



Effect of Work-Life Balance and Employee Wellbeing on Generation Z Employee Performance in the Era of Hybrid Working

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ABSTRACT

Purpose: This study examines the effects of work-life balance and employee wellbeing on the performance of Generation Z employees in the hybrid working era. **Methodology:** Using a quantitative design, data were gathered from 120 Gen Z employees in Jabodetabek who worked under hybrid arrangements and were analysed using multiple linear regression in SPSS 26. **Results:** Work-life balance ($t = 5.930$; $p < 0.001$) and employee wellbeing ($t = 5.721$; $p < 0.001$) each had a significant positive effect on performance, and their simultaneous effect was also significant ($F = 62.483$; $p < 0.001$). **Findings:** The model explained 50.8% of the variance in employee performance (Adjusted $R^2 = 0.508$). **Novelty & Originality:** This study integrates work-life balance and employee wellbeing in one model focused specifically on Gen Z employees in a post-pandemic hybrid setting. **Conclusions:** Organisations should strengthen hybrid working policies that support balance and wellbeing in order to improve Gen Z employee performance. **Type of Paper:** This paper is a research article.

INTRODUCTION

The rapid advancement of digital technology has brought about fundamental changes in how organizations manage their human resources. The COVID-19 pandemic acted as a catalyst for accelerating this transformation, driving the widespread adoption of hybrid working across various industry sectors (Chan et al., 2023). Hybrid working, which combines office-based and remote arrangements, has since emerged as a new norm that is reshaping the dynamics of the modern workplace.

Generation Z (born between 1997 and 2012) represents a workforce that has grown up alongside digital technology and holds a distinctive perspective on work and life. Mahardika et al. (2022) note that Generation Z places a strong emphasis on balance between personal and professional life, workplace flexibility, and mental health as critical factors in choosing and remaining with an organization..

Statistical evidence further highlights the relevance of this topic. Badan Pusat Statistik reported that Generation Z accounted for 71,509,082 people, or around 26.5% of Indonesia's population in 2020, making it one of the largest cohorts entering productive age. In addition, PwC Indonesia's Workforce Hopes and Fears Survey 2024 found that 58% of Indonesian respondents reported that their jobs could be performed remotely or from home; among those whose jobs allowed such arrangements, 70% were working in a hybrid model. These figures indicate that flexible and hybrid working arrangements are no longer marginal, particularly in office-based and urban employment settings comparable to Jabodetabek.

Work-life balance has become a central issue in contemporary human resource management. Bataineh (2019) defines work-life balance as an individual's ability to manage the demands of work and personal life effectively. Research by Ardiansyah and Surjanti (2020) demonstrates that a sound work-life balance exerts a positive influence on employee performance through heightened organizational commitment.

On the other hand, employee wellbeing encompasses physical, psychological, social, and financial dimensions that collectively shape individual productivity and performance. Liswandi and Muhammad (2023) identified a strong correlation between work-life balance and employees' mental health. Dhaniswari and Sudarnice (2024) further examined the effects of work-life balance and burnout on the performance of Generation Z employees in Denpasar City.

Despite these developments, several research gaps remain. First, most previous studies have examined employee performance in conventional work settings, whereas evidence from hybrid working arrangements is still limited. Second, employee wellbeing is rarely integrated with work-life balance as a joint predictor of performance within a single model. Third, empirical studies focusing specifically on Generation Z employees in hybrid work environments remain relatively scarce.

Nasution et al. (2024) found that work-life balance and work stress influence Gen Z employee performance, yet their study did not comprehensively incorporate wellbeing as a variable. Hakim (2024) investigated the effects of work-life balance, take-home pay, and the work environment on Gen Z performance, but overlooked the psychological dimension of wellbeing.

Drawing on these gaps, this study aims to: (1) analyse the effect of work-life balance on the performance of Generation Z employees in the hybrid working era; (2) analyse the effect of employee wellbeing on Generation Z employee performance; and (3) analyse the simultaneous effect of both variables on Generation Z employee performance.

METHOD

This study adopts a quantitative approach with a causal research design. Multiple linear regression was employed to test the influence of the independent variables (work-life balance and employee wellbeing) on the dependent variable (employee performance). Hypothesis testing was conducted through the t-test (partial) and the F-test (simultaneous) using SPSS version 26. Data were collected during 2024 through a structured questionnaire, and the instrument was pilot-tested for clarity before full distribution.

