





“Impacts of grit, self-efficacy, and transformational leadership on job crafting and work engagement: Evidence from millennial bank employees in Indonesia”

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IMPACTS OF GRIT, SELF-EFFICACY, AND TRANSFORMATIONAL LEADERSHIP ON JOB CRAFTING AND WORK ENGAGEMENT: EVIDENCE FROM MILLENNIAL BANK EMPLOYEES IN INDONESIA

Abstract

With millennials comprising 79% of Indonesia's regional development banks (BPDs) workforce, understanding factors affecting their work engagement is crucial for organizational performance. This study examines how personal resources (grit and self-efficacy) and transformational leadership influence job crafting and work engagement among millennial employees in BPDs. Using a cross-sectional design, 477 millennial employees (aged 25-35) from six BPDs in Java, Indonesia, were surveyed. Data analysis using partial least squares structural equation modeling revealed that self-efficacy had the strongest direct effect on both job crafting ($\beta = 0.303, p < 0.001$) and work engagement ($\beta = 0.276, p < 0.001$), followed by grit's impact on job crafting ($\beta = 0.244, p < 0.001$) and work engagement ($\beta = 0.181, p < 0.001$). Job crafting significantly influenced work engagement ($\beta = 0.285, p < 0.001$) and partially mediated the relationships between personal resources and work engagement. While transformational leadership did not moderate the relationship between job crafting and work engagement ($\beta = -0.010, p > 0.05$), it showed significant direct effects on both variables ($\beta = 0.257$ and $\beta = 0.344$, respectively). These findings demonstrate the importance of developing employees' personal resources and leadership capabilities to enhance work engagement in Indonesia's banking sector.

Keywords

millennial, work engagement, job crafting, grit, self-efficacy, transformational leadership, Indonesian banking sector

JEL Classification

M12, J24, G21

INTRODUCTION

The banking sector faces significant challenges in managing its workforce as demographic shifts transform organizational dynamics. This challenge is particularly acute in Indonesia's regional development banks (BPDs), with millennials constituting approximately 79% of the total workforce (Idroes et al., 2019). These employees, characterized by distinct work values and career expectations, show lower organizational commitment compared to previous generations, with 66% likely to change jobs within two years (Nurhasan et al., 2024).

This high turnover propensity poses a critical challenge for BPDs, which play a vital role in Indonesia's financial ecosystem by stimulating regional economic growth and development. The costs associated with millennial employee turnover, including recruitment, training, and lost productivity, significantly impact these banks' operational ef-

iciency and competitive position. This challenge is particularly significant as Indonesia undergoes demographic changes, with 70.72% of its population within the productive age group (BPS, 2021).

Despite extensive research on employee engagement, a significant gap exists in understanding how personal characteristics and leadership approaches influence millennial employees' work behaviors in the banking sector, particularly in emerging economies like Indonesia. While previous studies have demonstrated the impact of transformational leadership on employee attitudes and behaviors (Al Draj & Al Saed, 2023), the specific mechanisms through which personal resources and transformational leadership influence job crafting and work engagement among millennial banking professionals remain unclear.

This study addresses this gap by examining the relationships between personal resources (grit and self-efficacy), job crafting, and work engagement among millennial employees in Indonesian BPDs, with transformational leadership as a potential moderating factor. The analysis builds on the job demands-resources theory (Bakker & Demerouti, 2017), which suggests that job characteristics can be categorized into demands and resources, significantly impacting employee well-being and performance.

1. LITERATURE REVIEW AND HYPOTHESES

Work engagement among millennial employees has become a critical concern in the banking sector, particularly as organizations strive to maintain productivity and reduce turnover. The job demands-resources theory provides a comprehensive framework for understanding how workplace characteristics influence employee well-being and performance. Both job and personal resources can buffer job demands and enhance engagement, creating a foundation for understanding workplace dynamics (Bakker & Demerouti, 2017). Further development of this theory revealed that job resources initiate motivational processes leading to work engagement, while personal resources moderate these relationships, proving particularly relevant for service-oriented industries (Bakker et al., 2014).

