



The Influence of Work Life Balance, Work Environment and Compensation Towards Millennial and Gen Z Employee Performance

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ABSTRACT

This study aims to examine the influence of work-life balance, work environment, and compensation on employee performance in Islamic banks in the Special Region of Yogyakarta. This study uses a comparative quantitative approach and purposive sampling technique on employees classified as millennials and Generation Z. Data was collected from 100 respondents who met the criteria. Data collection methods include literature review and questionnaire surveys. Data analysis was conducted using SPSS 26. The results of this study indicate that work-life balance does not significantly influence millennial employees, while the other two variables have a significant influence. For Generation Z employees, compensation does not significantly influence them, while the other two variables have a significant influence. The results of the simultaneous test indicate that all independent variables have a significant effect on the dependent variable for both generations. The results of the Independent T-Test comparison indicate no significant difference in the effect of all independent variables on employee performance between the two generations. This study is expected to be beneficial for the Islamic banking industry, particularly in understanding the differences in characteristics between millennial and Generation Z employees to maximize their performance

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Keywords:
work life balance, work environment, compensation, employee performance, comparative study

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Introduction

The increasingly advanced development of the current era is now followed by increased competition in the world of work. Among the strategic assets of a company, human resource management is very important given its potential for value and performance improvement

(Kurniawati & Mulyanto, 2024). Human resource management (HRM) is a company's effort to manage their employees well (Savitri et al., 2024). HRM in companies is faced with the demand to understand and respond to existing changes, particularly regarding increasingly diverse and dynamic ways of working (Ananda, 2024). When measuring the success of human resources within a company, there are several factors to consider, one of which is employee performance. Companies that can demonstrate good performance and achieve their objectives will gain a competitive advantage (Ardani & Sunarsi, 2023). Therefore, companies must be able to utilize available resources to achieve their objectives and obtain high results and efficiency.

Companies from various sectors continue to strive to develop their potential, one of which is companies engaged in the financial sector. According to Fauzi et al. (2023), banks are organizations that can be relied upon as intermediaries in the smooth operation of payment systems. Upon further review, banks have a greater impact on a national scale because they play a role in implementing government programs such as monetary policy. Banks must maintain their performance in order to function optimally as financial institutions (Fauzi et al., 2023).

According to Rahmanti (2019), the emergence of the sharia system was motivated by the growing awareness among Muslims in Indonesia of the unfairness of conventional banking schemes. Sharia banking conducts its business activities based on sharia principles (Muhamad, 2020). This is stipulated in Law No. 21 of 2008. Sharia banks in Indonesia are growing rapidly thanks to the support of high-quality human resources (N. Sari & Amri, 2018). This is also supported by the opinion of Yusuf et al. (2017) that without competent and reliable human resources in their fields, it would be impossible for sharia banking in Indonesia to achieve its expected growth targets.

Generational differences within a company are certainly one of the factors related to the development of human resource management (Farid & Satia, 2023). Codrington (2012) proposed a generation theory that divides human generations based on their year of birth. These generations include: the Baby Boomer generation, born between 1946 and 1964; Generation X, born between 1965 and 1980; Generation Y, also known as the Millennial generation, born between 1981 and 1994; the iGeneration, also known as Generation Z, born between 1995 and 2010, and finally Generation Alpha, born between 2011 and 2025.

According to BPS (2020), the generation classifications used are as follows: the pre-boomer generation born before 1945, the boomer generation born between 1946 and 1964, Generation X with birth years from 1965 to 1980, Millennials with birth years from 1981 to 1996, Generation Z with birth years from 1997 to 2012, and Post-Generation Z with birth years from 2013 onwards.

The majority of the population in Yogyakarta in 2020 came from the millennial or Generation Y generation, numbering 859,386 people. This was followed by Generation Z, a group of future leaders numbering 835,000 people. At the regional level, Sleman is the district with the largest population, followed by Bantul, Gunung Kidul, Kulon Progo, and the City of Yogyakarta (BPS, 2020). However, overall, the majority of the population in Indonesia is still dominated by Generation Z, accounting for 27.94% of the total population, and the millennial generation at 25.87% (KOMDIGI, 2021).