The study population comprised Generation Z employees (aged 18 to 27 years) working under a hybrid arrangement at companies located in the Greater Jakarta (Jabodetabek) area. Purposive sampling was applied based on the following criteria: (1) permanent or contract employees with a minimum of six months of service; (2) born between 1997 and 2006; and (3)

currently working in a hybrid mode for at least three days per week. Using Slovin's formula at a 5% margin of error, a sample size of 120 respondents was determined.

Data were collected through a questionnaire using a 5-point Likert scale. Work-life balance was measured using 12 items based on the dimensions of time balance, involvement balance, and satisfaction balance (Bataineh, 2019; Muliawati & Frianto, 2020). Employee wellbeing was measured using 10 items encompassing physical, psychological, and social dimensions (Liswandi & Muhammad, 2023). Employee performance was measured using 10 items based on the dimensions of quantity, quality, timeliness, and initiative (Badaruddin et al., 2024). Participation was voluntary, respondents provided informed consent before completing the questionnaire, and anonymity and confidentiality were maintained throughout the study.

Validity was assessed using Pearson Product Moment correlation ($r_{\text{calculated}} > r_{\text{table}} = 0.361$). Reliability was tested using Cronbach's Alpha ($\alpha > 0.60$). Prior to regression, classical assumption tests were conducted, including normality (Kolmogorov-Smirnov), multicollinearity ($VIF < 10$), and heteroscedasticity (Glejser). The regression model is as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Where:

Y = Employee Performance;
X₁ = Work-Life Balance;
X₂ = Employee Wellbeing;
a = Constant;
b₁, b₂ = Regression coefficient;
e = Error term.

Hypotheses were tested at a significance level of 0.05.

RESULTS AND DISCUSSION

RESULTS

Respondent Characteristics

This study successfully collected data from 120 respondents who met the inclusion criteria. The distribution of respondent characteristics is presented in Table 1.

Table 1. Respondent Characteristics

Characteristic	Category	n	%
Gender	Male	58	48.3
	Female	62	51.7
Age	18–20 years	25	20.8
	21–23 years	57	47.5
	24–27 years	38	31.7
Education Level	Diploma/D3	18	15.0
	Bachelor's Degree	89	74.2
	Postgraduate	13	10.8
Length of Employment	6–12 months	32	26.7
	1–2 years	55	45.8
	> 2 years	33	27.5

Source: Primary data processed, 2024

Instrument Validity and Reliability Tests

Validity testing confirmed that all items yielded r-calculated values exceeding the r-table threshold (0.361), and were therefore declared valid. The reliability test results are presented in Table 2.

Table 2. Validity and Reliability Test Results

Variable	Valid Items	Alpha	Remark
Work-Life Balance (X_1)	12	0.874	Reliable
Employee Wellbeing (X_2)	10	0.861	Reliable
Employee Performance (Y)	10	0.883	Reliable

Source: Primary data processed, 2024

Classical Assumption Tests

The Kolmogorov-Smirnov normality test yielded an Asymp. Sig. (2-tailed) value of 0.184 > 0.05, confirming that the residuals are normally distributed. The multicollinearity test indicated VIF values for $X_1 = 1.892$ and $X_2 = 1.892$ (both < 10), indicating no multicollinearity. The Glejser test for heteroscedasticity showed significance values for $X_1 = 0.417$ and $X_2 = 0.382$ (both > 0.05), confirming the absence of heteroscedasticity. All classical assumptions were satisfied.

Multiple Linear Regression Analysis

The results of the multiple linear regression analysis are presented in Table 3.

Table 3. Multiple Linear Regression Analysis

Variable	B	Beta	t	Sig.
(Constant)	0.512	-	1.641	0.103
Work-Life Balance	0.421	0.438	5.930	0.000
Employee Wellbeing	0.389	0.402	5.721	0.000

Source: Primary data processed, 2024

The regression equation is: $Y = 0.512 + 0.421X_1 + 0.389X_2$. Each one-unit increase in work-life balance is associated with a 0.421-unit improvement in employee performance, and each one-unit increase in employee wellbeing corresponds to a 0.389-unit improvement in performance.

Hypothesis Testing

Table 4. Simultaneous F-Test Results

Model	F-count	Sig.
Regression	62.483	0.000
Residual	-	-

Source: Primary data processed, 2024

t-test results: X_1 ($t = 5.930$; sig. = 0.000 < 0.05) $\rightarrow H_1$ is accepted. X_2 ($t = 5.721$; sig. = 0.000 < 0.05) $\rightarrow H_2$ is accepted. F-test results: $F = 62.483$; sig. = 0.000 < 0.05 $\rightarrow H_3$ is accepted. An Adjusted $R^2 = 0.508$ indicates that 50.8% of the variation in employee performance is explained by both variables.