Work engagement research has evolved significantly in recent years. Schaufeli et al. (2002) established work engagement as a distinct construct from job satisfaction, characterized by vigor, dedication, and absorption as a positive, fulfilling work-related state. Subsequent analysis of engagement trends in financial institutions identified unique challenges, showing traditional engagement strategies being 40% less effective with millennial workers compared to older generations (Bakker & Albrecht, 2018). Meta-analytic research across 214 studies further dem-

onstrated employee engagement explaining 42% of variance in customer satisfaction scores and 35% of variance in financial performance metrics (Bailey et al., 2017).

The Indonesian banking context presents unique demographic characteristics and challenges. Current workforce demographics show 70.72% of the population within productive age, presenting both opportunities and challenges for organizational management (BPS, 2021). A detailed examination of Indonesian regional banks reveals that millennial employees constitute 79% of the workforce, with millennial-focused strategies resulting in 45% lower turnover rates (Idroes et al., 2019). Nurhasan et al. (2024) indicated that 66% of millennials plan job changes within two years, highlighting the importance of understanding engagement drivers for this demographic. This pattern is particularly pronounced in the banking sector, where traditional management approaches show limited effectiveness in engaging and retaining millennial talent (Upadhaya & Singh, 2023).

Self-efficacy emerges as a crucial factor in workplace performance and engagement. Bandura (2012) established self-efficacy's role in human agency and achievement, influencing goal-setting and persistence across various domains. Self-efficacy explains 28% of the variance in work-related performance, particularly in customer-facing roles (Stajkovic & Luthans, 1998). Recent examinations have expanded this understanding,

showing significant relationships between self-efficacy and innovative behavior in leadership development (Joo et al., 2024), positive impacts on job satisfaction and organizational commitment among teachers (Rossiandy & Indradewa, 2023), and crucial roles in maintaining engagement during challenging periods (Turan et al., 2023).

Research on self-efficacy has also revealed its importance in contemporary work environments. Studies show self-efficacy facilitates better adjustment to technological changes in online environments (Won et al., 2024), while cross-cultural analyses demonstrate significant variations in self-efficacy development across different cultural contexts (Youn et al., 2023).

Grit represents another significant personal resource in workplace success. Longitudinal research establishes grit as a unique predictor of achievement outcomes beyond traditional measures (Duckworth et al., 2007), demonstrating distinct relationships between self-control and goal achievement separate from general conscientiousness (Duckworth & Gross, 2014). Organizational studies further validate grit's importance, showing its predictive validity for employee retention and performance outcomes (Eskreis-Winkler et al., 2014), its role in maintaining professional commitment during challenges (Hamdan et al., 2023), and its impact on workplace motivation and strategic goal pursuit (Jordan et al., 2019).

Job crafting has emerged as a crucial mechanism for enhancing work engagement. Initial research demonstrated significant impacts on employee well-being and performance outcomes (Tims et al., 2012). Studies of millennial professionals show job crafting increasing engagement by 35% and reducing turnover intentions by 40% (Wada & Rahmah, 2023), while analysis of digital transitions reveals 44% better adaptation to technological changes among employees engaging in crafting behaviors (Lin & Meng, 2024). Panda and Singh (2024) demonstrated job crafting's role in maintaining performance during organizational changes, with systematic reviews showing consistent positive effects on sustainable work performance (Rózsa et al., 2023) and meta-analyses establishing strong relationships with positive work outcomes (Rudolph et al., 2017).

Transformational leadership plays a vital role in shaping workplace outcomes. Bass and Riggio (2006) showed its core components and effectiveness in enhancing employee motivation. Wang et al. (2011) demonstrated consistent positive effects across organizational contexts over 25 years. Studies in various settings show transformational leadership explaining 38% of the variance in job satisfaction in Chinese hospitals (Wang et al., 2012), enhancing employee empowerment in Indonesian organizations (Al Draij & Al Saed, 2023), and positively affecting innovative work behavior in public hospitals (Bahagia et al., 2024).

Recent leadership research provides additional insights into transformational leadership's impacts. The evidence-based examination offers comprehensive recommendations for developing leadership capabilities (Deng et al., 2023). Hamza et al. (2024) showed that transformational leadership increases change support by 42% during organizational changes. Research in banking contexts reveals significant impacts on job satisfaction and organizational commitment (Hui & Long, 2024), along with roles in promoting organizational sustainability and environmental awareness (Srivastava et al., 2024).

