The effect of employee well-being on job satisfaction with work-life balance as a mediating variable

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ABSTRACT
This study aims to examine the direct impact of employee well-being on job satisfaction and explore whether work-life balance mediates this relationship among millennials born between 1981 and 1996 (aged 27-42) working in the private sector in Bandar Lampung. Through a quantitative survey approach, data were collected from 270 respondents using a Likert scale questionnaire ranging from 1 to 5, employing non-probability sampling. The collected data were analyzed using SEM on SmartPLS 4 software. Results indicate support for all hypotheses, indicating that employee well-being significantly influences job satisfaction directly, and work-life balance serves as a significant mediator in the relationship between employee well-being and job satisfaction. These findings suggest that companies can enhance job satisfaction among millennial employees in Bandar Lampung’s private sector by prioritizing initiatives to improve employee well-being and promote work-life balance. This study provides valuable insights into the dynamics of each variable in the context of millennial employees in the region.

KEYWORDS
Employee Well-Being; Work-life Balance; Job Satisfaction

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Introduction
In the contemporary landscape of globalization, characterized by rapid technological advancements and fierce market competition, the imperative for employees to continually refine their skills to stay relevant and competitive has never been more pronounced. Within this dynamic environment, human resources emerge as a cornerstone in the execution of a company’s strategic initiatives, playing a pivotal role in driving organizational success (Bakotic & Babic, 2013). The cultivation of exceptional human resources stands as a non-negotiable requisite for any company aspiring to realize its objectives effectively. Central to this endeavor is the recognition of the indispensability of addressing the diverse needs of every employee, underscoring their active participation as an essential component for organizational triumph (Locke, 1976).

Moreover, the significance of competent human resources in propelling goal attainment cannot be overstated. By fostering employee motivation and productivity, skilled human resources become instrumental in realizing organizational milestones and objectives (Wu, Kwan, Liu, & Resick, 2012). Key to this productivity enhancement is the cultivation of job satisfaction among employees, a critical determinant of their performance and commitment to organizational goals (Guest D. E., 2017). However, the multifaceted nature of job satisfaction, influenced by diverse standards and evolving work environments, necessitates a nuanced approach to its cultivation and maintenance (Bhende et al., 2020). As companies navigate through the complexities of modern workplaces, characterized by rapid technological advancements and shifting market dynamics, ensuring employee well-being emerges as a strategic imperative for organizational success (Pratama and Srimulyani, 2022).

In the contemporary organizational context, the effective management of work-life balance stands out as a crucial nexus connecting employee well-being and job satisfaction, thereby bearing substantial ramifications for both organizational efficacy and employee fulfillment (Faragher, 2005). Despite the increasingly acknowledged significance of work-life balance in nurturing employee well-being, the intricate associations between employee well-being and job satisfaction underscore the imperative for continuous inquiry and exploration in this domain (Adnan et al., 2021). In light of these considerations, this study endeavors to delve deeper into the multifaceted interplay among employee well-being, work-life balance, and job satisfaction, with a specific focus on millennial employees operating within the private sector in Bandar Lampung. By shedding light on both the direct and mediated effects of employee well-being on job satisfaction, with work-life balance potentially serving as a mediator, this research seeks to furnish valuable insights into the underlying mechanisms shaping organizational performance and employee contentment. Through a thorough examination of these dynamics, this study aspires to enrich the existing knowledge base concerning well-being and organizational dynamics, thereby offering actionable implications for enhancing employee satisfaction and cultivating organizational success within the contemporary workplace milieu.
Literature review