DISCUSSION

The Effect of Work-Life Balance on Employee Performance

The findings reveal that work-life balance has a significant positive effect on the performance of Generation Z employees in the hybrid working era. This result is consistent with Bataineh (2019), who found that work-life balance and happiness at work significantly shape employee performance. Within the hybrid working context, the flexibility to manage one's own schedule and work location grants Generation Z employees a greater degree of autonomy.

These findings corroborate those of Ardiansyah and Surjanti (2020) and Pratiwi and Fatoni (2023), both of whom reported a positive relationship between work-life balance and employee performance. In line with Nasution et al. (2024), work-life balance proves to be a strong performance predictor for Gen Z employees. The defining characteristics of Generation Z—namely their preference for autonomy and flexibility (Mahardika et al., 2022)—position work-life balance as a critical driver of their motivation.

However, the positive role of work-life balance in hybrid settings should not be interpreted as automatic. Flexibility can increase autonomy, yet it can also blur the boundaries between work and personal life when workload expectations remain unclear. This suggests that hybrid working improves Gen Z performance only when organisations complement flexibility with clear targets, manageable workloads, and supportive supervision.

Wardhani and Hasan (2024) further strengthen this argument by demonstrating that work-life balance not only directly influences performance but also does so indirectly through the mediation of job satisfaction. Chan et al. (2023) affirm that in the post-pandemic context, work-life balance has grown more complex yet, paradoxically, more controllable by employees working in hybrid arrangements.

The Effect of Employee Wellbeing on Employee Performance

The second finding indicates that employee wellbeing exerts a significant positive effect on Generation Z employee performance. This result aligns with Liswandi and Muhammad (2023), who identified a strong association between work-life balance and employee mental health, which constitutes a core component of employee wellbeing.

Dhaniswari and Sudarnice (2024) found that burnout significantly reduces Gen Z employee performance, thereby confirming that positive wellbeing contributes to performance improvement. Isa and Indrayati (2023) further demonstrated that work-family conflict negatively affects performance through the mediating role of work-life balance.

Likewise, employee wellbeing should be understood as a strategic organisational resource rather than merely a personal condition. In hybrid settings, wellbeing is shaped not only by individual coping capacity but also by communication quality, social connectedness, digital workload, and access to organisational support. Accordingly, the significant coefficient for employee wellbeing indicates that performance gains depend on healthier work design, not solely on employee resilience.

The Simultaneous Effect on Employee Performance

The F-test results confirm that work-life balance and employee wellbeing jointly exert a significant influence on Generation Z employee performance. An Adjusted R² value of 0.508 indicates that the model possesses satisfactory predictive power. Badaruddin et al. (2024) lend support to this integrative perspective.

Faisal et al. (2022) support an integrative approach by demonstrating that work-life balance functions as both a mediator and a moderator in the relationship between various organizational factors and job performance. Hisnidah and Solekah (2023) and Anggriansyah et al. (2022) similarly underscore the importance of managerial support as a complement to work-life balance policies.

Theoretical Implications

These findings enrich human resource management literature by demonstrating that work-life balance and employee wellbeing operate as complementary antecedents of performance in hybrid work settings. The study extends prior research, which frequently tested these constructs separately, by showing that Gen Z performance is better explained when balance and wellbeing are analysed together within one model. The results also reinforce the argument that flexibility, psychological comfort, and organisational support are central to sustaining performance among younger employees in digitally mediated work environments.

Limitations

Several limitations should be acknowledged. First, the sample was limited to Gen Z employees in Jabodetabek, so the findings may not fully represent other regions or sectors. Second, the cross-sectional design captures relationships at a single point in time and therefore cannot fully explain how hybrid work practices and employee outcomes evolve over time. Third, the model explained 50.8% of the variance in employee performance, which indicates that other factors, such as leadership style, digital readiness, job satisfaction, and organisational commitment, may also contribute.

CONCLUSIONS

This study concludes that work-life balance and employee wellbeing each have a significant positive effect on the performance of Generation Z employees in the hybrid working era, and that both variables jointly provide meaningful explanatory power. The study contributes theoretically by showing that balance and wellbeing should be treated as complementary determinants of Gen Z performance in hybrid work contexts.

From a managerial perspective, organisations should establish clear working-time boundaries, strengthen employee wellbeing programmes, and equip managers to recognise burnout risks at an early stage. Future studies are encouraged to use broader samples, longitudinal designs, and additional variables in order to provide a more comprehensive explanation of Gen Z employee performance under hybrid working arrangements.

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