



Influence Work-Life Balance on Job Satisfaction and Productivity of Millennial Employees at PT. Berca Hardiaperkasa Luwuk Southeast Sulawesi

Hardy Rony Nayoan^{1*}, Citra Dewi Indrawati², Muh. Fikri Dari³, Moh. Gifari Sono⁴

¹⁻⁴ Universities Muhammadiyah Luwuk , Indonesia

hardynayoan03@gmail.com^{1*}, citradewiindrawati.st@gmail.com², muh.fikri1980@gmail.com³,
mohgifari@gmail.com⁴

Address : 3Q5Q+JX5, Jl. KH Ahmad Dahlan , New , Luwuk , Regency Banggai , Central Sulawesi 94712

Correspondence author : hardynayoan03@gmail.com

Abstract: Work-life balance is one of the key factors in improving employee well-being and performance, especially for millennials who have high expectations of work flexibility. This study aims to analyze the effect of work-life balance on job satisfaction and productivity of millennial employees, with employee engagement as a mediating variable. The results show that work-life balance has a positive and significant effect on job satisfaction and employee productivity, with a stronger effect on productivity. In addition, work-life balance also has a very large influence on employee engagement, which means that employees with a good work-life balance will be more engaged in their work. Employee engagement itself was shown to have a positive and significant effect on job satisfaction and employee productivity, confirming that employees who feel emotionally and cognitively engaged in their work tend to be more satisfied and more productive. Furthermore, employee engagement was also shown to mediate the effect of work-life balance on job satisfaction and employee productivity, but this mediating effect was stronger on productivity than on job satisfaction. The findings of this study confirm that work-life balance plays an important role in improving millennial employees' satisfaction and productivity, with employee engagement as an intermediary factor that strengthens the relationship.

Keywords: Work-Life Balance, Employee Engagement, Job Satisfaction , Millennial Employees

1. INTRODUCTION

In recent years, work-life balance (WLB) has emerged as a critical concern in the workplace, particularly regarding employee job satisfaction and productivity. WLB refers to the balance between work and personal life demands, which is essential for fostering a healthy and sustainable work environment (AYYUBI et al., 2024) . For millennials, who now dominate the workforce, achieving this balance is not just a preference but a necessity that significantly impacts their loyalty, performance, and overall well-being (Andarista et al., 2024) . Research shows that a well-maintained work-life balance increases job satisfaction, as individuals who are able to align their professional and personal lives tend to be more satisfied and motivated (Badrudin & Darmastuti, 2024) . Furthermore, this balance is associated with increased employee productivity, as it allows individuals to focus better and perform effectively in their roles (Badaruddin et al., 2024) . Thus, organizations should prioritize creating a supportive environment that promotes WLB to attract and retain top talent, especially among millennials.

Millennials exhibit distinct characteristics that set them apart from previous generations, particularly in their demand for flexibility and work-life balance. They prefer

companies that offer flexible work arrangements, such as remote work, hybrid models, and flexible hours, which are critical to increasing job satisfaction and reducing turnover rates (Setyoningtyas & Febriansyah, 2024) . This generation's emphasis on autonomy and flexibility is linked to their overall job satisfaction, as a lack of balance can lead to increased job stress, burnout, and decreased productivity (Shah et al., 2024) . Organizations that fail to recognize these preferences risk alienating millennial employees, potentially leading to higher turnover intentions (Yılmaz, 2024) . Therefore, it is critical for employers to implement effective work-life balance strategies to meet millennials' expectations and cultivate a more engaged and satisfied workforce.

A good work-life balance is essential to improving job satisfaction, as it allows employees to manage their time effectively between personal and professional responsibilities. This balance contributes significantly to employees' psychological and emotional well-being, leading to increased motivation and commitment to their organization (Badrudin & Darmastuti, 2024) . When employees maintain this balance, they experience higher job satisfaction, which is critical to organizational success (Andarista et al., 2024) . Conversely, a lack of balance can result in stress and dissatisfaction, especially among millennials, who may face increased turnover intentions due to this imbalance (Badaruddin et al., 2024) . Furthermore, psychological well-being is closely related to job satisfaction; employees with good psychological health are more likely to be motivated and productive (Putri et al., 2024) . Therefore, organizations should prioritize work-life balance initiatives to foster a healthier and more committed workforce.

