

Work-Life Balance and Employee Engagement: A Study on Millennial Employees in Startups

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Abstract

This study aims to investigate the relationship between Work-Life Balance (WLB) and Employee Engagement (EE) among millennial employees working in startups. With the growing prevalence of startups, understanding the factors that influence employee engagement, particularly in the context of work-life balance, is crucial. A total of 135 millennial employees from various startups participated in the survey, which utilized a structured questionnaire based on existing scales for WLB and EE. The results show that there is a significant positive correlation between work-life balance and employee engagement. Employees who perceive better work-life balance tend to report higher levels of engagement in their work. This finding emphasizes the importance of organizational policies that support work-life balance, such as flexible working hours and work-from-home options, in fostering employee engagement. The study also highlights the need for startups to create a supportive work environment to maintain high levels of employee motivation and job satisfaction. Future research could examine additional factors that influence employee engagement, such as leadership styles and career development opportunities, to further enhance organizational outcomes.

Keywords: Work-Life Balance, Employee Engagement, Millennials, Startups, Organizational Performance.

Abstrak

Penelitian ini bertujuan untuk menyelidiki hubungan antara Work-Life Balance (WLB) dan Employee Engagement (EE) di kalangan karyawan millennial yang bekerja di startup. Dengan semakin berkembangnya startup, memahami faktor-faktor yang memengaruhi keterlibatan karyawan, khususnya dalam konteks keseimbangan kerja-hidup, sangat penting. Sebanyak 135 karyawan millennial dari berbagai startup berpartisipasi dalam survei ini, yang menggunakan kuesioner terstruktur berdasarkan skala yang ada untuk WLB dan EE. Hasil penelitian menunjukkan bahwa terdapat hubungan positif yang signifikan antara keseimbangan kerja-hidup dan keterlibatan karyawan. Karyawan yang merasa memiliki keseimbangan kerja-hidup yang lebih baik cenderung melaporkan tingkat keterlibatan yang lebih tinggi dalam pekerjaan mereka. Temuan ini menekankan pentingnya kebijakan organisasi yang mendukung keseimbangan kerja-hidup, seperti jam kerja yang fleksibel dan opsi kerja dari rumah, dalam meningkatkan keterlibatan karyawan. Penelitian ini juga menyoroti perlunya startup untuk menciptakan lingkungan kerja yang mendukung untuk mempertahankan motivasi dan kepuasan kerja yang tinggi. Penelitian selanjutnya dapat mengeksplorasi faktor tambahan yang memengaruhi keterlibatan karyawan, gaya kepemimpinan dan peluang pengembangan karier, untuk meningkatkan hasil organisasi lebih lanjut.

Kata kunci: Keseimbangan Kehidupan Kerja, Keterlibatan Karyawan, Millennial, Startup, Kinerja Organisasi.

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1. Introduction

Work-life balance (WLB) and employee engagement (EE) are two highly relevant concepts in today's workplace, especially among millennials. As the most dominant age group in the labor market, millennials have a different perspective on the balance between work and personal life, as well as on how they engage in their work. In the rapidly evolving digital era, with the increasing number of startups across various sectors, a deep understanding of the relationship between WLB and EE has become increasingly important. Startups, which often prioritize speed, innovation, and flexibility, have the potential to be both an attractive and challenging environment to practice healthy WLB. Therefore, this study aims to explore the relationship between WLB and EE among millennial employees working in startups.

WLB refers to an individual's ability to balance work demands with personal life responsibilities. This concept involves managing time and energy in a way that allows one to meet workplace responsibilities without sacrificing personal happiness and well-being. In this context, a good balance between work and personal life can help reduce stress, increase life satisfaction, and strengthen commitment to work. Previous studies have shown that an imbalance between work and personal life can lead to burnout, stress, and decreased productivity at work [1]. Therefore, it is crucial to understand how WLB can be maintained, especially among millennial employees who often seek flexibility in their work.

On the other hand, EE refers to the level of commitment and involvement an employee has towards their work. Engaged employees feel that their work is meaningful, they feel valued, and they have an

emotional connection to the work they do [2]. EE has been shown to have a strong relationship with individual and organizational performance, as well as job satisfaction [3]. Engaged employees not only contribute more but also tend to be more loyal and have lower absenteeism rates [4]. Therefore, organizations with high levels of EE often enjoy greater competitive advantages.

Millennials, who now dominate the workforce in many countries, have a different view of work compared to previous generations. They tend to value flexibility, collaboration, and meaning in their work [5]. However, they also face unique challenges, especially in maintaining a healthy WLB. On one hand, this generation is highly dependent on technology and the ability to work remotely, but on the other hand, they are often trapped in work cultures that demand high levels of tension, which can lead to an imbalance between work and personal life [6]. Therefore, understanding how WLB affects EE among millennial employees in startups is crucial.

