Factors Affecting Millennial Employee Engagement In Dki Jakarta

Fika Kristiyadi
Perbanas Institute, Indonesia
Email: vikachu11@gmail.com

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ABSTRACT
This study aims to analyze the influence of self-efficacy, perceived organizational support, and work environment on employee engagement among millennial employees in DKI Jakarta, with work-life balance serving as both an intervening and moderating variable. The phenomenon of low employee engagement among millennials has become a major concern, as this generation is characterized by unique traits such as a preference for flexibility, work-life balance, and high expectations of organizational support. To address this issue, the study investigates how internal factors like self-efficacy, as well as external factors such as organizational support and the work environment, can enhance employee engagement through the mediating role of work-life balance. The research employs a quantitative method using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) approach with SmartPLS 4.0 software. Data were collected from 120 millennial respondents working in various industrial sectors in DKI Jakarta through an online questionnaire. The analysis involved validity and reliability tests, structural model evaluation, and hypothesis testing. The results reveal that self-efficacy and perceived organizational support have a positive and significant effect on employee engagement, whereas work environment does not show a significant impact. Furthermore, work-life balance acts as both a mediator and moderator, strengthening the relationship between perceived organizational support, work environment, and employee engagement. These findings highlight the importance of fostering an organizational culture that not only promotes employee involvement but also supports a healthy work-life balance, while simultaneously developing self-efficacy to improve millennial engagement in the workplace.

Introduction

As the economic and governmental center of Indonesia, Jakarta is experiencing demographic changes in the workforce, marked by the increasing dominance of millennial workers—individuals born between 1981 and 1996 (Sari & Nurhadi, 2021). Data from Statistics Indonesia (BPS) in 2024 shows that Jakarta has the highest millennial population in the country (BPS, 2024). The most recent data from BPS, updated on April 18, 2024, recorded 2,816,278 millennials in Jakarta, with the highest number located in East Jakarta, amounting to 802,965 individuals (BPS, 2024; Lestari et al., 2021). Millennials in Jakarta contribute significantly to the workforce, particularly in industries such as technology, finance, and services (Rahmawati & Purwanto, 2021). The increasing millennial population is reshaping the economic landscape and influencing workplace dynamics, with millennials demanding more flexibility and innovation in their professional environments (Setiawan & Wijaya, 2020). Their presence in Jakarta's labor force also brings challenges related to job satisfaction and career development, particularly as they prioritize work-life balance and digital engagement (Yuliana & Santoso, 2022). The

rise of millennials in Jakarta's workforce underscores the importance of adapting management strategies to accommodate their expectations and ensure sustained productivity (Prasetyo & Hendrawan, 2021).

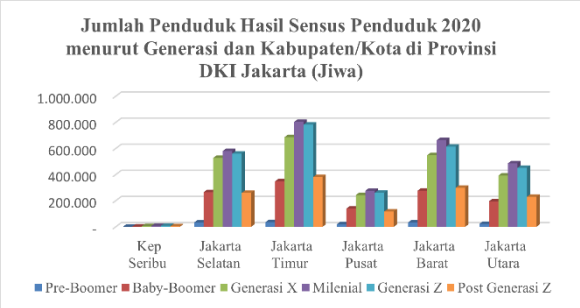

Figure 1. Gemographics Census result of DKI Jakarta 2025

Data from BPS (2025) shows that Jakarta, home to the largest millennial population in Indonesia, also has an Open Unemployment Rate (TPT) above the national average at 6.18%. According to Gallup (2020), economic issues and rising unemployment can lower employee engagement due to feelings of neglect (Gallup, 2020). Kompasiana highlights that mass resignations are often caused not by financial factors but by unsupportive work environments and low engagement, a view supported by McKinsey (2022) and Rahmawati & Wendra (2025) (McKinsey & Company, 2022). Employee engagement is increasingly critical as millennials dominate the workforce (Djastuti et al., 2022), yet they reportedly show the lowest engagement rates—only 27% are engaged, while 68% are not, and 5% are actively disengaged (Gallup, 2020; Meyer & Gagne, 2021). Low engagement in Jakarta, especially among private and startup sectors, can reduce productivity and loyalty and increase turnover (Muslikah et al., 2022). Cahyono (2024) suggests Strategic Human Resource Management (SHRM) to enhance engagement by helping employees feel valued (Cahyono, 2024). Internally, self-efficacy influences engagement through confidence and resilience (Bandura, 1997; Luthans et al., 2007; Asli et al., 2020; Firnanda & Wijayati, 2021), although Pristiwiana & Syihabudhin (2020) found no such effect (Pristiwiana & Syihabudhin, 2020). Externally, perceived organizational support—recognizing employee contributions and welfare—also plays a key role (Gemilang & Riana, 2021; Eisenberger et al., 1986; Nguyen & Tran, 2021; Rais & Parmin, 2020), though Wahyuni (2019) reported contrary findings (Wahyuni, 2019). Millennials, who value freedom, work-life balance, and collaborative environments (Howe & Strauss, 2000), are also influenced by work environment quality (Robbins & Judge, 2017; Chan et al., 2020; Anitha, 2014; Hassan et al., 2018), though Nasidi et al. (2019) disagreed (Nasidi et al., 2019). Work-life balance can mediate these variables' effects (Cahyono, 2024; Clark, 2000; Twenge, 2010; Khoiriyah et al., 2020; Insan et al., 2022; Dinh, 2020; Nguyen & Pham, 2020), despite differing findings from Saptono et al. (2020) (Saptono et al., 2020). These inconsistencies inspire further research into the influence of self-efficacy, perceived organizational support, and work environment on employee engagement among Jakarta's millennials, with work-life balance as an intervening variable.

