

The Effect of Work-Life Balance on Employee Engagement and Psychological Outcomes

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Abstract: This study aims to determine the effect of work-life balance on employee engagement and the psychological outcomes of millennial employees at PT Incasi Raya Indrapura. All business organizations strive to survive in the long term. To increase competitive advantage, organizations need highly engaged employees to improve organizational performance. In life, employees face the demands of work and from personal life. This situation makes employees easily stressed, which can affect their work focus and mental health in the long term if not resolved. Organizations need to provide a good work environment, one of which is by facilitating work-life balance. The research method used in this study is a quantitative method with a descriptive approach. This study was conducted in the manufacturing industry, PT. Incasi Raya Indrapura. 80 millennial employees participated in his study. The sampling technique used was the census method. They are collecting data using questionnaires and observation. Then the data were analyzed using the Structural Equation Modeling-Partial Least Square (SEM-PLS). The results showed that work-life balance influences employee engagement and negatively affects psychological outcomes. These study findings that organizations that provide the support needed by employees in their work-life balance can increase employee engagement and reduce psychological consequences consisting of emotionally exhausted, anxiety and depression.

Key words: WLB, employee engagement, psychological outcomes

INTRODUCTION

Waal et al. (2014) in [1] revealed that the business environment is becoming uncertain and complex due to many reasons ranging from globalization, technological advances, and customer needs. Thus, the organization is under pressure to continue pursuing performance and grow into a high-performing organization that outperforms competitors financially and non-financially. The organization needs to be energetic, dedicated, and entirely focused on their work or attachment to the company [2]. Swarnalatha and revealed that employee engagement has emerged as an essential driver of business success in today's competitive market. [2] stated that employee engagement is characterized by employees' spirit, dedication, and appreciation. Therefore, employees will give their best

performance and are even committed to the company and motivated to contribute more. [3] stated that engaged employees express their authentic selves through physical involvement, cognitive awareness, and emotional connection.

High competition causes companies to require employees to do many things well to generate profits for the company. Humans are needed to overcome all challenges and are expected to take advantage of opportunities and meet needs, especially in the work environment [4]. Indeed, employees also have certain limits to survive under pressure. Excessive pressure causes employees to be vulnerable to work stress, which will interfere with employees' mental health in the long run. Many factors affect why a person experiences mental illness, including work. Employees' constant pressure and lack of

satisfaction can lead to burnout and self-isolation. [5] explained that some jobs and companies could be toxic due to constant demands from superiors, lack of support from colleagues, unreasonable deadlines, and pressure to work, which ultimately kills. [5] stated that excessive work pressure could cause mental health problems.

WHO reported that mental illness is the leading cause of disability worldwide for many years [6]. Globally, an estimated 264 million people struggle with depression, and most of them also suffer from symptoms of anxiety. [7] estimated that the overall economic burden related to depression and other mental illnesses could be as high as US\$ 348. It can be concluded that mental health-related job losses are very detrimental to the company if they are not managed properly. Concerning mental health, employee performance declines will not be seen until the condition becomes severe. Thus, early identification of unhealthy lifestyles and mental health symptoms can prevent painful and chronic physical and mental health problems in the workplace [6]. [8] explained that poor well-being is associated with poor workplace support. One of the company's supports can be a concern for work-life balance (WLB). Helliwell et al., 2017 Chen et al., 2019 mentioned that work-life balance is one of the strongest predictors of happiness recognized by many managers and has important implications for the well-being of employees worldwide. Therefore, considering the WLB aspect can contribute to improving the employee's mental well-being. Work-life balance (WLB) is the extent to which an employee can manage various roles in their lives, including work, family, and other significant responsibilities [9]. Employees do not only face the demands of the company but also from all aspects of their lives. Thus, when one of those interactions, both work, and life, overlaps, professional life or social life will be affected [10]. Harmonization of life and work can improve mental and physical health as a good balance between work and life increases job satisfaction, psychosocial well-being, and overall quality of life [8].

This study was conducted on the millennial generation as employees at the productive age are currently dominated by the millennial generation. This generation is also known to have different characteristics than its predecessors. Based on a 2018 Mental Health Foundation survey as reported in Kumparan (2018), out of 4,500 respondents, 27% of millennial employees admitted that they were disturbed by the stress they experienced at work, while the baby boomer generation was only 12%. This study was conducted at PT Incasi Raya Indrapura. PT. Incasi Raya is a manufacturing company engaged in the plantation and processing of palm oil, namely producing cooking oil (olein) resulting from refining crude palm oil. The

manufacturing industry was chosen as the research location as the industry is still little discussed in the literature related to work-life balance. Based on the sector classification of the work-life balance literature analysis by [11] in a Scopus indexed journal during 1991-2019, there are only 4% of publications (6 articles) from the manufacturing sector that focuses on WLB. Whereas manufacturing employees also face difficult circumstances to balance their life and work. Manufacturing employees are a group of employees who often complain of working hours too long.

