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**THE EFFECT OF JOB STRESS AND WORK-LIFE BALANCE ON EMPLOYEE WELL-BEING WITH EMPLOYEE ENGAGEMENT AS A MEDIATION VARIABLE ON GENERATION Z EMPLOYEES WORKING IN THE SPECIAL REGION OF YOGYAKARTA**



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**Abstract**

This study aims to analyze the effect of job stress and work-life balance on employee well-being, with employee engagement as a mediating variable among Generation Z employees working in the Special Region of Yogyakarta. This research employed a quantitative approach using a survey method involving 96 respondents selected through simple random sampling. The data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results indicate that job stress has a negative and significant effect on employee well-being, while work-life balance has a positive and significant effect. Furthermore, job stress negatively affects employee engagement, whereas work-life balance positively influences employee engagement. Employee engagement is proven to have a positive and significant effect on employee well-being. In addition, employee engagement mediates the relationship between job stress and employee well-being and partially mediates the relationship between work-life balance and employee well-being. These findings suggest that reducing job stress and improving work-life balance are essential strategies for enhancing employee well-being, particularly among Generation Z employees. Strengthening employee engagement also plays a crucial role in promoting psychological well-being and sustainable performance in the workplace.

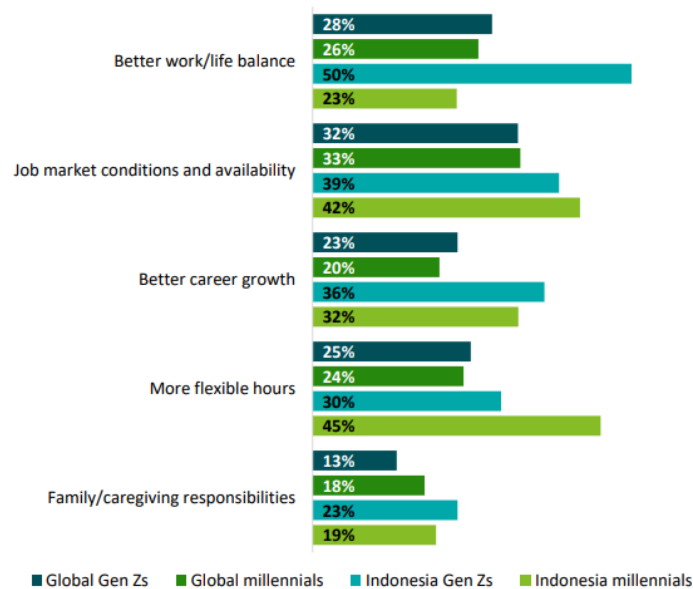
**Keywords:** Job Stress, Work-Life Balance, Employee Engagement, Employee Well-Being, Generation Z

## INTRODUCTION

The issue of employee well-being is gaining increasing global attention as workforce demographics change. According to a 2024 Deloitte Global report, 31% of Generation Z worldwide plan to change jobs in the next two years, citing job well-being and satisfaction as the primary reasons. Generation Z, born between 1997 and 2012, is projected to dominate the global workforce until 2030. This fact indicates that well-being and work-life balance are crucial factors in retaining young workers across various industrial sectors.

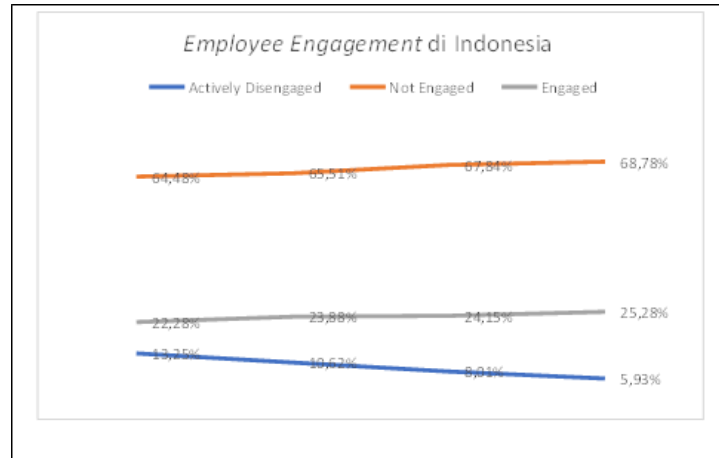
Nationally, job stress is a serious problem affecting the health and productivity of workers in Indonesia. Data from the Ministry of Manpower in 2024 showed that there were approximately 875,000 cases of work-related stress, depression, and anxiety, largely caused by excessive workloads and unsupportive work environments. This situation illustrates that high work pressure can reduce workers' quality of life and mental well-being, making stress management in the workplace a crucial aspect of creating a healthy and productive work environment. Meanwhile, in the Special Region of Yogyakarta (DIY), data from the Central Statistics Agency (BPS DIY, 2024) shows that young people (18–29 years old) dominate the formal workforce, particularly in the service, technology, and creative industries—sectors known for their fast-paced, dynamic, and stressful work. A 2023 report from the Yogyakarta Manpower and Transmigration Office also noted an increase in complaints from young workers regarding high workloads, long working hours, and the need for a more supportive work environment. This phenomenon indicates that job stress and work-life balance are real issues affecting employee well-being in this region.