Gumilang and Indrayanti (2022) investigated work engagement among millennial employees in Indonesia, focusing on the roles of psychological capital (including *self-efficacy*) and *perceived organizational support*. They found that both constructs significantly predict work engagement, stressing the importance of internal personal resources and organizational backing for sustaining employee involvement (Karatepe et al., 2018).

Harimurti and Wulansari (2024) explored the impact of psychological well-being and *work environment* on engagement among millennials in Jakarta. Their quantitative study demonstrated that both psychological well-being and *work environment* significantly influence work engagement,

highlighting the role of employees' emotional wellness and their surrounding conditions in driving engagement (Harimurti & Wulansari, 2024).

This study aims to analyze the effects of *self-efficacy*, *perceived organizational support*, and *work environment* on employee engagement among millennials in Jakarta, investigating *work-life balance* as both a mediating and moderating variable. The benefits of this research are threefold: it provides strategic insights for HR practitioners to tailor engagement initiatives that resonate with millennial expectations; it contributes academically by empirically testing an integrated model in an Indonesian urban context; and it offers actionable recommendations for organizations and policymakers to foster a supportive *work culture* and balanced lifestyles that enhance millennial productivity and retention.

Method

This study employed a quantitative research design using SEM-PLS via SmartPLS software to examine the causal relationships among *self-efficacy*, *perceived organizational support*, *work environment*, *work-life balance*, and *employee engagement* among millennial employees in Jakarta. The unit of analysis was individuals—specifically millennials—whose perspectives were measured through a structured Likert-scale questionnaire, with responses categorized as quantitative data. The variables were classified as independent (X1: *self-efficacy*, X2: *perceived organizational support*, X3: *work environment*), dependent (Y: *employee engagement*), and mediating (Z: *work-life balance*). The population consisted of millennials in Jakarta, with the sample determined using Slovin's formula at a 90% confidence level and a 10% margin of error. Data sources included primary data collected directly from respondents and secondary data from BPS, previous studies, and relevant literature. The outer model was tested for validity (convergent and discriminant) and reliability (Cronbach's alpha ≥ 0.7, composite reliability ≥ 0.7), while the inner model was assessed using R^2, F^2, and Q^2 to evaluate model strength and predictive relevance. Hypotheses were tested using bootstrapping (5,000 resamples) with t-value thresholds of 1.65 (10%), 1.96 (5%), and 2.58 (1%) for one-tailed significance testing.

Results and Discussion

This study focuses on millennial employees (born between 1981 and 1996) working in the DKI Jakarta area (Howe & Strauss, 2000). Millennials are known for valuing flexibility, meaningful work, personal development, and work-life balance in their professional lives (Ng et al., 2010). The research examines employee engagement, which refers to the level of enthusiasm, dedication, and attachment employees have toward their work (Schaufeli et al., 2002). Three independent variables—self-efficacy, perceived organizational support (POS), and work environment—are analyzed for their influence on engagement. High self-efficacy helps employees remain engaged despite challenges, while POS strengthens emotional commitment to the organization. A supportive work environment enhances collaboration, mental well-being, and engagement. Work-life balance (WLB) serves as a mediating variable, especially crucial for millennials who seek harmony between work demands and personal life (Kelliher & Anderson, 2010; Parkes & Langford, 2008). DKI Jakarta is selected as the research location due to its status as Indonesia's economic and business hub, with a high concentration of millennials in sectors like services, technology, and creative industries (Jakarta Smart City, 2024). This study surveyed 100 millennial employees in Jakarta using a Google Form distributed via WhatsApp, Instagram, Facebook, and LinkedIn to reach a broad sample. Respondents were categorized based on age, gender, employment status, education, marital status, occupation, and domicile to describe their demographic characteristics.

