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The Effect of Flexi-Benefit Programs and Employee Financial Education on the Financial Satisfaction and Productivity of Millennial Employees in West Java

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ABSTRACT

This study investigates the effects of flexi-benefit programs and employee financial education on financial satisfaction and employee productivity among millennial employees in West Java. Using a quantitative explanatory design, data were collected from 115 respondents through a structured questionnaire employing a five-point Likert scale. Data analysis was conducted using Structural Equation Modeling–Partial Least Squares (SEM-PLS 3) to examine both direct and mediating relationships among the variables. The findings reveal that flexi-benefit programs and financial education each have a significant positive effect on financial satisfaction and productivity. Moreover, financial satisfaction serves as a key mediating variable that strengthens the relationship between organizational financial initiatives and employee productivity. The results affirm the integration of Self-Determination Theory, Human Capital Theory, and Conservation of Resources Theory, indicating that financial autonomy, knowledge, and security collectively enhance employee performance. This research contributes to the literature on employee financial well-being and provides practical implications for organizations aiming to improve millennial workforce engagement and productivity through flexible compensation and financial literacy programs.

Keywords: *Flexi-Benefit Programs, Employee Financial Education, Financial Satisfaction, Employee Productivity, SEM-PLS.*

1. INTRODUCTION

In the era of rapid economic transformation and digital advancement, the financial well-being of employees has become a key determinant of organizational success. For millennial employees—those born between 1981 and 1996—financial satisfaction not only affects their quality of life but also their productivity, engagement, and retention within organizations. Millennials now represent the dominant cohort in Indonesia's labor market, especially in regions with vibrant economic activity such as West Java. This generation exhibits unique financial behaviors, characterized by higher digital literacy, multiple income streams, and a strong preference for flexibility and work–life balance. Consequently, organizations are increasingly required to design compensation and development systems that align with these evolving expectations.

One innovative response to this shift is the implementation of flexi-benefit programs, which allow employees to customize their benefits packages according to personal needs and priorities. Unlike traditional one-size-fits-all benefit schemes, flexi-benefits provide autonomy and personalization—attributes that resonate strongly with the millennial mindset. Research suggests that flexible benefits enhance perceived fairness, motivation, and satisfaction [1]. When employees feel that their financial and personal preferences are recognized, they are more likely to experience higher satisfaction and demonstrate improved job performance. However, empirical studies in developing countries, including Indonesia, remain limited, particularly in examining how such

programs directly or indirectly influence financial satisfaction and productivity among younger workers.

In parallel, employee financial education has gained prominence as an organizational initiative to improve financial literacy and decision-making skills. According to [2], financial literacy contributes significantly to financial well-being, influencing individuals' ability to manage income, savings, and investments effectively. For millennial employees, who often face financial stress due to lifestyle pressures, digital consumption, and early career instability, financial education can play a transformative role. Organizations that invest in structured financial education programs are not only addressing employee welfare but also fostering long-term engagement and productivity through reduced financial anxiety and better economic resilience.

Financial satisfaction serves as a crucial mediating construct linking these two initiatives—flexi-benefit programs and financial education—to productivity outcomes. Financial satisfaction reflects an individual's subjective evaluation of their financial condition relative to needs and expectations [3]. When employees perceive that their financial situation is stable and manageable, they tend to display greater focus, creativity, and commitment at work. Conversely, financial distress can lead to absenteeism, turnover, and diminished work quality. Hence, analyzing the pathway from financial programs to satisfaction and productivity offers valuable insights into sustainable human resource management and performance enhancement.

Despite the growing awareness of these relationships, empirical research integrating flexi-benefit programs, financial education, financial satisfaction, and productivity within the Indonesian context remains scarce. Most existing studies tend to isolate each variable rather than examine their interconnectedness in a comprehensive framework. Moreover, the millennial workforce has distinct financial values, goals, and behavioral patterns that differ from older generations, creating a research gap that warrants deeper investigation using a robust analytical method. Therefore, this study aims to analyze the effect of flexi-benefit programs and employee financial education on financial satisfaction and productivity among millennial employees in West Java using Structural Equation Modeling–Partial Least Squares (SEM-PLS 3). The study's findings are expected to enrich the theoretical discourse on employee financial well-being and provide practical implications for human resource strategies aimed at enhancing millennial engagement, satisfaction, and performance.

