

Work-Life Balance, Take Home Pay and Workplace Environment: Which One has the Most Influence toward Employee Performance on Gen Z?

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Abstract

Companies need to focus on improving the performance of their employees so that they have a better competitive advantage than their competitors. Various strategies that can be considered, for example, are through a work-life balance, take home pay, and workplace environment. This study aimed to analyze and determine the effect of work-life balance, take home pay, and workplace environment toward employee performance of Gen Z in Indonesia. The approach used was a quantitative approach, with data obtained from Gen Z who worked in private companies in Indonesia from March to July 2023. A sample of 202 respondents was obtained through an online survey mechanism. The data collected was then analyzed using multiple linear regression analysis involving control variables in the form of gender and marital status, so that five different analysis models were obtained. The results of the study showed that: a) work-life balance has a positive and significant effect on employee performance; b) take home pay has a positive and significant effect on employee performance; c) workplace environment has a positive but not significant effect on employee performance; d) collectively, work-life balance, take home pay, and workplace environment have a positive and significant effect on employee performance, and; e) take home pay was proven to be the dominant variable in influencing employee performance of Gen Z in Indonesia who are chosen as the study sample.

Keywords: *employee performance, work-life balance, take home pay, workplace environment, Gen Z*

Abstrak

Perusahaan perlu memfokuskan diri untuk meningkatkan kinerja karyawannya sehingga memiliki keunggulan kompetitif yang lebih baik dibandingkan pesaingnya. Berbagai upaya yang dapat dipertimbangkan misalnya adalah melalui strategi *work-life balance*, *take home pay*, dan *workplace environment*. Penelitian ini ditujukan untuk menganalisis dan mengetahui pengaruh *work-life balance*, *take home pay*, dan *workplace environment* terhadap *employee performance* pada Gen Z di Indonesia. Pendekatan yang ditetapkan adalah pendekatan kuantitatif, dengan data diperoleh dari Gen Z yang bekerja pada perusahaan swasta di Indonesia selama periode bulan Maret hingga Juli 2023. Selama periode pengumpulan data, diperoleh sampel sebanyak 202 responden melalui mekanisme survei *online*. Data yang dikumpulkan kemudian dianalisis dengan analisis regresi linear berganda dengan melibatkan variabel kontrol berupa jenis kelamin dan status perkawinan, sehingga diperoleh lima model analisis yang berbeda. Adapun hasil penelitian menunjukkan bahwa: a) *work-life balance* berpengaruh positif dan signifikan pada *employee performance*; b) *take home pay* berpengaruh positif dan signifikan pada *employee performance*; c) *workplace environment* berpengaruh positif namun tidak signifikan pada *employee performance*; d) secara bersama-sama, *work-life balance*, *take home pay*, dan *workplace environment* berpengaruh positif dan signifikan pada *employee performance*, serta; e) *take home pay* terbukti menjadi variabel dominan dalam mempengaruhi *employee performance* Gen Z di Indonesia yang menjadi sampel penelitian.

Kata kunci: *kinerja karyawan, keseimbangan kehidupan kerja, gaji dibawa pulang, lingkungan kerja, Gen Z*

1. Introduction

The work and business landscape has experienced a significant changing in activity patterns in the last few decades. The existence of technological innovations and increasing the globalization have changed the way people view the world of work, especially since today many companies are developing and promoting the use of new and completely different strategies, tools and techniques designed to increase the operational efficiency of companies (Aggarwal, 1999; Katerina & Aneta, 2014; Hussain et al., 2018). Also the existence of COVID-19 which hit the world starting at the end of 2019 caused various changes that lead to more integration of company activities with modern technology (Elayan, 2022). On the one side, this does help company employees to work better and increase their productivity. But at the same time, this also leads to a diminishing role of humans in company activities (Acemoglu & Restrepo, 2018).

Apart from reducing companies' need for human resources, another problem of digitalization and automation in the world of work is also related to the emergence of risks in the form of skills gaps and resistance to change (Blanka et al., 2022; Peiro & Martinez-Tur, 2022). Because digitalization in the world of work also involves changing conventional systems to digital, implementing digital transformation within a company also requires skilled professionals who understand technology and can drive or navigate the necessary changes (Elayan, 2022). However, today's organizations or companies may experience a digital skills shortage in their existing workforce, making it difficult to successfully navigate the transformation process. Additionally, resistance to change from employees who are used to work with traditional business practice styles can hinder the adoption of new digital technologies. Therefore, in this case the company also needs to adjust the needs of a workforce that is able to keep up with the digitalization developments that are occurring, including by considering the use of a workforce that is younger and closer to technology.