Table 1 Respondent Profile

Respondent Profile	Category	Frequency	Percentage (%)
Age	28–32 years	56	56%
	33–37 years	40	40%
	38–43 years	4	4%
Gender	Male	55	55%
	Female	45	45%
Employment Status	Contract Employee	52	52%
	Permanent Employee	48	48%
Education Level	Diploma (D1/D2/D3/D4)	6	6%
	Bachelor/Master/Doctorate (S1/S2/S3)	71	71%
	High School	23	23%
Marital Status	Single	39	39%
	Married	61	61%
Type of Employment	Private Sector Employee	93	93%
	Civil Servant (PNS)	7	7%
Work Location	West Jakarta	4	4%
	Central Jakarta	5	5%
	South Jakarta	22	22%
	East Jakarta	64	64%
	North Jakarta	5	5%

The majority of respondents fall within the 28–32 age group, totaling 56 individuals (56%), followed by those aged 33–37 years with 40 individuals (40%), and 4 respondents (4%) aged 38–43 years. This indicates that most respondents are in their early adulthood and productive age, suggesting a high level of work activity. Gender composition is relatively balanced, with 55 males (55%) and 45 females (45%), showing minimal disparity. In terms of employment status, 52 respondents (52%) are contract employees, while 48 (48%) are permanent employees, indicating a nearly equal distribution. Most respondents have a higher education background, with 71 individuals (71%) holding a bachelor's, master's, or doctoral degree (S1/S2/S3), 23 respondents (23%) with a high school education, and 6 respondents (6%) with a diploma (D1/D2/D3/D4), reflecting a generally high education level among participants. Regarding marital status, 61 respondents (61%) are married, while 39 (39%) are single. The majority work in the private sector (93 respondents or 93%), whereas only 7 respondents (7%) are civil servants (PNS), indicating a sample dominated by private sector employees. In terms of work location, most respondents are from East Jakarta (64%), followed by South Jakarta (22%), with smaller proportions from Central Jakarta (5%), West Jakarta (4%), and North Jakarta (5%). This distribution suggests that the sample is concentrated in areas with dense office and industrial activities (Jakarta Smart City, 2024), and that most respondents are productive-aged individuals with higher education, predominantly working in the private sector across key business districts in Jakarta.

The data were collected through a questionnaire distributed via social media, using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), covering the independent variables—self-efficacy, perceived organizational support, and work environment—the mediating variable, work-life balance, and the dependent variable, employee engagement. The responses related to the self-efficacy variable, gathered from indicators such as confidence in completing tasks, overcoming challenges, and

achieving work-related goals, reflect the perceived level of individual capability among millennial employees in Jakarta. These responses serve as the basis for further analysis to determine the extent to which self-efficacy influences employee engagement within the proposed structural model.

Table 2 Descriptive Analysis of Self-Efficacy

Variable	Item Code	Indicator	Mean	Category
Self-Efficacy	X1.1	I can solve difficult problems if I try hard	4.140	Agree
	X1.2	If someone disagrees with me, I can understand it and find a way to cope	4.150	Agree
	X1.3	I can easily maintain and achieve my goals	4.140	Agree
	X1.4	Thanks to my curiosity, I can deal with situations before they occur	4.120	Agree
	X1.5	I can overcome most problems if I put in maximum effort	4.110	Agree
	X1.6	When faced with several problems, I can find multiple solutions	4.140	Agree
	X1.7	I can stay calm when facing difficulties because I believe in my abilities	4.170	Agree

Source: Data processed using SmartPLS (2025)

The mean values for all self-efficacy indicators range from 4.110 to 4.170, with an overall average of approximately 4.14. These values are above the midpoint of the Likert scale (1–5), indicating that respondents generally "agree" with the self-efficacy statements, reflecting a positive perception of their ability to handle challenges and achieve goals at work. The standard deviation values, ranging from 0.905 to 0.976, suggest a moderate but not wide variation in responses, indicating relatively consistent and homogeneous self-efficacy beliefs among respondents. Overall, the findings suggest that most millennial employees in this study possess strong self-confidence and internal psychological resources, enabling them to stay calm under pressure, solve problems, and persist toward goals—factors that potentially enhance their engagement and work performance.

Table 3. Descriptive Statistics of Perceived Organizational Support:

Variable	Item Code	Indicator	Mean	Category
Perceived Organizational Support	X2.1	The organization strongly considers my goals	4.120	Agree
	X2.2	The organization acknowledges me when I succeed in my job	4.080	Agree
	X2.3	The organization takes into account the opinions I express	4.040	Agree
	X2.4	The organization genuinely cares about my well-being	4.050	Agree
	X2.5	The organization values the contributions I make	4.010	Agree
	X2.6	The organization will respond to my complaints	4.080	Agree
	X2.7	My organization is willing to assist me when I need special support	4.080	Agree
	X2.8	Help is available from my organization when I have a problem	4.040	Agree

Source: Data Processed Using SMART PLS (2025)

The mean values for all indicators of perceived organizational support range from 4.010 to 4.120, with an overall average of approximately 4.06. This score is above the midpoint of the 1–5 Likert scale, indicating that most respondents agree they feel supported by their organization. The findings suggest that respondents generally believe their organizations care about their well-being, appreciate their contributions, acknowledge their achievements, and are willing to provide assistance when needed. The standard deviation values for all indicators range between 0.750 and 0.805, reflecting relatively low variability and suggesting that respondents' perceptions are consistent. Overall, perceived organizational support among respondents falls within the "Agree" category, demonstrating a positive and homogeneous perception of organizational care and support. These findings reflect a favorable organizational climate, where support from the organization is likely to enhance employee commitment, motivation, and engagement.

