



# A Comprehensive Understanding of Remote Working on Employees' Job Satisfaction for Employee Performance in the Sri Lankan Non-Banking Financial Sector

**<sup>1</sup>Chamil Prasad, <sup>2</sup>Krishan Kumarapeli**

<sup>1</sup>Chief Operating Officer, Gal Oya Plantation Pvt Ltd, Sri Lanka.

<sup>2</sup>Department of Graduate Studies, PBS University, Phnom Penh, 12301, Cambodia,

**Abstract** - Remote working has become a well-known phenomenon in the world. With the revolution of technology and considering a few complexities in the world, remote working has become popular in the world's industries. Especially in countries like Sri Lanka, with the effect of the COVID-19 pandemic period, remote working has become popular, and a lot of industries are willing to maintain the same practice. It has been reported that some employees are unhappy with remote working, but companies can save a lot of money with remote working. But many findings have indicated that there is high performance and satisfaction among employees who are willing to work remotely. Sri Lanka, as a developing country, should have many considerations to uplift the economy. Therefore, industries have a crucial responsibility to contribute more effectively to achieving that while maintaining high performance in the competitive market. At the same time, employee satisfaction and motivation are regarded as another mandatory factor for industry performance. To ensure remote working is effective, this research process has been designed to fill the very urgent vacuum. Based on the Job Demand Resource model, employee satisfaction with remote working has an impact on employee performance in the non-banking sector. A quantitative method will be used, followed by the deductive approach, this comprehensive research investigates 300 remote working employees using a questionnaire to identify Sri Lankan remote working employees' satisfaction to maximize their working performances. The results indicated that there is a high level of job satisfaction among remote working employees and they have a higher job performance than other employees. Specially work life balance and the convenience regarded to be the main panaceas to maximize employee's performance.

**Keywords** - Remote Working, Employees' Performance, Non-Banking Financial Institutions and Job Satisfaction.

## I. Introduction

The financial sector for any country is an essential pillar in its economic activities, as it can finance institutions and households. The industries play a vital role in maximizing the economic movements in a country and protect the sustainability (Nath & Biswas, 2015). Another way could be to mobilize funding requirements from banking or non-banking financial institutions for short- or long-term loans/borrowings.



Under the financial sector of a country, banks and non-banking institutions play a vital role in the economy, and that is the very reason why many major developed economies in the world have made specific reforms in the financial sector that include banks and non-banking institutions, improving overall savings and investments for their economies. We should not forget that non-banking financial institutions typically perform activities such as liquidity/maturity transformation and create advantages in the banking sector. (Financial Stability Board, 2020). With the remote work concept deployment, since the work of NBFIs operations was considered to be alert with accuracy, data security, and consistency of workflow matter for job performance are important. Remote working from the employees' perspective, reduced commuting time and its expenses, flexibility in terms of location and working hours, decreased distractions, and work-life balance are some of the most common benefits stated in the annual report published by the Central Bank of Sri Lanka in 2020. Similarly, the negative impact of remote working is further elaborated (Dong, Tan, Zhang, Sun, & Huang, 2025).

### **Need for the Study**

The secret behind the popularity of remote working is mainly considered to be the convenience and work life balancing (Williamson, 2022). Mainly, the NBFIs are highly correlated with the computer or digital-based operations, it can be regarded as remote work is aligned to the remote work. Considering the Sri Lankan context, it was identified that the computer and digital literacy of Sri Lanka are 30.8 per cent and 46.0 per cent, respectively (International Labour Organization, 2020). This has taken the initiative to analyze and understand the impact of remote working arrangements on business performances in the BNFI are in Sri Lanka, as the banking Financial Sector is one of the most critical industries in Sri Lanka.

At the same time, findings have indicated that the company owners and employers are dissatisfied with remote work, as productivity is considered to be lower by 23% relative to physical commitments (Muteb & Hobbs, 2022). At the same time, another finding has indicated that high productivity can be achieved with remote working and considering the findings, 52% of employers have stated no change in productivity, while 24% employers have stated a decrease in productivity and 12% stated an increase in productivity (Aslan, Yaman, Aksu, & Güngör, 2022). Invers relationships, contradictory findings and no constant findings are the main reasons to conduct this type of research study to deliver critical identification for the NBFI to change the remote working nature.

## **II. Literature Review**

To strengthen the research work and to maintain the accuracy of findings, a strong background of literature will be provided for this comprehensive work.

### **Job Demand Resources (JDR) Model**

The results are in line with the study by Nielsen et al. (2022), which claims that a work function is linked to followers performing better since there is less ambiguity. However, as it pertains to the job position, the viability of remote work is another aspect that needs to be considered. According to research, job roles have a significant impact



on the viability of remote work, and job performance will vary depending on how well those two aspects operate together (Hansen, et al., 2023).