**Top reasons for changing industry/field/career path**



**Figure 1**  
**Work-Life Balance 2025**

Figure 1 Work-Life Balance 2025 shows that Generation Z in Indonesia ranks work-life balance as a primary career goal and a key reason for considering a job change. This demonstrates that work-life balance is a crucial factor for employee well-being and engagement.



**Figure 2**

### **Employee Engagement Scores in Indonesia 2020-2023**

Based on Figure 2 above, the score for the Not Engaged category in Indonesia has been increasing year after year. It rose from 64.48% to 65.51% the following year, and ended at 68.78% in 2023. Overall, over the past four years, the Not Engaged category in Indonesia has increased by 4.3%, while the Engaged score has only increased by 3%. This means that there is a greater increase in the number of employees who do not feel engaged in their jobs than there is an increase in employees who do feel engaged (Lestari & Margaretha, 2021). Generation Z employees have the lowest levels of employee engagement compared to employees from other generations. Several factors are suspected to contribute to the relatively lower employee engagement levels of Generation Z employees compared to the other two generations. These include their status as new employees with less than three years of service, their still-identifying roles and positions at work, and their ongoing process of finding meaning in all the work they do. This data is contained in a report from the Ministry of Finance of the Republic of Indonesia.

Based on this phenomenon, it is important to understand how job stress and work-life balance can affect employee well-being, particularly employee engagement. Therefore, the next section will discuss the theories and previous research findings underlying the relationships between the variables in this study, including the pros and cons of the seven hypotheses proposed.

High job stress is a crucial issue because it directly impacts employee well-being. Research by Maulana et al. (2024) shows that job stress is negatively related to employee well-being. This finding is supported by Hernandez Grande et al. (2025), who stated that increased job stress decreases employee well-being. In addition, Aziz (2024) found that burnout mediates the influence of job stress and has a negative impact on employee well-being, confirming that psychological stress and exhaustion can reduce employee well-being.

However, research by Mansor & Mohamed (2024) showed that job stress had no significant effect on employee well-being. The same finding was found by Mayasari et al. (2024), who also stated that job stress was insignificant on employee well-being. This difference in findings indicates empirical inconsistency, so further research is needed to clarify the relationship between the two variables.

Similarly, in addition to job stress, work-life balance is also an important aspect influencing employee well-being. Research by Rosnani et al. (2023) showed that work-life balance had a significant positive effect on employee well-being. This finding was reinforced by Putri et al. (2025), who also demonstrated a significant positive effect. Furthermore, Stankevičienė et al. (2021) confirmed that work-life balance had a significant positive effect on employee well-being and mental health.

However, research by Maulana Akbar et al. (2024) found that work-life balance had no significant effect on employee well-being. Meanwhile, research by Rony et al. (2023) showed that work-life imbalance actually had a significant negative relationship with employee well-being. This discrepancy in findings indicates empirical inconsistency, so further research is needed to clarify the relationship between the two variables.

In addition to affecting employee well-being, job stress is also believed to influence employee engagement. High work pressure can reduce employee motivation and commitment. However, some studies have found a positive effect. Supriadi et al. (2022) showed that job stress had a significant positive effect on employee engagement, where certain pressures can encourage employees to be more involved. This finding is supported by Fikri & Taufik (2024), who also found a positive relationship between work stress and employee engagement. On the other hand, several studies report conflicting results.

Dwi's (2024) study found that job stress had no significant effect on employee engagement. This discrepancy in findings indicates that the relationship between the two variables is still inconsistent and requires further research in different contexts. In addition to work stress, work-life balance also plays an important role in increasing employee engagement.

