confirms that employee performance is influenced by individual and organizational factors, including motivation, job satisfaction, and managerial support. In the banking industry, employee performance has direct implications for service quality and customer satisfaction.

## METHOD

This study uses a quantitative approach with an associative approach, aiming to analyze the relationships and influences between variables. The study was conducted at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang, with all employees involved in priority services as the analysis unit.

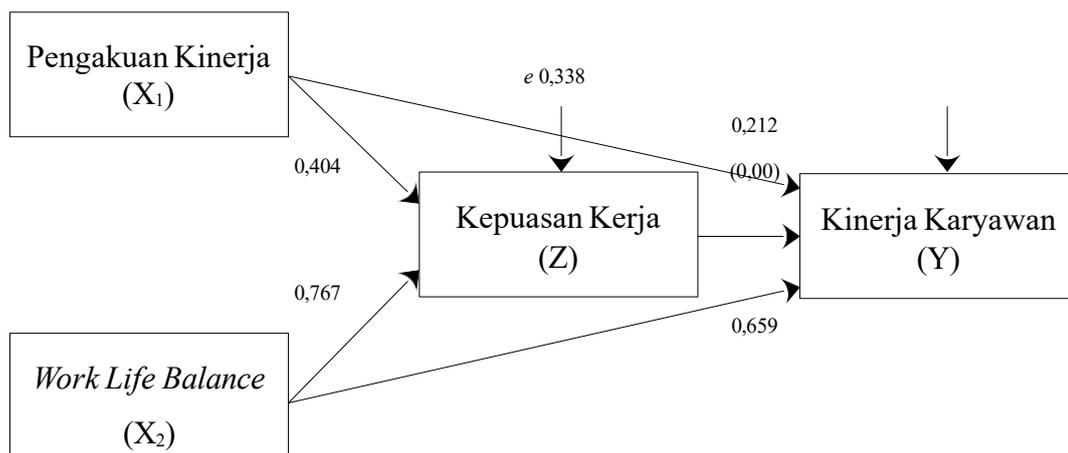
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The population in this study was all employees of PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang, with a sample size of 93 respondents determined using a saturated sampling technique, where the entire population was used as the research sample. Data were collected using a structured questionnaire with a five-point Likert scale to measure respondents' perceptions of the variables of performance recognition, work-life balance, job satisfaction, and employee performance. Data analysis was conducted using path analysis with SPSS version 27 software to examine the direct and indirect influences between variables. Prior to hypothesis testing, data quality testing was conducted, including validity and reliability tests, as well as classical assumption tests. Hypothesis testing was conducted at a 5% significance level to ensure the reliability and accuracy of the research results.

**RESULTS AND DISCUSSION**

This section presents the results with clear descriptions. Results can be supplemented with tables, graphs (pictures), and/or charts. The discussion section describes the results of processing data or information, interpreting the findings logically, linking them to relevant reference sources, and the implications of the findings. [Times New



Through the path analysis framework modeling in Figure 1, the direct and indirect influences can be described as follows.

Table 1  
Direct Influence

| Direction Influence                            | Standardized Coefficients | t count | Significance |
|--|---------------------------|---------|--------------|
| Confession Performance → Satisfaction Work     | 0.404                     | 6,525   | 0.00         |
| Work Life Balance → Satisfaction Work          | 0.767                     | 12,388  | 0.00         |
| Recognition Performance → Performance Employee | 0.212                     | 4,140   | 0.00         |
| Work Life Balance → Performance Employee       | 0.251                     | 3,615   | 0.00         |
| Satisfaction Work → Performance Employee       | 0.659                     | 9,164   | 0.00         |

Source: Data Processed by Researchers (2025)

Based on the results of the direct influence hypothesis test in Table 4.18, the following explanation can be outlined:

1. Performance recognition has a positive and significant effect on job satisfaction with a calculated t value of 6.525 > t table 1.661 with a significance of 0.00 < 0.05.

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2. Work life balance has a positive and significant effect on job satisfaction with a calculated t value of  $12.388 > t \text{ table } 1.661$  with a significance of  $0.00 < 0.05$ .
3. Performance recognition has a positive and significant effect on employee performance with a calculated t value of  $4.140 > t \text{ table } 1.661$  with a significance of  $0.00 < 0.05$ .
4. Work life balance has a positive and significant effect on employee performance with a calculated t value of  $3.615 > t \text{ table } 1.661$  with a significance of  $0.00 < 0.05$ .
5. Job satisfaction has a positive effect on employee performance with a calculated t value of  $9.164 > t \text{ table } 1.661$  with a significance of  $0.00 < 0.05$ .