**Employee well-being**

Employee well-being constitutes a multifaceted construct characterized by diverse dimensions, including, but not restricted to, elements such as fulfilling employment, favorable workplace atmospheres, and gratification derived from professional challenges and rewards (Sirgy, 2012). It is subject to the influence of a plethora of factors, both intrinsic and extrinsic, originating from within and outside the professional milieu, which collectively mold individuals' experiences and levels of productivity (Warr, 1987). Given the substantial temporal investment individuals allocate to their occupational pursuits, the quality of their work experiences significantly impacts their overall well-being and societal contributions (Harter et al., 2002). Scholars have propounded a multidimensional model of well-being that underscores psychological, social, and emotional dimensions, underscoring the pivotal role played by factors such as self-acceptance, interpersonal relationships, and emotional regulation in shaping individuals' holistic well-being (Ryff & Keyes, 1995). Psychological well-being, a salient facet of employee well-being, encompasses an array of dimensions, including self-acceptance, favorable interpersonal interactions, and a sense of purpose in life (Ryff & Keyes, 1995). These dimensions constitute fundamental determinants of individuals' happiness and life satisfaction, wielding considerable influence over their comprehensive well-being. Furthermore, employee well-being transcends the confines of the professional domain to encompass broader life, occupational, and psychological dimensions, encompassing factors such as familial dynamics, workplace environments, and personal fulfillment (Zheng et al., 2015). Cumulatively, these dimensions shape individuals' perceptions and experiences, exerting a notable impact on their overall well-being within professional settings and beyond.

**Job satisfaction**

Job satisfaction, a pivotal dimension within organizational psychology, pertains to the subjective perceptions and emotional responses of employees toward their specific job roles (George & Jones, 2008). This sentiment encompasses a spectrum ranging from profound contentment to intense dissatisfaction and is subject to the influence of various factors within the work environment (Friday & Friday, 2003). Within the intricate framework of job satisfaction, individuals engage in the evaluation of diverse components of their job, encompassing aspects such as working conditions, compensation, opportunities for career advancement, organizational policies, and interpersonal dynamics (Kinicki & Kreitner, 2005). Consequently, job satisfaction emerges as a nuanced and personalized phenomenon, characterized by variegated levels of contentment across distinct facets of professional engagement (Spector, 1997).

Spector (1997) delineates two primary categories of factors contributing to job satisfaction: environmental factors and individual characteristics. Environmental factors encapsulate elements inherent within the workplace milieu, including job attributes, organizational culture, work-life balance, remuneration, and workload. Conversely, individual characteristics, comprising variables such as age, gender, personality traits, and the congruence between individual traits and job requirements, also wield considerable influence over job satisfaction (Spector, 1997). Furthermore, Weiss et al. (1967) introduced a comprehensive framework featuring five pivotal indicators for assessing job satisfaction, encompassing the intrinsic nature of the job, compensation, opportunities for advancement, quality of supervision, and relationships with co-workers.

**Measuring job satisfaction using the minnesota satisfaction questionnaire (msq)**

Questionnaires are commonly used by researchers to assess job satisfaction due to their practicality and ability to reach a broad audience. The Minnesota Satisfaction Questionnaire (MSQ), developed by Weiss, Dawis, England, and Lofquist in 1967, is a widely employed instrument for this purpose (Weiss et al., 1967). It offers both long and short versions, with the short form comprising 20 items designed to evaluate both intrinsic and extrinsic aspects of job satisfaction. Extrinsic satisfaction pertains to perceptions of elements outside specific job tasks, while intrinsic satisfaction relates to feelings about the job tasks themselves. Utilizing a Likert-type scale, the MSQ allows respondents to express satisfaction levels across various job facets. Both versions of the MSQ have undergone rigorous testing for reliability and validity, confirming their effectiveness in assessing job satisfaction.

**Work-life balance**

Balancing professional responsibilities with personal life is a complex task, prompting organizations to implement programs aiding employees in achieving this equilibrium. Work-life balance, as described by Fisher (2002) and Greenblatt (2002), is crucial for fostering employee commitment and motivation amid diverse workplace demands (Clarke, 2004). Clark (2000) emphasizes the importance of maintaining equilibrium between work and personal life, while Greenhaus, Collins, and Shaw (2003) highlight its components: time, behavior, strain, and energy. Hayman (2005) developed a tool to assess work-life balance, simplifying it into three indicators: work's impact on personal life, personal life’s influence on work, and the mutual enrichment between professional and personal spheres. These indicators provide insights into navigating the complexities of work-life integration, offering solutions to enhance employee well-being and job satisfaction.