Research by Jannata & Surya (2022) shows that work-life balance has a significant positive effect on employee engagement. This finding aligns with Pathak & Lawande (2021), who found that work-life balance resources have a significant positive effect on employee engagement. Research by Azkiya et al. (2025) also supports these findings by showing that work-life balance significantly increases employee engagement.

The results showed that work-life balance did not significantly affect job engagement among Generation Y employees in Bandung. This finding aligns with discussions on work-life balance and employee engagement. Overall, an imbalance between work and personal life can create psychological conditions that encourage employees to be more engaged, enthusiastic, and committed to their work.

Employee engagement plays a crucial role in improving employee well-being. Several studies have demonstrated a significant positive effect of employee engagement on employee well-being. Research by Simanjuntak et al. (2024) found that employee engagement had a significant positive effect on employee well-being. Similar results were demonstrated by Jro Mangku Deny Saputra et al. (2023) stated that higher employee engagement leads to higher employee well-being. Furthermore, Rheina & Suryani (2023) confirmed that employee engagement not only improves employee well-being but also positively impacts employees' emotional and psychological aspects.

On the other hand, research by Onyishi et al. (2024) shows that the relationship between employee engagement and employee well-being is not always positive. In situations of work-family conflict and rumination, excessive involvement without adequate support can

actually reduce employee well-being. These findings confirm that the relationship between these two variables is complex and context-influenced, requiring further study.

Research by Luna et al. (2023) shows that high levels of employee engagement can coexist with burnout, ultimately reducing employee well-being. Some employee profiles experience this combination, so the relationship between employee engagement and burnout is not always positive. These findings confirm that high engagement does not always improve well-being if it is not accompanied by adequate stress management and support.

Research by Afifah (2024) shows that employee engagement significantly mediates the relationship between work-life balance and employee well-being among millennial employees in frontline service companies.

Based on this phenomenon, this study attempts to present a new perspective by using Generation Z employees working in the Special Region of Yogyakarta as respondents. The focus of the study is directed at the relationship between job stress, work-life balance, employee engagement, and employee well-being. This represents a research gap because so far there has been limited research examining the relationship between these variables simultaneously with employee engagement as a mediating variable, particularly in the context of Generation Z employees in Indonesia.

## REVIEW OF LITERATURE

Human Resource Management (HRM) is a strategic approach that plays an important role in managing the workforce through planning, organizing, directing, placement, leadership, and control processes in order to achieve organizational goals while simultaneously enhancing employee well-being. HRM not only focuses on improving organizational performance but also on optimizing the potential of individuals and groups within the organization. Ineffective human resource management can lead to various problems, one of which is job stress. Job stress arises when job demands are not balanced with an individual's abilities, resources, or knowledge. This condition can cause psychological and physical pressure that affects employees' emotions, behavior, and health, such as anxiety, sleep disturbances, tension, and even serious health problems. Job stress also occurs when the work environment and working conditions fail to meet employees' needs, thereby hindering their ability to perform tasks optimally. Therefore, HRM plays a strategic role in managing workloads, creating a healthy work environment, and minimizing job stress so that employees can work effectively and sustainably.

Work-life balance refers to a condition in which employees are able to manage and balance work demands with personal life in a harmonious manner. This balance is achieved when individuals have control over when, where, and how they work, and when they receive recognition and support from the organization. Work flexibility and organizational policies that support personal life are key factors in creating a healthy work-life balance. A good balance between work and personal life has been proven to increase job satisfaction, productivity, and employee well-being. This condition is also closely related to employee engagement, which refers to employees' emotional and intellectual attachment to their work and organization. Employees with a high level of work-life balance tend to be more engaged, motivated, and willing to exert extra effort in their work. Employee engagement is reflected in a sense of belonging, strong commitment, and a desire to contribute to the achievement of

organizational goals, even beyond formal job responsibilities. Thus, work-life balance serves as an important foundation for building sustainable employee engagement.

Employee well-being is a holistic concept that encompasses various aspects of employees' lives, including physical, mental, emotional, social, and financial health, as well as a balance between positive and negative emotions. Employee well-being is not only viewed as an additional outcome of management practices but also as a strategic factor that plays a crucial role in supporting organizational performance. Employees with high levels of well-being tend to have positive mental conditions, self-confidence, and enthusiasm in carrying out their roles and responsibilities. This directly contributes to increased productivity, job satisfaction, and organizational loyalty. From a human resource management perspective, employee well-being is often positioned as a mediating variable that bridges the relationship between HRM policies and practices and organizational performance. This means that organizational success is determined not only by performance-oriented systems and policies but also by the extent to which organizations are able to create and maintain employee well-being in a comprehensive and sustainable manner.