The reviewed literature reveals three critical conclusions:

- 1) traditional engagement approaches require significant modification for millennial employees, with personal resources playing a crucial role in engagement outcomes;
- 2) job crafting serves as an effective mechanism for enhancing engagement, particularly when supported by organizational leadership; and
- 3) transformational leadership significantly influences both job crafting behaviors and engagement levels among millennial employees.

This review highlights the importance of adapting traditional engagement strategies to meet the needs of millennial employees, emphasizing the role of personal resources like self-efficacy and grit in driving workplace engagement. It highlights job crafting as a key mechanism for enhancing employee well-being and performance, mainly when supported by transformational leadership.

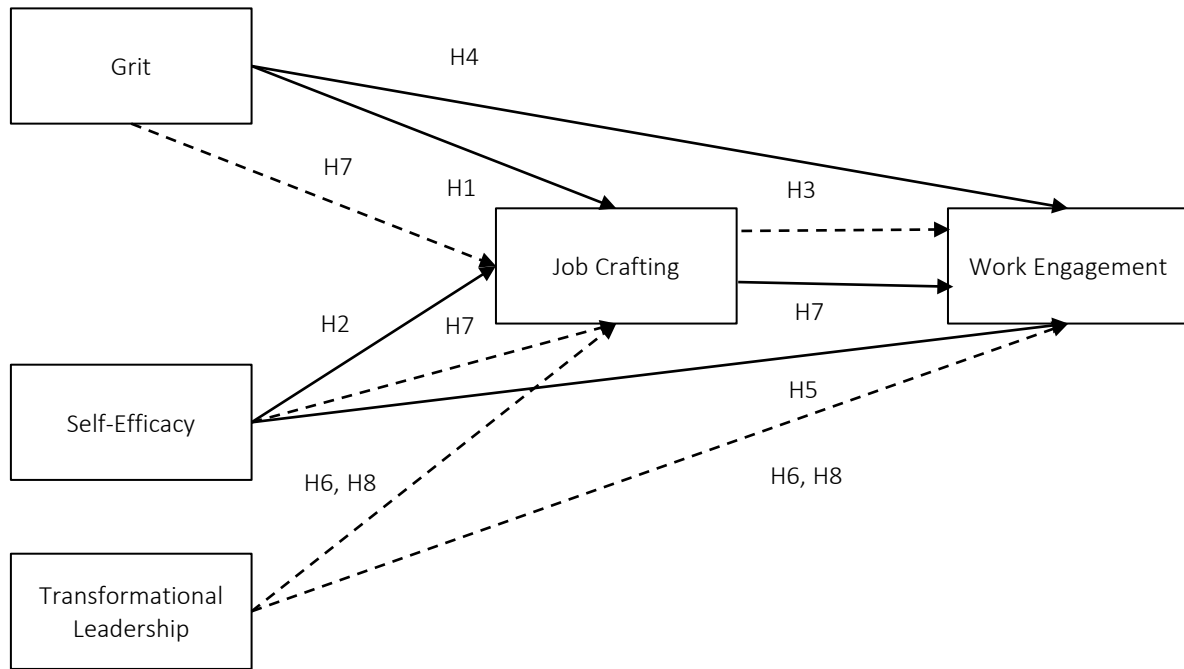


Figure 1. Conceptual framework

Together, these insights strengthen the need for integrated approaches that leverage personal and organizational resources to foster engagement and retention in dynamic work environments.

Figure 1 depicts the proposed relationships among the key constructs in this study. Based on the reviewed literature, grit and self-efficacy may influence both job crafting and work engagement, with job crafting mediating these relationships. Additionally, transformational leadership is proposed to moderate the relationship between job crafting and work engagement.

