Millennial Employees’ Performance: The Role of Psychological Well-being and Work Engagement

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Abstract. This study aims to determine the effect of psychological well-being and work engagement partially and simultaneously on the performance of millennial generation employees. The method use a quantitative approach. Sampling using non-probability sampling technique through google form with a total of 367 millennial generation employee respondents who work in Jabodetabek. The psychological well-being was measured by Ryff's Psychological Well-being (RPWB) - NFSH totaling 18 items. Work engagement was measured by Utrecht Work Engagement Scale-9 (UWES-9) with a total of 9 items. Employee performance was measured by Individual Work Performance Questionnaire (IWPQ) totaling 18 items. Data processing using Jamovi 2.4 software with multiple linear regression models. Hypothesis testing results show that psychological well-being variables has no effect on employee performance. While the work engagement variable has a positive effect on employee performance. Simultaneously, psychological well-being and work engagement have positive effect on employee performance of millennial generation in Jabodetabek by 6.55%.

Keywords: Engagement, Performance, Millennial, Psychological Well-being

Introduction

The number of employees from the millennial generation continues to increase significantly. According to the latest data from Team Stage (2023), millennials in the United States comprise 35% or 56 million of the workforce in January 2023, accounting for more than a third of the workforce population in the United States. Meanwhile in 2022, the millennial generation population in Indonesia with an age range of 20 - 44 years is 108.5 million people, of which 75.4 million people are the total population of the millennial generation workforce who are actively working (BPS, 2023). Brant & Castro (2019) stated that millennials will make up 75% of the global workforce by 2025. Meanwhile, research conducted by Dale Carnegie Indonesia, the number of millennial generation workers is predicted to peak at 70% in 2030 (Amalia & Hadi, 2019). Therefore, the millennial generation is the group that dominates the workforce in Indonesia (Arfis & Samadi, 2022).

The percentage of employee performance in Indonesia is still relatively low or falls into the category of middle-income countries based on the Work Economic Forum (WEF) with a score of 62.19 where the level of Employee Performance in Indonesia in 2019 was ranked 67th out of 130 countries in the world (Puspitasari & Darwin, 2021). Badan Pusat Statistik (BPS) states that the performance of the workforce in Indonesia has decreased after the pandemic as seen from the condition of the Job Quality Index (IKP) of 44.54% in 2021. Specifically for the millennial generation workforce, the HRD manager of PT X through research conducted by Wicaksana et al.,

Hafiz Haikal Ahnaf
Hafiz Haikal Ahnaf

(2020) stated that the decline in performance in millennial generation employees was 10% in terms of working hours and productivity which was below the target.

According to (Koopmans et al., 2011) employee performance is the behavior of employees who are relevant or related to organizational goals. Employee performance has a multidimensional concept with three dimensions, namely performance in carrying out tasks (task performance), environmental and psychological aspects that support performance (contextual performance), and behavior that is contrary to organizational goals (counterproductive work behavior). Meanwhile, Motowidlo & Kell (2013) define employee performance as activities at work carried out by employees to be directed towards matters of organizational goals. To achieve good performance, it is influenced by several factors, namely internal and external. Among one of the internal factors of individuals that affect performance is psychological well-being (Wright, 2010).

Psychological well-being is a condition where a person reaches a condition where he can accept his condition (self-acceptance), has the ability to adapt to the surrounding environment (environmental mastery), is able to be independent in acting (autonomy), develops the potential that exists in him (personal growth), establishes a positive relationship with others, and also has a purpose of life (Ryff, 1995). In the JD-R framework theory Bakker & Demerouti (2018), there is a predictor in achieving good performance, namely job resources, in which there is a component, namely autonomy, which is one of the dimensions of the theory of psychological well-being presented by Ryff (1995). Poor employee performance is associated with a lack of psychological security and psychological well-being of employees (Obrenovic et al., 2020).

The above theory is also in line with research conducted by Rahmi et al., (2023) on the performance of 72 employees at Bankaltimtara Samarinda branch which shows a positive and significant influence between psychological well-being on employee performance with p-values (0.011 < 0.05). But previous research conducted by Pratama & Endratno (2022) showed no positive effect between psychological well-being and employee performance at PT. Laba Asia Foods which amounted to 107 employees. From the two studies above, it shows that there are inconsistencies in the results of research that discuss the relationship between psychological well-being and employee performance.