Millennials have become an increasingly dominant part of the current workforce (M. Yusuf, 2024). As one of the largest generations today, companies are seen as needing to understand the needs and desires of Generation Y employees in order to maximize their performance. The characteristics of millennial employees include being creative, innovative, passionate, and productive (Kurniasari & Bahjahtullah, 2022). According to (Kowske et al in Yusuf, 2024), millennials tend to prefer feedback, strong teamwork, flexibility in their work, and opportunities for career growth.

On the other hand, Generation Z is becoming an increasingly dominant workforce in various industries (R. P. Sari & Santoso, 2024). According to Pratama & Elistia (2020), research on the Generation Z workforce is important because this workforce has just entered the world of work and has reached a proportion of 40 percent in various industrial sectors available in the labor market. According to Putra (2018), information and technology have become an integral part of Generation Z's lives, as they were born into a world where access to information—particularly the internet—has become a global norm. This has subsequently influenced their perspectives and life goals (Nurqamar et al., 2022). By understanding the factors that may influence the performance of Generation Z employees, companies need to develop plans to ensure better performance (Syafrina & Mon, 2024).

Employee performance is the result of the achievements of individuals or groups of people within an organization in a legal manner and in accordance with company ethics (Trisnawati, 2024). Increasingly fierce business competition requires companies to continuously improve the performance of their employees (Sumitra et al., 2024). In an organization, good performance from employees is necessary to achieve good organizational performance (Indirasari & Mardiana, 2022). To that end, companies are expected to be able to create the ideal conditions desired by employees so that they can work more productively.

Certain factors can influence employee performance, one of which is work-life balance. Work-life balance is the concept of balancing professional ambitions and personal happiness, leisure time, family relationships, and spiritual development (Indirasari & Mardiana, 2022). Meanwhile, according to Clark (2001), work-life balance is defined as satisfaction and good

performance at work and at home with minimal role conflict. Everyone needs a balance between their career and personal life (work-life balance) (Badrianto & Ekhsan, 2021).

The work environment is also one of the factors that plays an important role in employee performance. The work environment of a company is defined as the place where employees carry out their duties or work (Goh et al., 2024). In another opinion, Firdaus (2023) states that the work environment is a dynamic work atmosphere that can bring happiness and enjoyment while performing work, which then makes employees feel that their work environment is very conducive and able to increase employee motivation toward their work. The conditions of the surrounding work environment also impact employee performance, as an adequate work atmosphere can enhance concentration (Khairani & Mardhiyah, 2024). Therefore, every company must have a comfortable and suitable working environment for the continuity of its employees' work.

In addition to work-life balance and work environment, compensation is also considered a factor that plays a role in employee performance. According to Prasetyo et al. (2021), compensation refers to all types of income received by an employee as a reward for their contributions to the company, including cash payments, goods, or other benefits. Compensation is divided into two categories: financial compensation and non-financial compensation. The majority of Generation Z consider compensation as one of the main factors in seeking or choosing a job (Syafriana & Mon, 2024). One of the benefits of providing compensation from the company is to help its employees perform or achieve better results (Indirasari & Mardiana, 2022).

Through this research, it is expected to contribute to Islamic banking in general especially in Yogyakarta province. This study will also find a comprehensive picture of the difference between millennial and gen z towards factors that influence their performance and concrete steps to be taken to maximize the employee potential.

Literature Review

Employee Performance

According to Mangkunegara (2017), performance is the output that has been achieved in terms of both quality and quantity in performing work. In another opinion, according to Rohaeni et al. (2024), employee performance is the result of an individual's work on tasks that have been achieved and completed in accordance with their respective responsibilities within a specified time. Based on the findings of Mangkunegara (2015), the indicators of employee performance are as follows:

- 1) Quality of output, which is an assessment of how well employees perform their work.

2) Quantity of output, which is based on the number of services or products that employees can complete or produce.

3) Task execution, which is an assessment of how capable an individual is in completing their duties accurately with minimal errors.