## RESEARCH METHOD

This study examines the influence of job stress and work-life balance on employee well-being, with employee engagement as a mediator among Generation Z employees in the Special Region of Yogyakarta. The study population comprised all Generation Z employees working in the region, totaling 827,800 (BPS DIY, 2022), representing 70% of the workforce (Widiastuti, 2024). The sample was determined using the Lemeshow formula with a 95% confidence level and a 10% margin of error, resulting in a minimum of 96 respondents. The sampling technique was simple random sampling (Sugiyono, 2023), with the criteria being employees who had worked for at least two years. The study variables included: independent variables (job stress and work-life balance), dependent variables (employee well-being), and mediating variables (employee engagement) (Sugiyono, 2023).

The operational definition of each variable was measured through specific indicators: job stress encompasses physiological, psychological, and behavioral reactions (Rathi et al., 2022); Work-life balance includes time balance, involvement balance, and satisfaction balance (Akbar et al., 2024); employee engagement is measured by physical, cognitive, and emotional involvement (Mon et al., 2021); and employee well-being includes life well-being, workplace well-being, and psychological well-being (Rukijja et al., 2022). Primary data were collected through an online questionnaire with a 7-point Likert scale (1: Strongly Disagree to 7: Strongly Agree) to increase response sensitivity (Rokeman, 2024), while secondary data were obtained from company reports, journals, and relevant written sources. Data analysis used Partial Least Square–Structural Equation Modeling (PLS-SEM) (Ghozali, 2023), which included: (1) instrument testing (convergent validity, discriminant validity, and reliability); (2) outer model evaluation (convergent validity, discriminant validity, composite reliability, AVE, and Cronbach's Alpha); (3) evaluation of the inner model ( $R^2$ ,  $Q^2$ , and goodness of fit); and (4) hypothesis testing through bootstrapping to determine the significance of the relationship between variables (Ghozali, 2023). This approach was chosen because it is suitable for medium samples, non-normally distributed data, and complex models with mediating variables.

## RESULTS AND DISCUSSION

### Research Data Description

This study aims to analyze the influence of job stress and work-life balance on employee well-being, with employee engagement as a mediating variable among Generation Z employees in the Special Region of Yogyakarta (DIY). Primary data was collected through an online questionnaire distributed to 100 respondents via WhatsApp, Instagram, and the Quisioner app. After screening, 96 respondents' data were declared valid and used in descriptive statistical analysis to provide an overview of the data characteristics and respondent profiles (Olah Data, 2025).

Descriptive statistical analysis of the research variables, measured using a Likert scale of 1–7, revealed several key findings. Respondents' perceived job stress levels tended to be moderate, with a mean score of 3.57. Conversely, perceptions of work-life balance tended to be positive, as indicated by a median score of 6.00. The employee engagement variable also demonstrated controlled perceptions, with a median of 6.00 and a standard deviation range of 1.27 to 1.44. Similarly, employee well-being was classified as good, with a median ranging from 5.00 to 6.00 and a standard deviation between 1.12 and 1.39, indicating relatively uniform assessments among respondents (Data Analysis, 2025).

The respondent profile provides a more detailed demographic picture. The majority of respondents were female (56.3%) and born between 2002 and 2004 (59.4%). In terms of occupation, most respondents had worked for 2–3 years (74.0%), holding positions as staff or employees (71.9%). In terms of employment status, the majority were contract employees (55.2%) working in non-governmental institutions (79.2%). Geographically, respondents were most widely distributed in Sleman Regency (31.3%), and in terms of industry, they were predominantly engaged in service businesses (17.7%), followed by trade or retail (16.7%) (Data Analysis, 2025).

### Data Analysis and Model Testing

This research data analysis used the Structural Equation Modeling–Partial Least Squares SEM–PLS method, which was conducted in three main stages: Outer Model Testing, Inner Model Testing, and Hypothesis Testing. The main purpose of this testing is to ensure the validity and reliability of the indicators and research constructs.

#### Outer Model Testing

##### Convergent Validity

Convergent Validity is used to measure the extent to which indicators within a construct correlate with each other and represent the same construct. This test is generally assessed through factor loading values, where a value of  $\geq 0.70$  indicates that the indicator is convergently valid.

