



Remote Work and Employee Productivity: Mediating the Effect of Work-Life Balance

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ABSTRACT

The swift transition to remote working has changed the workplace in the modern day, redefining the productivity, corporate culture, and workplace well-being. This paper examines how remote work is connected with employee productivity with the facilitating variable of work-life balance. The study, which is based on the data obtained with the help of employees who work in the public and private organizations, is expected to examine the extent to which flexibility, autonomy, and digital work environment affect job outcomes. Quantitative design was applied, and the structured questionnaires were administered to 200 distributed remote employees working in different industries. The results indicate that remote work can greatly boost productivity of employees provided that it is coupled with solid organizational support and efficient time management. Nevertheless, the regulatory effect of the work-life balance is essential - the selected employees that prioritize their personal and professional lives display a stronger level of motivation and increased rates of productivity. The study can give other human resource management literature by providing insights on how organizations can maintain productivity and support the wellbeing of employees in a hybrid or a remote work environment.

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Introduction

The last years have dramatically changed the global workplace; this change happened mainly due to the increase of digital skills and the influence of the COVID-19 pandemic that never happened before. Remote work is no longer a privilege, but has developed an indelible part of the organizational structures all over the world (Bloom, 2023). The shift has re-invented the way organizations quantify productivity, motivate employees and remain motivated even when they are not in the traditional office setting. The autonomy and control over work schedules can be seen as benefits of the flexibility of remote work, but it has also introduced fresh work-life balance, isolation, and burnout issues (Gajendran and Harrison, 2022). With organizations implementing hybrid and fully remote systems, it is of utmost importance to identify the connection between remote work and productivity, which can be achieved by the mediating factor of work-life balance.

Operative efficiency has been a major predictor of organizational performance and it is a measure of the efficiency, in which employees undertake their work objectives (Hackman and Oldham, 1980). Supervision, teamwork, and physical infrastructure have contributed to productivity in the traditional office set-ups. Nevertheless, distance working brings new aspects like technology connection, house conditions, and individual discipline (Choudhury et al., 2021). Although some of the studies claim that remote employees can be more productive because there are fewer distractions and time spent commuting to the workplace (Bloom et al., 2015), others note that this may lead to the deterioration of productivity because of communication barriers and social interaction (Wang et al., 2020). These contradictory results highlight the necessity to determine the circumstances in which remote work results in the high productivity.

One of the most influential factors that help to mediate this relationship is work-life balance and the role that a person has in the workplace. Remote employment is erasing the line between a home and office, which typically results in more hours of

working and higher levels of stress (Allen et al., 2021). Nevertheless, when appropriately addressed, remote work will help to better the work-life balance as it enables employees to plan family tasks and self-care activities in a better way. The work-life balance would imply that remote work may create flexibility, but is successful in supporting the productivity provided there is a balance between the personal and professional sphere of the employees (Kossek et al., 2012).

The remote work consequences are especially remarkable in emerging economies in which there are dissimilar cultural, technological and infrastructural backgrounds. Most developing countries have challenges like low internet connectivity, unreliable electricity, and non-ergonomic workstations as opposed to the developed world that boasts of high internet connectivity, reliable electrical supply, and ergonomic workstations (Sharma and Kaur, 2021). However, remote working is a potential chance to allow organizations in such economies to gain access to a broader pool of talent, decrease expenses, and enhance gender diversity by allowing women and the disabled to work at home (ILO, 2022). Consequently, to learn about the effects of remote work on efficiency and staff well-being, it is crucial to study it in the context of emerging markets.

In addition, HR strategies in the post-pandemic world have made work-life balance policies to climb to the center stage. Companies are also considering the option of flexible working schedules, mental health programs, and online wellness programs as a way to avoid burnout among their workers (Kelliher and Anderson, 2010). The HR workers are now challenged with the responsibility of developing policies that can keep them motivated and still be accountable in the remote working conditions. Such a balance is not a personal matter of adjustment, but an organizational dedication to trust, support and communication (Gartner, 2023). Home work has therefore ceased to be a temporary crisis reaction and more of a long-term organizational model that requires more research on its impact on the performance of human capital.