Talking about a young workforce and close use of technology is basically inseparable from the emergence of the term Generation Z or Gen Z. Gen Z is a generation of digital natives and hyper-connected junkies (Dwidienawati & Gandasari, 2018) who grew up together with the massive development of communication technology such as smartphones or various media that are integrated with the internet, and this makes this generation stand out compared to previous generations (Dolot, 2018). Gen Z is the generation that was born after Gen Y, or belonging to the period born after 1995 (Dolot 2018; Ensari, 2017; Sánchez-Hernández et al., 2019) until 2015 (Dwidienawati & Gandasari, 2018). Gen Z is considered a generation that is skilled in navigating and utilizing technology and the internet, making them fast learners when it comes to new software and tools in the work environment (Elayan, 2022).

Gen Z in 2020 has filled as much as 20% of the total workforce worldwide, or in other words reaching 2.56 million workers (Dwidienawati & Gandasari, 2018). When compared to previous generations, Gen Z workers generally have several unique characteristics that set them apart from other generations. Not only related to their dependence on technology, Gen Z is also different from other generations in terms of their attitude towards work-life balance, which this term of "work-life balance" has become a commonly discussed topic in both practical and academic fields over the last few decades (Beham & Drobnič, 2010), given that the current business landscape has changed and led to increased pressure on employees (Victoria et al., 2019) and the emergence of problems in fulfilling their social responsibilities (Hofäcker & König, 2013; Halinski & Duxbury, 2019). Work-life balance can be defined as an individual's perception of the balance between an individual's personal life and their work responsibilities (Kerdpitak & Jermsittiparsert, 2020; Hsu et al., 2019). Work-life balance signifies an adequate balance between an individual's professional



and personal life, where the focus is on maintaining a healthy combination of work activities and one's personal commitment to social life without one negatively impacting the other (Victoria et al., 2019). In this regard, while Gen Y and other generations place the main emphasis on work, Gen Z generally values their personal life and sufficient rest. This is because Gen Z grew up in social and economic conditions that were different from the previous generation, which caused this generation to be more willing to take risks compared to other generations who have experienced uncertainty and fear due to economic recession and other conditions (Dwidienawati & Gandasari, 2018). Gen Z is self-centered and tends to prioritize work-life balance over personal career (Benítez-Márquez et al., 2022).

For Gen Z, work-life balance is not only seen as a balance between work and personal time. Rather, this balance is seen in a holistic perspective (Ngoc et al., 2022). Work-life balance for Gen Z does not necessarily mean working less or taking time off for personal activities. But more than that, work-life balance is also about quality of life, personal fulfillment, and overall well-being (Marques & Berry, 2021). Because Gen Z is seen as a generation that prioritizing personal growth, mental health, and relationships with loved ones over their work life (Benítez-Márquez et al., 2022). Gen Z has also seen the impact of overwork, stress, and burnout on previous generations, leading this generation to take a more cautious approach to work. Moreover, the problem of work-life balance is a common phenomenon around the world today (Beckers et al., 2004), and news about overtime work can be found easily in various media (Wong et al., 2019). Because of this, Gen Z believes that through a better balance between their personal and professional lives, they can avoid burnout, improve their mental health, and simultaneously maintain their productivity levels. In various previous studies, the importance of work-life balance has even been seen as an aspect that can improve one's performance through several mechanisms.

First, a good and healthy work-life balance reduces stress levels in employees, thereby increasing their productivity. Long working hours, working consistently without rest and no days off can cause boredom, work stress, depression (Hsu et al., 2019) and ultimately cause poor employee performance (Victoria et al., 2019) or even in the most severe cases, are the emergence of disease and the occurrence of death (Beckers et al., 2004). Second, a healthy work-life balance allows employees to prioritize their personal lives, and this in turn increases job satisfaction (Beham & Drobnič, 2010). In general, work flexibility has an impact on work and non-work behavior of employees, including in terms of their satisfaction and performance (Hayman, 2009). Workers who are satisfied or happy with their jobs are more likely to perform well than workers who are job dissatisfied or unhappy with their jobs (Ansari et al., 2015). Third, a culture of work-life balance in the company also improves the mental health, well-being and physical quality of employees (Björntoft et al., 2020). This is because with a balanced lifestyle, workers have time to exercise, get enough rest, and eat well. And thus ultimately improving their health, making workers more productive at work, and resulting in fewer sick days and absences from work (Holden & Sunindijo, 2018). Even the implications of work-life balance on employee productivity or performance have also been proven in various studies which confirm that work-life balance significantly and positively affects employee performance (Shaari et al., 2022; Susanto et al., 2022; Melayansari & Bhinekawati, 2020; Ngozi & Chinelo, 2020; Victoria et al., 2019; Jackson & Fransman, 2018; Lazăr et al., 2010). This positive influence means that with better or healthier work-life balance conditions felt by employees, in the end it will also increase the performance or productivity of employees, and vice versa.