METHODOLOGY

Data and Sample

This quantitative study used a descriptive approach with an explanatory design. Data were collected by distributing questionnaires and interviews. The study involved millennial employees of PT Incasi Raya Inderapura. PT. Incasi Raya is a manufacturing company engaged in the plantation and processing of palm oil, namely producing cooking oil (olein) resulting from refining crude palm oil. A sample of 80 employees was selected using the defined population criteria and saturated sampling technique. The population criteria consisted of (1) employees who work more than 40 hours a week, (2) employees born in 1981-1996 (Millennials), and (3) employees who have worked for at least one year. The data were then analyzed using SEM data analysis of Partial Least Square Path Modeling (PLS-PM) with the help of smart pls software. SEM is a collection of statistical procedures that explain the basis or foundation underlying the relationships that govern the covariance matrix between the observed variables.

Work-Life Balance (WLB). WLB was measured using some indicators/items designed by Hayman (2005), an adaptation of Fisher-McAuley, Stanton, Jolton, and Gavin (2001). Hayman (2005) compiled three indicators consisting of work interference with personal life (WIPL), emotional life interference with work (PLIW), and work/unique life enhancement (WPLE), with 15 items. The sample statement for this item is 'Work makes my personal life difficult'. The measuring scale used to measure respondents' answers was a 5-point Likert scale. Five alternative solutions for the questionnaire were 5 for strongly agree (SA), 4 for agree (A), 3 for neutral (N), 2 for disagreeing (D), and 1 for strongly disagree (SD). Then, negative questions were marked (R), which means reverse. So that questions with the (R) sign had reversed the score in which 1 for strongly agree (SA), 2 for agree (A), 3 for neutral (N), 4 for disagreeing (D), and 5 for strongly disagree (SD).

Employee Engagement. Measurement of this variable used indicators proposed by Kahn,

namely vigor, dedication, and absorption. Employee engagement is a term that Kahn first introduced in 1990. The sample of statement is 'I have passion for work'. The measuring scale used a 5-point Likert scale. Five alternative answers for this questionnaire were 5 for strongly agree (SA), 4 for agree (A), 3 for neutral (N), 2 for disagreeing (D), and 1 for strongly disagree (SD).

Psychological Outcomes. This variable focused on emotionally exhausted, anxiety, and depression. Emotionally exhausted was measured using nine items scale proposed by Maslach and Jackson (1981). Tension was measured using 6 items scale proposed by Spitzer et al. (2006). Then, depression was measured using the Center for Epidemiological Studies Depression Scale (CES-D) by Radloff (1977), consisting of 10 items. The

sample of statement item is 'I feel emotionally exhausted by my work'. The measuring scale used a 5-points Likert scale. Five alternative answers for this questionnaire were 5 for strongly agree (SA), 4 for agree (A), 3 for neutral (N), 2 for disagreeing (D), and 1 for strongly disagree (SD).

PUBLICATION TIMELINE

This study was based on some references of previous studies related to work-life balance, employee engagement, and psychological outcomes. This study referred to 15 studies as the basis for the relationship between the variables of this study.

Table 1. Publication Per Year

No.	Peneliti (Tahun)	Variabel
1.	Ólafsdóttir (2008)	- <i>Organizational Culture</i> - <i>Work-life Balance</i> - <i>Leadership</i> - <i>Workhealth Health Promotion</i>
2.	Jang <i>et al</i> (2010)	- <i>Schedule Control</i> - <i>Work-Life Balance Programs</i> - <i>Job Satisfaction</i> - <i>Mental Health</i> - <i>Control Variables</i>
3.	Haar <i>et al</i> (2013)	- <i>Work-Life Balance</i> - <i>Job Satisfaction</i> - <i>Life Stisfaction</i> - <i>Emotionally Exhausted, Anxiety dan Depression</i>
4.	Nizsche <i>et al</i> (2013)	- <i>Work-Life Balance Culture</i> - <i>Work-Home Interaction</i> - <i>Emotional Exhausted</i>
5.	Alvi <i>et al</i> (2014)	- <i>Work-Life Balance</i> - <i>Job engagement</i>
6.	Haar <i>et al</i> (2014)	- <i>Work-Life Balance</i> - <i>Job Satisfaction</i> - <i>Life Satisfaction</i> - <i>Anxiety dan Depression</i>
7.	Kort <i>et al</i> (2016)	- <i>Work-Life Balance</i> - <i>Work Engagement</i> - <i>Participation in employee development activities</i> - <i>Leader-Member Exchange</i>
8.	Larasati <i>et al</i> (2018)	- <i>Work-Life Balance</i> - <i>Employee Engagement</i>
9.	Waclawsca (2018)	- <i>Work-life Balance</i> - <i>Employee Engagement</i> - <i>Turnover Intention</i>
10.	Jaharuddin dan Zainol (2019)	- <i>Work-life Balance</i> - <i>Job Engagement</i> - <i>Turnover Intention</i>
11.	Harini <i>et al</i> (2019)	- <i>Work-Life Balance</i> - <i>Work Engagement</i> - <i>Organizational Commitment</i>