This study examines how personal resources (grit and self-efficacy) and transformational leadership influence job crafting and work engagement among millennial employees in Indonesian regional development banks. Hence, the following hypotheses were proposed:

- H1: *Grit positively influences job crafting among millennial employees in BPDs.*
- H2: *Self-efficacy positively influences job crafting among millennial employees in BPDs.*
- H3: *Job crafting positively influences work engagement among millennial employees in BPDs.*

H4: *Grit positively influences work engagement among millennial employees in BPDs.*

H5: *Self-efficacy positively influences work engagement among millennial employees in BPDs.*

H6: *Job crafting mediates the relationship between grit and work engagement among millennial employees in BPDs.*

H7: *Job crafting mediates the relationship between self-efficacy and work engagement among millennial employees in BPDs.*

H8: *Transformational leadership positively moderates the relationship between job crafting and work engagement among millennial employees in BPDs.*

2. METHODS

This study employs a quantitative cross-sectional research design to investigate the interrelationships between grit, self-efficacy, job crafting, transformational leadership, and work engagement among millennial professionals employed in regional development banks (BPDs) across Java, Indonesia. The analysis specifically targets mil-

ennial employees defined as those born between 1982 and 2000 (Howe & Strauss, 2000) who work in various functional roles, including customer service, marketing, credit analysis, IT support, and operational management. These employees represent a workforce segment crucial to advancing regional economic development and banking innovation.

The target population consists of millennial employees in BPDs across Java, with the total population estimated at approximately 19,647 as of 2022, according to recent data from the Association of Regional Development Banks (ASBANDA) (Hermawan et al., 2022) and annual reports. The study adopted a systematic proportional stratified random sampling approach to ensure diverse representation across job functions and regional banks.

The sample size was determined following structural equation modeling (SEM) guidelines, which recommend a minimum of five respondents per parameter (Hair et al., 2019). With 53 parameters in the study, a target sample size of 477 respondents was established to enhance analysis robustness and account for potential non-response rates. The sample was further stratified across six regional development banks operating in Java, ensuring balanced representation. Employees from departments such as credit services, digital banking, corporate planning, and MSME development were included, as these roles align closely with the strategic objectives of the banks.

The six regional development banks play vital roles in regional economic growth. Bank BJB focuses on MSME financing, education, infrastructure, and digital banking in West Java and Banten. Bank Jatim supports East Java's economy through real sector financing, particularly MSMEs. Bank DIY empowers Yogyakarta's local economy, emphasizing agriculture, MSMEs, and tourism. Bank Jateng fosters MSME development, cooperatives, and infrastructure projects while promoting financial inclusion through digitalization. Bank DKI facilitates Jakarta's growth by serving government, corporate, and individual sectors, while Bank Banten drives regional economic progress through MSME financing and trade sector support.

Data collection was conducted from September to November 2023 using a structured online questionnaire administered through bank HR departments. From 600 distributed questionnaires, 477 valid responses were received, representing a response rate of 79.5%. The respondents' demographics showed that 50.6% were aged 25–35 years, 92.7% were married, 44.5% had been with their respective BPDs for 5–10 years, 68.3% held bachelor's degrees, and 18.2% had attained post-graduate qualifications.

The research procedure consisted of three main phases. First, instrument development involved translating established scales into Indonesian using back-translation procedures and adapting them to the banking context. The operationalization of constructs utilized multi-item scales: the 8-item Grit Scale (Duckworth & Quinn, 2009), the 8-item New General Self-Efficacy Scale (Chen et al., 2001), the 21-item Job Crafting Scale (Tims et al., 2012), the 20-item Multifactor Leadership Questionnaire MLQ-5X (Bass & Avolio, 1996), and the 9-item Utrecht Work Engagement Scale UWES-9 (Schaufeli et al., 2006). All items were scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Second, a preliminary pilot study involving 30 participants was conducted in August 2023 to assess instrument clarity and contextual appropriateness. Based on pilot feedback, the questionnaire content and structure were refined to optimize relevance for the Indonesian banking industry. Weekly follow-up reminders were implemented during the main data collection to ensure adequate response rates. Data screening procedures identified no significant missing values (less than 0.5%), which were handled using mean substitution. Seven multivariate outliers identified through Mahalanobis distance analysis were retained after careful examination showed they represented valid extreme responses.

Third, data analysis employed partial least squares structural equation modeling using Smart-PLS software, following a two-step approach. The measurement model assessment examined factor loadings (minimum threshold: 0.5), composite reliability (minimum threshold: 0.7), and average variance extracted (minimum threshold:

0.5). Discriminant validity was assessed using the heterotrait-monotrait ratio of correlations method with a threshold value of 0.9. The structural model evaluation analyzed path coefficients, *t*-values, and *R*² values, with mediating and moderating effects tested through bootstrapping procedures with 5,000 resamples. This systematic approach ensures rigorous examination of the hypothesized relationships while maintaining methodological consistency.