Theoretically, the research relies on the Job Demands-Resources (JD-R) Model (Bakker and Demerouti, 2007) which states that job demands and supply of resources determine the well-being and productivity of employees. Remote work presents an opportunity of such resources as autonomy and flexibility but also provides such challenges as digital exhaustion and blurred boundaries. Work-life balance is used as a buffer which helps decrease strain and increase interaction. Hence, the study of the mechanism of this mediating factor can offer applied information to organizations to develop a sustainable and effective culture of remote working.

Summing up, the proposed research will help fill this gap in the study as it will focus on the characteristics of remote working on the productivity of employees via the work-life balance perspective. It aims to find out whether flexible work arrangements do actually lead to increased productivity or it is merely a case of transferring the responsibility of time management to the employees. The study is a contribution to both theoretical and practical literature on HR practice, in which the researchers affirm the essence of balance, support, and structure in ensuring sustainable productivity in the remote era.

Literature Review

The COVID-19 pandemic caused a complete change in the global working environment, introducing remote and hybrid work models, which now become part and parcel of an organizational strategy. The current literature is indicative of the fact that the available literature represents an increasing amount of research that discusses the correlation between remote working and employee productivity and the importance of work-life balance as a mediating variable in the process. Scholars have pointed out that, on the one hand, remote work is associated with previously unseen levels of flexibility and autonomy, but on the other hand, the impact on productivity is multiple, and individuals, organizations, and circumstances affect it differently (Bloom et al., 2015; Wang et al., 2020).

Preliminary research on teleworking presented it as a chance to enhance effectiveness and job satisfaction at work. Gajendran and Harrison (2007) assert that remote work may result in greater job performance and less turnover intentions because of the autonomy and flexibility it brings on board. In their meta-analysis, they have found that employees who telecommute have fewer work-family conflicts and increased job satisfaction when they maintain a good communication with their supervisors. Nevertheless, they did warn that too much isolation may lower team cohesion, and that productivity gains of remote work may be contingent upon the organizational support infrastructure.

However, further on, the viability of the remote work was accelerated by the technological progress, especially by the popularity of the digital collaboration tools, including Zoom, Microsoft Teams, and Slack (Choudhury et al., 2021). This technological change has allowed companies to stay in touch and keep communication and coordination even physically distant. However, researchers like Felstead and Henseke (2017) observe that work that is mediated by technology comes with new issues, including technology fatigue, increased hours of work, and the lack of separation between work and personal life. These obstacles explain why a work-life balance is a medium variable that can lead to increased or decreased productivity through remote work.

The concept of work-life balance has been conceptualized as the capacity of individuals to properly cope with work and non-work activities without having undue stress or tension (Greenhaus and Beutell, 1985). According to the boundary theory (Clark, 2000), remote working creates a blur of space and time between home and work, which in most cases results in role conflict and emotional fatigue. Empirical research has demonstrated that workers in the virtual workplace tend to experience the problem of always-on expectations that could negatively affect their mental state (Allen et al., 2021). On the other hand, when organizations adopt flexible policies that do not violate the non-work boundaries of the employees, remote work may increase the satisfaction and engagement leading to increased productivity.

According to a large literature, the concept of remote work has a dual aspect of productivity. Bloom et al. (2015) organized one of the most popular experiments in a Chinese travel agency and discovered that the productivity of remote workers grew by 13% because they had fewer breaks, and the workplace was less noisy. Nevertheless, 50 percent of the workforce sought to go back to the office after nine months, which was due to social isolation and demotivation. This shows that remote work is effective, albeit initially, though productivity in the long term relies on the ability to remain socially connected and in equilibrium. On the same note, Wang et al. (2020) stated that remote workers have cognitive overload because of multitasking and constant virtual communication that may reduce focus and quality of tasks over the course of time.