Startups often offer more flexible work opportunities but with high demands. Many startups adopt a more relaxed work culture while still prioritizing performance and innovation. In many cases, startups rely on teamwork, collaboration, and a more unstructured approach [7]. However, the pressure to always stay connected to work, long working hours, and uncertainty regarding career and income can lead to significant work-life imbalance. For millennial employees, where the need to find meaning in their work is strong, this imbalance can negatively impact their engagement in the workplace.

Previous studies have shown that WLB has a significant impact on EE [8] [9]. When employees feel they can maintain a healthy balance between work and personal life, they tend to be more engaged in their work. Conversely, work-life imbalance can lead to stress, burnout, and decreased EE [10]. This is particularly relevant in startup contexts, where high job demands often affect employees' life balance, which in turn can lower their engagement. Millennials are more vulnerable to this issue, as they often have higher expectations for flexibility and WLB. They are also more likely to seek meaning in their work, which makes them more sensitive to work-life imbalance [11]. Therefore, startups that aim to retain millennial employees need to design policies that support WLB and address the factors that influence EE. This study aims to explore the relationship between WLB and EE among millennial employees working in startups. The research will identify the factors that influence WLB in startup environments and analyze how the balance between work and personal life affects employees' engagement in their work. Thus, the findings of this study are expected to provide valuable insights for startup management in designing more effective HR policies, which will not only enhance employees' well-being but also improve organizational performance.

WLB refers to the ability of an individual to manage

the demands of both their professional and personal life in a way that minimizes conflict between the two. This concept emerged as a response to the increasing pressures of work, particularly in modern societies, where technological advancements and global connectivity have blurred the boundaries between work and personal time. Initially, WLB was viewed as a dichotomous relationship between work and life, where the aim was to minimize the conflict between the two. However, contemporary perspectives view WLB as a dynamic process that involves the active management of multiple roles, leading to positive outcomes for both the individual and the organization.

Several theories support the understanding of WLB. The Segmentation Theory posits that work and personal life are distinct spheres that do not overlap, and individuals can separate these areas effectively [12]. In contrast, the Integration Theory suggests that work and life are interconnected, and achieving balance involves blending or integrating the two spheres in a way that suits individual preferences and needs [13]. According to the Resource Drain Theory, the imbalance between work and personal life occurs when resources (e.g., time, energy) are depleted in one domain and cannot be replenished, leading to stress and burnout [14]. These theoretical frameworks guide our understanding of how WLB operates and its influence on employees' well-being and performance.

EE is defined as the level of an employee's emotional investment in their work, characterized by enthusiasm, commitment, and a deep sense of responsibility toward the organization [15]. Engaged employees demonstrate greater effort, show a high degree of discretionary behavior, and exhibit positive attitudes towards their work, which leads to higher productivity, job satisfaction, and organizational loyalty [2]. The Job Demands-Resources (JD-R) Model provides a comprehensive framework for understanding engagement, suggesting that high job demands (e.g., workload, pressure) can lead to burnout, while the availability of job resources (e.g., autonomy, support) can foster engagement [16].

The Social Exchange Theory also offers valuable insights into EE by emphasizing that when employees perceive that their organization supports them and offers them resources (e.g., fair compensation, career development opportunities), they are more likely to reciprocate with high levels of engagement and commitment [5]. Furthermore, the Self-Determination Theory (SDT) argues that when employees' intrinsic needs for autonomy, competence, and relatedness are satisfied, engagement is more likely to occur, as employees feel a sense of fulfillment and motivation in their work [17]. These theories highlight the complex factors that contribute to EE and the importance of organizational support in fostering a highly engaged workforce.

The relationship between WLB and EE has been a subject of growing interest in organizational research. While WLB focuses on the balance between

professional and personal roles, EE emphasizes the level of emotional and cognitive involvement in work. A positive WLB is hypothesized to lead to higher levels of EE, as employees who are able to maintain balance in their lives tend to experience less stress and burnout, which fosters higher levels of engagement [8].

The Conservation of Resources (COR) Theory provides a theoretical foundation for understanding this relationship. The theory suggests that individuals have limited resources (e.g., time, energy, attention), and when these resources are depleted due to work-life conflict, individuals are less likely to be engaged in their work. Conversely, when employees can manage their work and personal life effectively, they can conserve and replenish their resources, which enhances their engagement at work [14]. Research has shown that employees with a favorable WLB are more likely to report higher levels of job satisfaction and organizational commitment, both of which are closely related to engagement [9]. A study by [18] found that flexible work arrangements, which are a common strategy for improving WLB, also positively affect EE by increasing job satisfaction and reducing stress. This suggests that policies and practices aimed at enhancing WLB, such as flexible work hours, remote work options, and family support programs, could lead to increased EE.