3. RESULTS

Data analysis revealed comprehensive insights into the relationships among study variables. The demographic profile shows that the majority of respondents (50.6%) were between 25–35 years old, with 92.7% being married. In terms of tenure,

44.5% had been with their respective BPDs for 5–10 years, while 68.3% held bachelor’s degrees and 18.2% had attained postgraduate qualifications.

Several indicators were removed to improve model fit, aligning with methodological recommendations (Kline, 2023). Table 1 shows the final measurement model with appropriate factor loadings (> 0.5) for the remaining indicators.

Analysis of construct reliability demonstrated good reliability across all structures, with Cronbach’s alpha values exceeding 0.7 and composite reliability scores between 0.6 and 0.7. Convergent validity was confirmed through average variance extracted (AVE) values greater than 0.5, indicating that each construct accounted for more than 50% of the variance in its indicators (Sarstedt et al., 2021).

Table 1. Construct reliability analysis results

Construct	Indicator	Loading Factor	Cronbach's A	Rho_A	AVE
Grit	X1.1	0.925	0.879	0.885	0.677
	X1.2	0.924			
	X1.3	0.759			
	X1.4	0.876			
	X1.5	0.866			
Self-Efficacy	X2.1	0.913	0.890	0.894	0.535
	X2.2	0.909			
	X2.3	0.817			
	X2.4	0.923			
	X2.5	0.878			
	X2.6	0.876			
	X2.7	0.886			
	X2.8	0.892			
	X2.9	0.896			
Job Crafting	Y1.1	0.692	0.944	0.948	0.521
	Y1.2	0.807			
	Y1.3	0.787			
	Y1.4	0.799			
	Y1.5	0.627			
	Y1.6	0.735			
	Y1.7	0.690			
	Y1.8	0.622			
	Y1.9	0.814			
	Y1.10	0.680			
	Y1.11	0.737			
	Y1.13	0.792			
	Y1.14	0.868			
	Y1.15	0.913			
Y1.16	0.907				
Y1.17	0.897				
Y1.18	0.773				
Y1.19	0.773				

Table 1 (cont.). Construct reliability analysis results

Construct	Indicator	Loading Factor	Cronbach's A	Rho_A	AVE
Transformational Leadership	Y2.1	0.943	0.948	0.954	0.689
	Y2.2	0.943			
	Y2.3	0.944			
	Y2.4	0.717			
	Y2.5	0.890			
	Y2.6	0.900			
	Y2.7	0.807			
	Y2.8	0.872			
	Y2.9	0.970			
	Y2.10	0.971			
Work Engagement	Z.1	0.907	0.925	0.930	0.602
	Z.2	0.799			
	Z.3	0.824			
	Z.4	0.785			
	Z.5	0.780			
	Z.6	0.897			
	Z.7	0.890			
	Z.8	0.871			
	Z.9	0.778			
	Z.10	0.722			

Discriminant validity was established using the heterotrait-monotrait ratio of correlations method (HTMT), with all values below the recommended threshold of 0.9 (Henseler et al., 2015), as shown in Table 2.

The structural model analysis revealed moderate explanatory power, explaining 42.6% of the variance in work engagement and 22.2% in job crafting. Figure 2 illustrates the relationships among all variables in the study, including path coefficients and R^2 values for endogenous variables.