**Methods**

The research methodology employed in this study utilizes a survey-based approach with a quantitative orientation to comprehensively address the research problem at hand. Survey research, which involves gathering data from samples drawn from specific populations through methods like interviews or questionnaires, is deemed...
appropriate for analyzing sociological and psychological characteristics relevant to the study (Babbie, 2016). The study's focus lies within the realm of human resource management, specifically investigating the influence of employee well-being on job satisfaction among millennial employees in the Bandar Lampung region.

The study targets millennial employees aged between 27 and 42, born between 1981 and 1996, who are currently employed in the private sector. To collect primary data for analysis, the research concentrates on millennial employees within the private sector of Bandar Lampung, considering various demographic and employment-related characteristics such as gender, age, income, job role, tenure, monthly earnings, marital status, and familial responsibilities. Purposive sampling, a method used to select participants based on specific criteria relevant to the research objectives (Etikan et al., 2016), is employed for data collection. An online survey questionnaire created using Google Forms is utilized, incorporating a Likert scale to facilitate quantitative analysis of participants' responses.

In terms of population and sample considerations, the target population encompasses millennial employees born between 1981 and 1996, aged 27 to 42, and engaged in private sector employment in Bandar Lampung. The determination of sample size follows established guidelines, with estimates ranging from 265 to 530 participants (Cochran, 1977). Non-probability sampling, particularly Purposive Sampling, is selected to recruit millennial employees from the private sector in Bandar Lampung based on predefined characteristics pertinent to the study's objectives. The distribution of the questionnaire is facilitated through an online platform using Google Forms, streamlining the process of data collection and subsequent analysis.

**Results**

The demographic profile of respondents in this study reveals several notable trends. Predominantly, female participants constituted the majority, comprising 149 individuals or 55.2% of the total sample, with male respondents representing 121 individuals or 44.8%. This gender distribution indicates a higher representation of female participants compared to their male counterparts. Regarding age distribution, the largest proportion of respondents fell within the 27-29 age bracket, constituting 51.1% or 138 individuals, while the smallest proportion was observed among individuals aged 40-42, comprising only 3% or 8 individuals. Additionally, respondents aged 30-34 accounted for 93 individuals or 34.4%, and those aged 35-39 constituted 31 individuals or 11.5% of the total sample.

In terms of marital status, the majority of respondents were married, comprising 153 individuals or 56.7% of the sample, indicating a significant proportion of married individuals among the participants. Conversely, unmarried respondents totaled 117 individuals, representing 43.3% of the sample. Regarding educational attainment, respondents holding a bachelor’s degree were the most prevalent, accounting for 47.4% or 128 individuals. Notably, there were no respondents with elementary or junior high school education. Respondents with a high school diploma totaled 79 individuals or 29.3%, while those with a diploma constituted 60 individuals or 22.2%. Additionally, respondents with a master's degree comprised only 3 individuals or 1.1% of the sample. Concerning length of employment, the highest frequency was observed among respondents with 2-5 years of work experience, totaling 117 individuals or 43.3%. Conversely, the lowest frequency was recorded among respondents with more than 10 years of work experience, comprising 20 individuals or 7.4% of the sample. Respondents with 5-10 years of work experience accounted for 110 individuals or 40.7%, while those with 0-1 years of experience totaled 23 individuals or 8.5% of the sample.