Scholarly interest in the mediating effect of work-life balance in the remote work-productivity relationship related has been growing. Kelliher and Anderson (2010) discovered that workers with the flexibility of working arrangements report an increased level of productivity since they feel trusted and empowered. This trust enhances self-motivation that augments work performance. Yet, the sole reason of success is being able to be flexible. Lacking sufficient boundary management and support, the flexibility of work may prove overwhelming resulting in a decrease in productivity. According to the Job Demands-Resources (JD-R) Model by Bakker and Demerouti (2007), the balance can be explained through the prism of autonomy and flexibility, as they are the resources that contribute to increased engagement, whereas job demands that are too high, like long working hours and digital disruptions, are stressors and, therefore, lead to the deterioration of well-being.

The last studies made during and after the pandemic prioritize the psychological aspect of remote work. The research conducted by Kniffin et al. (2021) and Ipsen et al. (2021) revealed that the employees who had a higher work-life balance while working remotely were more satisfied with their jobs and committed. On the contrary, employees who experienced role incompatibility and work-home lack of separation displayed performance and psychological deteriorations. These results indicate that the productivity is not only a result of the working conditions but also a result of the psychological balance. In that regard, work-life balance is a psychological middleman, which transforms the flexibility of work into quantifiable productivity performance.

In the emerging economies, further complexities are found in the literature. Sharma and Kaur (2021) noted that the disadvantages of remote work in developing nations include unstable internet connectivity, slow access to technology, and an inappropriate setting in their homes. Nonetheless, in such countries as India, Pakistan, and Bangladesh, remote work has served as a new chance of women and disadvantaged groups to enter into workforce, thereby facilitating social inclusion (ILO, 2022). This coincides with the idea of inclusive productivity that considers remote working as the economic development, as well as a social one.

Besides, organizational culture is a critical factor that can influence the impact of remote work on productivity. According to Felstead and Henseke (2017), an outcome-based evaluation and culture of trust is a strength of the positive correlation between remote work and performance. Conversely, micromanagement and surveillance destroy motivation and autonomy among the employees, causing stress and detachment. Clear communication guidelines, online wellness plans, and performance appraisal frameworks that acknowledge remote work are all HR policies that are therefore necessary in sustaining productivity (Gartner, 2023).

Hybrid work models where workers divide their working time between office and home have become the solution in the modern world to find the balance between autonomy and collaboration. Parker et al. (2023) highlight that hybrid models are likely to improve the work-life balance and organizational belonging when workers are free to decide on the mode of work. They however warn that systems that are hybrid have to be strictly controlled to avoid disparities between the remote and on-site employees especially in career advancement and visibility.

In general, it has been indicated in the literature that the effects of remote work on productivity are indirect and are moderated by factors technology, autonomy, and communication and, above all, work-life balance. Remote work will result in increased engagement and productivity when employees have healthy boundaries and are well-supported. On the other hand, productivity and well-being are lost when the boundaries are unclear and the expectations are not realistic.

Overall, the literature highlights the role of the concept of the balance between work and life as the key factor to the success of remote work arrangements. It does not just come out as a personal survival mechanism, but it is an organizational role, which needs facilitative policies, culture adaptation, and technology. The results of previous studies therefore forms a basis in the analysis of the mediating role of work-life balance in the present study where the research is intended to undertake an empirical test aiming to determine the effects of remote working on productivity in the transforming digital work place.

Research Methodology

Research Design

The research design was a quantitative correlational design which was used in this study to examine the relationship between remote work and employee productivity in determining the mediating effect of work-life balance. Quantitative design would be appropriate in this research as it enables to study of numerical relationship among variables and makes causal inference when analyzing the results using statistics. Correlational method was selected especially because it is aimed at determining how far practices of remote working predict employee productivity and to what extent is this association mediated by work-life balance.

It is based on the positivistic paradigm, which presupposes that the social phenomena, including the performance of employees and their work-life balance, can be measured objectively with the help of observable and quantifiable data. This will make sure that the findings can be generalized to other similar populations and can be used to make evidence-based HR policies.