### **Work Life Balance (WLB)**

Employees are willing to work, but it is a must to consider their personal lives. Findings have indicated that adverse effects on employees' performance can be experienced if the employer is not able to provide a proper work-life balance (Mendis & Weerakkody, 2017). Similarly, it is explained that the performance will be directly related to employees' satisfaction according to the same research. Poor work-life balance will have negative effects on employers, including lower performance, absenteeism, sick leave, increased worker turnover, and recruitment regarding the price of training (Department of Trade and Industry, 2018). At the same time, findings are further elaborated that the work-life balance is not only living with the family, but it is also about leisure, leaves, working smart, working less and travelling less (Department of Trade and Industry, 2018). Remote work has been considered a good method to extract maximum performance from employees when there are proper company policies (Ihwughwawve & Shewakramani, 2024). That further elaborates that remote work is not a matter; the only thing is how comfortable the environment is for employees. Literature has shown that engagement in the workplace has improved employee performance and organizational effectiveness in many organizations (Erum, Abid, & Contreras Torre, 2020). Considering employee engagement through remote work is not a new concept, but rather new ways of considering traditional paths to help create positive impacts in the workplace (Segallai & DeNis, 2019).

### **Convenience in the Work Environment (CWE)**

It is always a pleasure when the employees have a convenient working environment. It has been reported that humans are more attached to their living environment than to the office environment (Shammout, 2021). Therefore, instead of being in the office, working from home is considered to be a factor in generating more pleasure and satisfaction. Findings are further explained that, to attain the organizational goal and individual goal, the work environment should be arranged in a way that supports attaining the desired results (Amir, Maha, & Abdurrahman, 2014). It illustrates how the work environment is important to perform. With the pressure and stress, most employees are exhausted inside the office, which leads to a decline in the other employees' performance. Findings asserted that if the employee gets stressed at the workplace, then the process of doing the job of the employees will be slow and become a disturbance factor in the employee's performance (McCoy & Gary, 2005). In the remote working environment company or supervisor's attention has been regarded as another paramount role; it plays a vital role for an employee to apply his or her skills and knowledge at the workplace, especially in the case of training-gained skills (Govaerts & Filip, 2014). With that evidence, it can be stated that convenience in the work environment is important and remote working is the most prominent solution to arranging the most convenient work environment for the employees.

### **Employee Satisfaction and Performance (ESP)**

It is considered that the satisfaction of employees comes with many dimensions. But this research study is mainly focusing on work-life balance and the convenience of the work environment. Employee satisfaction and employee performance have an

extensive relationship (Erum, Abid, & Contreras Torre, 2020). Findings have indicated that employees who are willing to be satisfied with their job role automatically perform well over other employees. Satisfied employees are committed, and perhaps enjoy, the work they perform for an organization, allowing employers to depend on receiving the best of their efforts consistently (Segallai & DeNis, 2019). At the same time, findings have asserted that leadership, respectful treatment of employees, fair treatment, empowerment, communication, talent recognition, nature of the job, and a clear understanding of company values and missions, among other factors, including the connection between employee satisfaction and employee performance (Mercy & Choudhary , 2019 ).

Most importantly, researchers have identified that employee satisfaction can create high employee engagement for the company's goals and objectives (Shmailan, 2016). Therefore, organizations can critically interfere with the satisfaction of employees to maximize their performance in order to achieve the company's goals and objectives. With the digital transformation and revolution, remote work has been regarded as the upcoming trend in employment (Dong, Tan, Zhang, Sun, & Huang, 2025). It facilitates a lot of benefits for the employees and employee satisfaction is deeply concerned in the literature. Especially, remote working can be considered as a digitally created workplace that maximizes the satisfaction of employees and generates high employee performance with a positive intention to the job role (Bhargavi, 2025). As well as, in the same research study, it discusses that in a digital work environment, there are many comfort zones available for the employee to ensure their work follows the exact requirements that the employee is willing to compromise.

## Conceptual Framework

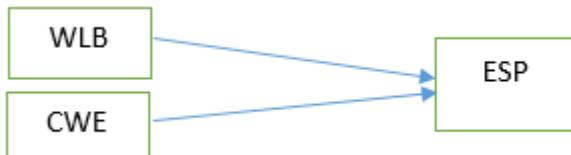


Figure 1: conceptual framework for the study

## Hypotheses

H1: Work-life balance increases employee satisfaction and performance  
H0: Work-life balance decreases employee satisfaction and performance  
H2: Convenience in the work environment increases employee satisfaction and performance  
H0: Convenience in the work environment decreases employee satisfaction and performance

### III. Methodology

Following the quantitative method, followed by the deductive approach, because this comprehensive study will be based on prior literature and hypotheses to conduct the research process and implement the results (Fife & Gossner, 2024; Taherdoost, 2022).