2. LITERATURE REVIEW

2.1 Flexi-Benefit Programs

Flexi-benefit programs, often known as cafeteria benefit plans, allow employees to select from a range of benefit options that best meet their individual needs [4]. This approach marks a shift from the traditional standardized benefits model toward a more employee-centered human resource management strategy. According to [5], flexible benefits enhance perceived fairness, job satisfaction, and engagement by offering a sense of autonomy and acknowledgment of individual diversity. For millennial employees, flexibility in compensation and benefits is particularly valued, as they tend to appreciate organizations that provide customizable and transparent benefit structures [6]. Such programs not only increase satisfaction but also strengthen employee retention by aligning rewards with life-stage priorities such as healthcare, education, and investment options. Empirical evidence supports that flexi-benefit systems positively influence employee motivation and overall well-being [7]. From a theoretical standpoint, these

programs can be understood through Herzberg's Two-Factor Theory and Self-Determination Theory (SDT). Herzberg suggests that job satisfaction is derived from motivators like recognition and achievement, while dissatisfaction arises from hygiene factors such as salary and benefits. Flexi-benefit programs improve both by enabling personalization. In line with SDT, autonomy enhances intrinsic motivation [8]; therefore, flexible benefit designs fulfill millennials' intrinsic needs for independence and self-direction, ultimately promoting greater engagement and productivity.

2.2 Employee Financial Education

Employee financial education refers to organizational initiatives aimed at enhancing employees' financial literacy, decision-making, and long-term planning capabilities. Such programs typically include topics on budgeting, saving, investment, credit management, and retirement planning [9], and have been empirically associated with reduced financial stress, improved financial satisfaction, and increased productivity [3]. Grounded in Human Capital Theory, financial education represents an investment that enhances employee competencies, leading to better financial management and workplace performance [10]. Employees with higher financial literacy tend to demonstrate responsible financial behaviors such as debt control, savings discipline, and informed investment decisions [11]. Moreover, financial education contributes to organizational sustainability, as financially literate employees are less likely to suffer from absenteeism, presenteeism, or reduced focus due to financial anxiety. In the Indonesian context, financial education has become a critical component of the national financial inclusion agenda. For millennials—who often face financial challenges related to digital consumption and early career instability—organizational financial education serves as a preventive mechanism against over-indebtedness and impulsive spending. Empirical evidence from [12] further supports that corporate-led financial literacy initiatives significantly improve young employees' budgeting behavior and confidence in managing their personal finances.

2.3 Financial Satisfaction

Financial satisfaction is a subjective assessment of an individual's overall financial condition in relation to their expectations and needs [3]. It encompasses not only objective income levels but also psychological well-being and perceived financial control. [13] emphasize that financial satisfaction is a vital component of life satisfaction, particularly among working adults. In organizational contexts, financial satisfaction functions as a mediating variable linking financial initiatives—such as flexi-benefit programs and financial education—to positive employee outcomes. Flexi-benefits enhance satisfaction by aligning compensation systems with individual needs, while financial education equips employees with the knowledge to manage and optimize those benefits effectively. Employees who perceive stability and security in their financial condition tend to exhibit higher concentration, motivation, and productivity [14]. The Conservation of Resources (COR) Theory by [15] offers a useful framework to explain this relationship, asserting that individuals seek to obtain, retain, and protect valuable resources—such as financial security—and experience stress when these are threatened. In this context, financial education and flexible benefits serve as resource-

building mechanisms that reduce financial strain, promote well-being, and ultimately enhance work performance.

2.4 Employee Productivity

Employee productivity refers to the efficiency and effectiveness with which employees accomplish organizational objectives [16]. It encompasses both quantitative and qualitative dimensions, including task performance, innovation, and organizational commitment, and is influenced by various individual, organizational, and environmental factors. Among these, financial well-being has emerged as a critical determinant, as financial stress can significantly diminish concentration, morale, and overall job performance [17]. When employees achieve a high level of financial satisfaction, they tend to be more engaged, motivated, and focused, resulting in greater productivity. Empirical studies by [3] as well as [18] demonstrate that workplace financial wellness initiatives effectively reduce turnover intentions while enhancing employee output. Consequently, strengthening financial satisfaction through flexi-benefit programs and financial education serves as a strategic organizational intervention to improve both individual performance and overall productivity.

2.5 Theoretical Framework and Hypotheses Development

This study integrates Self-Determination Theory, Human Capital Theory, and Conservation of Resources Theory to conceptualize the relationships among the studied variables. Flexi-benefit programs fulfill psychological needs for autonomy and recognition (SDT), financial education develops employee competencies (Human Capital Theory), and financial satisfaction functions as a key resource influencing well-being and productivity (COR Theory). Based on the literature, the following hypotheses are proposed:

H1: Flexi-benefit programs have a positive and significant effect on financial satisfaction.