In addition, Tian et al., (2019) stated that work engagement is a factor that can affect employee performance. Schaufuli & Bakker define work engagement with a positive state of mind in relation to work which is characterized by vigor, dedication, and absorption in carrying out their work (Shuck & Adelson, 2016; Mazzetti et al., 2023). Some of these researchers view work engagement as a key driver in attitude, behavior, and achieving good performance (Tian et al., 2019). Employees who have a high engaged attitude are more likely to have positive emotions at work. Because it is wrong that the way to achieve excellent performance is to foster and manage work engagement in employees (Tian et al., 2019).
The theory above is in line with several studies that have been conducted previously by Qodariah (2019) on 120 employees at PT Surveyor Indonesia showing the effect of work engagement on employee performance. In addition, the latest research conducted by Pashiera (2023) on 54 employees at PT Pelabuhan Indonesia (Persero) Surabaya Region 3 Office also showed a positive and significant effect of work engagement on performance. But research conducted by Rika M (2019) that there is no influence between work engagement on the performance of 35 employees at CV. Indospice Manado. From the above research, there are also inconsistencies in the results of research that reveal the effect between work engagement on employee performance.

From some of the above studies, research variations were found in the form of inconsistencies between variables, namely psychological well-being on employee performance and work engagement on employee performance. Meanwhile, the samples used in previous studies were employees with all generation ranges, but no one has specifically examined the millennial generation. This is the researcher's goal in conducting this study to find out more about the inconsistencies in the effect of psychological well-being variables and work engagement on performance partially or simultaneously on millennial generation employees in Jabodetabek.

Research Methods

This research uses a quantitative approach conducted through primary data sources using an online questionnaire. The sample in this study were millennial generation employees in the Jabodetabek area aged 20-40 years. The sample used was millennial generation employees using accidental sampling technique, namely sampling from respondents who fit the criteria and were encountered by chance. The data collection technique was carried out by distributing questionnaires via Google Form in WhatsApp groups, Telegram channels, Facebook groups and also relying on relationships such as friends and relatives. The process of distributing this questionnaire began on October 12, 2023 to November 17, 2023 and managed to collect 367 respondents.

This study uses three variables. Psychological well-being as the independent variable (X1), work engagement as the independent variable (X2), and employee performance as the dependent variable (Y). Psychological well-being was measured by Ryff Psychological Well-being (RPWB) by Springer & Hauser (2006) which totals 18 items with 3 items in each dimension. Then the work engagement was measured by Utrech Work Engagement Scale-9 (UWES-9) which has been adapted into Indonesian by Kristiana et al., (2019) which totals 9 items with 3 items in each dimension. While employee performance was measured by Individual Work Performance Questionnaire (IWPQ) by Koopmans et al., (2012) which has been adapted into Indonesian by Widyastuti & Hidayat (2018) totaling 18 question items with 3 items in each dimension. Data
analysis was carried out using multiple linear regression techniques using Jamovi software version 2.4.

**Picture 1. Conceptual Framework**

Based on the framework above, there are three hypotheses in this study:

**H1 : Psychological Well-being has an effect on Employee Performance**

In the JD-R framework theory (Bakker & Demerouti, 2018), there is a predictor in achieving good performance, namely job resources. In the job resource there is a component namely autonomy, which is one of the dimensions of the psychological well-being theory presented by Ryff (1995). Poor employee performance is associated with a lack of psychological safety and psychological well-being of employees (Obrenovic et al., 2020). Research conducted by Rahmi et al., (2023) and Sofyanty & Setiawan (2020) showed an effect between psychological well-being on employee performance.

**H2 : Work Engagement has an effect on Employee Performance**

Tian et al., (2019) state that work engagement is a factor that can affect employee performance. Some of these researchers view work engagement as a key driver in attitude, behavior, and achieving good performance. Employees who have a high engaged attitude are more likely to have positive emotions in their work. Because it is wrong that the way to achieve excellent performance is to foster and manage work engagement in employees. research conducted previously by Qodariah (2019) shows the effect of work engagement on employee performance.