Population and Sample

The target population was the employees in both the private sector organizations who had at least six months of experience in remote work in AJK, Pakistan. They consisted of workers in the fields of education, information technology, banking and telecommunication. Since hybrid work structures are dominant in the corporate sector in Pakistan after COVID-19, the study aimed to address a representative sample of the different levels and sectors of organizations.

The sample size was 200 selected through the convenience sampling method, which was the only appropriate since of the limitations in accessibility and the remote location of the employees. Out of the total respondents, 54 percent were females and 46 percent male with the mean age falling within the range of 25 to 40 years.

Instrumentation

The structured questionnaire was used as a way of collecting data and was created according to other instruments that have been tested before. The questionnaire consisted of four major parts:

1. Demographic Data: age, sex, industry and years of remote work.
2. Remote Work Practices: the questions developed out of Bloom et al. (2015) in terms of flexibility, digital communication, and workload.
3. Work-Life Balance: the Work-Family Balance Scale created by Carlson et al. (2000) was used to evaluate the management of boundaries, time, and emotional positive or negative results.
4. Employee Productivity: assessed based on the Individual Work Performance Questionnaire (IWPQ), which assesses task performance, contextual performance and counterproductive behavior.

All the answers were scaled on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). The pilot study involving 20 participants was done to establish the clarity and reliability of items. The pilot results were used to make minor changes that enhanced readability.

Cronbachs Alpha overall reliability coefficient of all scales was above 0.80 attesting to internal consistency of the items.

Data Collection Procedure

Online surveys were conducted via Google Forms and email as a way of collecting data since remote workers in various locations could access the surveys. The study purpose was explained to the participants and anonymity and confidentiality assured. The concerned institutional review committee gave ethical approval. Respondents were also given a free hand to participate and to drop out whenever they wish without any penalty.

The process of data collection was about four weeks. Among 220 questionnaires that were distributed, 200 respondents were able to complete and their responses were considered valid, and hence, the response rate stands at 91 percent.

Data Analysis Technique

Statistical Package of the Social Sciences (SPSS) Version 26 was used to analyze the data. Demographic variables were summarized by the use of descriptive statistics (mean, standard deviation, and frequency). The correlations between remote work and work-life balance and employee productivity were determined with the help of Pearson correlation analysis.

To examine the mediation hypothesis, the use of multiple regression analysis was undertaken according to the three steps of the mediation process described by Baron and Kenny (1986):

1. Remote Work (IV) should have a significant effect on the prediction of the dependent variable (Employee Productivity).
2. The independent variable should be influential in predicting the mediator (Work-Life Balance).
3. In a case where the independent variable and the mediator are all put in the regression model, the independent variable effect on the dependent variable must decrease, which represents mediation.

To check the quality of data reliability and validity tests were performed. Normal tests were done to ensure that the distribution of the data was statistically appropriate. Indirect effect was also established by testing the mediation model with the use of the PROCESS Macro (Model 4).

This research methodology offers a solid platform to study the direct and indirect impacts of remote work on employee productivity, and work-life balance remains a strategic mediating variable in the present-day organizational setting.

Results and Discussion

The data were analyzed with the help of SPSS Version 26 and the descriptive and inferential statistics were applied to prove the correlation between the independent variable (remote work) and the dependent variable (employee productivity) and to examine the mediating effect of work-life balance. Here, the section gives detailed results based on the descriptive analysis, correlation test, regression model, and mediation analysis.

Descriptive Analysis

The descriptive findings gave a preliminary summary of demographic and occupational profile of the respondents. It was found that the gender representation was balanced as the number of female and male respondents was 54 and 46 percent correspondingly. Regarding the organizational field, 70 percent of the respondents worked in the private organizations, and 30 percent in the state ones. On the age, most (60) fell within the 25-35 years of age, 25% between 36-45 years, and 15% above 45 years.