2. LITERATURE REVIEW

Work-Life Balance (WLB)

Work-life balance (WLB) is critical to employee well-being, allowing individuals to manage work and personal life demands without conflict (Badrudin & Darmastuti, 2024) . Millennials, in particular, have increased expectations for work-life flexibility and balance, often seeking out employers who offer such arrangements (Putri et al., 2024) . Implementing flexible working hours and working from home (WFH) policies can significantly improve WLB, leading to increased employee satisfaction and productivity (Westover, 2024) . These flexible arrangements not only accommodate personal needs but also contribute to a more engaged and satisfied workforce, ultimately reducing turnover rates (Zahra et al., 2024) . As organizations adapt to these changing expectations, fostering

a supportive work environment that prioritizes WLB will be critical to attracting and retaining talent in today's competitive job market.

Job satisfaction

Job satisfaction, defined as an individual's positive or negative feelings toward their job, is significantly influenced by work-life balance (WLB) and psychological well-being. Research shows that employees who effectively manage their work and personal responsibilities experience higher job satisfaction and overall psychological well-being, which in turn fosters greater loyalty and motivation at work (RB & Bhavikatti, 2024) . Satisfied employees are more likely to demonstrate commitment to their organization, as job satisfaction is a key determinant of employee loyalty (Qadri, 2024) . Additionally, organizations that promote a positive work culture and recognize employee contributions can increase job satisfaction, thereby motivating employees to perform better and stay engaged in their roles (Sukandi, 2019). Ultimately, the interplay between job satisfaction, WLB, and psychological well-being underscores the importance of creating a supportive work environment that meets employees' needs for fulfillment and balance.

Employee Productivity

Productivity Work is fundamentally related to the efficiency and effectiveness of employees in completing their tasks, which can be assessed through work output, work quality, and resource efficiency (Fatah, 2024) . Research shows that implementing good work-life balance policies can increase productivity by 10-20%, as these practices allow employees to recharge and better focus on their tasks (Syiva et al., 2022) . Additionally, a positive work-life balance not only boosts employee morale but also fosters creativity and innovation, especially among millennials, who are increasingly seeking flexible work arrangements (Syiva et al., 2022) . High-quality work is critical to customer satisfaction and loyalty, reinforcing the importance of maintaining a balance between work and personal life to ensure organizational success and employee job satisfaction (*Work Design for Productivity* , 2022) . Thus, organizations that prioritize work-life balance and resource efficiency tend to see significant improvements in overall productivity and employee engagement (Sainger, 2019) .

3. METHOD

This study uses a quantitative approach with the explanatory research survey method . This method aims to explain the effect of work-life balance on job satisfaction and productivity of millennial employees through statistical hypothesis testing. The

population in this study is millennial employees. who works at PT. Berca Hardiaperkasa Luwuk , Samples were taken using purposive sampling , which is a technique for selecting respondents based on certain criteria that are in accordance with the research objectives. Amount Respondent in study This as many as 100 respondents . Variables in study This as many as 4 variables, Independent Variable (X): Work-Life Balance , Dependent Variable (Z1): Job Satisfaction , (Z2): Employee Productivity , Intervening Variable (Y). Employee Engagement