**H3 : Psychological Well-being and Work Engagement has an effect on Employee Performance.**

This model is a novelty in this study. This is because no previous research has tested these two variables simultaneously. But based on theory and previous research that psychological well-being and work engagement each have an effect on employee performance. Therefore, this model...
has a hypothesis that psychological well-being and work engagement simultaneously also affect employee performance.

**Results and Discussion**

Based on the data obtained from the questionnaire answers, it is known that the number of respondents was 367 employees with a percentage of male employees totaling 212 (57.8%) and female employees totaling 155 employees (42.2%). Then from the age criteria, employees aged 20 to 30 years were 231 (62.9%), aged 31 to 40 were 136 people (37.1%). Furthermore, in terms of length of service, the group that has a work period of 2 to 10 years has the largest percentage, namely 206 people (56.1%), a work period of less than 2 years as many as 143 people (39%), and a work period of more than 10 years as many as 18 people (4.9%). Meanwhile, when viewed from the work area, Jakarta has 161 people with a percentage of (43.9%), followed by Tangerang with 79 people (21.5%), Depok area with 44 people (12%), Bogor area with 42 people (11.4%) and finally Bekasi area with 41 people (11.2%).

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<thead>
<tr>
<th>Table 1. Descriptive Statistic</th>
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<td>Variable</td>
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<tr>
<td>Psychological Well-being</td>
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<td>Work Engagement</td>
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<td>Employee Performance</td>
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*Source: Data processed, 2024.*

The results of descriptive statistical tests for psychological well-being variables have a mean = 46.9 and SD value = 11.2. The results of data processing for work engagement variables have a mean = 40.7 and SD = 5.99. As for the employee performance variable with mean = 50.2 and SD = 10.1.

<table>
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<th>Table 2. Hypothesis Testing</th>
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<td>Model</td>
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<td>PWB → EP</td>
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<td>WE → EP</td>
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<td>PWB*WE → EP</td>
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*Source: Data processed, 2024*  
(PWB=Psychological Well-being, WE=Work Engagement, EP=Employee Performance)

The results of testing psychological well-being (X1) on employee performance (Y) obtained the result of (β = -0.011, p = 0.804>0.05). This shows that psychological well-being has no effect on employee performance. The results of testing the work engagement variable (X2) on
employee performance (Y) obtained the result of ($\beta = 0.447$, $p < 0.001$). This means that work engagement has a positive effect on employee performance. While the results of multiple regression tests on the variables of psychological well-being (X1) and work engagement (X2) on employee performance (Y) obtained an adjusted $R^2$ value $= 0.0655$ ($p < 0.001$). This means that psychological well-being and work engagement can simultaneously influence and explain the role of millennial generation employee performance by 6.55%. Psychological well-being cannot explain employee performance if it is not accompanied by their work engagement. The important dimensions of work engagement namely passion, dedication, and appreciation for their work make their performance better.

Discussion

The Effect of Psychological Well-being on Employee Performance

This study was conducted to determine the role of psychological well-being and work engagement both partially and simultaneously on the performance of millennial generation employees in Jabodetabek. The result of this study is that psychological well-being has no influence on employee performance. So it can be said that the high and low psychological well-being that exists in millennial generation employees cannot play a role in explaining the performance they have. The results of this study are in line with research conducted by Pratama & Endratno (2022) which shows no influence between the psychological well-being and employee performance. In the study, it is explained that increasing employee performance is more effective if done by providing bonuses and benefits for employees. The results obtained can also be caused by the characteristics that exist in the millennial generation. This difference in characteristics is also related to their views on the world of work (Putra, 2016) & (Stewart et al., 2016). Millennials have flexible characteristics (Archianti, 2017), need feedback (Chillakuri, 2020), need self-development and look for jobs that suit their identity (Utami, 2020). This result shows that the hypothesis is rejected.

The Effect of Work Engagement on Employee Performance

Furthermore, this study also found that work engagement can affect employee performance. The results of this study are in line with research conducted by Albana (2019), Qodariah (2019) and (Kustya & Nugraheni, 2020). The existence of this influence is because employees who are more enthusiastic about working have knowledge about working hours. In addition, a sense of attachment can also increase awareness, motivation, creativity and productivity in employees, so as to improve performance in the workplace (Qodariah, 2019). Employees who have a sense of attachment to their work more often experience positive emotions, including happiness, joy, and enthusiasm (Bakker et al., 2014). Employees who have a sense of attachment
to their jobs also tend to focus more on performance in their roles (Setyawati & Nugrohoseno, 2019). This result shows that the hypothesis is accepted.