Table 4. Descriptive Statistics of Work Environment

Variable	Item Code	Indicator	Mean	Category
Work Environment	X3.1	My workspace has sufficient lighting to work comfortably.	4.110	Agree
	X3.2	The room temperature at work feels comfortable throughout the day.	4.140	Agree
	X3.3	The air circulation and ventilation in my workplace are adequate.	4.060	Agree
	X3.4	The noise level at work does not disrupt my concentration.	4.110	Agree
	X3.5	My workspace is clean and well-maintained.	4.110	Agree
	X3.6	The layout of my workspace supports efficient work.	4.130	Agree
	X3.7	The work equipment I use is ergonomic and comfortable.	4.040	Agree
	X3.8	I have enough space to work efficiently.	4.130	Agree
	X3.9	Access to office equipment or facilities (printer, computer, internet, etc.) is easy.	4.070	Agree
	X3.10	My work environment supports me in completing tasks effectively.	4.050	Agree
	X3.11	I feel psychologically safe at work.	4.110	Agree
	X3.12	I have enough privacy to do my job.	4.090	Agree
	X3.13	I feel appreciated and supported by my work environment.	4.140	Agree
	X3.14	I have control over how I organize my workspace.	4.130	Agree
	X3.15	My work environment helps reduce stress and job pressure.	4.120	Agree

Source: Processed Data with SMART PLS (2025)

Based on the descriptive analysis in Table 4, the average scores for all indicators of the work environment variable range from 4.040 to 4.140, with an overall mean of 4.10. These values are above the midpoint of the 1–5 Likert scale, indicating that respondents generally agree with the positive statements about their work environment. This suggests that most respondents perceive their physical and psychological work conditions—such as lighting, room temperature, air circulation, noise levels, workspace layout, facility access, privacy, and environmental support—as comfortable and conducive

to productivity. The standard deviation values, ranging from 0.805 to 0.874, are relatively low, indicating consistent perceptions among respondents with minimal variability. Overall, respondents' views on their work environment fall into the "Agree" category, reflecting satisfaction with both physical and psychological aspects of their workplace. They feel that the environment supports their performance, offers comfort, and helps reduce work-related stress and pressure. Although there are minor differences in individual perceptions, the general response pattern is homogenous and positive. These findings reflect a favorable organizational climate that can enhance employee well-being, motivation, and engagement.

Table 5. Descriptive Statistics of Work-Life Balance

Variable	Item Code	Indicator	Mean	Category
Work-Life Balance	Z1.1	I come home from work too tired to do the things I want to do	4.150	Agree
	Z1.2	I have to miss important personal activities due to the time I spend working	4.070	Agree
	Z1.3	My work is disrupted by things happening in my personal life	4.050	Agree
	Z1.4	I'm too tired to work effectively because of things happening in my personal life	4.120	Agree
	Z1.5	Because of my job, I'm in a better mood at home	4.040	Agree
	Z1.6	Things I do at work help me deal with personal problems at home	4.100	Agree
	Z1.7	My personal life gives me the energy to do my job	4.060	Agree
	Z1.8	My personal life helps me relax and feel ready to work the next day	4.030	Agree

Source: Processed Data using SMART PLS (2024)

The mean scores for all indicators of work-life balance range from 4.030 to 4.150, with an overall average of 4.077. This value is well above the midpoint of the 1–5 Likert scale, approaching the "Agree" category, indicating that respondents generally perceive a positive balance between their work and personal lives. Most respondents believe that work and personal domains support each other, both physically and emotionally, as reflected in items such as "My personal life gives me the energy to do my job" and "What I do at work helps me deal with personal problems at home." Standard deviation values range from 0.887 to 0.934, suggesting relatively consistent and homogeneous responses among participants, despite minor individual variations. Overall, respondents agree that they maintain a good balance between work and personal responsibilities. However, some items—such as "I come home from work too tired to do the things I want to do" and "I have to miss important personal activities due to the time I spend working"—highlight areas where organizations may need to pay more attention, particularly regarding workload management and flexible working hours. These findings are a positive indicator of employees' psychological well-being and quality of life, providing a strong foundation for improving productivity and employee engagement.