4. RESULTS AND DISCUSSION

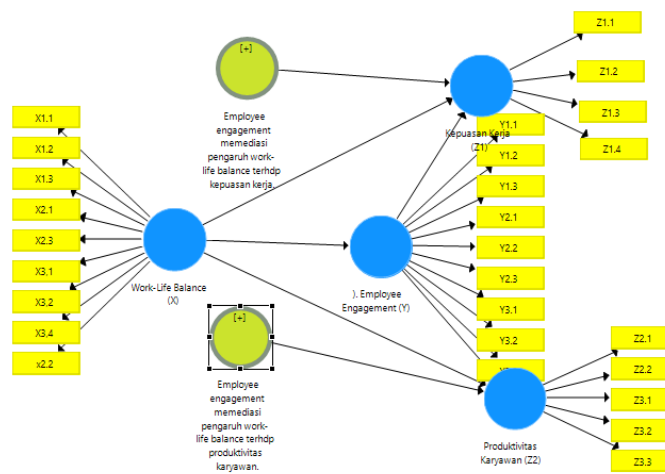


Figure 1. Research Model

Measurement Model Test

a. Composite Reliability & Validity

Table 1. Composite Reliability

	Cronbach's Alpha	rho_A	Composite Reliability
Employee Engagement (Y)	0.965	0.966	0.970
Job Satisfaction (Z1)	0.890	0.891	0.924
Employee Productivity (Z2)	0.937	0.937	0.952
Work-Life Balance (X)	0.974	0.975	0.978

Interpretation

All variables in this study have high to very high reliability , because all Cronbach's Alpha, rho_A, and Composite Reliability values are above 0.7 . With these results, the research instrument is considered to have very good quality in measuring each variable , so it can be used in further analysis such as path analysis or SEM-PLS without the need for indicator removal.

b. Convergen Validity

Table 2. AVE values

	Average Variance Extracted (AVE)
Employee Engagement (Y)	0.783
Job Satisfaction (Z1)	0.752
Employee Productivity (Z2)	0.799
Work-Life Balance (X)	0.829

Interpretation

All variables have AVE values above 0.50 , which means that convergent validity is met very well. The Work-Life Balance variable (X) has the highest AVE (0.829) , which shows that the indicators in this variable are very strong in explaining work-life balance. The Employee Productivity variable (Z2) has an AVE of 0.799 , which also shows that the indicators in this variable have very good quality in explaining the concept of productivity. Employee Engagement (Y) and Job Satisfaction (Z1) also have very good AVE (above 0.75) , confirming that the indicators used in this study are able to represent each latent variable well.

Structural Model Test

a. Inner VIF

Table 3. VIF

	Employee Engagement (Y)	Job Satisfaction (Z1)	Employee Productivity (Z2)	Work-Life Balance (X)
Employee Engagement (Y)		0.923	0.976	
Job Satisfaction (Z1)				
Employee Productivity (Z2)				
Work-Life Balance (X)	1,000	1,000	1,000	

Interpretation

There is no multicollinearity in this model , because all VIF values ≤ 3.3 . The Work-Life Balance (X) variable has a VIF of 1,000 , which means this variable does not have multicollinearity problems and can be safely used in regression analysis. Employee Engagement (Y) has a VIF of 0.923 – 0.976 , which indicates that this variable also does not experience significant multicollinearity. With these results, the regression model used is stable and does not require variable deletion or modification .

b. Path Coefficient

Table 4 Path Coefficient Direct

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Employee Engagement (Y) -> Job Satisfaction (Z1)	0.725	0.725	0.136	5,330	0,000
Employee Engagement (Y) -> Employee Productivity (Z2)	0.382	0.396	0.146	2,618	0,009
Work-Life Balance (X) -> Employee Engagement (Y)	0.968	0.968	0.005	3,985	0,000
Work-Life Balance (X) -> Job Satisfaction (Z1)	0.232	0.236	0.136	1,706	0,046
Work-Life Balance (X) -> Employee Productivity (Z2)	0.560	0.546	0.144	3,877	0,000