Apart from work-life balance, one of the things that concerns Gen Z and makes it unique compared to other generations in the world of work is their view of salary, wages or take home pay



(Agarwal & Vaghela, 2018). Slightly different from salaries and wages, take home pay is the total amount of money an employee can take after deducting taxes and other deductions. Take home pay is the ultimate measure of how much an employee can take home their salary to support themselves and their dependent families. Although it may seem that Gen Z is too young to worry about the take home pay they receive, in fact this generation is considered to be a more economically conscious generation than previous generations (Sladek and Grabiner in Benítez-Márquez et al., 2022; Ngoc et al., 2022), because of the information they receive from the internet and social media. Gen Z also has a unique perspective in relation to take home pay due to the fact that they grew up in a sharing economy, part time jobs and freelancing are common things. Unlike previous generations, Gen Z does not expect to spend their entire adult lives working for one company. Instead, Gen Z generally focuses more on building careers that allow them to work flexibly and effortlessly (Sánchez-Hernández et al., 2019), easily change jobs, while still getting decent wages (Dolot, 2018). In addition, Gen Z is also very aware of the cost of living and understands that when inflation raises the price of goods and services, the take home pay they receive does not increase at the same rate. For this reason, Gen Z is more critical about work, and demands a more equitable take home pay (Agarwal & Vaghela, 2018; Kupczyk et al., 2021). Moreover, even though Gen Z has high self-confidence and optimism about future financial conditions (Sánchez-Hernández et al., 2019), they are also cautious and have a more hedonistic lifestyle than other generations (Dwidienawati & Gandasari, 2018). In other words, their demand for take home pay is also higher than the previous generation.

Having proper take home pay is basically a mechanism to improve employee performance, including Gen Z. Take home pay helps companies motivate employees. As humans, Gen Z also works to make a living and as an effort to meet their needs. When employees receive enough money to support their basic needs and get what they want, employees tend to be more motivated and focused on their work (Ldama & Nasiru, 2020). This in turn leads to increased productivity and better performance. Furthermore, similar to work-life balance, take home pay is also closely related to the overall level of employee job satisfaction (Umar, 2014). When employees are paid well, employees are more likely to feel happy, valued, and considered important by their company. This has implications for increasing job satisfaction and the desire to perform better at work, including providing better service, working collaboratively, and demonstrating more productivity (Seniwoliba, 2015). Third, take home pay is a company mechanism to encourage employees to remain loyal to their jobs. When employees' salaries are sufficient, they are less likely to seek better job opportunities elsewhere (Wilfred et al., 2014). This reduces the risk of employee turnover and the costs associated with recruiting and training new employees. In other words, the company in this case can also retain employees who are experienced and have high productivity. Various studies have also been conducted to show that the better the employee's perception of the take home pay received by employees, the higher the performance or productivity they can produce for the company (Wilfred et al., 2014; Seniwoliba, 2015; Calvin, 2017; Ldama & Nasiru, 2020; Umar, 2014).

Furthermore, it was also mentioned earlier that Gen Z is the first generation of workers who are fully immersed and prioritize the use of technology and social media (Benítez-Márquez et al., 2022). As a result, this generation also has a new way of thinking about the workplace environment. Gen Z grew up with fast access to information, which resulted in this generation having high adaptability and flexibility (Singh & Dangmei, 2016). However, it was explained in the previous point that this generation places emphasis on finding companies that support a healthy work-life balance for them. Therefore, on the other hand, this generation also expects a high degree of



freedom at work (Sánchez-Hernández et al., 2019; Marginean, 2021). In general, Gen Z also attaches great importance to diversity and inclusivity in the workplace. They want to work for companies that are socially responsible and have a diverse workforce (Ngoc et al., 2022; Schroth, 2019). They prioritize a workplace that fosters an inclusive culture where everyone is treated equally regardless of race, gender, age or religion (Marginean, 2021). And besides diversity, an important aspect regarding the work environment is that Gen Z considers how companies provide technology to their workers. Since they grew up with technology, they also expect qualified and sophisticated technology at work (Agarwal & Vaghela, 2018). Gen Z workers seek employers who provide efficient software, communication tools, and other technologies that make their jobs more convenient and efficient.