Millennials, as the largest generation in the workforce, have unique expectations regarding WLB and engagement. They value flexibility, autonomy, and purpose in their work, and they are more likely to seek organizations that support these values [5]. In the context of startups, which are often characterized by dynamic, fast-paced, and innovation-driven environments, millennials are drawn to companies that offer not only career opportunities but also a culture that supports personal growth and WLB. Generational Theory suggests that millennials' expectations of work differ significantly from those of previous generations, particularly in their desire for more meaningful work and flexible work arrangements [19]. In startups, where hierarchical structures are often flatter, and employees are encouraged to take on multiple roles, millennial workers may face challenges in maintaining a healthy WLB due to the demanding and high-energy nature of startup environments. However, the opportunity to be engaged in a creative and entrepreneurial environment can mitigate these challenges, making startups attractive to millennial employees who seek both professional growth and personal well-being.

The findings from various theoretical perspectives provide clear implications for organizational practices in startups. To enhance EE among millennials, startups must consider the integration of supportive WLB policies. These policies might include flexible work hours, remote work opportunities, wellness programs, and a culture that promotes work-life integration rather than separation. Such practices align with the expectations of millennial employees, who prioritize

job satisfaction and the ability to manage their personal and professional lives effectively [11]. Moreover, fostering a sense of organizational support and mutual exchange, as suggested by the Social Exchange Theory, is essential for startups. By creating a work environment where millennial employees feel valued, supported, and empowered, startups can enhance both WLB and EE, ultimately leading to greater organizational success.

In summary, the theoretical perspectives on WLB and EE provide a rich foundation for understanding the dynamics of these concepts in startup environments. While WLB has traditionally been viewed as an individual responsibility, it is increasingly seen as a shared responsibility between the organization and the employee. Startups, with their unique culture and structure, offer both challenges and opportunities for millennial employees to manage their WLB effectively, which in turn influences their engagement. By integrating the insights from various theories, this research aims to shed light on how WLB can enhance EE, particularly for millennials in startup settings.

2. Research Methodology

This study uses quantitative research with a cross-sectional survey approach to examine the relationship between WLB and EE among millennial employees in startups. The cross-sectional design was chosen because it allows the collection of data from a relatively large sample at a single point in time, providing a snapshot of the current conditions of employees related to their WLB and work engagement. The population of this study consists of millennial employees (ages 25-40 years) working in startups in Indonesia. The startups refer to companies that are innovative, technology-based, and have relatively flexible organizational structures. A total of 135 respondents were selected using purposive sampling, with the following criteria: Employees aged 25-40 years (millennial generation), Working in a startup for at least 1 year, Willing to complete the questionnaire.

Data was collected using a questionnaire consisting of two main sections: WLB: Measures respondents' perceptions of their ability to balance work demands with personal life, EE: Measures the level of emotional involvement, motivation, and commitment to work. Each item is measured using a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). The questionnaire was distributed online via digital platforms to effectively reach respondents working in startups. The research instrument was developed based on existing scales that have been tested in previous literature: WLB: Adapted from [13], consisting of 10 items that measure the integration and conflict between work and personal life, EE: Adapted from the Utrecht Work Engagement Scale (UWES) by [20], consisting of 12 items that measure vigor, dedication, and absorption. Next Operationalization of Variables on Table 1.

Table 1. Operationalization of Variables

Variable	Dimension	Indicator	Measurement Scale
Work-Life Balance (WLB)	Time Balance [13]	Ability to divide time between work and personal life	Likert 1–5
	Role Balance [13]	Ability to fulfill work and family responsibilities	Likert 1–5
	Satisfaction [13]	Satisfaction with work-life balance	Likert 1–5
Employee Engagement (EE)	Vigor [20]	Energy and enthusiasm in working	Likert 1–5
	Dedication [20]	Sense of pride, meaning, and enthusiasm in work	Likert 1–5
	Absorption	Full involvement in work, difficult to detach from work	Likert 1–5

The data was analyzed using the Statistical Package for the Social Sciences (SPSS) latest version. The analysis includes: Descriptive Statistics: Mean, standard deviation, and frequency distribution for respondent characteristics and variable scores. Reliability Test: Using Cronbach's Alpha to ensure the internal consistency of each scale (threshold > 0.70). Inferential Statistics: Pearson Correlation to examine the initial relationship between WLB and EE, Simple Linear Regression to test the effect of WLB on EE, Significance is tested at $\alpha = 0.05$. This study adheres to research ethics principles by: Ensuring the confidentiality of respondents' identities. Obtaining informed consent from all participants, Using data exclusively for academic and research purposes.

3. Results and Discussion

A total of 135 millennial employees from startups in Indonesia participated in this study. The demographic characteristics of the respondents are summarized in the following Table 2.