12.	Badri (2019)	<ul style="list-style-type: none">- <i>Work-family conflict</i>- <i>Turnover intention</i>- <i>Job satisfaction</i>
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		- <i>Anxiety depression</i> - <i>Social dsyfunction</i>
13.	Kotera <i>et al</i> (2019)	- <i>Work-life balance</i> - <i>Depression</i> - <i>Anxiety</i> - <i>Stres</i> - <i>Mental Health Attitudes</i>
14.	Atif (2020)	- <i>WLB</i> - <i>Job Satisfaction</i> - <i>Mental Health</i>
15.	Sprung & Rogers (2020)	- <i>Work-Life Balance</i> - <i>Stress</i> - <i>Anxiety</i> - <i>Depression</i>

Source: Processed by researchers (2021)

The mapping found relevant studies related to the topics used in this study from year to year. The results of the mapping also showed that the variables used in this study have a proven relationship.

RESULTS AND DISCUSSION

The SmartPLS analysis was performed to examine the effect of work-life balance variables on employee engagement and psychological outcomes. Data analysis in the PLS application was started with doing the outer model and inner model. The outer model was used to evaluate the results of the validity and reliability test scores, which consisted of convergent validity, discriminant validity, and composite reliability. Based on the outer model test

results, each variable had met the existing requirements to continue with the inner model test. The inner model test was used to measure the relationship between variables from the R-square value, predictive relevance, and effect size value. Hypothesis testing was based on the R-square value which explains the influence of the independent variable on the dependent variable. The results are presented in the following table.

Table 1. Results of R-Square values

Exogenous Variables	R Square Ajusted
<i>Employee Engagement (Y1)</i>	0.603
<i>Psychological Outcomes (Y2)</i>	0.599

Source: Primary Data processed, 2021

The R-square value of the employee engagement variable obtained an R-square value of 0.603. Thus, the employee engagement variable (Y1) can be influenced by the work-life balance (X) variable by 60.3%, and other variables can influence the rest. Then the psychological outcomes variable (Y2) obtained an R-square value of 0.599, indicating moderate influence. Therefore, the psychological outcomes variable (Y2) can be influenced by the work-life balance variable (X) by 59.9%, and other variables can influence the rest.

Besides, the results of calculations using Q-Square predictive relevance explain how much the path model formed can represent the observed data. The result of Q2 is 0.946. The structural model in this study can be declared to have good goodness of fit as Q2 has a value with a range of $0 < Q2 < 1$, where the closer to 1, the better the model.

The last stage is hypothesis testing. The test was to see the significance of the influence between the constructs and their indicators based on the t-statistical significance value.

Based on the results of hypothesis testing presented in the table, H1 shows that work-life balance (X) has a positive and significant effect on employee engagement (Y1). It can be seen from the path coefficient value of 0.780 with a t-count value of 22.792 and a p-value of 0.000. The t-count value is higher than the t-table, which is 1,984, and the p-value is lower than 0.05, which means it is significant. Then, H2 shows work-life balance.

(X) has a negative and significant effect on psychological outcomes (Y2). It can be seen from the path coefficient value of -0.774 with a t-count value of 15.894 and a p-value of 0.000. The t-count value is higher than the t-table of 1.984, and the p-value is lower than 0.05, which means it is significant.

CONCLUSIONS AND SUGGESTIONS

This study indicates that work-life balance has a significant and negative effect on employee engagement variables and a negative and significant impact on psychological outcomes for millennial employees at PT Incasi Raya Inderapura. This study was conducted in the manufacturing industry because studies on WLB in the manufacturing industry are limited. Thus, future studies can explore more in the manufacturing industry, and other business industries as each employee from any business industry is entitled to a work arrangement that considers WLB.

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