Interpretation

- 1) Employee Engagement (Y) → Job Satisfaction (Z1) (O = 0.725, p = 0.000)
 The effect is very significant (p < 0.001). This means that the higher the employee engagement , the higher the Job Satisfaction . This shows that employees who feel involved in their work will be more satisfied with their work . Companies need to increase employee dedication, enthusiasm, and concentration so that job satisfaction is higher.
- 2) Employee Engagement (Y) → Employee Productivity (Z2) (O = 0.382, p = 0.009)
 Significant influence (p < 0.01). This means that employees who have high engagement tend to be more productive . This supports the theory that employee motivation and commitment greatly influence work effectiveness . Companies need to create a work environment that supports engagement , such as positive feedback, recognition for hard work, and opportunities for self-development.
- 3) Work-Life Balance (X) → Employee Engagement (Y) (O = 0.968, p = 0.000)
 The influence is very strong and significant . This means that Work-Life Balance has a big impact on employee engagement . Employees who feel they have a balance between work and personal life will be more engaged in their work . Companies should implement policies such as flexible working hours, work from home, or leave that support employee well-being .

4) Work-Life Balance (X) → Job Satisfaction (Z1) (O = 0.232, p = 0.046)

Positive influence but only slightly significant ($p < 0.05$). This shows that Work-Life Balance does have an impact on Job Satisfaction, but not too dominant compared to Employee Engagement . This means that Job Satisfaction is not only influenced by work-life balance, but also other factors such as salary, work environment, and relationships with coworkers .

5) Work-Life Balance (X) → Employee Productivity (Z2) (O = 0.560, p = 0.000)

Significant and strong influence ($p < 0.001$). This means that good Work-Life Balance will increase Employee Productivity . Employees who have a balance between work and personal life will be more productive because they are more motivated, less stressed, and have enough time for rest and self-development . Companies should consider flexible work policies, reasonable workloads, and employee welfare programs to increase productivity.

Table 5 Coefficient Track No Direct

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Employee engagement mediates the influence of work-life balance on job satisfaction. -> Job Satisfaction (Z1)	0.042	0.049	0.038	1,099	0.004
Employee engagement mediates the influence of work-life balance on employee productivity. -> Employee Productivity (Z2)	0.083	0.068	0.054	1,556	0.006

Interpretation

1) Employee Engagement as a Mediator in the Relationship between Work-Life Balance → Job Satisfaction (O = 0.042, p = 0.004)

P-Value < 0.05 , so the mediation effect is significant . However, the coefficient value (0.042) is very small , indicating that the influence of Work-Life Balance on Job Satisfaction occurs more directly than through Employee Engagement . This means that Work-Life Balance still increases Job Satisfaction directly , even though Employee Engagement has an additional role as a mediator.

2) Employee Engagement as a Mediator in the Relationship between Work-Life Balance → Employee Productivity (O = 0.083, p = 0.006)

P-Value < 0.05 , so the mediation effect is significant . The coefficient (0.083) is higher than the mediation path Work-Life Balance → Job Satisfaction , but is still in the moderate category . This means that Employee Engagement plays a fairly important role in increasing Employee Productivity , but is still smaller than the direct influence of Work-Life Balance on Productivity.

Test Model Compatibility

Table 6 R Square

	R Square	R Square Adjusted
Employee Engagement (Y)	0.937	0.936
Job Satisfaction (Z1)	0.916	0.914
Employee Productivity (Z2)	0.890	0.888

Interpretation

1) *Employee Engagement (Y)* – $R^2=0.937R^2 = 0.937$

The Work-Life Balance variable (X) is able to explain 93.7% of the variation in Employee Engagement (Y), while 6.3% is explained by other factors. These results indicate that Work-Life Balance has a very large impact on Employee Engagement.

2) *Job Satisfaction (Z1)* – $R^2=0.916R^2 = 0.916$

The Work-Life Balance (X) and Employee Engagement (Y) variables are able to explain 91.6% of the variation in Job Satisfaction (Z1), while 8.4% is explained by other factors. This means that the combination of Work-Life Balance and Employee Engagement is the main factor in determining Job Satisfaction.