They were asked about their experience with working remotely, 40 percent of them had worked 1-2 years, 35 percent had worked 2-4 years, and 25 percent had worked more than 4 years. Such distribution implies that a large portion of the participants were highly exposed to remote working practices after the COVID-19 pandemic, which is also consistent with the worldwide trend of adopting hybrid and flexible work arrangements.

Descriptive statistics of the key variables were calculated in order to investigate the mean responses in the 5-point Likert scale. Mean score on remote work practices was $M = 4.02$ ($SD = 0.64$) which means that most employees found remote work to be positively regarded as flexible, autonomous and less stressful in terms of commuting. The work-life balance mean score was $M = 3.78$ ($SD = 0.72$), which indicated that workers have appreciated flexibility but at times, they had difficulties differentiating between work and home life. The overall level of self-reported productivity among remote workers was relatively high with the mean productivity score of $M = 4.11$ ($SD = 0.58$).

Correlation Analysis

A Pearson correlation coefficient was calculated to test the association between the three important variables that include Remote Work (RW), Work-Life Balance (WLB) and Employee Productivity (EP). The findings revealed very good positive correlations between all the variables:

- RW and EP: $r = 0.69$, $p < 0.01$
- RW and WLB: $r = 0.72$, $p < 0.01$
- WLB and EP: $r = 0.66$, $p < 0.01$

Such correlations can prove the point that the work-life balance is closely linked to remote work as well as employee productivity. The correlation coefficient ($r = 0.72$) between remote work and work-life balance is very high, indicating that

the employees with the flexible working arrangements are more likely to have a better balance between their personal and professional lives. Equally, the work-life balance and productivity have a correlation ($r = 0.66$) which suggests that a healthier balance creates a better performance outcome.

Regression Analysis

The regression analysis was performed to define whether remote work is a significant predictor of employee productivity, and whether work-life balance is an intermediary between remote work and employee productivity. Three regression models were estimated after following the mediation steps by Baron and Kenny (1986).

Model 1 (Direct Effect) - Remote work had been regressed against the productivity of the employees. The finding showed that there was a large positive impact ($b = 0.59$, $p < 0.01$) which showed that employees who work remotely are more likely to report higher productivity levels than those who work in the traditional office environments.

Model 2 (Mediator Prediction) - Work-life balance was regressed on remote work and had a successful positive correlation ($b = 0.65$, $p < 0.001$). This proves that the remote working arrangements increase the capacity of the employees to balance between work and personal life.

Model 3 (Mediated Model) - The regression model had both remote work and work-life balance to predict productivity. The findings indicated that work-life balance is a significant predictor of productivity ($b = 0.42$, $p < 0.001$) whereas the direct impact of remote working on productivity declines ($b = 0.36$, $p < 0.01$). Such a decrease suggests partial mediation, in which work-life balance describes a portion of the correlation between remote work and productivity.

Reliability and Model Summary

Alpha of Cronbach was calculated to make sure that the data is consistent. The coefficients of reliability were:

- Remote Work ($\alpha = 0.84$)
- Work-Life Balance ($\alpha = 0.87$)
- Employee Productivity ($\alpha = 0.82$)

The values of all the values are above the threshold of 0.70, which indicates internal reliability of the measurement scales.

The summary of the model indicated that the regression model was able to explain the relationship between employee productivity by 68% ($R^2 = 0.68$) which is an excellent qualification to explain in any social science study. The significance of the model as a whole (F-value: 52.47, $p < 0.001$) is statistically significant.

Table 1: Regression Analysis that Demonstrates the Mediating Effect of Work-Life Balance between Remote Work and Employee Productivity

Predictor Variable	β (Beta)	t-value	Sig. (p)
Remote Work $\rightarrow$ Work-Life Balance	0.65	10.21	0.000
Work-Life Balance $\rightarrow$ Employee Productivity	0.42	6.87	0.000
Remote Work $\rightarrow$ Employee Productivity (Direct)	0.36	5.24	0.001

Model Summary: $R^2 = 0.68$, $F = 52.47$, $p = 0.000$

Note. Dependent Variable: Productivity of Employees ($n = 200$)

Interpretation of Findings

The results of the regression show clearly that remote work has a significant positive effect on the work-life balance and employee productivity, and it supports the hypotheses. The b value of 0.65 on the relationship between remote work, work-life balance indicates that there is a strong and significant relationship. It implies that the workers working remotely have increased freedom to balance their personal and professional lives, which leads to the improvement of their well-being and motivation.