The importance of a good work environment for Gen Z is basically similar to the needs of other generations in the workplace, in that the work environment plays a crucial role in determining their performance or productivity. The workplace environment in various expert statements is stated to be in any form that exists around workers in carrying out their work duties, and can have an impact on how employees perform in carrying out their work (Ahmad & Khan, 2018; Al-Omari & Okasheh, 2017). Thus, it can also be said that the workplace environment refers to various internal and external conditions, physical or tangible factors (such as ergonomic furniture, lighting, and temperature) as well as non-physical or intangible factors (respect for diversity, communication, and teamwork), which can affect the atmosphere of workers and the results they achieve in carrying out work (Haeruddin et al., 2022). A healthy and pleasant workplace environment can reduce worker stress, which creates a more positive employee experience (Kerdpitak & Jernsittiparsert, 2020). The existence of this satisfaction in turn allows workers to work better and achieve higher levels of productivity. Including the availability of good infrastructure in the work environment can also have a positive impact on the mental and physical health and well-being of employees (Sarode & Shirsath, 2014; Samson & Waiganjo, 2015). The low number of employees who experience emotional stress and disturbances in the work environment (poor lighting, uncomfortable sitting positions, etc.), also means that there will be lower levels of absenteeism and higher productivity of the company as a whole (Zhenjing et al., 2022). Besides being useful in employee development, a positive and satisfying work environment is also an ideal incentive for employees to develop supportive relationships with their co-workers and managers (Ahmad & Khan, 2018). This also encourages better work collaboration and triggers employees to give their best contribution to the company because there is a good emotional connection between workers and each other, managers, and the company as a whole (Samson & Waiganjo, 2015; Haeruddin et al., 2022). Various studies have even shown that employee perceptions of the workplace environment have direct implications for employee performance (Sarode & Shirsath, 2014; Patel & Pillai, 2020; Soelistya et al., 2022; Zhenjing et al., 2022).

Referring to this explanation, the three things in the form of work-life balance, workplace environment, and take home pay, that have been mentioned are core and close aspects for Gen Z in improving their work performance. The significance of this study is also based on the fact that there are several gaps in this topic. Previously it was stated that work-life balance, take home pay, and the workplace environment have a significant influence on employee performance. However, this condition is not always proven. However, from the literature study conducted by researchers, there are also various other studies that imply different results, such as research showing that there is no effect of work-life balance on employee performance (Kim, 2014; Soelistya et al., 2022); physical factors in the workplace environment do not affect employee performance (Samson & Waiganjo, 2015); wages have a negative and insignificant effect on employee performance



(Gunawan & Amalia, 2015). The differences in the results of previous research with theories, concepts, and with other previous studies indicate that there are still research gaps that can be filled in this topic.

The research gap in this study is also related to limitations and lacks of previous studies. As in research by Victoria et al. (2019) which offered a framework of the relationship between work-life balance and employee performance in banks in the Lagos State, Nigeria, without considering other aspects, so that other related factors are needed, including those suggested by Victoria et al. (2019) to use a workplace environment so that it can complement research framework and findings. Meanwhile, in other previous research, the framework of the relationship between work-life balance, workplace environment, and take home pay on employee performance has been tested in various specific sectors (Ansari et al., 2015; Beham & Drobnič, 2010; Seniwoliba, 2015; Haeruddin et al., 2022; Gunawan & Amalia, 2015). Therefore, further research needs to be tested in a wider sector so that research findings can be generalized. Also in research by Beham & Drobnič (2010); Bjärntoft et al. (2020); Beckers et al. (2004), respondent characteristics such as family type and marital status were excluded in the research, so it is possible that there may be bias in the research findings. Therefore, this study used control variables in the form of respondent demographics such as gender and marital status to indicate the possibility of differences in the results of the influence of work-life balance, take home pay, and the workplace environment on employee performance. Then, the use of the control variables that have been mentioned, the selection of study subjects, and the use of hierarchical multiple linear regression analysis are the originality of this study.