4) Responsibility, which addresses how aware employees are of their duties and whether they neglect their responsibilities to perform the work or duties assigned by the company.

Work Life Balance

According to the results of research by Parkes & Langford (2008), work-life balance refers to an individual's ability to carry out their responsibilities in both their personal and work affairs, as well as being able to spend time on various activities outside of work. In another opinion, according to Lestari & Margaretha (2021), work-life balance (WLB) is defined as the capacity of employees to work and fulfill their responsibilities to their families and other needs outside of work. Based on the findings of Fisher et al. (2009), the indicators of work-life balance are as follows:

1) WIPL (Work Interference with Personal Life), this indicator evaluates the level of interference of work on the balance and quality of employees' personal lives.

2) PLIW (Personal Life Interference with Work), this indicator measures the extent to which personal matters can interfere with an individual's performance or responsibilities in their work.

3) PLEW (Personal Life Enhancement of Work), this indicator measures the positive influence of an employee's personal life, which can contribute positively to improving their performance.

4) WEPL (Work Enhancement of Personal Life), this indicator measures the positive influence of work, thereby contributing positively to employees' personal lives.

Work Environment

According to Sedarmayanti (2011), the work environment consists of all the materials and tools available to a person in which they carry out their work, as well as the working conditions, both individually and in groups. If the work environment conditions are appropriate, an employee can perform their duties well and achieve optimal results. When an individual can perform their tasks comfortably, healthily, and optimally, the work environment can be considered good or adequate. According to Edward & Purba (2020), the work environment is the place where employees perform their tasks and is a condition where employees live and work together continuously to produce something impressive. Work environment is divided into two categories: the physical work environment and non-physical environment.

1) Physical Work Environment: The physical work environment is everything with a physical form that is recorded near the workplace. Sedarmayanti (2011) divides the physical work

environment into two categories, namely: a) The general environment or intermediate work environment can also be defined as the work environment that influences human conditions, such as temperature, air circulation, unpleasant odors, noise, lighting, humidity, mechanical vibrations, color, and similar factors. b) The physical environment or elements that directly impact employee comfort and productivity, such as workspaces, desks, chairs, and other physical facilities that support performance.

2) Non-physical work environment

The meaning of non-physical work environment refers to various conditions of professional relationships, whether with subordinates, superiors, or colleagues.

Based on the previous theoretical explanation, in this study, the researcher used indicators according to Sedarmayanti (2011) as follows:

1) Lighting

Lighting offers enormous benefits for employees and ensures safety and smooth operations. Therefore, strong but non-glaring illumination must be taken into account.

2) Air Temperature

The hot or cold condition of the air in a particular place at a specific time, which is influenced by the amount of sunlight received by the earth.

3) Noise

Among the types of pollution that experts tend to consider disruptive is noise, which refers to unpleasant sounds.

4) Use of color

The influence and nature of color can sometimes evoke feelings of happiness, sadness, and other emotions, as color can stimulate human emotions. Therefore, the arrangement of colors in the workplace must be planned and studied.

5) Required space

Employees working in a company must have sufficient space to carry out their work or tasks.

6) Workplace safety

To ensure that the work environment and conditions remain safe, their presence must be considered.

7) Employee relationships

In the context of workplace relationships, there are two types of interaction: between individuals and between groups.

Compensation

Referring to the explanation from Rivai & Sagala (2010), compensation is a form of appreciation for employees' contributions to the company. In another opinion, Hasibuan (2017) explains that compensation is all forms of income or earnings received by employees, either directly or indirectly, in the form of money or goods, as compensation for contributions or services provided to the company. Meanwhile, Sedarmayanti, (2011) considers compensation to be all forms of income received by employees, whether in the form of money or goods, received directly or indirectly as a reward for employees' contributions to the company.

Rivai & Sagala (2010) argue that compensation can be divided into two forms, namely financial compensation and non-financial compensation:

1) Financial Compensation

Financial compensation consists of two parts, namely direct compensation and indirect compensation. Direct compensation refers to a reward whose amount represents the wages or salary paid to employees on a regular basis over a certain period of time. Indirect compensation, on the other hand, refers to the provision of benefits to employees in addition to their wages or fixed compensation, which may take the form of sick leave, severance pay, allowances, childcare benefits, and so on.