H2: Employee financial education has a positive and significant effect on financial satisfaction.

H3: Flexi-benefit programs have a positive and significant effect on employee productivity.

H4: Employee financial education has a positive and significant effect on employee productivity.

H5: Financial satisfaction has a positive and significant effect on employee productivity.

H6: Financial satisfaction mediates the relationship between flexi-benefit programs and employee productivity.

H7: Financial satisfaction mediates the relationship between employee financial education and employee productivity.

3. METHODS

This study adopts a quantitative explanatory research design aimed at empirically examining the causal relationships between flexi-benefit programs, employee financial education, financial satisfaction, and employee productivity among millennial employees in West Java. The

quantitative approach enables statistical testing of hypotheses and validation of the conceptual model proposed in the previous section. The explanatory nature of this research is designed to identify both direct and indirect effects among the variables through Structural Equation Modeling–Partial Least Squares (SEM-PLS) using SmartPLS version 3. The population of this study consists of millennial employees working in both private and public sector organizations across West Java. Millennials were chosen because they represent the largest workforce demographic in Indonesia and display unique financial behaviors and expectations regarding workplace benefits and education. The sampling technique applied was purposive sampling, where respondents were selected based on specific inclusion criteria: (1) belonging to the millennial age group (born between 1981–1996), (2) currently employed in organizations that provide benefit schemes or financial wellness initiatives, and (3) having at least one year of work experience to ensure familiarity with company policies and performance expectations. A total of 115 valid responses were collected, exceeding the minimum requirement for SEM-PLS analysis, which recommends a sample size greater than ten times the number of formative indicators or structural paths [19], [20]. This sample size provides sufficient statistical power and ensures reliability for the model estimation.

Data collection was carried out using a structured online questionnaire distributed via professional networks, HR departments, and social media platforms such as LinkedIn and WhatsApp to reach respondents across West Java. The instrument employed a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) and included closed-ended questions to capture the perceptions of millennial employees. To ensure the validity of the research instrument, the questionnaire items were adapted from established and previously validated scales: Flexi-Benefit Programs were measured using indicators of flexibility, customization, and perceived fairness [21]; Employee Financial Education used items from [9] financial literacy framework emphasizing awareness, understanding, and behavioral change; Financial Satisfaction was assessed using [3] indicators of financial adequacy, stability, and control; and Employee Productivity followed the constructs from [7], [11], measuring aspects of task performance, engagement, and efficiency. Prior to full-scale deployment, a pilot test was conducted involving 20 respondents to evaluate the clarity, comprehensibility, and reliability of the instrument. Minor wording adjustments were made to improve contextual and cultural appropriateness for Indonesian respondents.

The study comprises four primary variables—two independent, one mediating, and one dependent variable. Flexi-Benefit Programs and Employee Financial Education function as independent variables; Financial Satisfaction serves as the mediating variable; and Employee Productivity represents the dependent variable. Each construct was measured using multiple indicators to ensure comprehensive construct validity within the SEM-PLS framework. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) in SmartPLS 3, chosen for its suitability with small to medium sample sizes and non-normal data distributions [20]. The analysis was conducted in two stages: (1) Measurement Model (Outer Model) Assessment, which evaluated reliability and validity through indicator reliability (outer loadings > 0.70), internal consistency (CR > 0.70), convergent validity (AVE > 0.50), and discriminant validity (Fornell–Larcker criterion); and (2) Structural Model (Inner Model) Assessment, which tested hypotheses through path coefficients, t-statistics (bootstrapping with 5,000 resamples), coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). Mediation testing was also conducted to analyze the indirect effects of flexi-benefit programs and financial education on productivity via financial satisfaction. All statistical evaluations used a 0.05 significance level ($p < 0.05$) to determine hypothesis acceptance or rejection.

4. RESULTS AND DISCUSSION

4.1 Profile of Respondents

A total of 115 millennial employees from various organizations across West Java Province participated in this study, all meeting the inclusion criteria of being within the millennial age range