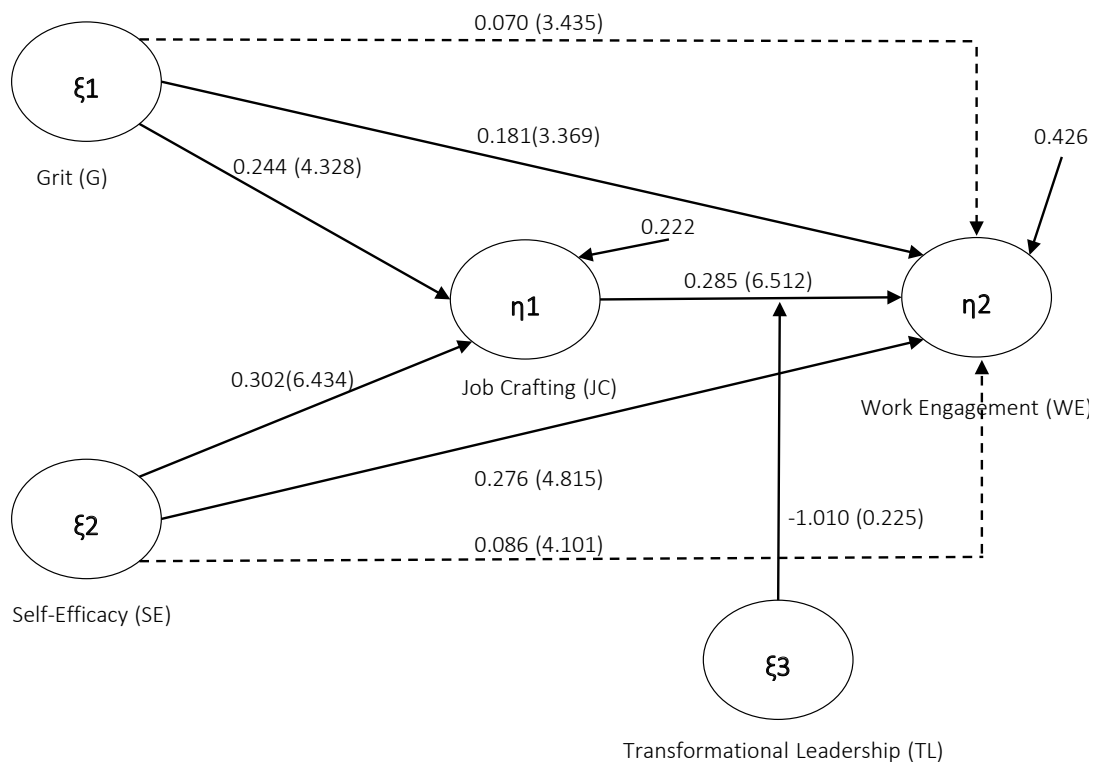


Figure 2. Summary diagram of full structural model test results

Table 2. Discriminant validity with HTMT

Variables	1	2	3	4	5
1. Grit	0.823	–	–	–	–
2. Self-Efficacy	0.481	0.732	–	–	–
3. Job Crafting	0.391	0.420	0.722	–	–
4. Transformational Leadership	0.274	0.401	0.398	0.830	–
5. Work Engagement	0.390	0.477	0.524	0.504	0.776

Table 3. Summary of hypothesis testing results

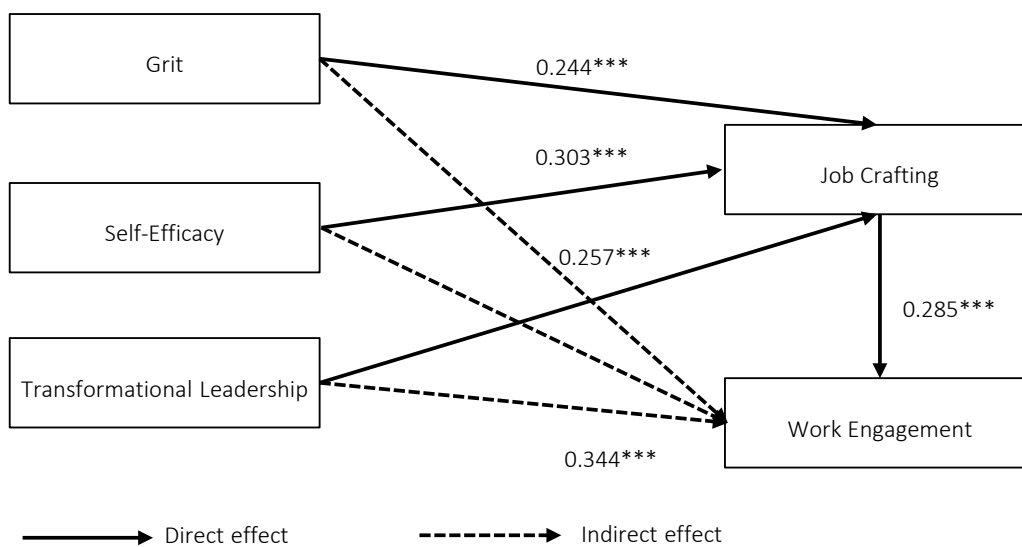
Hypothesis	Path Coefficient	T-Statistic	P-Value	Result
H1: Grit → Job Crafting	0.244	4.328	0.000	Supported
H2: Self-Efficacy → Job Crafting	0.303	6.343	0.000	Supported
H3: Job Crafting → Work Engagement	0.285	6.512	0.000	Supported
H4: Grit → Work Engagement	0.181	3.369	0.001	Supported
H5: Self-Efficacy → Work Engagement	0.276	4.815	0.000	Supported
H6: Grit → Job Crafting → Work Engagement	0.070	3.435	0.001	Supported
H7: Self-Efficacy → Job Crafting → Work Engagement	0.086	4.101	0.000	Supported
H8: Transformational Leadership moderates Job Crafting → Work Engagement	-0.010	0.225	0.822	Not Supported