The Effect of Psychological Well-being and Work Engagement on Employee Performance

Next, the results of this study reveal that psychological well-being and work engagement can simultaneously affect the performance of millennial generation employees by 6.55%. While the remaining 93.45% can be influenced by other factors such as motivation (Chintalloo & Mahadeo, 2013), job satisfaction (Siagian & Khair, 2018), compensation (Arifudin et al., 2020), religiosity (Ramadhan & Eryandra, 2022) and other factors. There was a decrease in percentage after psychological well-being was tested simultaneously with work engagement. This is because in this study, the test results show that psychological well-being has no effect on employee performance. Therefore, the psychological well-being that exists in millennial generation employees cannot explain performance unless it is included with passion, dedication, and also appreciation in their work. This result shows that the hypothesis is accepted.

Research conducted on this generation of employees is a novelty, because no previous research has discussed the effect of psychological well-being and work engagement on employee performance specifically in the millennial generation. From the results of this study, the researcher argues that psychological well-being has no effect on the performance of millennial generation employees due to the different characteristics that exist in them with other generations (Putra, 2016). These differences in characteristics are also related to their views on the world of work (Stewart et al., 2016). Among the characteristics of the millennial generation are being confident, independent, team-oriented, flexible, and open to the latest technology (Archianti, 2017). But on the other hand, the flexible characteristics of millennial generation employees make them not want to be tied to activities (Siahaan, 2020). Millennials want work to be done from home, and they want to earn more if they work outside working hours. They also do not hesitate to do work away from home compared to previous generations and want a work environment that suits their wishes (Myers & Sadaghiani, 2010).

These characteristics illustrate the autonomy dimension of psychological well-being. Langfred & Myoe (2004) state that millennials who have a desire to perform their tasks according to their will tend to find it more difficult to perform well. Therefore, the task for organizations is to carry out policies that can balance the characteristics of the millennial generation in the workplace. If not, then it is not impossible that millennial generation employees will feel less attached and look for another job (Ng et al., 2010). This is because millennials are very loyal to organizations that they feel have the same values as them (Jerome et al., 2014). In addition, millennials are a generation that needs feedback (Chillakuri, 2020). In the workplace, they need feedback in the form of rewards to support their performance such as benefits, compensation
increases, and promotions (Stewart et al., 2016). This feedback can also be in the form of evaluation results of their tasks in an organization (Chillakuri, 2020).

Millennials strive to develop themselves and look for jobs that suit their identity (Utami, 2020). Sukoco et al., (2020) also explained that millennial generation employees at PT X have different characteristics compared to the millennial generation, one of which is that they prefer to change workplaces to find better and varied jobs than before to develop so that their goals can be achieved (purpose in life). This is in line with what Shah (2017) said that millennials can also leave their jobs more easily because they feel less energized and tied to the workplace. If these characteristics possessed by the millennial generation are not balanced by the appropriate culture and organization, it can have an impact on their productivity and performance towards the company.

**Conclusion**

Based on the results of research conducted on millennial generation employees, the results show that: (1) psychological well-being has no effect on the employee performance of millennial generation, (2) work engagement has a positive effect on the employee performance of millennial generation, (3) psychological well-being and work engagement simultaneously have a positive effect on the employee performance of millennial generation. The psychological well-being that exists in them cannot explain the influence on performance, because they are more willing to perform when supported by other factors in the form of rewards, compensation, self-development, and given autonomy or trust in carrying out their duties. Meanwhile, work engagement can explain their performance, because their passion, dedication and appreciation for their work can make them more productive, creative, and focused on the performance they want to achieve.

Then from the research results there are several suggestions for further researchers and also for organizations. For future researchers to be able to use a sample of employees from a more detailed classification of business fields whether engaged in retail, manufacturing and so on. As for suggestions for organizations in order to provide various facilities that can support and improve aspects of work engagement, namely enthusiasm, dedication, and appreciation of employees in their work. So that with increased work engagement, employee performance in an organization can also increase.

**References**


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