In the end, researcher assumed that understanding the values and priorities of this generation will be critical for businesses and policy makers to attract and retain this generation of workers, and at the same time to know the most effective mechanisms to improve their performance. Therefore, the purpose of conducting this research was to find out: 1) is there a significant effect of work-life balance towards the performance of Gen Z in a company?; 2) is there a significant effect of workplace environment towards the performance of Gen Z in a company?; 3) is there a significant effect of take home pay towards the performance of Gen Z in a company?, and; 4) which is considered to be the strongest aspect among work-life balance, workplace environment, and take home pay in influencing the performance of Gen Z in a company?. Regarding academic contributions, this study is useful in completing the literature about the determinants of employee performance, especially Gen Z, which is currently an important subject in various research fields. It is also hoped that this study will be positioned as empirical evidence for the theories and assumptions that have been presented by experts, so that information can be found to refute or support existing theories. Meanwhile, in terms of practical benefits, it is hoped that this study will be able to contribute to companies understanding the factors that cause increased Gen Z performance in a company from an academic perspective. Through this view, companies will be able to focus on developing their strategies to increasing employee performance to support overall company performance. What's more, currently the global Gen Z population has exceeded the number of previous generations, which causes this generation to have the potential to be a crucial company resource and makes this generation deserve more attention (Marginean, 2021).

2. Method

This type of study is explanatory study which is based on post-positivism and is used to describe changes in certain values and conditions due to changes in other values and conditions (Ahyar, 2020). The approach used in this study was a quantitative approach, in which the study



data used and processed are in the form of numbers, and data analysis is based on statistical testing (Sugiyono, 2016). The data in this study were collected through an online survey mechanism (distribution of questionnaires using google form) which was conducted from March to July 2023 for Gen Z (born 1995 to 2015) who are private sector workers in Indonesia and are at least 18 years old. Questionnaires were submitted to respondents to meet study needs related to respondent demographic information (gender, age, marital status), work-life balance, take home pay, workplace environment, and employee performance. In this study, the population size was unknown, so the population is considered to be infinite. While the size of samples was determined using the sample-to-variable ratio with a ratio of 20 samples to 1 independent variable (Memon et al., 2020), so that the minimum sample is 60 respondents. However, this study was conducted by collecting as many samples as possible during the data collection period.

Work-life balance in this study refers to study by Victoria et al. (2019) which divides work-life balance into three dimensions in the form of job stress (4 items), role overload (4 items), and long working hours (4 items); take home pay is obtained by modifying the pay satisfaction variable in the study by Olusola dan Nathaniel (2019) which is divided into four dimensions, namely pay level (2 items), benefit satisfaction (2 items), raise satisfaction (2 items), and pay structure satisfaction (2 items); workplace environment is divided into two dimensions, namely physical factors (7 items) and behavioral factors (6 items) adapted from Hafeez et al. (2019); and employee performance is divided into five dimensions in the form of quality of work (2 items), quantity of work (2 items), working creativity (2 items), effectiveness of work (2 items), and timely competition of work (2 items) referring to the study by Umar (2014). These variables are measured by an ordinal Likert scale from 1 to 4 which indicates the answers strongly disagree to strongly agree. Neutral or doubtful answer options were removed to avoid bias in the respondents' answers. In addition to setting the independent variable and the dependent variable, this study also used control variables in the form of respondent demographics, namely gender and marital status. The decision for the control variable gender is male = 1 and female = 0; and decisions for control variables marital status is married = 1 and single = 0.

During the data collection period, 202 respondents were obtained. The study data was then tested and analyzed using SPSS to determine whether the alternative study hypothesis was accepted or not. The data analysis in this study includes multiple linear regression analysis, effective contribution, and relative contribution. And before carrying out further tests, researcher conducted validity and reliability tests to determine the feasibility of the instruments used to collect data. The validity and reliability tests were carried out on a smaller sample, namely 60 samples, using the help of SPSS 25 for windows software. Not all study items have a Pearson's correlation product moment value of more than 0.3, namely X1.2.2; X3.1.1; X3.2.1. And as based on the statement by Sugiyono (2016) that the minimum pearson correlation value for conducting validity test is 0.3. Thus all the study items are to be found invalid was deleted and not used in further tests. Also, it was known that all variables have a Cronbach's Alpha value higher than 0.6, so based on the statement by Darmawan (2013) that all instruments used to measure variables are declared reliable.