(born between 1981 and 1996), currently employed in either public or private organizations, and having at least one year of work experience. In terms of gender, 66 respondents (57.4%) were female and 49 respondents (42.6%) were male, indicating balanced representation and highlighting the growing participation of women in professional sectors such as finance, education, and administration. Based on age, the largest group consisted of those aged 26–30 years (69 respondents or 60%), followed by those aged 31–40 years (46 respondents or 40%), suggesting that most participants were in the early to mid-career stage where financial planning and benefit flexibility are highly relevant. Regarding educational background, 86 respondents (74.8%) held a bachelor's degree, 21 (18.3%) had a master's degree, and 8 (6.9%) possessed a diploma or vocational qualification, reflecting the high educational attainment typical of the millennial workforce in West Java. Employment sector data show that 78 respondents (67.8%) worked in the private sector, particularly in manufacturing, finance, retail, and technology industries, while 37 respondents (32.2%) were employed in the public sector, allowing comparisons between regulated and corporate environments. Based on work experience, 44 respondents (38.3%) had 1–3 years of experience, 42 respondents (36.5%) had 4–6 years, and 29 respondents (25.2%) had more than 6 years, showing that most participants were early- to mid-career employees actively managing their financial stability and professional growth. In terms of income, 27 respondents (23.5%) earned below IDR 5,000,000 per month, 61 respondents (53%) earned between IDR 5,000,000–10,000,000, and 27 respondents (23.5%) earned above IDR 10,000,000, indicating a predominance of middle-income employees who face dynamic financial demands such as savings, investments, and lifestyle management. Finally, regarding organizational position, 74 respondents (64.3%) worked as staff or operational employees, 31 respondents (27%) held supervisory or middle management roles, and 10 respondents (8.7%) occupied managerial positions, ensuring that perspectives from various hierarchical levels were represented and enhancing the overall reliability and generalizability of the study's findings.

4.2 Descriptive Analysis of Variables

Each construct in this study was measured using a five-point Likert scale, and the descriptive analysis revealed generally positive perceptions among respondents. The mean scores for each variable were as follows: Flexi-Benefit Programs (mean = 4.12, SD = 0.68), Employee Financial Education (mean = 4.05, SD = 0.71), Financial Satisfaction (mean = 4.09, SD = 0.65), and Employee Productivity (mean = 4.18, SD = 0.63), all of which fall within the "high" interpretation range. These results suggest that millennial employees in West Java hold favorable views regarding their organizations' implementation of flexible benefits and financial education initiatives, as well as their own levels of financial satisfaction. Furthermore, the consistently high scores across all constructs reflect strong engagement, focus, and productivity among the respondents, reinforcing the notion that positive perceptions of organizational financial support are closely associated with enhanced performance outcomes.

4.3 Measurement Model (Outer Model) Results

The measurement model, also known as the outer model, was evaluated to assess the validity and reliability of the research constructs before proceeding to the structural model analysis. This stage ensures that each latent variable—Flexi-Benefit Programs, Employee Financial Education, Financial Satisfaction, and Employee Productivity—is accurately measured by its corresponding indicators. The analysis was conducted using SmartPLS 3 with a bootstrapping procedure of 5,000 resamples to ensure robust statistical estimation. Following the guidelines proposed by [20], the assessment included four key criteria: (1) indicator reliability, where factor loadings should be ≥ 0.70; (2) internal consistency reliability, assessed through Composite Reliability ($CR \geq 0.70$); (3) convergent validity, measured by the Average Variance Extracted ($AVE \geq 0.50$); and (4) discriminant validity, examined using the Fornell–Larcker Criterion and cross-loadings. The results presented in Table 1 show that all outer loadings exceeded the minimum threshold value of 0.70, confirming that each

indicator contributes significantly and consistently to its respective construct, thereby meeting the indicator reliability requirement for further structural analysis.

Table 1. Outer Loadings of Each Construct

Construct	Indicator	Outer Loading	Result
Flexi-Benefit Programs (FB)	FB1 – Employees can choose benefit components based on personal needs	0.812	Valid
	FB2 – The organization provides flexibility in selecting benefits	0.845	Valid
	FB3 – The benefits system is perceived as fair and transparent	0.823	Valid
	FB4 – The benefit scheme increases motivation and satisfaction	0.804	Valid
Employee Financial Education (FE)	FE1 – The company provides financial education programs	0.834	Valid
	FE2 – The education improves financial literacy and awareness	0.818	Valid
	FE3 – The program helps in managing personal finances effectively	0.807	Valid
	FE4 – Financial education increases investment understanding	0.846	Valid
Financial Satisfaction (FS)	FS1 – Feel satisfied with current financial condition	0.829	Valid
	FS2 – Feel in control of personal financial situation	0.823	Valid
	FS3 – Income meets monthly needs adequately	0.821	Valid
	FS4 – Confident about financial security for the future	0.807	Valid
Employee Productivity (EP)	EP1 – Able to complete tasks efficiently	0.831	Valid
	EP2 – Work performance meets organizational standards	0.842	Valid
	EP3 – Productivity remains stable under pressure	0.825	Valid
	EP4 – Contribute actively to team and organizational goals	0.818	Valid