2) Non-Financial Compensation

Non-financial compensation refers to forms of recognition or rewards that are not material in nature, aimed at providing comfort, satisfaction, and enjoyment while working. One example is adequate facilities at the workplace.

According to Hasibuan (2017), compensation indicators are as follows:

1. Wages and salaries, wages are usually associated with a payment system calculated based on the number of hours worked, while salaries more often refer to a fixed form of payment given on a regular basis.
2. Incentives, are rewards given by companies to their employees in addition to their salaries or wages.
3. Allowances, are funds provided on a regular basis to support employee well-being within the context of employment relationships or for specific purposes. Examples of allowances include pension programs, life and health insurance, and other allowances or facilities related to employment.

4. Facilities, are infrastructure to perform or facilitate the performance of an activity. Examples of facilities include company cars, employee parking spaces, access to paid services, and others.

Hypotheses Development

Based on the theoretical basis above, the following hypothesis can be proposed:

H1a: work life balance has positive and significant influence the performance of millennial employees

H1b: work life balance has positive and significant influence the performance of generation z employees

H2a: work environment has positive and significant influence the performance of millennial employees

H2b: work environment has positive and significant influence the performance of generation z employees

H3a: compensation has positive and significant influence the performance of millennial employees

H3b: compensation has positive and significant influence the performance of generation z employees

H4a: work life balance, work environment, and compensation simultaneously influence the performance of millennial employees.

H4b: work life balance, work environment, and compensation simultaneously influence the performance of generation z employees.

H5: There are differences in work life balance, work environment, and compensation between millennial and generation z employees.

Methods

This study using comparative quantitative research to compare the result between millennial and generation z employees. The object of this research from employees of Bank Syariah Indonesia (BSI) Yogyakarta Branch Office, Bank Muamalat Yogyakarta Branch Office, KB Bank Syariah Yogyakarta Branch Office with the specific classifications as millennials and generation z. 100 total respondents achieved in this research with 61 from millennials and 39 from generation z. The data was analyzed using SPSS 26 statistical software. The data was obtained through questionnaires survey and distributed to respondents in the form of online links and offline paper copies. The independent variables in this study are work life balance, work environment, and compensation while the dependent variable is employee performance. Classical assumption tests such as normality, multicollinearity, and heteroscedasticity tests

were conducted first to ensure the feasibility of the regression model. Furthermore, multiple linear regression analysis is used to test the relationship between variables, with hypothesis testing conducted through the F test (simultaneous) and t test (partial), and assessment of the model is done by looking at the Adjusted R² value.

Results

Classical Assumption Test

Normality Test

Referring to Ghozali (2013) explanation, a normality test was conducted to ensure that the regression had a normal residual distribution. The following table shows the normality test results for each generation:

Table 1 Normality test result for the millennial generation

<i>One-Sample Kolmogorov-Smirnov Test</i>		
<i>Asymp. Sig. (2-tailed)</i>	<i>Signifikansi</i>	<i>Description</i>
0,200	0,05	Normal

Based on table 1.2, the normality test result for the millennial generation is $0.200 > 0.05$, so the data is declared to be normally distributed.

Tabel 2 Normality test result for the generation z

<i>One-Sample Kolmogorov-Smirnov Test</i>		
<i>Asymp. Sig. (2-tailed)</i>	<i>Signifikansi</i>	<i>Description</i>
0,200	0,05	Normal

Based on table 1.2, the normality test result for the generation z is $0.200 > 0.05$, so the data is declared to be normally distributed.

Multicollinearity Test

According to Zahriyah et al. (2021), multicollinearity testing is conducted to see if there is a linear relationship between independent variables. If there is a linear relationship, then it is multicollinearity. The regression model is considered good if there is no indication of multicollinearity.