**Table 1**  
**Outer Loading Convergent Validity**

Indicator	Job Stress	Work-Life Balance	Employee Well-Being	Employee Engagement
X1.1	0,883			
X1.2	0,862			
X1.3	0,775			
X1.4	0,885			

X1.5	0,884			
X2.1		0,806		
X2.2		0,841		
X2.3		0,726		
X2.4		0,782		
X2.5		0,822		
X2.6		0,812		
Y1			0,812	
Y2			0,826	
Y3			0,779	
Y4			0,762	
Y5			0,769	
Y6			0,822	
Y7			0,816	
Z1				0,833
Z2				0,862
Z3				0,766
Z4				0,743
Z5				0,823
Z6				0,809

Source: Data Processing (2025)

The validity test results in Table 1 show that the variables job stress, work-life balance, employee engagement, and employee well-being have indicators that are declared valid. This is indicated by the loading values of each indicator on each variable being greater than 0.7, thus concluding that all indicators are able to accurately and appropriately measure the research constructs.

**Discriminant Validity**

Discriminant validity is used to measure the ability of a construct to distinguish itself from other constructs in the research model. Discriminant validity can be seen by comparing the root value of the Average Variance Extracted (AVE) with the correlation between constructs or through cross-loading values, where each indicator must have the highest loading value on the construct it measures.

**Table 2**  
**Fornell-Larcker Criterion**

<b>Indicator</b>	<b>Employee Engagement</b>	<b>Employee Well-Being</b>	<b>Job Stress</b>	<b>Work-Life Balance</b>
<i>Employee Engagement</i>	<b>0,807</b>			
<i>Employee Well-being</i>	0,661	<b>0,798</b>		
<i>Job Stress</i>	-0,390	-0,441	<b>0,859</b>	

<i>Work-Life Balance</i>	0,584	0,731	-0,299	<b>0,799</b>
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Source: Data Processing (2025)

The results of Table 2 above show that the root of the Average Variance Extracted (AVE) value shown on the diagonal for each variable—job stress, work-life balance, employee engagement, and employee well-being—is greater than the correlation value between that variable and the other variables. This indicates that each construct has an adequate level of differentiation from the other constructs in the research model. Therefore, it can be concluded that the variables job stress, work-life balance, employee engagement, and employee well-being meet the criteria for discriminant validity.

**Table 3**  
**Cross Loading**

<b>Indikator</b>	<b>Job Stress</b>	<b>Work-Life Balance</b>	<b>Employee Well-Being</b>	<b>Employee Engagement</b>
X1.1	<b>0,883</b>	-0,234	-0,444	-0,414
X1.2	<b>0,862</b>	-0,265	-0,342	-0,311
X1.3	<b>0,775</b>	-0,173	-0,261	-0,204
X1.4	<b>0,885</b>	-0,346	-0,433	-0,354
X1.5	<b>0,884</b>	-0,240	-0,363	-0,337
X2.1	-0,308	<b>0,806</b>	0,537	0,546
X2.2	-0,336	<b>0,841</b>	0,632	0,532
X2.3	-0,220	<b>0,726</b>	0,488	0,299
X2.4	-0,266	<b>0,782</b>	0,506	0,397
X2.5	-0,205	<b>0,822</b>	0,686	0,562
X2.6	-0,095	<b>0,812</b>	0,618	0,398
Y1	-0,321	0,689	<b>0,812</b>	0,564
Y2	-0,340	0,616	<b>0,826</b>	0,598
Y3	-0,358	0,638	<b>0,779</b>	0,519
Y4	-0,367	0,488	<b>0,762</b>	0,421
Y5	-0,329	0,478	<b>0,769</b>	0,557
Y6	-0,428	0,598	<b>0,822</b>	0,493
Y7	-0,324	0,541	<b>0,816</b>	0,523
Z1	-0,210	0,483	0,544	<b>0,833</b>
Z2	-0,345	0,532	0,596	<b>0,862</b>
Z3	-0,412	0,469	0,539	<b>0,766</b>
Z4	-0,395	0,463	0,536	<b>0,743</b>
Z5	-0,273	0,418	0,486	<b>0,823</b>
Z6	-0,224	0,443	0,476	<b>0,809</b>

Sumber: Olah Data (2025)

Table 3 above shows that the loading values for each indicator of the job stress, work-life balance, employee engagement, and employee well-being variables are higher than their

cross-loading values on other variables. Therefore, it can be concluded that the data used in this research instrument have met the criteria for discriminant validity.