#### Population and Sample

The study is based on the NBFI sector, and the employees in the NBFI will be considered as the unit of analysis for the population. 300 employees were considered as the sample, as a manageable number of employees for the deep study (McLeod, 2023; Dana & Turner, 2020). Using a questionnaire that was scaled by a five-point likert scale, gather the responses of NBFI employees.

#### Data and Analysis

SPSS version 23 was used in data analysis, conducting formal, reliable tests to validate the questionnaire, data set and model, to ensure the results are accurate. After ensuring, descriptive statistics and Pearson correlation were used to provide an interpretation of the connection between independent variables and the dependent variable.

#### Findings

##### Work-life Balance and Employee Satisfaction and Performance

The confidence level of NFBI employees in conducting remote work is a moderate value, considering the mean ranging from 2.8 to 3.36. As the mean value indicates the model of the data set, to generate an idea of what the variable contains. According to the prior literature, there is an extensive relationship between the WLB and ESP (Erum, Abid, & Contreras Torre, 2020). Correlation computed at  $r = .532$  ( $p < .01$ ) between work-life balance and employee satisfaction and performance indicates a positive direct relationship between dependent and independent variables.

##### Convenience in the Work Environment and Employee Satisfaction and Performance

Referring to the CWE mean value, it is the same as WLB for NFBI employees. Mean values ranging from 2.66 to 3.74 and indicating moderate convenience have been granted by NFBI employees. Considering the t-test between SWE and ESP, it has been regarded as an extensive relationship, which indicates a performance  $r = .718$  ( $p < .01$ ), implying that there is a high correlation between CWE and ESP in Sri Lankan NBFI employees.

##### Remote working and Employee Satisfaction and Performance

Computation of WLB and CWE indicates the remote working, which contains more moderate mean values with respect to those dimensions. Mean values variations were 2.69 to 3.51 and a moderate remote working culture can be indicated in NFBIs in Sri Lanka. Similarly, considering correlation values, a high correlation has been reported between Remote working and ESP by indicating  $r = .704$  ( $p < .01$ ). This implies that there is 99% confident remote work has an extensive impact on employee satisfaction and performance in NFBIs in Sri Lanka.

#### Discussions



According to the findings of the survey process, it has reported that remote working increases the employees' satisfaction and that leads to high performance of the employees considered to be NBFI in Sri Lanka. Through remote work, it has identified that employees' satisfaction can be enhanced (Mercy & Choudhary, 2019; Shmailan, 2016). Satisfaction has been measured using two dimensions, which are WLB and CWE. Consideration of prior literature has shown that the balance of engagement in the workplace has improved employee performance and organizational effectiveness in many organizations (Erum, Abid, & Contreras Torre, 2020) and reported that humans are more attached to their living environment than to the office environment (Shammout, 2021). But employees' computer and IT literacy are considered to be other critical factors that totally discourage employees from remote working, because this process is considered to be a computer-driven operation (International Labour Organization, 2020). This computer and IT literacy are other moderator factors that change the relationship between remote work and employee satisfaction to high employee performance.

Specifically, according to the findings, employee satisfaction is critically dependent on remote work and employee satisfaction leads to maximizing the performance of the NBFI employees in Sri Lanka.

### **Recommendations**

It can be confirmed that remote working can enhance employees' satisfaction in NBFI in Sri Lanka. To maximize performance and probably cost savings. Therefore, considering computer, IT and digital technology knowledge, NBFI employees can be utilized to work remotely and increase their performance while saving office space, facilities, equipment and cost. At the same time, considering the work-life balance of NBFI employees, it can be maximized to increase their job satisfaction and improve their performance. But considering convenience in the work environment has the ability to maximize the satisfaction of NBFI employees and increase employee performance. Therefore, the convenience of remote work can be considered as the priority. Mainly, policymakers have to consider that both WLB and CWE are critically important and but CWE has more ability to generate a high employee satisfaction and through that satisfaction, a high performance can be seen in NBFI employees in Sri Lanka.

## **IV. CONCLUSION**

Remote working has emerged as a significant transformation in modern employment practices, particularly within the Sri Lankan non-banking financial sector. This study highlights that remote working plays a crucial role in shaping employees' job satisfaction, which in turn directly influences employee performance. Flexible work arrangements, reduced commuting time, and increased autonomy contribute positively to employees' satisfaction levels, enabling them to perform their duties more effectively and efficiently.

However, the findings also indicate that the benefits of remote working are highly dependent on organizational support, leadership practices, and technological readiness. Inadequate communication, limited supervision, and feelings of isolation can negatively affect job satisfaction if remote working is not properly managed. Therefore,



organizations must establish clear remote work policies, provide adequate digital infrastructure, and foster trust-based management practices to sustain employee motivation and productivity.