Table 3 Multicollinearity test result for the millennial generation

Variable	<i>Collinearity Statistics</i>		Description
	<i>Tolerance</i>	VIF	
<i>Work Life Balance (X1)</i>	0,947	1,056	No Multicollinearity
<i>Work Environment (X2)</i>	0,733	1,364	No Multicollinearity
<i>Compensation (X3)</i>	0,702	1,424	No Multicollinearity

Based on Table 1.3, all independent variables of the millennial generation in the

multicollinearity test have tolerance values greater than 0.1 and VIF values less than 10, indicating that there are no signs of multicollinearity.

Table 4 Multicollinearity test result for the generation z

Variable	Collinearity Statistics		Keterangan
	Tolerance	VIF	
Work Life Balance (X1)	0,837	1,194	No Multicollinearity
Work Environment (X2)	0,797	1,255	No Multicollinearity
Compensation (X3)	0,845	1,184	No Multicollinearity

Based on Table 1.4, all independent variables of Generation Z in the multicollinearity test have tolerance values > 0.1 and VIF values < 10, so the data is declared to not exhibit multicollinearity.

Heteroscedasticity Test

Heteroscedasticity testing is conducted to determine whether there is a deviation from the classical assumption of heteroscedasticity, which can be seen in the residual variance that varies between data in each observation in the regression model (Zahriyah et al., 2021). The regression model is valid when there is no heteroscedasticity.

Table 5 Heteroscedasticity Test result for the millennial generation

Variable	Standart Sig	Sig Value	Description
Work Life Balance (X1)	0,05	0,800	No Heteroscedasticity
Work Environment (X2)	0,05	0,058	No Heteroscedasticity
Compensation (X3)	0,05	0,846	No Heteroscedasticity

Based on Table 1.5, all independent variables of the millennial generation in the heteroscedasticity test have a significance value > 0.05, so the data is declared not to exhibit heteroscedasticity.

Table 6 Heteroscedasticity Test result for the generation z

Variable	Standart Sig	Sig Value	Description
Work Life Balance (X1)	0,05	0,441	No Heteroscedasticity
Work Environment (X2)	0,05	0,809	No Heteroscedasticity
Compensation (X3)	0,05	0,724	No Heteroscedasticity

Based on Table 1.6, all independent variables of the millennial generation in the heteroscedasticity test have a significance value > 0.05, so the data is declared not to exhibit heteroscedasticity.

Hypothesis Test

a. Multiple Linear Regression Analysis

Multiple linear regression is a regression analysis method used when there is more than one independent variable in relation to the dependent variable (Iba &

Wardhana, 2024). Using this method, researchers can examine the influence of several independent variables on the dependent variable simultaneously. The formula used is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

The following are the results of multiple linear regression analysis of dependent variables against independent variables for each generation:

Table 1.7 Multiple Linear Regression Analysis Test for the millennial generation

Model	Unstandardized Coefficients	
	B	Std. Error
Constant	10.907	3.853
Work Life Balance (X1)	-0,067	0,073
Work Environment (X2)	0,480	0,103
Compensation (X3)	0,284	0,139
<i>Dependent Variable: Employee Performance (Y)</i>		

The results of the calculation based on Table 4.13 are as follows:

$$Y = 10,907 + (-0,067) X_1 + 0,480 X_2 + 0,284 X_3 + e$$

The following is an interpretation of the results of the formula calculation:

- 1) The positive value of the constant (a) is 10.907, indicating a one-way relationship between the independent and dependent variables. This suggests that if all independent variables, including work-life balance (X1), work environment (X2), and compensation (X3), are 0 percent or unchanged, employee performance will be 10.907.
- 2) Work-life balance (X1) has a regression coefficient value of -0.067. According to this value, employee performance and work-life balance have a negative relationship, meaning that every 1% increase in work-life balance causes a 0.067 decrease in employee performance.
- 3) Work environment (X2) has a regression coefficient value of 0.480. According to this value, employee performance and work environment have a positive relationship, meaning that every 1% increase in work environment causes a 0.480 increase in employee performance.
- 4) Compensation (X3) has a regression coefficient value of 0.284. According to this value, employee performance and compensation have a positive relationship, such that every 1% increase in compensation causes a 0.284 increase in employee performance.