3. Results and Discussions

3.1. Results

Multiple Linear Regression Analysis

The results of multiple linear regression analysis can be seen in table 3. Model 1 is a multiple linear regression analysis which only involves control variables, namely gender and marital status



which are used to predict changes in the response or dependent variable, namely employee performance. Based on the results in model 1, it is known that the R square value is 0.008, which indicates that as much as 0.8% of the employee performance variable can be formed by gender and marital status variables. The F-value in model 1 is 0.796 with a positive sign, indicating that there is a unidirectional or positive relationship between gender and marital status on employee performance. However, the F-value which is lower than the F-table ($0.796 < 3.041056$) and α is 0.452 or greater than 0.05 ($0.452 > 0.05$) confirmed that the influence exerted by gender and marital status is not significant on employee performance.

Table 3. Multiple Linear Regression Analysis with Control Variables

	Exp Sign	Model 1 Control	Model 2	Model 3	Model 4	Model 5 All
Intercept		33,625	31,715	28,680	28,077	24,068
Control Variable						
Gender		0,085 (0,232)	0,067 (0,345)	0,067 (0,317)	0,075 (0,276)	0,039 (0,553)
Marital Status		0,024 (0,736)	0,027 (0,706)	0,046 (0,493)	0,040 (0,558)	0,054 (0,412)
Work-Life Balance	+		0,129 (0,071)			0,186 (0,007)
H1: Work-life Balance has significant towards Employee Performance						
Take Home Pay	+			0,342 (0,000)		0,288 (0,001)
H2: Take Home Pay has significant towards Employee Performance						
Workplace Environment	+				0,253 (0,000)	0,120 (0,158)
H3: Workplace Environment has significant towards Employee Performance						
R ²		0,008	0,024	0,124	0,072	0,159
Adjusted R ²		-0,002	0,009	0,111	0,057	0,138
F-Value		0,796	1,634	9,348	5,087	7,435
F-Table		3,041056	2,649979	2,649979	2,649979	2,259931
α		0,452	0,183	0,000	0,002	0,000
Degree of freedom (df)		2	3	3	3	5

Source: Primary Data Processing

Model 2 is a multiple linear regression analysis involving work-life balance variables, accompanied by the use of control variables gender and marital status to predict changes in the response or dependent variable, namely employee performance. In this model, the R square obtained is 0.024 or 2.40% of the variable employee performance can be formed by the variables work-life balance, gender and marital status. In model 2, an F-value of 1.634 is obtained with a positive sign, indicating that there is a unidirectional or positive relationship between the variables work-life balance, gender, and marital status on employee performance. However, the F-value which is lower than the F-table ($1.634 < 2.649979$) and α is 0.183 or greater than 0.05 ($0.183 >$



0.05) confirmed that the influence exerted by work-life balance, gender, and marital status is not significant on employee performance.

Model 3 is a multiple linear regression analysis involving the take home pay variable, accompanied by the use of control variables gender and marital status to predict changes in the response or dependent variable, namely employee performance. In this model, the R square obtained is 0.124 or 12.40% of the employee performance variable can be formed by the take home pay, gender and marital status variables. In model 3, an F-value of 9.348 is obtained with a positive sign, indicating that there is a unidirectional or positive relationship between the take home pay, gender, and marital status variables on employee performance. In addition, the F-value which is higher than the F-table ($9.348 > 2.649979$) and α of 0.000 or less than 0.05 ($0.000 < 0.05$) confirmed that the influence exerted by take home pay, gender, and marital status is significant on employee performance.

Model 4 is a multiple linear regression analysis involving workplace environment variables, along with the use of control variables gender and marital status to predict changes in the response or dependent variable, namely employee performance. In this model, the R square obtained is 0.072 or 7.20% of the employee performance variable can be formed by the workplace environment, gender, and marital status variables. In model 4, an F-value of 5.087 is obtained with a positive sign, indicating that there is a unidirectional or positive relationship between the workplace environment, gender, and marital status variables on employee performance. In addition, an F-value that is higher than the F-table ($5.087 > 2.649979$) and an α of 0.002 or less than 0.05 ($0.002 < 0.05$) confirmed that the influence exerted by the workplace environment, gender, and marital status is significant on employee performance.

Finally, model 5 is a multiple linear regression analysis involving work-life balance, take home pay, and workplace environment variables, along with the use of control variables gender and marital status to predict changes in the response or dependent variable, namely employee performance. In this model, the R square obtained is 0.159 or 15.90% of the variable employee performance can be formed by the variables work-life balance, take home pay, workplace environment, gender, and marital status. In model 5, an F-value of 7.435 is obtained with a positive sign, indicating that there is a unidirectional or positive relationship between the variables work-life balance, take home pay, workplace environment, gender, and marital status on employee performance. In addition, the F-value which is higher than the F-table ($7.435 > 2.259931$) and α is 0.000 or less than 0.05 ($0.000 < 0.05$) confirmed that the influence exerted by work-life balance, take home pay, workplace environment, gender, and marital status are significant on employee performance.