In the context of the Sri Lankan non-banking financial sector, where customer interaction, accuracy, and service quality are critical, job satisfaction acts as a key mediating factor between remote working and employee performance. When employees feel supported, valued, and satisfied in remote work settings, they are more likely to demonstrate higher commitment, improved service delivery, and enhanced overall performance. Consequently, a well-structured remote or hybrid working model can serve as a strategic tool for improving organizational effectiveness and long-term sustainability in the sector.

## References

1. Amir , B., Maha , E., & Abdurrahman, A. (2014). Health care professional development: Working as a team to improve patient care. *Sudan J Paediatr*, 14(2), 9-16.
2. Aslan, M., Yaman, F., Aksu, A., & Güngör, H. (2022). Task performance and job satisfaction under the effect of remote working: Call center evidence. *Economics and Sociology* , 15(1), 284-296.
3. Bhargavi, B. (2025). Influence of Remote Work on Employee Well Being and Productivity at Software Companies. *International Journal of Research Publication and Reviews*, 166-173.
4. Dana, P., & Turner, M. (2020, January 8). Sampling Methods in Research Design. Retrieved August 14, 2025, from <https://doi.org/10.1111/HEAD.13707>
5. Department of Trade and Industry. (2018). *The Essential Guide to - Work-life*. London.
6. Dong, J., Tan, Z., Zhang, Y., Sun, Y., & Huang, Y. (2025). Work from home and employee well-being: a double-edged sword. *Business Management Journal* , 748.
7. Erum, H., Abid, G., & Contreras Torre, F. (2020). The calling of employees and work engagement: the role of flourishing at work. *Business Management and Education*, 18(1), 1-13.
8. Fife, S. T., & Gossner, J. D. (2024). Deductive Qualitative Analysis: Evaluating, Expanding, and Refining Theory. *International Journal of Qualitative Methods*, <https://doi.org/10.1177/16094069241244856>.
9. Financial Stability Board. (2020). *Global Monitoring report on Non - Bank Financial intermediation 2019*.
10. Govaerts, N., & Filip, D. (2014). Disentangling the role of the supervisor in transfer of training. *Educational Research Review*, 12, 77-93.
11. Hansen, S., Lambert, P., Bloom, N., Davis, S., Sadun, R., & Taska, B. (2023). *Remote Work across Jobs, Companies and Space*. London: Harvard Business School .
12. Ihwughwawwe, S., & Shewakramani, R. (2024). The Impact of Work-Life Balance on Employee Performance: An Evaluative Study of Health and Safety Industry in Nigeria. *International Journal of Humanity and Social Sciences*, 39-73.
13. International Labour Organization. (2020). Practical guide explains key terms on labour rights, supply chains and trade. Geneva .



14. McCoy , J., & Gary , E. (2005). Physical work environment. SAGE Publications, Inc, 219-246.
15. McLeod, S. (2023, September 26). Sampling Methods In Research: Types, Techniques, & Examples. Retrieved August 14, 2025, from <https://www.simplypsychology.org/sampling.html>
16. Mendis, M. D., & Weerakkody, W. A. (2017). The Impact of Work Life Balance on Employee Performance with Reference to Telecommunication Industry in Sri Lanka: A Mediation Model . Kelaniya Journal of Human Resource Management, 72-95.
17. Mercy, R., & Choudhary , J. (2019 ). An Exploratory Study on Organizational Factors Affecting Employee Engagement. CLEAR International Journal of Research in Commerce & Management, 10(1), 6-9.
18. Muteb, N., & Hobbs, A. (2022). The impact of remote and hybrid working on workers and organisations. UK Parliament.
19. Nath, B. K., & Biswas, S. K. (2015). Prospects of Non Bank Financial Institutions & Money Market: Indication from Bangladesh. Economics.
20. Segallai, M., & DeNis. ( 2019). International Perspectives On Employee Engagement: Are American Firms Leading The Way Or Walking Alone? International Studies of Management & Organization, 49(1), 1-6.
21. Shammout, M. (2021). THE IMPACT OF WORK ENVIRONMENT ON EMPLOYEES PERFORMANCE . International Research Journal of Modernization in Engineering Technology and Science, 78-102.
22. Shmailan, A. (2016). The relationship between job satisfaction, job performance and employee engagement: An explorative study. Business Management and Economics, 4(1), 1-8.
23. Taherdoost, H. (2022). What are Different Research Approaches? Comprehensive Review of Qualitative, Quantitative, and Mixed Method Research, Their Applications, Types, and Limitations. Journal of Management Science & Engineering Research, 5(1), 53-64.
24. Williamson, H. (2022). An Evaluation of the Impacts of Remote Working. Irish Government Economic and Evaluation Service, 1-53.