Table 8 Multiple Linear Regression Analysis Test for the generation z

Model	Unstandardized Coefficients	
	B	Std. Error
Constant	16,158	4,606
Work Life Balance (X1)	-0,183	0,081
Work Environment (X2)	0,395	0,126
Compensation (X3)	0,338	0,177
<i>Dependent Variable: Employee Performance (Y)</i>		

The results of the calculation based on Table 4.13 are as follows:

$$Y = 16.158 + (-0,183) X_1 + 0,395 X_2 + 0,338 X_3 + e$$

The following is an interpretation of the results of the formula calculation:

1) The positive value of the constant (a) is 16.158, indicating a positive relationship between the independent and dependent variables. This indicates that if all independent variables, including work-life balance (X1), work environment (X2), and compensation (X3), are 0 percent or unchanged, then employee performance is 2.181.

2) Work-life balance (X1) has a regression coefficient value of -0.183. According to this value, employee performance and work-life balance have a negative relationship, meaning that every 1% increase in work-life balance causes a 0.183 decrease in employee performance.

3) Work environment (X2) has a regression coefficient value of 0.395. According to this value, employee performance and work environment have a positive relationship, meaning that every 1% increase in work environment causes a 0.395 increase in employee performance.

4) Compensation (X3) has a regression coefficient value of 0.338. According to this value, employee performance and work environment have a positive relationship, meaning that every 1% increase in the work environment causes a 0.338 increase in employee performance.

F Test

The F-test is one method that can be used to test the overall significance of a multiple linear regression model (Iba & Wardhana, 2024). This study uses a significance level of 0.05 (5%), which indicates that the probability of reaching the correct conclusion is 95%, while the margin of error is only 5%. The following table shows the results of the F-test calculation:

Table 1.9 F Test for the millennial generation

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	248.748	3	82.916	16.280	0.000
	Residual	290.301	57	5.093		
	Total	539.049	60			

a. *Dependent Variable:* Employee Performance

b. *Predictors: (Constant), Work Life Balance, Work Environment, Compensation*

Table 1.9 shows the effect of variables X1, X2, and X3 on variable Y, which is 0.000 < 0.05 and the calculated f value of 16.280 > the table f value of 2.70. This means that there is a significant effect of variables X1, X2, and X3 on variable Y.

Table 1.10 F Test for the generation z

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	86.556	3	28.852	6.208	0,002
	Residual	162.675	35	4.648		
	Total	249.231	38			

c. *Dependent Variable:* Employee Performance

d. *Predictors: (Constant), Work Life Balance, Work Environment, Compensation*

Table 1.10 shows that the effect of work-life balance (X1), work environment (X2), and compensation (X3) on employee performance (Y) is $0.002 < 0.05$ and the calculated f value of $6.208 >$ the table f value of 2.70. This means that there is a significant influence of work-life balance (X1), work environment (X2), and compensation (X3) on employee performance.

T Test

The t-test is a test model used to determine the significance level of each regression coefficient, thereby helping to determine whether each independent variable has a significant effect on the dependent variable (Iba & Wardhana, 2024). In a t-test, a variable is considered to have a significant effect if the calculated t-value exceeds the table t-value or if the probability of significance is below 0.05. The following are the results of the t-test:

Table 11 T Test for the Millennial Generation

Variable	T Value	Sig.
Work Life Balance (X1)	-0,910	0,367
Work Environment (X2)	4,660	0,000
Compensation (X3)	2,043	0,046

Dependent Variable: Employee Performance

In determining the t-table value, it is necessary to know the degree of freedom row in the t-table, which is the sum of $n-k-1 = 39 - 3 - 1$, resulting in a value of 35. The t-table value for a sample of 35 is 2.030. Based on Table 4.19 regarding the t-test results for the millennial generation, the following conclusions can be drawn:

- 1) The t-test results show that the significance value of work-life balance (X1) on employee performance (Y) is $0.367 > 0.05$ and the calculated t-value is $-0.910 >$ the table t-value of -2.030. Therefore, work-life balance does not have a significant effect on the performance of millennial employees.
- 2) The t-test results indicate that the significance level of work environment (X2) on employee performance (Y) is $0.000 < 0.05$, and the calculated t-value is $4.660 >$ the critical t-value of 2.030. Therefore, there is a significant effect of work environment on the performance of millennial employees.
- 3) The t-test results show that the significance level of compensation (X3) on employee performance (Y) is $0.046 < 0.05$, and the calculated t-value is $2.043 >$ the critical t-value of 2.030. Therefore, compensation has a significant influence on the performance of millennial employees.