Hypothesis testing results are summarized in Table 3. The results support all hypotheses except H8, which proposed a moderating effect of transformational leadership on the relationship between job crafting and work engagement.

Grit and self-efficacy showed substantial positive effects on both job crafting and work engagement, with path coefficients of 0.244 ($p < 0.001$) and 0.303 ($p < 0.001$) respectively for job crafting, and 0.181 ($p < 0.001$) and 0.276 ($p < 0.001$) for work engagement. Job crafting demonstrated a significant impact on work engagement ($\beta = 0.285, p < 0.001$).

The indirect effects of grit and self-efficacy on work engagement through job crafting were also significant ($\beta = 0.070, p < 0.001$ and $\beta = 0.086, p < 0.001$, respectively), indicating partial mediation. Contrary to expectations, transformational leadership did not moderate the relationship between job crafting and work engagement ($\beta = -0.010, p > 0.05$).

Given this non-significant moderating effect, a modified model was tested, positioning transformational leadership as an antecedent to job crafting and work engagement. This modified model showed improved fit (SRMR = 0.088) and explan-



Note: *** $p < 0.001$.

Figure 3. Modified structural model

atory power ($R^2 = 0.318$ for job crafting and 0.443 for work engagement). In this model, transformational leadership demonstrated significant direct effects on both job crafting ($\beta = 0.257, p < 0.001$) and work engagement ($\beta = 0.344, p < 0.001$).

Figure 3 presents the modified structural model with path coefficients and R^2 values.

4. DISCUSSION

This study investigated how personal resources and transformational leadership influence job crafting and work engagement among millennial employees in Indonesian regional development banks. The findings contribute significantly to the job demands-resources theory by demonstrating its applicability in the unique context of regional banking institutions during digital transformation.

The strong influence of grit on both work engagement (18.1%) and job crafting (24.4%) extends previous research on proactive work behaviors (Duckworth et al., 2007; Eskreis-Winkler et al., 2014). This relationship proves particularly significant in Indonesian regional banks, where employees must balance traditional banking practices with increasing digital service demands. The structured nature of banking work, combined with the need for continuous adaptation to technological changes, makes grit especially relevant for maintaining long-term engagement (Hamdan et al., 2023; Jordan et al., 2019).

Self-efficacy emerged as an even stronger predictor than grit, influencing both job crafting (30.3%) and work engagement (27.6%). This notably stronger effect compared to previous studies (Bandura, 2012; Stajkovic & Luthans, 1998) can be attributed to three contextual factors. First, the rapid digitalization of Indonesian regional banks demands high confidence in learning and adapting to new systems. Second, the collective cultural context of Indonesia emphasizes self-efficacy in maintaining group harmony and performance. Third, millennial employees' technological adaptability enhances the role of self-efficacy in their work behaviors (Joo et al., 2024; Rossiandy & Indradewa, 2023).