Table 6. Descriptive Statistics of Employee Engagement

Variable	Item Code	Indicator	Mean	Category
Employee Engagement	Y1.1	At work, I feel enthusiastic and excited to do the tasks assigned by the company	4.110	Agree
	Y1.2	When I wake up in the morning, I feel excited to go to work	4.100	Agree
	Y1.3	I can maintain concentration for a long time while working	4.080	Agree
	Y1.4	At work, I feel mentally resilient	4.120	Agree
	Y1.5	I feel that the work I do is very meaningful	4.070	Agree
	Y1.6	My job inspires me	4.130	Agree
	Y1.7	I am proud of the work I do	4.110	Agree
	Y1.8	To me, my work is challenging and not boring	4.060	Agree
	Y1.9	I feel time passes quickly when I'm working	4.070	Agree
	Y1.10	When I'm working, I forget everything around me	4.120	Agree
	Y1.11	I feel happy when I work wholeheartedly	4.030	Agree
	Y1.12	I get carried away in the moment while working	4.100	Agree

Source: Processed Data using SMART PLS (2025)

The average scores for all employee engagement indicators range from 4.030 to 4.130, with an overall mean of 4.095. This indicates that, in general, respondents tend to "agree" that they are emotionally, cognitively, and behaviorally engaged in their work. Most respondents perceive their jobs as meaningful, inspiring, and energizing, as reflected in indicators such as "I am proud of the work I do," "My job inspires me," and "Time flies when I am working." The standard deviation values, ranging from 0.894 to 0.955, suggest relatively consistent and homogeneous responses, with minor variations in individual perceptions. Overall, the respondents exhibit a strong level of engagement marked by enthusiasm, emotional attachment, and a sense of purpose. However, slightly lower averages on items like "I feel excited to go to work in the morning" and "I get carried away while working" indicate areas for potential improvement through proactive organizational strategies. These findings reflect a positive organizational climate and employee well-being, forming a solid foundation for enhancing productivity, employee retention, and overall organizational performance.

This study utilizes Partial Least Squares–Structural Equation Modeling (PLS-SEM) to analyze the data, focusing on the evaluation of both the outer and inner models. The analysis was conducted using SmartPLS 4.0 software. The outer model, as shown in Figure 4.1, demonstrates the relationships between latent constructs and their respective indicators, highlighting how each observed variable reflects the underlying theoretical concepts being measured.

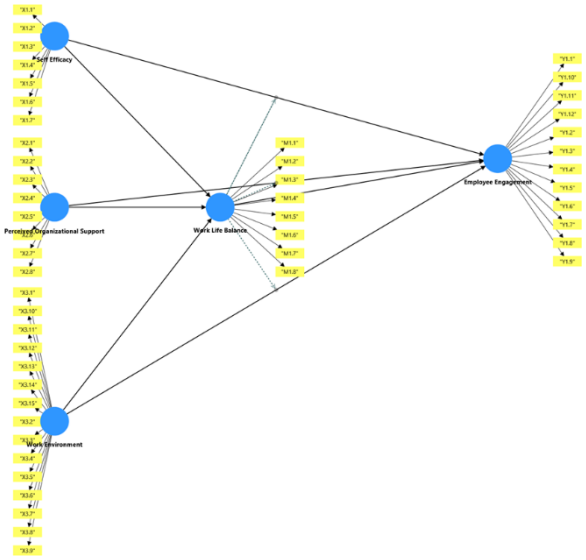

Figure 1. Outer Model Scheme

Source: Data processed by the author (2025)

Table 7 presents the outer loading values for each indicator of the variables used in this study.

Table 7. Outer Loadings

Variable	Indicator	Outer Loadings	Result
Self-Efficacy	X1.1	0.763	Reliable
	X1.2	0.874	Reliable
	X1.3	0.871	Reliable
	X1.4	0.826	Reliable
	X1.5	0.779	Reliable
	X1.6	0.772	Reliable
	X1.7	0.884	Reliable
Perceived Organizational Support	X2.1	0.718	Reliable
	X2.2	0.721	Reliable
	X2.3	0.759	Reliable
	X2.4	0.764	Reliable
	X2.6	0.790	Reliable
	X2.7	0.775	Reliable
	X2.8	0.789	Reliable
Work Environment	X3.1	0.715	Reliable
	X3.2	0.799	Reliable
	X3.3	0.729	Reliable
	X3.4	0.858	Reliable
	X3.5	0.762	Reliable
	X3.6	0.796	Reliable
	X3.7	0.816	Reliable
	X3.8	0.748	Reliable
	X3.9	0.845	Reliable
	X3.10	0.726	Reliable
	X3.11	0.842	Reliable
	X3.12	0.746	Reliable
	X3.13	0.718	Reliable
	X3.14	0.706	Reliable

Variable	Indicator	Outer Loadings	Result
	X3.15	0.811	Reliable
Work-Life Balance	Z1.1	0.868	Reliable
	Z1.2	0.803	Reliable
	Z1.3	0.888	Reliable
	Z1.4	0.818	Reliable
	Z1.5	0.830	Reliable
	Z1.6	0.867	Reliable
	Z1.7	0.748	Reliable
	Z1.8	0.812	Reliable
Employee Engagement	Y1.1	0.842	Reliable
	Y1.2	0.842	Reliable
	Y1.3	0.734	Reliable
	Y1.4	0.819	Reliable
	Y1.5	0.821	Reliable
	Y1.6	0.832	Reliable
	Y1.7	0.802	Reliable
	Y1.8	0.812	Reliable
	Y1.9	0.820	Reliable
	Y1.10	0.799	Reliable
	Y1.11	0.807	Reliable
	Y1.12	0.815	Reliable