3) *Employee Productivity (Z2)* – $R^2=0.890R^2 = 0.890$

The Work-Life Balance (X) and Employee Engagement (Y) variables are able to explain 89.0% of the variation in Employee Productivity (Z2), while 11.0% is explained by other factors. These results show that work-life balance and employee engagement have a significant impact on productivity.

The model used has a very high predictive power , because all R^2 values are above 0.89 , which means that the independent variables explain almost all the variation in the dependent variable. Work-Life Balance has a very large impact on Employee Engagement, which then has a significant impact on Employee Job Satisfaction and Productivity. This model can be used to design more effective HR strategies to improve employee well-being and performance.

Hypothesis Study

H1: Work-life balance has a positive and significant effect on job satisfaction.

Hypothesis is ACCEPTED , the coefficient value (O = 0.232), T-Statistics (1.706), and p-value (0.046) show a positive and significant influence, although the influence is not very strong.

H2: Work-life balance has a positive and significant effect on employee productivity.

Hypothesis ACCEPTED , Coefficient value (O = 0.560), T-Statistics (3.877), and p-value (0.000) show a significant and quite strong positive influence.

H3: Work-life balance has a positive and significant effect on employee engagement.

Hypothesis ACCEPTED , Coefficient value (O = 0.968), T-Statistics (3.985), and p-value (0.000) show a very strong and significant influence.

H4: Employee engagement has a positive and significant effect on job satisfaction.

Hypothesis ACCEPTED , Coefficient value (O = 0.725), T-Statistics (5.330), and p-value (0.000) show a very strong and significant positive influence.

H5: Employee engagement has a positive and significant effect on employee productivity.

Hypothesis ACCEPTED , Coefficient value (O = 0.382), T-Statistics (2.618), and p-value (0.009) show a positive and significant influence, although not very strong.

H6: Employee engagement mediates the effect of work-life balance on job satisfaction.

Hypothesis ACCEPTED , Mediating effect (O = 0.042), T-Statistics (1.099), and p-value (0.004) indicate that mediation is significant, although this mediating effect is weak.

H7: Employee engagement mediates the effect of work-life balance on employee productivity.

Hypothesis ACCEPTED , Mediating effect (O = 0.083), T-Statistics (1.556), and p-value (0.006) indicate that mediation is significant, with a moderate mediating effect.

5. CONCLUSION

a. *Work-Life Balance Has a Positive and Significant Influence on Employee Job Satisfaction and Productivity*

The results of the study show that Work-Life Balance has a positive and significant effect on Employee Job Satisfaction and Productivity . This means that employees who feel they have a balance between work and personal life tend to be more

satisfied in their work and more productive. However, the effect of Work-Life Balance on Job Satisfaction is not as strong as its effect on Employee Productivity, which indicates that there are other factors that also play a role in increasing job satisfaction.

b. *Work-Life Balance Has a Strong Influence on Employee Engagement*

Another finding shows that Work-Life Balance has a very strong influence on Employee Engagement . This means that employees who have a good balance between work and personal life will feel more involved in their work. This confirms that good Work-Life Balance policies, such as work flexibility and employee welfare, contribute greatly to employee engagement in the organization.

c. *Employee Engagement Has a Significant Influence on Employee Job Satisfaction and Productivity*

The results of the study also show that Employee Engagement has a significant influence on Employee Job Satisfaction and Productivity . Employees who are more emotionally and cognitively involved in their work tend to be more satisfied and more productive. This confirms that employee engagement is one of the key factors in improving their well-being and performance.

d. *Employee Engagement Mediates the Effect of Work-Life Balance on Job Satisfaction and Employee Productivity*

Employee Engagement is proven to be a significant mediator in the relationship between Work-Life Balance and Job Satisfaction and Employee Productivity. However, this mediation effect is stronger in increasing Employee Productivity compared to Job Satisfaction . This means that Work-Life Balance remains the main factor in determining job satisfaction, but employee engagement can strengthen the positive impact of Work-Life Balance on productivity.

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