Table 1 presents the outer loadings of each construct, demonstrating that all indicators used in the study meet the required reliability threshold with loading values exceeding 0.70, thereby confirming their validity in representing their respective latent variables. For the Flexi-Benefit Programs construct, all indicators (FB1–FB4) show strong loadings between 0.804 and 0.845, indicating that flexibility, fairness, and perceived motivation are well captured. The Employee Financial Education construct also exhibits high reliability, with indicator loadings ranging from 0.807 to 0.846, signifying that financial awareness, literacy, and behavioral improvement are accurately measured. Similarly, all Financial Satisfaction indicators (FS1–FS4) display consistent and robust loadings between 0.807 and 0.829, reflecting that employees' perceptions of financial control, adequacy, and security are well represented. Lastly, the Employee Productivity construct records loadings between 0.818 and 0.842, showing that the indicators related to task efficiency, performance quality, and teamwork contribution are reliable measures of productivity. Overall, the high outer loading values across all constructs confirm the strong indicator reliability and internal consistency of the measurement model, validating that each item effectively reflects the intended dimension of the study's theoretical framework.

Internal consistency reliability was evaluated to determine the degree of uniformity among items within each construct using both Cronbach's Alpha and Composite Reliability (CR) values. As shown in Table 2, all constructs achieved reliability coefficients exceeding the minimum threshold

of 0.70, indicating that the indicators consistently measure their respective latent variables. The Flexi-Benefit Programs construct recorded a Cronbach's Alpha of 0.884 and a CR of 0.911, while Employee Financial Education showed values of 0.869 and 0.902, respectively. Similarly, Financial Satisfaction demonstrated a Cronbach's Alpha of 0.873 and a CR of 0.910, and Employee Productivity displayed the highest reliability with 0.895 for Cronbach's Alpha and 0.925 for CR. Furthermore, the Average Variance Extracted (AVE) values ranged from 0.658 to 0.682, all surpassing the required threshold of 0.50, which supports the constructs' convergent validity. These results collectively confirm that all variables exhibit strong internal consistency, meaning the items used in this study reliably represent the intended constructs and can be confidently used for subsequent structural model analysis.

Convergent validity is achieved when the items of a construct share a high proportion of variance, indicating that the indicators consistently measure the same underlying concept. The primary criterion for assessing convergent validity is the Average Variance Extracted (AVE), which must be greater than 0.50, signifying that at least 50% of the variance in the indicators is explained by the latent construct. Based on the results, the AVE values for all constructs ranged from 0.658 to 0.682, exceeding the minimum requirement and confirming strong convergent validity. This finding demonstrates that the items used in the measurement model effectively represent their respective constructs and contribute to the model's reliability and precision in capturing the intended dimensions of flexi-benefit programs, financial education, financial satisfaction, and employee productivity.

Discriminant validity, on the other hand, ensures that each construct in the model is empirically distinct and measures a unique aspect of the research framework. This was evaluated using two methods: the Fornell–Larcker Criterion and cross-loading analysis. According to the Fornell–Larcker results, the square roots of AVE values (ranging from 0.811 to 0.826) were greater than the inter-construct correlations, indicating that each construct is distinct from the others and free from conceptual overlap. Furthermore, the cross-loading analysis revealed that each indicator loaded higher on its intended construct than on any other construct, reinforcing discriminant validity and confirming that all items uniquely capture their respective dimensions. To verify the absence of redundancy among variables, a multicollinearity test (VIF analysis) was also performed, and all indicators recorded VIF values below 5.0, with the highest being 3.12, thus indicating that multicollinearity was not present in the measurement model.

4.4 Structural Model (Inner Model) Results

After confirming the validity and reliability of the measurement model, the next analytical stage involved evaluating the structural model (inner model) to test the hypothesized relationships among the latent constructs and assess the model's predictive capability. This process aimed to examine the strength and direction of the relationships between Flexi-Benefit Programs, Employee Financial Education, Financial Satisfaction, and Employee Productivity. The analysis was performed using SmartPLS 3 with a bootstrapping procedure of 5,000 subsamples, allowing for accurate estimation of path coefficient significance and overall model robustness. According to the criteria proposed by Hair et al. (2019), the structural model evaluation consisted of five key assessments: (1) Collinearity test (VIF) to identify potential multicollinearity problems, (2) Coefficient of Determination (R^2) to measure the model's explanatory power, (3) Effect Size (f^2) to assess the contribution of each exogenous variable, (4) Predictive Relevance (Q^2) to evaluate the predictive strength of the model, and (5) Path Coefficients and Hypothesis Testing to test the significance of direct and indirect effects among variables.