### Composite Reliability

Composite Reliability is used to measure the level of internal consistency of indicators in forming a latent construct. A Composite Reliability value  $\geq 0.70$  indicates that the construct has good reliability.

**Table 4**  
**Composite Reliability**

Indicator	Composite reliability	Limit Value	Information
<i>Job Stress</i>	0,933	0,70	Reliabel
<i>Work-Life Balance</i>	0,914	0,70	Reliabel
<i>Employee Well-being</i>	0,925	0,70	Reliabel
<i>Employee Engagement</i>	0,918	0,70	Reliabel

Source: Data Processing (2025)

Table 4 above shows that the variables of job stress, work-life balance, employee engagement, and employee well-being have composite reliability values greater than 0.70. Thus, it can be concluded that all variables in this study are reliable.

### Average Variance Extracted (AVE)

Average Variance Extracted (AVE) is used to measure the proportion of indicator variance that can be explained by a latent construct compared to measurement error variance. An AVE value  $\geq 0.50$  indicates that the construct explains more than 50% of the variance of its indicators and has good convergent validity.

**Table 5**  
**Average Variance Extracted (AVE)**

Indicator	Value of AVE
Job Stress	0,737
Work-Life Balance	0,639
Employee Well-Being	0,637
Employee Engagement	0,651

Source: Data Processing (2025)

Based on the analysis results in Table 5 above, the AVE values for the variables job stress, work-life balance, employee engagement, and employee well-being are greater than 0.50. Therefore, it can be concluded that the indicators used to measure these variables are valid.

### Cronbach's Alpha

Cronbach's Alpha is used to measure the internal reliability of the research instrument, namely the extent to which indicators within a variable consistently measure the same construct. A Cronbach's Alpha value  $\geq 0.70$  indicates that the research instrument is reliable.

**Table 6**  
**Cronbach's alpha**

Indikator	Cronbach's alpha	Limit Value	Information
Job Stress	0,912	0,70	Reliabel
Work-Life Balance	0,887	0,70	Reliabel
Employee Well-Being	0,905	0,70	Reliabel
Employee Engagement	0,892	0,70	Reliabel

Source: Data Processing (2025)

Table 6 above shows that the variables job stress, work-life balance, employee engagement, and employee well-being have Cronbach's Alpha values greater than 0.70. Thus, it can be concluded that all variables in this study are reliable.

**Inner Model Evaluation**

The inner model or structural model test is used to evaluate the relationships among latent variables in the study. Before testing the hypotheses, the model's goodness of fit with the observed data was assessed.

**Coefficient of Determination (R-Square)**

The coefficient of determination or R-square ( $R^2$ ) is used to measure the ability of independent variables to explain the variation in dependent variables. The  $R^2$  value indicates the proportion of variance in the endogenous variable that can be explained by the exogenous variables in the research model. Values closer to 1 indicate a stronger explanatory power, while values closer to 0 indicate weak explanatory power.

**Table 7**  
**R-square**

Indicator	R-square
Employee Engagement	0,391
Employee Wellbeing	0,643

Source: Data Processing (2025)

The R-square value obtained for the employee engagement variable is 0.391, indicating that job stress and work-life balance explain 39.1% of the variance in employee engagement. The remaining 60.9% is influenced by other variables not included in this study.

Furthermore, the R-square value for employee well-being is 0.643, indicating that job stress, work-life balance, and employee engagement explain 64.3% of the variance in employee well-being. The remaining 35.7% is influenced by other variables not included in this study.

**Predictive Relevance ( $Q^2$ )**

Predictive Relevance ( $Q^2$ ) is used to measure the ability of the structural model to predict observed values of endogenous variables. The  $Q^2$  test is conducted using the blindfolding procedure. A  $Q^2$  value greater than 0 indicates that the model has good predictive relevance, whereas a  $Q^2$  value less than or equal to 0 indicates a lack of predictive capability.

**Table 8**  
**Predictive Relevance (Q2)**

Indikator	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Employee Engagement	576,000	437,686	0,240
Employee Well-Being	672,000	409,290	0,391

Source: Data Processing (2025)

Based on the analysis results shown in Table 8, the Q<sup>2</sup> value is greater than 0. Therefore, it can be concluded that the research model has good predictive relevance.