Effective and Relative Contribution

Effective contribution shows a measure of the degree to which the independent variable makes a unique contribution to the dependent variable. That is, the effective contribution reflects changes in the dependent variable explained by a particular independent variable, after considering the effects of other independent variables. This contribution is measured by calculating the partial regression coefficient or beta coefficient. While the relative contribution shows how much influence the independent variable has on the dependent variable in percentage proportion. Which contribution is measured by calculating the variance that can be explained by each independent variable compared to the total variance of the dependent variable. The effective contribution is calculated by the following formula.



$$EC(X)\% = Regression\ Coefficient_x \times Correlation\ Coefficient_x \times 100\% \quad \dots\dots (1)$$

While the relative contribution is calculated by the following formula.

$$RC(X)\% = \frac{EC(X)\%}{R^2} \quad \dots\dots\dots (2)$$

Table 4. Effective and Relative Contribution Results

	Regression Coefficient (Beta)	Correlation Coefficient (r)	R Square	Effective Contribution	Relative Contribution
Gender	0,039	0,086	0,159	0,0034	2,11%
Marital Status	0,054	0,028		0,0015	0,95%
Work-life Balance (X1)	0,186	0,137		0,0255	16,03%
Take Home Pay (X2)	0,288	0,342		0,0985	61,95%
Workplace Environment (X3)	0,120	0,253		0,0304	19,09%
All Independents				0,159	15,92%

Source: Primary Data Processing

Based on this table, it can be seen that the variable that has the highest or dominant influence on Gen Z employee performance as the study sample is take home pay, which has an effective contribution of 0.0985 to the entire R square. Or in percentage, this variable contributes 61.95% of the total contribution of all independent variables analyzed in this study in forming the dependent variable of employee performance.

3.2. Discussion

Work-life Balance towards Employee Performance

Work-life balance refers to the ability of individuals to effectively manage their work responsibilities while balancing them with their personal and family lives. With increasing demands and responsibilities in the modern workplace, achieving a healthy work-life balance is important for employees, especially for Gen Z who prioritize mental health and well-being. Theoretically, work-life balance has significant implications for increasing or decreasing employee performance, bearing in mind that work-life balance is also closely related to the ability of employees to allocate time and energy for personal and family life. Optimal allocation of time and energy between work and social life can in turn reduce stress levels, improve mental health, and increase their overall happiness. Under these conditions, employees can maintain a positive mindset and focus better so as to maintain employee performance at a high level. Also, having a work-life balance leads to better physical health, because the availability of rest or cool down time can minimize fatigue which can have a negative impact on an employee's ability to complete his work.

As was also found in this study, the existence of a work-life balance has positive implications for the employee performance level of the study respondents, namely 202 Gen Z respondents who work in the private sector in Indonesia. This is evidenced by the regression coefficient of 0.186, which leads to the assumption that if the work-life balance perceived by Gen Z improves by 1 unit, employee performance will also increase by 0.186 units. In other words, the better the perception



of Gen Z on the work-life balance they feel, it can have implications for their increasing performance in their respective workplaces. This was also confirmed by a significance t of 0.007 (in model 5) or less than 0.05 which indicates that the effect exerted by the work-life balance variable is significant on employee performance. The proof of the effect of work-life balance on employee performance in this study showed that there are results of study that are in line with various previous studies on similar topics, which stated that work-life balance has a significant and positive effect on employee performance in various industries (Shaari et al., 2022; Susanto et al., 2022; Melayansari & Bhinekawati, 2020; Ngozi & Chinelo, 2020; Victoria et al., 2019; Jackson & Fransman, 2018; Lazăr et al., 2010).

Take Home Pay towards Employee Performance

Take home pay has a crucial role in influencing employee performance in any field. Because, in general the income factor is one of the main reasons why someone decides to work and stay in their job. Adequate take home pay provides sufficient incentives for employees to work hard and exceed their limits. The sense of fairness that arises from adequate take home pay also encourages employees to do work with full dedication, because they feel valued and recognized for their work. Take home pay that is in line with employee expectations will also strengthen employees' sense of satisfaction with their work and increase their loyalty to the company. As a result, employees tend to be more enthusiastic about completing tasks, work harder, and express higher motivation in achieving organizational goals. Inadequate pay, on the other hand, can generate frustration and dissatisfaction with work, which has the potential to reduce employee performance and productivity.