Source: Data Processed with SMART PLS (2025)

Based on the table above, all indicators for each variable have outer loading values greater than 0.70, indicating that all indicators used to measure the five latent constructs are valid. Therefore, the analysis can proceed to the next stage, which is the evaluation of the structural model. In terms of **convergent validity**, as shown in Table 7, all items under the variables of self-efficacy, perceived organizational support, work environment, work-life balance, and employee engagement have outer loading values exceeding 0.5, confirming their validity. Further assessment of convergent validity is carried out based on established criteria, where each indicator should have a loading factor ≥ 0.5 and an Average Variance Extracted (AVE) > 0.5. The resulting convergent validity values are presented below.

Table 8 Convergent Validity Results

Variable	Indicator	Outer Loadings	Average Variance Extracted (AVE)	Result
Self-Efficacy	X1.1	0.763	0.681	Valid
	X1.2	0.874		Valid
	X1.3	0.871		Valid
	X1.4	0.826		Valid
	X1.5	0.779		Valid
	X1.6	0.772		Valid
	X1.7	0.884		Valid
Perceived Organizational Support	X2.1	0.718	0.569	Valid
	X2.2	0.721		Valid
	X2.3	0.759		Valid
	X2.4	0.764		Valid

Variable	Indicator	Outer Loadings	Average Variance Extracted (AVE)	Result
	X2.6	0.790		Valid
	X2.7	0.775		Valid
	X2.8	0.789		Valid
Work Environment	X3.1	0.715	0.602	Valid
	X3.2	0.799		Valid
	X3.3	0.729		Valid
	X3.4	0.858		Valid
	X3.5	0.762		Valid
	X3.6	0.796		Valid
	X3.7	0.816		Valid
	X3.8	0.748		Valid
	X3.9	0.845		Valid
	X3.10	0.726		Valid
	X3.11	0.842		Valid
	X3.12	0.746		Valid
	X3.13	0.718		Valid
	X3.14	0.706		Valid
	X3.15	0.811		Valid
Work-Life Balance	Z1.1	0.868	0.689	Valid
	Z1.2	0.803		Valid
	Z1.3	0.888		Valid
	Z1.4	0.818		Valid
	Z1.5	0.830		Valid
	Z1.6	0.867		Valid
	Z1.7	0.748		Valid
	Z1.8	0.812		Valid
Employee Engagement	Y1.1	0.842	0.660	Valid
	Y1.2	0.842		Valid
	Y1.3	0.734		Valid
	Y1.4	0.819		Valid
	Y1.5	0.821		Valid
	Y1.6	0.832		Valid
	Y1.7	0.802		Valid
	Y1.8	0.812		Valid
	Y1.9	0.820		Valid
	Y1.10	0.799		Valid
	Y1.11	0.807		Valid
	Y1.12	0.815		Valid

Source: Processed data using SmartPLS (2025)

Based on the processed data above, all variables in this study have values greater than 0.5, indicating that the indicators used in this research can be considered valid. This study employs the Heterotrait-Monotrait Ratio (HTMT) to assess discriminant validity. The results of the HTMT analysis are presented in Table 9 below:

Tabel 9. Heterotrait-Monotrait Ratio (HTMT)

Construct	Employee Engagement	Perceived Organizational Support	Self-Efficacy	Work Environment	Work Life Balance	WLB × Work Environment	WLB × POS	WLB × Self-Efficacy
Employee Engagement	–	0.398	0.588	0.244	0.315	0.328	0.166	0.295
Perceived Organizational Support		–	0.418	0.153	0.232	0.076	0.232	0.171
Self-Efficacy			–	0.277	0.103	0.085	0.166	0.087
Work Environment				–	0.108	0.086	0.096	0.052
Work Life Balance					–	0.158	0.108	0.356
WLB × Work Environment						–	0.033	0.390
WLB × Perceived Organizational Support							–	0.407
WLB × Self-Efficacy								–

Source: Processed using SmartPLS (2025)

Based on the table above, all variables—self-efficacy, perceived organizational support, work environment, work life balance, and employee engagement—show HTMT values below 0.90. This indicates that discriminant validity has been achieved, and all indicators used in this study demonstrate good construct distinction and distribution quality.

Section 4.4.1.4 presents the **Composite Reliability**, with Table 4.10 showing the composite reliability and Cronbach's alpha values for each variable analyzed in this study.