**Goodness of Fit**

Goodness of fit is used to assess the overall fit of the model, including both the measurement and structural models. The GoF value is calculated as the square root of the product of the average AVE value and the average R<sup>2</sup> value. GoF values are categorized as small (0.10), medium (0.25), and large (0.36), with higher values indicating better model fit.

**Table 9**  
**Model Fit**

Indicator	Saturated model	Estimated model
SRMR	0,078	0,078
d ULS	1,823	1,823
d G	0,852	0,852
Chi-square	436,449	436,449
NFI	0,754	0,754

Source: Data Processing (2025)

Hasil Based on the analysis results in Table 9, the SRMR value is 0.078 (< 0.08) and the NFI value is close to 1. Therefore, it can be concluded that the structural model fits the data well and is suitable for interpreting the research results.

**Hypothesis Testing Results**

**Direct Effect Test Results**

The direct effect test is used to determine the direct influence of independent variables on dependent variables without involving a mediating variable.

**Table 10**  
**Direct Effect Test Results**

	Original Sample (O)	T-Statistic	P-Values	Test Results	Hypothesis
JS → EWB	-0,174	2,592	0,010	Supported	H1
WLB → EWB	0,506	4,273	0,000	Supported	H2
JS → EE	-0,236	2,462	0,014	Supported	H3
WLB → EE	0,513	5,216	0,000	Supported	H4
EE → EWB	0,298	2,219	0,027	Supported	H5

Source: Data Processing (2025)

A significant relationship indicates that the effect between independent and dependent variables occurs genuinely and is not due to chance. A relationship is considered

significant if the p-value < 0.05 and the t-statistic > 1.96, indicating that the research hypothesis is accepted.

- a. Hypothesis 1 (H1) is accepted, indicating that job stress has a negative and significant effect on employee well-being, with a negative original sample value of -0.174, a t-statistic of 2.592 (> 1.96), and a p-value of 0.010 (< 0.05). This result indicates that higher levels of job stress experienced by employees lead to lower levels of perceived well-being.
- b. Hypothesis 2 (H2) is accepted, indicating that work-life balance has a positive and significant effect on employee well-being, with an original sample value of 0.506, a t-statistic of 4.273 (> 1.96), and a p-value of 0.000 (< 0.05). This result indicates that better balance between work and personal life leads to higher levels of employee well-being.
- c. Hypothesis 3 (H3) is accepted, indicating that job stress has a negative and significant effect on employee engagement, with a negative original sample value of -0.236, a t-statistic of 2.462 (> 1.96), and a p-value of 0.014 (< 0.05). This result indicates that increased job stress reduces employee engagement.
- d. Hypothesis 4 (H4) is accepted, indicating that work-life balance has a positive and significant effect on employee engagement, with an original sample value of 0.513, a t-statistic of 5.216 (> 1.96), and a p-value of 0.000 (< 0.05). This result indicates that good work-life balance enhances employee engagement.
- e. Hypothesis 5 (H5) is accepted, indicating that employee engagement has a positive and significant effect on employee well-being, with an original sample value of 0.298, a t-statistic of 2.219 (> 1.96), and a p-value of 0.027 (< 0.05). This result indicates that higher employee engagement leads to higher employee well-being.

**Indirect Effect Test Results**

The indirect effect test is used to determine the influence of independent variables on dependent variables through a mediating variable.

**Table 11**  
**Indirect Effect Test Results**

	<b>Original Sample</b>	<b>T-Statistic</b>	<b>P-Values</b>	<b>Test Results</b>	<b>Hypothesis</b>
JS → EE → EWB	-0,070	1,429	0,153	Not Supported	H6
WLB → EE → EWB	0,153	2,041	0,041	Supported	H7

Source: Data Processing (2025)

**Non-Significant Relationship**

A non-significant relationship indicates that the effect between variables in the research model is not statistically proven, as indicated by a p-value ≥ 0.05 and/or a t-statistic ≤ 1.96. Therefore, the research hypothesis is rejected.

Hypothesis 6 (H6) is rejected, indicating that employee engagement does not mediate the effect of job stress on employee well-being, with an original sample value of -0.070, a t-statistic of 1.429 (< 1.96), and a p-value of 0.153 (> 0.05). This result indicates that employee

engagement does not play a significant mediating role in the relationship between job stress and employee well-being.