**Descriptive analysis**

Descriptive analysis aims to provide an overview of data so that it is informative and can be easily understood. The data presented in this study are responses from 270 respondents to questionnaire items which are divided into 18 items from the employee well-being (EWB) variable, 15 items from the work-life balance (WLB) variable, and 20 items from the job satisfaction (JS) variable. To find out the high and low measurement results of each variable, it can be found by first summing the interval classes into 5 intervals using the formula used to divide the length of the class interval, namely:

\[
\text{Interval length (l)} = \frac{\text{Highest score} - \text{Lowest score}}{\text{Number of Interval class}}
\]

The length of the interval class if calculated based on the formula above is as follows:

\[
l = \frac{5 - 1}{5} = 0.8
\]

Based on the results of the analysis, the following categories can be found:

<table>
<thead>
<tr>
<th>Interval</th>
<th>Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00 - 1.80</td>
<td>Very low</td>
</tr>
<tr>
<td>1.81 - 2.60</td>
<td>Low level</td>
</tr>
<tr>
<td>2.61 - 3.40</td>
<td>Medium level</td>
</tr>
<tr>
<td>3.41 - 4.20</td>
<td>High level</td>
</tr>
<tr>
<td>4.21 - 5.00</td>
<td>Very high level</td>
</tr>
</tbody>
</table>

Table 1. Assessment Criteria Interval
**R-Square**

The R-square value serves as a metric to evaluate the adequacy of the model and acts as a coefficient of determination, indicating the extent to which exogenous latent variables influence the endogenous latent variables under examination. In this study, the R-square criteria are defined as 0.75, 0.50, and 0.25, corresponding to strong, moderate, and weak model strengths, respectively. The R-square results obtained from the analysis are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction (JS)</td>
<td>0.741</td>
</tr>
<tr>
<td>Work-life Balance (WLB)</td>
<td>0.322</td>
</tr>
</tbody>
</table>

Based on the coefficient of determination analysis presented in Table 4.12 above, it is observed that the R-square value for the job satisfaction variable is 0.741. Similarly, the R-square value for work-life balance is determined to be 0.322. Consequently, it is evident that job satisfaction is influenced by 74.1% by a combination of employee well-being and work-life balance. Additionally, the variable of work-life balance is influenced by employee well-being to the extent of 32.2%.

**Predictive relevance (blindfolding)**

The purpose of testing predictive relevance, or Q-square, for structural models is to assess the accuracy of the observed values generated by the model in comparison to the estimated parameters. If the Q-square value exceeds 0, it indicates that the model possesses predictive relevance.

<table>
<thead>
<tr>
<th>Description</th>
<th>Q Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction (JS)</td>
<td>0.722</td>
</tr>
<tr>
<td>Work-life Balance (WLB)</td>
<td>0.306</td>
</tr>
</tbody>
</table>

Based on the findings presented in table 4.13, it is evident that the Q-square result for job satisfaction is 0.722, and for work-life balance, it is 0.306. Since both Q-square values for the endogenous constructs are greater than 0, it confirms the presence of predictive relevance in the model.

**Hypothesis test (t-test)**

Hypothesis testing endeavors to discern a significant effect between the independent and dependent variables by scrutinizing the path coefficient, which elucidates the parameter coefficient and the significance value of the t-statistic. These values are discerned from the bootstrapping results. In this investigation, the stipulated criteria comprise t-statistics > 1.96 at a significance level of p-value 0.05 (5%), accompanied by a positive beta coefficient. The direct effects of the research hypotheses are delineated in Table 4.13, while the indirect effects are elucidated in Table 4.14. A succinct summary of the research model findings is encapsulated in Figure 1.

Sources: SmartPLS 4 output processed, 2023

Figure 1. Research Model Result
The first hypothesis examines whether employee well-being exerts a direct, positive, and significant impact on job satisfaction. The findings reveal a statistically significant effect, with the t-statistic exceeding 1.96 (15.926) and the p-value being less than 0.05 (0.000). Therefore, H1 is supported, indicating that employee well-being indeed influences job satisfaction positively and significantly.

Table 3. Direct Effects

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Well-being (EWB) -&gt; Job Satisfaction (JS)</td>
<td>0.755</td>
<td>0.752</td>
<td>0.047</td>
<td>15.926</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The second hypothesis investigates whether work-life balance serves as a mediator between employee well-being and job satisfaction. Analysis of the test results unveils a substantial t-statistic value of 3.137 alongside a p-value of 0.002, signifying the statistical significance of the mediation effect. With the t-statistic surpassing 1.96 and the p-value falling below 0.05, it can be deduced that work-life balance indeed fully mediates the association between employee well-being and job satisfaction. Hence, H2 garners support from the empirical evidence.