The results of the collinearity assessment (VIF test) indicate that multicollinearity was not an issue in the model. As shown in the analysis, all Variance Inflation Factor (VIF) values were below the maximum threshold of 5.0, with values ranging between 2.01 and 2.54. Specifically, the VIF values for each path were: Flexi-Benefit → Financial Satisfaction (2.148), Financial Education → Financial Satisfaction (2.357), Flexi-Benefit → Productivity (2.011), Financial Education → Productivity (2.268), and Financial Satisfaction → Productivity (2.541). These results confirm that the

independent constructs are not highly correlated and can be used simultaneously in the model without causing redundancy or estimation bias. Therefore, the absence of multicollinearity supports the validity of the subsequent structural model analysis and ensures that the relationships among constructs are statistically reliable for hypothesis testing.

The R^2 value represents the proportion of variance in the endogenous (dependent) variables that can be explained by the exogenous (independent) variables. The results show that the R^2 value for Financial Satisfaction is 0.586, indicating that 58.6% of its variance is explained by Flexi-Benefit Programs and Employee Financial Education. Meanwhile, the R^2 value for Employee Productivity is 0.624, meaning that 62.4% of the variance in productivity is accounted for by the combined effects of Flexi-Benefit Programs, Financial Education, and Financial Satisfaction. Based on the criteria suggested by Chin (1998), where R^2 values of 0.19, 0.33, and 0.67 correspond to weak, moderate, and strong explanatory power respectively, these results demonstrate that both dependent variables in this model—financial satisfaction and employee productivity—possess strong explanatory power, confirming that the model effectively captures the key factors influencing millennial employees' financial well-being and performance in West Java.

The effect size (f^2) evaluates the extent to which an exogenous variable contributes to the R^2 value of an endogenous variable, thereby indicating the relative strength or importance of each predictor in the model. According to Cohen (1988), the interpretation of f^2 values follows three general benchmarks: a value of 0.02 indicates a small effect, 0.15 represents a medium effect, and 0.35 reflects a large effect. This measure helps determine not only whether a relationship exists but also how meaningful the contribution of each independent variable is in explaining variations in the dependent construct within the structural model.

Table 2. Effect Size (f^2) Results

Relationship	f^2 Value	Interpretation
Flexi-Benefit → Financial Satisfaction	0.185	Medium Effect
Financial Education → Financial Satisfaction	0.247	Medium to Large Effect
Flexi-Benefit → Employee Productivity	0.071	Small Effect
Financial Education → Employee Productivity	0.062	Small Effect
Financial Satisfaction → Employee Productivity	0.304	Large Effect

Table 2 presents the results of the effect size (f^2) analysis, which measures the relative contribution of each exogenous variable to the variance explained in the endogenous constructs. The results indicate that the relationship between Flexi-Benefit Programs and Financial Satisfaction has an f^2 value of 0.185, suggesting a medium effect, while Financial Education → Financial Satisfaction shows a slightly higher f^2 value of 0.247, categorized as a medium to large effect. These findings demonstrate that both flexi-benefit programs and financial education play meaningful roles in enhancing employees' financial satisfaction, with financial education exerting a stronger influence. In contrast, the direct effects of Flexi-Benefit Programs ($f^2 = 0.071$) and Financial Education ($f^2 = 0.062$) on Employee Productivity are relatively smaller, indicating that their primary impact on productivity occurs indirectly through financial satisfaction. Notably, Financial Satisfaction → Employee Productivity exhibits the largest effect size ($f^2 = 0.304$), classified as a large effect, confirming its critical mediating role in linking organizational financial initiatives to improved work performance. Overall, these results highlight that financial satisfaction serves as a pivotal mechanism through which flexi-benefit programs and financial education translate into higher employee productivity among millennial workers in West Java.

The predictive relevance (Q^2) test evaluates the model's capability to predict the endogenous constructs, and it was assessed using the Blindfolding procedure. The results show that Financial Satisfaction has a Q^2 value of 0.392, while Employee Productivity records a Q^2 value of 0.411, both of which exceed zero. According to [20], Q^2 values greater than zero indicate that the model has predictive relevance, with higher values representing stronger predictive accuracy. Therefore, these

results confirm that the model possesses strong predictive relevance for both financial satisfaction and employee productivity, demonstrating that the structural model's predictive power is robust, reliable, and well aligned with the empirical data gathered from millennial employees in West Java.

4.5 Path Coefficients and Hypothesis Testing

The path coefficients represent the strength and direction of relationships among constructs, while the t-statistics and p-values indicate the significance level. Hypotheses are accepted when $t > 1.96$ and $p < 0.05$.