### **Significant Relationship**

Hypothesis 7 (H7) is accepted, indicating that employee engagement significantly mediates the effect of work-life balance on employee well-being, with an original sample value of 0.153, a t-statistic of 2.041 ( $> 1.96$ ), and a p-value of 0.041 ( $< 0.05$ ). This result indicates that employee engagement serves as a mediating variable in the relationship between work-life balance and employee well-being.

## **Discussion**

### **1. Job Stress Has a Negative and Significant Effect on Employee Well-Being**

H1 states that job stress has a negative and significant effect on employee well-being. The findings indicate that higher levels of job stress experienced by employees lead to lower levels of perceived well-being. Excessive job stress can cause emotional exhaustion, psychological pressure, and reduced life satisfaction and mental health. These findings are consistent with studies by Hernandez Grande et al. (2025) and Aziz (2024), which reported a significant negative impact of job stress on employee well-being. Thus, this study reinforces the theory that managing job stress is crucial for maintaining employee well-being.

### **2. Work-Life Balance Has a Positive and Significant Effect on Employee Well-Being**

H2 states that work-life balance has a positive and significant effect on employee well-being. The findings indicate that better balance between work and personal life leads to higher employee well-being. This balance enables employees to manage work and non-work roles effectively, thereby improving life satisfaction and mental health. These results are consistent with previous studies by Rosnani et al. (2023), Putri et al. (2025), and Stankevičienė et al. (2021).

### **3. Job Stress Has a Negative and Significant Effect on Employee Engagement**

H3 states that job stress has a negative and significant effect on employee engagement. The findings indicate that increased job stress reduces employees' attachment, motivation, and enthusiasm toward their work. Poorly managed job stress tends to drain employees' physical and psychological energy, thereby decreasing engagement.

### **4. Work-Life Balance Has a Positive and Significant Effect on Employee Engagement**

H4 states that work-life balance has a positive and significant effect on employee engagement. The findings indicate that employees who maintain a healthy balance between work and personal life are more engaged, dedicated, and enthusiastic in performing their jobs. These results are consistent with studies by Jannata and Surya (2022), Pathak and Lawande (2021), and Azkiya et al. (2025).

### **5. Employee Engagement Has a Positive and Significant Effect on Employee Well-Being**

H5 states that employee engagement has a positive and significant effect on employee well-being. The findings indicate that highly engaged employees tend to experience better well-being, driven by feelings of meaning, satisfaction, and positive emotional states at work.

These results align with findings by Simanjuntak et al. (2024), Jro et al. (2023), and Rheina and Suryani (2023).

#### **6. Employee Engagement Does Not Mediate the Effect of Job Stress on Employee Well-Being**

H6 states that employee engagement mediates the effect of job stress on employee well-being; however, this hypothesis is rejected. The findings indicate that employee engagement is unable to serve as a mediating mechanism in the relationship between job stress and employee well-being. This suggests that high job stress directly reduces employee well-being regardless of engagement levels, consistent with findings by Luna et al. (2023).

#### **7. Employee Engagement Mediates the Effect of Work-Life Balance on Employee Well-Being**

H7 states that employee engagement mediates the effect of work-life balance on employee well-being. The findings indicate that work-life balance affects employee well-being both directly and indirectly through increased employee engagement. Thus, employee engagement partially mediates the relationship between work-life balance and employee well-being. This finding is consistent with Afiqah (2024), who reported the mediating role of employee engagement in the relationship between work-life balance and employee well-being.

### **CONCLUSION**

Based on the results of the study conducted using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method, several conclusions can be drawn as follows. H1 is accepted, as job stress has a negative and significant effect on employee well-being. This indicates that higher levels of job stress experienced by employees lead to lower levels of employee well-being. H2 is accepted, as work-life balance has a positive and significant effect on employee well-being. This means that a balance between work life and personal life is able to enhance employee well-being. H3 is accepted, as job stress has a negative and significant effect on employee engagement. This indicates that high levels of job stress can reduce employee engagement at work. H4 is accepted, as work-life balance has a positive and significant effect on employee engagement. Employees who have a good work-life balance tend to demonstrate higher levels of work engagement. H5 is accepted, as employee engagement has a positive and significant effect on employee well-being. This indicates that better employee engagement leads to higher levels of employee well-being. H6 is rejected, as employee engagement does not mediate the effect of job stress on employee well-being in this study. This suggests that the effect of job stress on employee well-being occurs directly without being mediated by employee engagement. H7 is accepted, as employee engagement is able to mediate the effect of work-life balance on employee well-being. Thus, work-life balance can improve employee well-being through employee engagement

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