Table 10. Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability	Description
Employee Engagement	0.953	0.959	Reliable
Perceived Organizational Support	0.892	0.913	Reliable
Self-Efficacy	0.922	0.937	Reliable
Work Environment	0.954	0.958	Reliable
Work Life Balance	0.937	0.947	Reliable
Source: Processed by Researcher using SMART PLS (2025)			

Source: Processed by Researcher using SMART PLS (2025)

the composite reliability values for all variables exceed 0.70, indicating that all indicators in this study are considered reliable for measuring their respective constructs. Additionally, the Cronbach's alpha values for each variable are greater than 0.60, confirming internal consistency and reliability across constructs. Therefore, the measurement model is deemed acceptable, and the analysis can proceed to the next stage: the inner model evaluation.
In this study, the inner model (structural model) was tested using SmartPLS 4.0 to examine the causal relationships among variables. The evaluation includes the path coefficient analysis, coefficient of determination (R^2), and predictive relevance (Q^2). The path coefficient test is used to determine the extent to which independent variables influence the dependent variable. The coefficient value ranges from -1 to 1, where values between 0 and 1 indicate a positive relationship, and values between -1 and 0 indicate a negative one (Hair et al., 2017).

Tabel 11. Hasil Uji Path Coefficient

Variabel	Employee Engagement	Perceived Organizational Support	Self-Efficacy	Work Environment	Work Life Balance	WLB × Work Environment	WLB × POS	WLB × Self-Efficacy
Employee Engagement	–	–	–	–	–	–	–	–
Perceived Organizational Support	0.337	–	–	–	–	-0.258	–	–
Self-Efficacy	0.467	–	–	–	–	0.079	–	–
Work Environment	0.079	–	–	–	–	0.074	–	–
Work Life Balance	0.294	–	–	–	–	–	–	–
WLB × Work Environment	0.315	–	–	–	–	–	–	–
WLB × Perceived Organizational Support	0.242	–	–	–	–	–	–	–
WLB × Self-Efficacy	0.066	–	–	–	–	–	–	–

the highest path coefficient is found in the relationship between self-efficacy and employee engagement (0.467), indicating that self-efficacy contributes the most in predicting employee engagement. This is followed by perceived organizational support (0.337) and work life balance (0.294). In contrast, work environment shows the weakest direct influence on employee engagement (0.079). Additionally, perceived organizational support has a negative effect on self-efficacy (-0.258), suggesting that greater organizational support may correspond with lower self-confidence, while it shows a weak positive effect on work environment (0.074). Overall, most path coefficients are positive, reflecting a

direct and proportional influence of independent variables on employee engagement, with only one notable negative relationship. The subsequent section evaluates the model's explanatory power using the R Square values presented in Table 12.

Table 12. R Square Results

Variable	R Square	Adjusted R Square
Employee Engagement	0.648	0.622
Work Life Balance	0.061	0.032

Source: Data Processed Using SmartPLS 4.0 (2025)

the R-Square value for employee engagement is 0.648, indicating that 64.8% of the variance in employee engagement can be explained by the exogenous variables in the model—namely self-efficacy, perceived organizational support, work environment, and work life balance—while the remaining 35.2% is influenced by other factors not included in the model. This value reflects a strong predictive contribution. In contrast, the R-Square value for work life balance is 0.061, meaning only 6.1% of its variance is explained by self-efficacy, perceived organizational support, and work environment, placing it in the weak predictive category. Additionally, the Q-Square value for both dependent and intervening variables is greater than 0, indicating that the model has predictive relevance.

Table 13. Q-Square Calculation

Q-Square	Strength of Relationship of All Variables Toward the Target Variable (Y)
Y	$Q^2 = 1 – (1 – R_1^2)(1 – R_2^2)...$
Y	$Q^2 = 1 – ((1 – 0.648) \times (1 – 0.061))$
Y	$Q^2 = 1 – (0.352 \times 0.939)$
Y	$Q^2 = 0.669472$

Source: Processed Data from SmartPLS 4.0 (2025)

The calculation results show a predictive relevance (Q^2) value of 0.6695 or 66.95%, indicating that the model has relevant predictive power. This means that 66.95% of the data variance can be explained by the research model, while the remaining 33.05% is influenced by other variables not included in the model and by error. These findings suggest that the PLS model is reasonably strong, as it is able to account for a substantial proportion of the overall variation in the data.

Table 14. F-Square Calculation Results

Relationship	F-Square	Category
Perceived Organizational Support → Employee Engagement	0.257	Strong
Perceived Organizational Support → Work Life Balance	0.061	Moderate
Self-Efficacy → Employee Engagement	0.496	Strong
Self-Efficacy → Work Life Balance	0.005	Weak
Work Environment → Employee Engagement	0.016	Weak
Work Environment → Work Life Balance	0.005	Weak
Work Life Balance → Employee Engagement	0.206	Strong
Work Life Balance × Perceived Organizational Support → Employee Engagement	0.126	Moderate
Work Life Balance × Self-Efficacy → Employee Engagement	0.007	Weak
Work Life Balance × Work Environment → Employee Engagement	0.173	Strong