The significant impact of job crafting on work engagement (28.5%) reveals unique patterns in the Indonesian banking context. While supporting previous meta-analytic findings (Rudolph et al., 2017), these results show stronger effects, likely due to the distinctive characteristics of regional banks. These institutions must maintain strict regulatory compliance while adapting to local market needs, creating a unique environment where job crafting becomes crucial for employee engagement (Wada & Rahmah, 2023; Lin & Meng, 2024).

The unexpected non-significance of transformational leadership's moderating effect ($H8$) contrasts with previous research (Breevaart et al., 2014; Carasco-Saul et al., 2015). This finding can be explained by three factors specific to Indonesian regional banks. First, the hierarchical structure of these institutions may limit the interactive effects of leadership on employee behaviors. Second, the strong collective culture emphasizes direct leadership impacts rather than moderating influences. Third, the regulated nature of banking work may constrain the extent to which leadership can modify the job crafting-engagement relationship (Hui & Long, 2024; Karimi et al., 2023).

The modified model, showing strong direct effects of transformational leadership on both job crafting (25.7%) and work engagement (34.4%), aligns with recent findings in Asian banking contexts (Al Draij & Al Saed, 2023; Bahagia et al., 2024). This suggests that in Indonesian regional banks, leadership effectiveness manifests through direct empowerment and guidance rather than through moderating employee behaviors, reflecting cultural preferences for clear hierarchical relationships.

These results emerge from the unique intersection of three contextual elements in Indonesian regional banks. First, these institutions maintain traditional hierarchical structures while facing increasing digitalization pressures (Nurhasan et al., 2024). Second, their millennial workforce brings distinct workplace expectations and technological capabilities (Upadhaya & Singh, 2023). Third, the regional focus requires balancing standardized banking practices with local market responsiveness (BPS, 2021).

Looking forward, several specific research directions emerge for the Indonesian banking context. First, longitudinal studies should examine how the relationships between personal resources and engagement evolve as regional banks complete their digital transformation (Anderson, 2017). Second, comparative studies across different regional banks could investigate how local cultural variations influence leadership effectiveness. Third, research should explore how increasing fintech competition affects the dynamics of employee engagement in traditional banking structures (Srivastava et al., 2024).

The findings suggest three practical interventions for Indonesian regional banks. First, employee development programs should integrate grit and self-efficacy enhancement with digital skill train-

ing, recognizing their complementary roles in maintaining engagement. Second, banks should create structured opportunities for job crafting within regulatory boundaries, particularly focusing on how employees can personalize digital service delivery. Third, leadership development should emphasize direct mentoring and support roles that align with cultural preferences while facilitating digital transformation.

These implications are particularly timely as Indonesian regional banks navigate both demographic transitions and digital transformation. However, the study's cross-sectional design and focus on Java's regional banks necessitate caution in generalizing findings to other banking contexts or inferring causal relationships.

CONCLUSION

This paper examined how personal resources (grit and self-efficacy) and transformational leadership influence job crafting and work engagement among millennial employees in Indonesian regional development banks. The study specifically investigated the mediating role of job crafting and the moderating effect of transformational leadership in these relationships.

The analysis revealed several key findings. First, both personal resources significantly enhanced work engagement, with self-efficacy showing stronger effects (27.6%) than grit (18.1%). Second, job crafting demonstrated a substantial influence on work engagement (28.5%) and partially mediated the relationships between personal resources and engagement. Third, while transformational leadership did not moderate the relationship between job crafting and engagement as hypothesized, it showed significant direct effects on both job crafting (25.7%) and work engagement (34.4%).

These findings lead to several important conclusions for banking sector management. Organizations should prioritize developing both personal resources and leadership capabilities to enhance millennial employee engagement. The development of self-efficacy deserves particular attention, given its stronger influence on engagement outcomes. Additionally, while job crafting should be encouraged within regulatory boundaries, leadership approaches should focus on direct empowerment rather than moderating roles.

The results hold particular significance for Indonesian regional banks navigating demographic transitions and digital transformation. However, the findings also suggest broader implications for understanding millennial employee engagement in regulated financial institutions undergoing technological change.

Future success in engaging millennial employees will require banks to balance traditional banking structures with evolving workforce expectations. This includes creating environments that support personal resource development, facilitate appropriate job crafting, and implement effective leadership approaches aligned with both regulatory requirements and employee needs.

AUTHOR CONTRIBUTIONS

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