Table 12 T Test for the Generation z

Variable	T Value	Sig.
Work Life Balance (X1)	-2,262	0,030

Work Environment (X2)	3,136	0,003
Compensation (X3)	1,905	0,065
Dependent Variable: Employee Performance		

In determining the t-table value, it is necessary to know the degree of freedom row in the t-table, which is the sum of $n-k-1 = 61 - 3 - 1$, resulting in a value of 57. The t-table value for a sample of 57 is 2.002. Based on Table 4.20 regarding the t-test results for Generation Z, the following conclusions can be drawn:

- 1) The t-test results show a significance value for the effect of work-life balance (X1) on employee performance (Y) of $0.030 < 0.05$ and a calculated t-value of $-2.262 > t$ -table value of -2.002 . Thus, there is a significant negative effect of work-life balance on the performance of Generation Z employees.
- 2) The t-test results indicate a significant value for the effect of work environment (X2) on employee performance (Y), with a p-value of $0.003 < 0.05$ and a calculated t-value of $3.136 >$ the critical t-value of 2.002. Thus, there is a significant effect of work environment on the performance of Generation Z employees.
- 3) The t-test results show that the significance level of compensation (X3) on employee performance (Y) is $0.065 > 0.05$, and the calculated t-value is $1.905 < t$ -table 2.002. Therefore, there is no significant effect of compensation on the performance of Generation Z employees.

Independent T-Test

The independent samples t-test, also known as the between subjects t-test, is a univariate difference test used to determine the difference between a dependent variable and an independent variable (Mashuri, 2023). The criteria for the independent t-test are as follows: if the significance level (sig) is greater than 0.05, the output value used is “equal variances assumed,” meaning the model assumes equal variances. However, if the significance level (sig) is less than 0.05, the output value used is “equal variances not assumed,” meaning the model does not assume equal variances.

Table 13 Independent T Test

Variable	Classification Generation	Mean	Sig	Sig. (2-tailed)
<i>Work Life Balance</i> (X1)	Millennial	28,39	0,218	0,185
	Generation Z	27,21		
Work Environment (X2)	Millennial	37.10	0,705	0,358
	Generation Z	36.49		
Compensation (X3)	Millennial	20.16	0,819	0,216
	Generation Z	20.77		

Based on Table 1.13, it can be seen that all independent variables have a sig value > 0.05 , so the output value used is equal variances assumed. Therefore, the sig t (2-tailed) value will be used in this measurement. The following are the conclusions:

1) The average value of the work-life balance variable for the millennial generation is 28.39, which is higher than the average value for Generation Z, which is 27.21. Furthermore, the Sig. (2-tailed) value is $0.185 > 0.05$. Therefore, there is no difference in the work-life balance variable between employees from the millennial generation and employees from Gen Z.

2) The average value of the work environment variable for the millennial generation is 37.10, which is higher than the average value for Generation Z, which is 36.49. Furthermore, the Sig. (2-tailed) value is $0.358 > 0.05$. Therefore, there is no difference in the work environment variable between employees from the millennial generation and employees from Gen Z.

3) The average value of the compensation variable for Millennials is 20.16, which is higher than the average value for Generation Z, which is 20.77. Furthermore, the Sig. (2-tailed) value is $0.216 > 0.05$. Therefore, there is no difference in the compensation variable between Millennial employees and Generation Z employees.