Source: Data Processed with SMART PLS (2025)

the F-square analysis shows that self-efficacy, perceived organizational support, and work-life balance have a strong influence on employee engagement, indicating these factors significantly contribute to employees' involvement at work. Interactions such as work-life balance × work environment and work-life balance × perceived organizational support also demonstrate notable effects. Meanwhile, perceived organizational support moderately influences work-life balance. In contrast, self-efficacy → work-life balance, work environment → employee engagement, and related interactions

show weak effects, suggesting minimal contribution to the model. These findings highlight the importance of enhancing self-efficacy, organizational support, and work-life balance to improve employee engagement, while factors with weaker influence may require strategic reassessment. the strongest influences on employee engagement came from self-efficacy ($f^2 = 0.496$), perceived organizational support ($f^2 = 0.257$), work life balance ($f^2 = 0.206$), and the interaction between work life balance and work environment ($f^2 = 0.173$), indicating these variables play a significant role in enhancing employee engagement. Moderate effects were found for perceived organizational support on work life balance ($f^2 = 0.061$) and for the interaction between work life balance and perceived organizational support ($f^2 = 0.126$). Meanwhile, weak effects were observed for self-efficacy on work life balance, work environment on both employee engagement and work life balance, and the interaction between work life balance and self-efficacy, with f^2 values all below 0.02. These results highlight the importance of prioritizing self-efficacy, organizational support, and work life balance in HR strategies, while reconsidering the focus on variables with limited practical impact.

Based on the hypothesis testing results using the bootstrapping method in SmartPLS, all indicator scores exceeded 1.96, indicating that each dimension has a statistically significant influence. This confirms that all proposed hypotheses in the study are supported and that the relationships among the variables are significant.

Table 15. Bootstrapping Scheme

Hypothesis	**Correlation**	**Direct & Indirect Effect**	**Conclusion**
		Original Sample (O)	T Statistics
H1	Perceived Organizational Support → Employee Engagement	0.337	4.727
H2	Perceived Organizational Support → Work Life Balance	-0.258	2.353
H3	Self-Efficacy → Employee Engagement	0.467	7.009
H4	Self-Efficacy → Work Life Balance	0.079	0.767
H5	Work Environment → Employee Engagement	0.079	1.094
H6	Work Environment → Work Life Balance	0.074	0.555
H7	Work Life Balance → Employee Engagement	0.294	3.241
H8	Work Life Balance x Perceived Organizational Support → Employee Engagement	0.242	2.691
H9	Work Life Balance x Self-Efficacy → Employee Engagement	0.066	0.641
H10	Work Life Balance x Work Environment → Employee Engagement	0.315	3.224

Source: Data Processed with SMART PLS (2025)

Based on the hypothesis testing results presented in Table 4.15 using the bootstrapping method in SmartPLS, six out of ten hypotheses were accepted, indicating significant relationships. Perceived Organizational Support, Self-Efficacy, and Work Life Balance each showed a significant positive influence on Employee Engagement (H1, H3, H7), while Perceived Organizational Support had a significant but negative effect on Work Life Balance (H2). Additionally, interaction effects between Work Life Balance and Perceived Organizational Support (H8) as well as between Work Life Balance and Work Environment (H10) significantly enhanced Employee Engagement. In contrast, the effects of Self-Efficacy and Work Environment on Work Life Balance (H4, H6), Work Environment on Employee Engagement (H5), and the interaction between Work Life Balance and Self-Efficacy (H9) were found

to be statistically insignificant. These findings highlight the critical role of individual and contextual factors, particularly support, balance, and self-belief, in fostering employee engagement.

The discussion reveals that Perceived Organizational Support (POS) significantly and positively influences Employee Engagement, aligning with Social Exchange Theory, while it negatively impacts Work Life Balance, possibly due to increased work expectations. Self-Efficacy also shows a strong positive effect on Employee Engagement but not on Work Life Balance. Work Environment, though theoretically important, does not significantly affect either Employee Engagement or Work Life Balance in this study. Work Life Balance itself significantly enhances Employee Engagement, emphasizing its importance for employee well-being. Interaction effects indicate that combinations like Work Life Balance with POS and with Work Environment significantly boost Employee Engagement, while the interaction between Work Life Balance and Self-Efficacy is not significant, suggesting these variables operate independently. Overall, the findings underscore the importance of organizational support, self-efficacy, and a balanced work-life environment in fostering employee engagement.

Conclusion

Based on the analysis, this study concludes that perceived organizational support, self-efficacy, and work-life balance significantly and positively influence employee engagement, while perceived organizational support negatively impacts work-life balance. Self-efficacy does not significantly affect work-life balance, and work environment shows no significant effect on either engagement or balance. However, interactions between work-life balance with organizational support and with work environment significantly enhance employee engagement. Limitations of the study include response bias, small sample size, cross-sectional design, and unaccounted external factors. Future research is recommended to use longitudinal approaches, expand sample coverage, incorporate other moderating variables like organizational culture or leadership, and apply mixed-methods to better understand underlying dynamics and address anomalies such as the unexpected negative link between perceived support and work-life balance.

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