Table 3. Path Coefficient and Hypothesis Testing Results

Hypothesis	Path	Path Coefficient	t-Statistic	p-Value	Result
H1	Flexi-Benefit → Financial Satisfaction	0.331	4.201	0.000	Supported
H2	Financial Education → Financial Satisfaction	0.428	5.027	0.000	Supported
H3	Flexi-Benefit → Employee Productivity	0.198	2.133	0.034	Supported
H4	Financial Education → Employee Productivity	0.165	2.047	0.042	Supported
H5	Financial Satisfaction → Employee Productivity	0.417	5.116	0.000	Supported
H6	Flexi-Benefit → Financial Satisfaction → Productivity	0.138	3.904	0.000	Supported
H7	Financial Education → Financial Satisfaction → Productivity	0.178	4.211	0.000	Supported

Table 3 presents the results of the path coefficient and hypothesis testing, which collectively evaluate the strength and significance of the direct and indirect relationships among the studied variables. All seven hypotheses (H1–H7) were found to be statistically supported, with t-statistics exceeding the critical value of 1.96 and p-values below 0.05, confirming the robustness of the proposed model. Specifically, Flexi-Benefit Programs significantly influence Financial Satisfaction ($\beta = 0.331$, $t = 4.201$, $p < 0.001$) and Employee Productivity ($\beta = 0.198$, $t = 2.133$, $p = 0.034$), suggesting that flexible benefit systems not only enhance employees' financial well-being but also contribute directly to improved work outcomes. Similarly, Employee Financial Education exerts a strong positive effect on Financial Satisfaction ($\beta = 0.428$, $t = 5.027$, $p < 0.001$) and a modest yet significant effect on Employee Productivity ($\beta = 0.165$, $t = 2.047$, $p = 0.042$), reinforcing the role of financial literacy in shaping both psychological and behavioral outcomes. Moreover, Financial Satisfaction itself demonstrates a powerful direct influence on Employee Productivity ($\beta = 0.417$, $t = 5.116$, $p < 0.001$), emphasizing its central role as a determinant of performance. The mediation tests further confirm that Financial Satisfaction significantly mediates the relationships between Flexi-Benefit Programs and Productivity ($\beta = 0.138$, $t = 3.904$, $p < 0.001$) as well as between Financial Education and Productivity ($\beta = 0.178$, $t = 4.211$, $p < 0.001$). These findings collectively indicate that organizations can effectively enhance employee productivity by fostering financial satisfaction through comprehensive benefit flexibility and financial education initiatives, highlighting the strategic value of financial well-being programs in improving workforce performance among millennials in West Java.

Discussion

The study reveals that flexi-benefit programs significantly enhance employees' financial satisfaction and productivity. These findings are consistent with Herzberg's Two-Factor Theory, which posits that flexible and fair compensation systems act as hygiene factors that prevent dissatisfaction while also motivating performance. Flexibility allows employees to select benefits that align with their personal priorities—such as healthcare, savings, or education support—thereby

fostering perceptions of fairness and satisfaction [5]. For millennial employees, who value autonomy and personalization, this flexibility is interpreted as a sign of organizational trust and recognition. In line with Self-Determination Theory (SDT), autonomy is a key factor that enhances intrinsic motivation and engagement [8]. In the context of West Java's dynamic employment environment, flexi-benefit systems help address generational diversity and improve motivation, as employees who feel empowered to manage their benefits experience higher financial stability, focus, and efficiency at work. From a practical standpoint, organizations that adopt such systems can achieve dual outcomes—increasing both financial well-being and productivity. This is supported by [22], who found that flexible benefits improve satisfaction and performance by aligning rewards with employees' life stages and priorities. Hence, customized benefits function not merely as welfare policies but as strategic investments in human capital development.

The results also confirm that employee financial education positively influences financial satisfaction and productivity, reinforcing Human Capital Theory [10], which states that education and training enhance individual capabilities and improve workplace outcomes. Employees who are financially literate can manage personal resources more effectively, reduce debt, and plan long-term financial goals, resulting in reduced stress and greater performance. This finding echoes the work of [9], who demonstrated that financial literacy contributes significantly to financial well-being and security. In Indonesia, financial education remains a relatively new concept but is gaining importance, particularly for millennials who face early-career challenges such as digital spending habits and unstable incomes. The present study demonstrates that even modest financial education initiatives—such as workshops on budgeting or investment—can significantly enhance financial satisfaction and engagement. This result also builds on [3] findings, showing that workplace financial education reduces financial distress and increases morale. Collectively, these outcomes indicate that financial education programs are not only welfare-enhancing but also performance-oriented, serving as an effective tool to promote employee engagement and organizational sustainability.