Table 2. Demographic Characteristics of Respondents

Demographic Characteristic	Frequency (n)	Percentage (%)
Gender		
Male	72	53.3
Female	63	46.7
Age		
25–30 years	80	59.3
31–35 years	40	29.6
36–40 years	15	11.1
Educational Level		
Bachelor's Degree	120	88.9
Master's Degree	15	11.1
Tenure in the Company		
1–2 years	60	44.4
3–5 years	50	37.0
More than 5 years	25	18.5

The descriptive statistics for both WLB and EE are summarized in the following table. These values provide a general overview of how the respondents perceive their WLB and engagement. Next Descriptive

Statistic312ss of Work-Life Balance (WLB) and Employee Engagement (EE) on Table 3.

Table 3. Descriptive Statistic312ss of Work-Life Balance (WLB) and Employee Engagement (EE)

Variable	Mean	Standard Deviation
Work-Life Balance (WLB)		
Time Balance	3.85	0.65
Role Balance	3.92	0.70
Satisfaction	3.74	0.68
Employee Engagement (EE)		
Vigor	4.05	0.74
Dedication	4.10	0.68
Absorption	3.98	0.72

The hypothesis of this study posits that WLB significantly influences EE. To test this hypothesis, a simple linear regression was performed, using WLB as the independent variable and EE as the dependent variable. Additionally, the Structural Equation Modeling (SEM) technique was employed to assess the path coefficients between the variables. The results of the path analysis are shown in the table below, including the path coefficients, t-values, and p-values on Table 4.

Table 4. Results of Hypothesis Testing (Path Coefficients, t-value, p-value)

Hypothesis	Path Coefficients	t-value	p-value
H1: WLB → EE	0.432	6.892	0.000

The path coefficient for the relationship between WLB and EE is 0.432, which indicates a positive and significant relationship. The t-value of 6.892 exceeds the critical value of 1.96, and the p-value is 0.000, which is less than the significance level of 0.05. This suggests that WLB has a significant positive impact on EE. The results of this study show a significant and positive relationship between WLB and EE among millennial employees in startups. The path coefficient of 0.432 suggests that for every one-unit increase in WLB, EE increases by 0.432 units. This indicates that employees who perceive a better balance between their work and personal life tend to be more engaged with their work. This finding aligns with previous studies that have shown a positive relationship between WLB and EE. For example, [8] found that employees who are able to manage their work and personal lives effectively are more likely to be engaged and perform well in their jobs. Similarly, [9] highlighted that a positive WLB enhances job satisfaction and organizational commitment, both of which are key components of EE.

In the context of startups, the flexibility often associated with startup environments can positively influence WLB, thereby fostering higher levels of EE. The culture in startups, which tends to be more informal and supportive, may allow for a better integration of personal and professional responsibilities, contributing to greater job satisfaction and higher engagement levels.

Given the significant impact of WLB on EE, startup organizations should prioritize initiatives that support

WLB, particularly for millennial employees. Providing flexible work arrangements, such as remote work options and flexible hours, can help employees manage their professional and personal responsibilities more effectively. In addition, fostering a work culture that emphasizes trust and autonomy can enhance employees' ability to balance work with other life demands, leading to higher engagement and productivity.

EE is critical to the success of any organization, and the results of this study underscore its importance. Engaged employees are more likely to demonstrate discretionary effort, leading to improved performance and reduced turnover [4]. Therefore, organizations that invest in supporting WLB are not only enhancing employee well-being but are also improving organizational outcomes. Moreover, it is important for startup organizations to recognize the unique needs of millennial employees, who often seek a sense of purpose and flexibility in their work. By aligning work policies with these preferences, startups can create a more engaged and committed workforce.

This study highlights the importance of WLB in fostering EE in startup organizations, especially among millennial employees. The positive relationship found between WLB and EE suggests that organizations that invest in initiatives to support WLB are likely to see improvements in EE and organizational performance. Future research could explore additional factors that influence EE in startup environments, such as leadership styles, organizational culture, and career development opportunities.

4. Conclusion

This study concludes that WLB has a significant and positive impact on EE among millennial employees in startup environments. The results indicate that employees who perceive a better balance between their professional and personal lives tend to exhibit higher levels of engagement, motivation, and commitment to their work. These findings highlight the critical role of organizational policies and culture in supporting WLB to foster a productive and committed workforce. For startup organizations, it is essential to implement strategies that promote flexibility, autonomy, and support for personal life responsibilities. By prioritizing WLB, startups can enhance EE, reduce turnover, and improve overall organizational performance. Future research may explore additional factors influencing engagement, such as leadership style, organizational culture, or career development opportunities, to further optimize human resource practices in dynamic startup settings.

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