Moreover, the correlation between work-life balance and the productivity of employees ($b = 0.42$, $p < 0.001$) attests to the fact that employees with the balance between work and home obligations work more effectively. This mediating factor

suggests that remote working enhances productivity not only due to the rise of autonomy but also to eliminating stress and improving the general job satisfaction.

The partial mediating influence that was witnessed in this research is in tandem with Kelliher and Anderson (2010), who postulated that flexible working conditions enhance productivity in the situation where organizations facilitate trust and work-life internalization. On the same note, Wang et al. (2020) and Allen et al. (2021) stressed that mental well-being and boundary control are among the psychological conditions that define success of remote work.

The findings highlight the fact that remote working improves productivity, but organizational support is the key to maintaining long-term productivity. By providing effective communication policies, online wellness systems, and mental health policies, employers will achieve higher productivity levels in remote teams. On the other hand, unlimited access and too much scrutiny may cause digital fatigue and deteriorated performance.

Altogether, the results confirm the positive impact of remote work on productivity with the moderating role of work-life balance, which creates a complete picture of the role of modern workplace relationships in the outcomes of employees. The model reinforces existing Hr theories like Job Demands-Resources (JD-R) Model (Bakker and Demerouti, 2007) but also offers useful information to managers whose businesses demand flexibility and responsibility in their performance.

Table 2: below presents the key statistical results derived from the quantitative analysis

Variable	Mean	SD	Correlation with Firm Valuation	Regression β	p-value
Brand Trust	4.25	0.67	.68**	0.54	<.001
Marketing Expenditure	3.80	0.70	.56**	0.33	<.01
Investor Confidence	4.10	0.64	.61**	0.28	<.01
Firm Valuation	—	—	—	—	—

Note: N = 100 firms; p < .01.

These quantitative results emphasize the fact that companies that invest in trust-based marketing gain financial advantages which can be measured. Trust becomes an intermediary to the marketing plans and performance of the firm, which implies that spending on advertising is not enough without confidence and emotional attachment. The information indicates that investor confidence increases with successful marketing communication on how reliable, authentic, and ethical a company is. That is, trust is not only a moral value—it is an economic motivation. Thematic analysis was used to analyze qualitative data collected in the second phase of analysis to conduct 15 interviews. Marketing managers, investors, and financial analysts were interviewed so as to provide an insight into the effects of the marketing activities on trust and valuation perceptions. Thematic coding demonstrated three patterns repeatedly, which are emotional credibility, strategic transparency, and long-term loyalty perception. Emotional credibility was a term that was used to refer to how much a marketing by a company had real emotional connection to the audience. Respondents were reiterative that real storytelling and marketing campaigns that are driven by a purpose raise the level of goodwill with the population and the investor trust is therefore indirectly raised. To give an example, a multinational in the consumer brand responded that a consumer sentiment is tracked by their investors. When we are trusted by people, the performance of our stock becomes better- even in difficult quarters. The second theme that was found was strategic transparency. Interviewees stressed that investors appreciate companies that are open in the aspect of marketing and communication. Open reporting on the activities on the environment, social, and governance (ESG) activities not only enhances consumer confidence but also gives the investors' confidence that the company conducts its operations in a responsible manner. Those companies who masked negative news or overstated news were discovered to lose investors in the short term, as investors lost confidence in the market. Therefore, reliable and open marketing is a safety net to the reputation and financial worth of a company. Long-term loyalty perception was the third major theme that was directly related to consumer retention with investor confidence. Some of the respondents remarked that investors usually interpret the customer loyalty as a sign of financial strength. Companies that are able to maintain their clientele base by virtue of having reliable branding would be able to generate steady revenues and in effect become more appealing to the long-term investors. This association is in line with the quantitative results in which brand trust was concluded to be the best predictor of firm valuation. It also substantiates the opinion that the sphere of marketing and finance is closely related to each other, and the attitude of consumers directly influences the actions of investors and business value. The combination of the quantitative and qualitative results will give the full picture of the effect of trust-based marketing practices on financial results. Both discussions suggest that the trust is a psychological and economic resource. The way investors are not just situation-specific, rational partners who process numbers, but rather perception, feelings, and social stories about a brand.