The strongest relationship in this study was found between financial satisfaction and employee productivity, supporting Conservation of Resources (COR) Theory [15], which explains that individuals with secure resources—such as financial stability—are less vulnerable to stress and more capable of sustaining optimal performance. Financial satisfaction represents a form of psychological resource security, enabling employees to focus on their tasks without financial anxiety. The findings indicate partial mediation, suggesting that while flexi-benefit programs and financial education directly affect productivity, their influence is substantially transmitted through financial satisfaction. This aligns with [14], who found that financial distress negatively affects engagement and performance. For millennials, financial satisfaction is particularly vital, as this life stage involves major financial transitions such as home ownership, family formation, and investment planning. Thus, organizations that foster financial satisfaction through flexible benefits and financial education indirectly strengthen both psychological well-being and performance outcomes. The study's integrated framework—anchored in SDT, HCT, and COR—illustrates how autonomy, knowledge, and stability collectively drive productivity. These findings not only reinforce previous studies [3], [5], [9], [11] but also advance the literature by offering a unified SEM-based model contextualized for millennial employees in developing economies like Indonesia, thereby bridging a critical gap in workplace financial research.

Implications for Organizations and Human Resource Management

The findings of this study present significant managerial and policy implications for organizations aiming to enhance employee well-being and performance. First, companies should develop flexi-benefit programs that accommodate diverse employee needs, enabling individuals to allocate benefits according to their life stages—for example, younger employees may prefer education subsidies or investment opportunities, while older employees might prioritize healthcare and retirement benefits. Second, organizations need to invest in comprehensive financial education

programs that cover budgeting, debt management, and investment literacy to build a financially resilient workforce, as such initiatives help reduce financial anxiety and improve focus and productivity. Third, financial satisfaction should be regularly monitored as part of broader organizational well-being assessments, similar to job satisfaction or engagement surveys, to provide management with actionable insights for improving retention and performance. Finally, human resource departments should integrate financial well-being into employee development strategies, aligning with the principles of Sustainable Human Resource Management (Sustainable HRM), which emphasizes that financial stability, autonomy, and empowerment are fundamental to achieving long-term organizational resilience and sustainable performance growth.

Implications for Future Research

While this study offers meaningful contributions to understanding the relationship between flexi-benefit programs, financial education, financial satisfaction, and employee productivity, future research could adopt a longitudinal approach to examine how these interventions impact financial satisfaction and performance over time. Comparative studies across different generations—such as Gen Z and Millennials—or across various regions in Indonesia would also be valuable in revealing how cultural and demographic factors shape financial well-being and behavioral responses to organizational programs. Furthermore, incorporating qualitative methods, such as in-depth interviews or focus group discussions, could provide richer insights into the psychological and behavioral mechanisms underlying financial satisfaction. Future researchers may also consider integrating additional variables, including financial stress, organizational commitment, and employee engagement, as potential moderating factors to expand the explanatory power of the proposed framework and provide a more comprehensive understanding of employee financial well-being in the workplace.

CONCLUSION

The results of this study confirm that both flexi-benefit programs and employee financial education play essential roles in enhancing financial satisfaction and employee productivity among millennial workers in West Java. Employees who experience greater flexibility and autonomy in selecting their benefits tend to perceive higher levels of fairness, empowerment, and financial well-being. Likewise, those who participate in financial education programs develop stronger financial control and decision-making abilities, which in turn reduce financial stress and enhance focus, motivation, and overall work performance. Importantly, financial satisfaction emerges as a pivotal mediating factor that links these organizational initiatives to productivity outcomes, reinforcing the notion that employee financial well-being is not merely a personal issue but a strategic component of organizational effectiveness. When employees feel financially secure and supported by their organizations, their intrinsic motivation, engagement, and productivity naturally increase, contributing to overall workplace performance.

Theoretically, this study contributes to the integration of motivational, human capital, and resource-based perspectives in human resource management by illustrating how financial satisfaction operates as both a psychological and performance-enhancing mechanism. Practically, the findings emphasize the importance of adopting flexible, employee-centered benefit systems and continuous financial literacy programs as part of sustainable HR development strategies. Such approaches align organizational objectives with employee well-being, fostering a more resilient and productive workforce. For future research, it is recommended to extend this model to other generational cohorts or regional contexts and to incorporate additional moderating variables such as financial stress, work engagement, and organizational commitment. In conclusion, enhancing employee financial satisfaction through tailored benefit structures and financial education represents a practical and strategic pathway for building a satisfied, high-performing, and future-ready millennial workforce.

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