Discussion

After presenting the research results, the next step is to discuss whether independent variables such as work-life balance, work environment, and compensation can affect employee performance. This study uses a comparative technique to compare two samples, namely millennial employees and Generation Z employees at Islamic banks in DIY. The following is a summary of the results:

The effect of work-life balance on employee performance among millennials and Generation Z

Based on the results of the study in Tables 4.19 and 4.20 conducted on both generations, namely Millennials and Generation Z, at a sharia bank, it was found that Millennials have a significance level of $0.367 > 0.05$ and a calculated t-value of $-0.910 < t$ -table value of -2.030 , so H1a is rejected. Therefore, work-life balance does not have a significant effect on the performance of Millennial employees. Meanwhile, for Generation Z, with a significance level of $0.030 < 0.05$ and a t-value of $-2.262 > t$ -table -2.002 , H1b is also rejected. Therefore, work-life balance has a significant negative effect on the performance of Generation Z employees.

The influence of the work environment on the performance of millennial and Generation Z employees

Referring to the results of the research in Tables 4.19 and 4.20, which were conducted on both generations, namely millennials and Generation Z, in Islamic banks, it is known that millennials have a significance level of $0.000 > 0.05$, so H2a is accepted. Therefore, the work

environment has a significant effect on the performance of millennial employees. Meanwhile, for Generation Z, the significance level is $0.003 < 0.05$, so H2b is accepted. Therefore, the work environment significantly influences the performance of Generation Z employees.

The effect of compensation on employee performance among millennials and Generation Z

Based on the research results in Tables 4.19 and 4.20 conducted on both generations, namely Millennials and Generation Z, at Islamic banks, it was found that Millennials have a significance level of $0.046 > 0.05$ and a calculated t-value of $2.043 > t\text{-table } 2.030$, so H3a is accepted. Therefore, compensation has a significant effect on the performance of millennial employees. Meanwhile, for Generation Z, the significance level was $0.065 > 0.05$ and the calculated t-value was $1.905 < t\text{-table } 2.002$, so H3b was not accepted. Idris et al. (2020) found that compensation had no significant effect on employee performance.

The simultaneous influence of work-life balance, work environment, and compensation on employee performance among millennials and Generation Z

Based on the research results in Tables 4.15 and 4.16 conducted on both generations, namely Millennials and Generation Z, in Islamic banks, it can be seen that the simultaneous results for Millennials have a significance level of $0.000 < 0.05$ and a calculated F value of $16.280 > \text{the table F value of } 2.70$, so H4a is accepted. Therefore, work-life balance, work environment, and compensation have a simultaneous influence on the millennial generation. On the other hand, the results of the F test on Generation Z have a significance level of $0.002 < 0.05$ and a calculated F value of $6.208 > \text{the table F value of } 2.70$, so H4b is also accepted. Therefore, work-life balance, work environment, and compensation also have a simultaneous effect on Generation Z.

Based on the above results, the Islamic banking industry needs to pay attention to several things that can affect the performance of its employees in the company, such as providing a standard work schedule, not overburdening employees outside of working hours, providing comfortable work facilities, maintaining good relationships between employees, providing decent salaries, and giving bonuses if employees perform well. These things will help the company create a positive work environment and generate strong enthusiasm to achieve the best results.

Conclusion

This study aims to measure the influence of work-life balance, work environment, and compensation on employee performance at Islamic banks in the province of DIY. The study uses a comparative analysis of Islamic bank employees based on their generational

classification, namely millennials and Generation Z.

Based on the results of the study, work-life balance does not have a significant influence on the performance of millennial employees at Islamic banks in the province of DIY. On the other hand, the other two variables have a significant influence on the performance of millennial employees at Islamic banks in DIY Province. Meanwhile, for Generation Z employees, work-life balance has a significant negative influence on employee performance. On the other hand, the work environment variable has a significant positive influence on employee performance. Finally, the compensation variable has no significant influence on employee performance.

Based on the results of the simultaneous test, work-life balance, work environment, and compensation have a positive and significant impact on the performance of millennial and Generation Z employees at Islamic banks in DIY Province. Finally, based on the results of the independent samples T-test, no differences were found between millennial and Generation Z employees regarding work-life balance, work environment, and compensation.

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