Table 2  
Indirect Value Calculation

| Direction Influence   | (P1)   | (P3)  | (P1 x P3) | Significance |
|---|--------|-------|-----------|--------------|
| Confession Performance → Satisfaction<br>Work → Employee<br>Performance | 6,525  | 9,164 | 59,795    | 0.00         |
| Work Life Balance → Satisfaction Work<br>→ Employee Performance         | 12,388 | 9,164 | 113,524   | 0.00         |

Source: Data Processed by Researchers (2025)

Based on the results of the indirect influence hypothesis test in Table 4.19, it can be seen that performance recognition has a positive and significant effect on employee performance through job satisfaction with a calculated t value of  $59.795 > t \text{ table } 1.661$  with a significance of  $0.00 < 0.05$ . Work life balance has a positive and significant effect on employee performance through job satisfaction with a calculated t value of  $113.524 > t \text{ table } 1.661$  with a significance of  $0.00 < 0.05$ .

**DISCUSSION**

**The Effect of Performance Recognition on Employee Job Satisfaction**

The results of the study indicate that performance recognition has a positive and significant effect on employee job satisfaction at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang. This finding indicates that the better the company's recognition of employee contributions and achievements, the higher the perceived level of job satisfaction. Employees who receive appreciation feel valued and recognized within the organization. This condition encourages positive feelings about their work and work environment. The results of this study align with motivational theory and previous research findings that state that performance recognition is an important factor in increasing job satisfaction.

**The Influence of Work Life Balance on Employee Job Satisfaction**

This study demonstrates that work-life balance has a positive and significant impact on employee job satisfaction. These findings suggest that the balance between work and personal life demands plays a crucial role in shaping job satisfaction. Employees who are able to manage their time and energy between work and personal life tend to have lower stress levels and more stable psychological well-being. This results in increased feelings of comfort and satisfaction with their work. Therefore, company efforts to support work-life balance are a strategic factor in increasing employee job satisfaction.

**The Effect of Performance Recognition on Employee Performance**

The research results show that performance recognition has a positive and significant impact on employee performance. This finding indicates that employees who feel appreciated for their work achievements tend to demonstrate better performance. Performance recognition serves as a motivator, encouraging employees to maintain and even improve their work performance. In the context of priority banking services, appropriate recognition can increase employee morale and commitment to providing quality service to customers.

**The Influence of Work Life Balance on Employee Performance**

The research also shows that work-life balance has a positive and significant impact on employee performance. Employees who maintain a good work-life balance tend to experience lower levels of fatigue and

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greater focus on their work. This allows them to work more effectively and productively. Therefore, work-life balance not only impacts employee well-being but also directly contributes to improved employee performance.

## The Influence of Job Satisfaction on Employee Performance

This study found that job satisfaction has a positive and significant effect on employee performance. Employees who are satisfied with their jobs tend to have high work motivation and exhibit positive work behaviors. Job satisfaction encourages employees to work more optimally, responsibly, and be goal-oriented. These findings reinforce the view that job satisfaction is a key factor in improving employee performance in service organizations such as banking.

## The Effect of Performance Recognition on Employee Performance through Job Satisfaction

The analysis results show that job satisfaction mediates the effect of performance recognition on employee performance. This means that performance recognition not only directly impacts performance but also indirectly through increased job satisfaction. Recognition provided by the company increases job satisfaction, which in turn motivates employees to perform better. This finding underscores the importance of job satisfaction as an intervening variable in the relationship between performance recognition and employee performance.

## The Influence of Work Life Balance on Employee Performance through Job Satisfaction

This study also proves that job satisfaction mediates the effect of work-life balance on employee performance. A balance between work and personal life increases employee job satisfaction, which ultimately improves performance. These findings indicate that work-life balance has a significant indirect effect on performance through job satisfaction. Therefore, well-managed work-life balance will have a sustainable impact on employee satisfaction and performance.

## CONCLUSION

Based on the results of this study, the following conclusions can be drawn:

1. Performance recognition has a positive and significant effect on employee job satisfaction at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang.
2. Work-life balance has a positive and significant effect on employee job satisfaction at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang.
3. Performance recognition has a positive and significant effect on employee performance at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang.
4. Work-life balance has a positive and significant effect on employee performance at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang.
5. Job satisfaction has a positive and significant effect on employee performance at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang.
6. Indirectly, performance recognition has a positive effect on employee performance through employee job satisfaction at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang.
7. Indirectly, work-life balance has a positive effect on employee performance through employee job satisfaction at PT. Bank Mandiri Outlet Prioritas Medan Pulau Pinang.

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