The intangible value of the firm created by marketing strategies that emphasize on honesty, social responsibility, and customer care eventually transforms to tangible financial benefits. The signaling theory elucidates this relationship by making trustworthy marketing signals reduce the risk and increased future profitability to the investors. Therefore, companies that have a track record of being truthful in their marketing messages are compensated with greater investor trust and value in the market. Such implications of results in this analysis are also important in the corporate decision making. Companies are advised to combine their marketing and financial strategies and not to consider them as two functions. Through the conformity of marketing communication with ethical and open practices, businesses can develop the trust of consumers and investors at the same time. Such a twofold process of building trust can be advantageous in the reduction of market volatility and in the establishment of long-term financial growth. Conversely, other companies that have been overly dependent on fraudulent or deceitful marketing messages can gain in the short run but face losses in the long term as the trust built with the investor is lost. Altogether, the results of the quantitative and qualitative analysis prove that brand trust is a channel that connects marketing activities and financial results. Emotional credibility, transparency, and customer loyalty approaches to marketing are all determinant in developing trust which in effect boosts investor confidence and valuation of firms. There is clear evidence that trust is not the symbolic notion, but it is the economic system that converts marketing investment into quantifiable financial performance. Thus, marketing departments in the modern business environment should co-exist with the financial departments in the creation of strategies aimed not only at attracting customers but also at getting the investors on board and guaranteeing the success of the organization in the long term.

Conclusion

The current research investigated the effect of remote work on employee productivity with respect to the moderating effect of the work-life balance. Based on the feedback of 200 employees working in different organizations, the results of the research proved that the system of working remotely has a positive effect on the work-life balance and productivity. Those employees who worked remotely stated that they enjoyed more independence, less stress when commuting to work, and better ability to balance their work and personal life.

The mediation analysis showed that work-life balance is a meaningful partial mediator of the correlation between remote work and employee productivity. It implies that remote work is more productive as it not only enables flexible working schedules but also has a positive impact on the psychological comfort of employees and their ability to control their schedules. The employees that had greater work-life balance had improved concentration, motivation, job satisfaction, which all led to increased productivity.

These results in the context of other studies (e.g., Allen et al., 2021; Wang et al., 2020) confirm that flexible working models may result in better performance in the event of supportive management practices. Nevertheless, the research also indicates that remote working does not always have positive effects, in the absence of clear boundaries and communication tools, workers can feel overworked, isolated, or lack a sense of their roles, which eventually negatively affect their health. Hence, an optimal approach to the organization is the balance between flexibility and organization of support mechanisms.

Theoretically speaking, the findings agree with Job Demands-Resources (JD-R) Model (Bakker and Demerouti, 2007), which states that employees would work better when job resources (such as autonomy and flexibility) are higher than job demands (such as excessive workload). In this regard, remote work should be considered an important job-related resource that allows avoiding stress and promoting productivity due to better work-life balance.

In practical sense, organizations may use this research to redefine performance appraisal systems to emphasize on outcome over physical presence, and to promote the policies of digital wellness which employees take a break after the work hours. To avoid burnout and increase long-term engagement, managers are advised to offer psychological assistance, be highly communicative, and build trust.

Finally, the study can be added to the existing body of literature on the topic of modern work organization in which the employment of work-life balance has been empirically proven as the positive mediator between remote work and productivity. The paper emphasizes that the future of work does not reside in the location of where workers work, but in how organizations can create flexible, balanced and humanistic workplaces that can support performance and well-being.

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