Discussion

Employee well-being has a direct positive and significant effect on job satisfaction

The foundational hypothesis posited in this study suggests a significant relationship between employee well-being and job satisfaction, a proposition substantiated by the research findings. Essentially, the results indicate that higher levels of employee well-being correlate with increased job satisfaction among employees. This finding is consistent with previous research conducted by scholars such as Wright and Cropanzano (2000), Isgor and Haspolat (2016), and Zeenat (2015), all of whom emphasized the positive and consequential connection between employee well-being and job satisfaction. Employee well-being encompasses a holistic sense of contentment and tranquility toward one’s workplace, encompassing various dimensions such as job fulfillment, physical and mental health, and positive aspects of work engagement. Scholarly studies have suggested that individuals with elevated levels of well-being tend to demonstrate greater creativity and enhanced engagement within the organizational context compared to those with lower levels of well-being (Inceoglu et al., 2018). Within the framework of this study, respondents expressed affirmative perceptions regarding indicators of life well-being, embracing elements such as happiness, health, and overall life satisfaction. Similarly, positive responses toward workplace well-being indicators, including initiatives promoting health, support for mental well-being, and facilities conducive to employee well-being, underscore the essential role of organizations in fostering environments that promote employee well-being and, consequently, job satisfaction. Furthermore, the findings underscore the importance of psychological well-being in influencing levels of job satisfaction, with respondents expressing satisfaction in managing stress, deriving contentment from their work roles, and achieving a balance between professional obligations and personal pursuits. Ultimately, the study emphasizes the significance of prioritizing employee well-being as a strategic approach to enhancing job satisfaction and cultivating a positive and enriching organizational environment.

Table 4. Indirect Effects

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Well-being (EWB) -&gt; Work-life Balance (WL&amp;B) -&gt; Job Satisfaction (JS)</td>
<td>0.094</td>
<td>0.094</td>
<td>0.03</td>
<td>3.137</td>
<td>0.002</td>
</tr>
</tbody>
</table>

Work-life balance mediates the effect of employee well-being on job satisfaction

The second hypothesis, which suggests the mediating role of work-life balance between employee well-being and job satisfaction, finds robust support in the research outcomes. This indicates that the influence of employee well-being on job satisfaction is partially channeled through the perceived work-life balance experienced by employees. The respondents widely recognize the critical significance of work-life balance in shaping job satisfaction, establishing a link between the enhancement of employee well-being and the attainment of an optimal work-life balance. Defined by Guest (2002), work-life balance pertains to individuals’ adeptness in managing their temporal, energetic, and occupational commitments to facilitate meaningful engagement in both professional and personal spheres without experiencing undue strain in any specific domain. Employees who derive satisfaction from their work typically demonstrate higher levels of engagement, motivation, and job contentment. Furthermore, individuals with robust well-being are better positioned to sustain a harmonious work-life balance, a factor that significantly influences their levels of job satisfaction. An amicable work-life balance contributes to diminished stress and heightened overall well-being among employees, underscoring its salience in contemporary workplaces. This equilibrium not only yields personal benefits but also accrues broader organizational dividends, encompassing heightened productivity, enriched interpersonal dynamics, and expanded opportunities for extraprofessional pursuits. The study’s findings affirm that work-life balance, serving as an intermediary variable, positively influences both employee well-being and job satisfaction. These affirmative responses underscore a collective aspiration to fortify organizational cultures that prioritize work-life balance, indicative of a commitment to fostering environments conducive to individuals in attaining equilibrium between their professional obligations and personal pursuits. Ultimately, initiatives aimed at bolstering employee well-being and advancing work-life balance synergistically elevate overall job satisfaction levels.
within the organizational milieu.

Conclusion

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References

Organizational Dynamics, 177-193.