As was also found in this study, that the presence of take home pay has positive implications for the employee performance level of the study respondents, namely 202 Gen Z respondents who work in the private sector in Indonesia. This is evidenced by the regression coefficient of 0.288, which leads to the assumption that if the take home pay perceived by Gen Z improves by 1 unit, employee performance will also increase by 0.288 units. In other words, the better the perception of Gen Z on the take home pay they receive, it can have implications for their increased performance in their respective workplaces. This is confirmed by a significance t of 0.001 (in model 5) or less than 0.05 which indicates that the effect exerted by the take home pay variable is significant on employee performance. The proof of the effect of take home pay on employee performance in this study showed that there are results of study that are in line with various previous studies on similar topics, which stated that take home pay has a significant and positive effect on employee performance in various industries (Wilfred et al., 2014; Seniwoliba, 2015; Calvin, 2017; Ldama & Nasiru, 2020; Umar, 2014).

Workplace Environment towards Employee Performance

Similar to work-life balance and take home pay, the place where a person works also has important implications for the increase and decrease in employee performance. A good work environment, including a positive working atmosphere, peer support, and the availability of adequate facilities, can increase employee motivation and job satisfaction. When employees feel satisfied and motivated, they will be more motivated to work hard and contribute optimally. Also, the opportunity for employees to learn and develop careers will stimulate the ability of employees to carry out their work tasks better. A good work environment also encourages effective communication and collaboration between employees. Good team collaboration can improve employee performance because it allows them to learn from each other, share knowledge, and work



together in completing complex and challenging tasks. Thus, in turn it all can lead to increased employee performance.

As also found in this study, the presence of a workplace environment has positive implications for the level of employee performance of study respondents, namely 202 Gen Z respondents who work in the private sector in Indonesia. This is evidenced by the regression coefficient value of 0.120, which leads to the assumption that if the workplace environment perceived by Gen Z gets better by 1 unit, employee performance will also increase by 0.120 units. In other words, the better Gen Z's perception of the workplace environment that they feel, it can have implications for increasing their performance in their respective workplaces. However, the significance of *t* is 0.158 (in model 5) or greater than 0.05 indicating that the effect exerted by the workplace environment variable is not significant on employee performance. The insignificant effect of the workplace environment on employee performance in this study indicated that there are different study results from previous studies on similar topics, which stated that the workplace has a significant and positive effect on employee performance in various industries (Sarode & Shirsath, 2014; Patel & Pillai, 2020; Soelistya et al., 2022; Zhenjing et al., 2022). However, this is not considered an absolute fact, because there are also several studies which stated that the workplace environment does not have a significant effect on employee performance (Samson & Waiganjo, 2015).

4. Conclusion

Employee performance has a crucial position for the sustainability and achievement of company goals, because this can directly have implications for productivity, operational efficiency, and the overall performance of the company in serving consumers. Especially in this era of increasingly fierce competition between businesses, companies need to focus on efforts and strategies to achieve maximum employee performance. Based on the statements of experts, it is known that there are various factors that have implications for the increasing and decreasing of employee's performance, for example work-life balance, take home pay, and workplace environment. This study also proves the fact that work-life balance and take home pay have a significant and positive influence on the work performance of Gen Z employees in Indonesia who are chosen as the samples in this study. However, the workplace environment is considered insignificant in influencing employee performance in study respondents. Of the three variables, take home pay is considered as a variable that has dominant influence on the construct of employee performance in study respondents.

The positive influence of work-life balance, take home pay, and workplace environment leads to the researcher's assumption that the suggested future study focus is on seeking awareness and widespread use of these aspects. There is a need to monitor and evaluate efficient practices in work-life balance, take home pay, and work-place environment and their real impact on employee performance. Also in this study the scope used was too broad, so that future researchers can use specific fields or companies so that study results can be compared. Furthermore, future studies can be carried out using qualitative methods so that deeper insights can be obtained and can be used to verify findings from quantitative methods. Also, considering the fact that the design of this study is non-experimental, the researcher cannot provide concrete evidence on comparisons of employee performance with different levels of work-life balance, take home pay, and workplace environment. In the future, experimental and longitudinal study designs are needed to complement the results of this study.



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