

Improving Employee Performance Based on Social Capital and Information Technology with Employee Engagement as Mediation

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Abstract

This study aims to analyze the improvement of team member performance based on social capital and information technology with team member engagement as a mediator (a case study of millennial generation employees of MSMEs in Palembang city). This research was conducted with a quantitative approach. This method is used to examine data on populations and samples by collecting data through research instruments and analyzing the data quantitatively. The subjects in the study were Millennial Generation employees. The location of this research was several types of work in MSMEs in Palembang city. The method used in drawing samples in this study was purposive sampling. The sample in this study was 80 employees of the millennial generation. Research hypothesis testing used the Structural Equation Modeling (SEM) approach using AMOS version 24. The results of the study indicate that social capital has no significant effect, information technology has a considerable effect, and team member engagement substantially impacts the performance of millennial generation employees. Furthermore, social capital and information technology are having a significant impact on millennial generation team member engagement. Meanwhile, team member engagement mediates the effect of social capital and information technology on millennial generation team member performance. Based on the findings in this study, future research adds new variables that have not been studied to enrich the study of the current Millennial Generation team member performance.

How to Cite

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INTRODUCTION

The amount of attention in the current millennial generation workforce brings employment opportunities in various jobs that are very different from those in previous generations. According to Ivanovic and Ivancevic (2019), the millennial generation currently dominates the company's human resources. In the next 2025, the global millennial generation will occupy 75% of available jobs. This phenomenon has led to increasingly fierce competition between companies to consider various strategies that need to be carried out as an advantage in competition, one of which is having superior and competitive company Human Resources (HR). The entry of the millennial generation into the world of work is one of the new challenges for companies because the millennial generation has several characteristics that are different from the previous generation (Wardhani & Wahyuning Astuti, 2019).

Previously, Robbins and Judge (2019) said all these changes would lead to uncertainty, complexity, and even ambiguity. According to the Central Bureau of Statistics (BPS), in 2018, the millennial generation amounted to 88 million people or equivalent to 33.75%, followed by Generation Z at 29.3%, generation X at 25.74%, and the combined baby boomer and veteran generations at 11.27%. This figure shows the high contribution of the millennial generation in shaping the structure of the current productive age population, of which 67.02% is the productive age population and 50.36% is the millennial generation (Susanti, 2020). This condition is then referred to as a demographic bonus. Mulyati et al. (2019) added that in 2020, the millennial generation will dominate 75% of Indonesia's workforce.

Millennials are employees with positive personalities (Ramli & Soelton, 2019); high self-efficacy in their work abilities, and high optimism make them have good resilience (Andrea et al., 2022., Kowske et al., 2010). The millennial generation's workability in the formation of work character cannot be sepa-

rated from technology, where the millennial generation is not only a user of technology but also a driver of technological innovation and adaptation in various aspects of life, besides the relationship between the millennial generation and technology is very close, because this generation grew along with the rapid development of digital technology. The challenges faced in today's industrial world are complex and diverse, ranging from the availability of talent, technological advances, and diversity to the generation gap (Robbins & Judge, 2018 in Yunita et al. 2024)). However, the current challenge is not only to retain talented employees but also to keep employees engaged in their work. The Behavior of individuals in organizations who feel bound and complete in their work activities is called team member engagement. Team member engagement is a positive mental state of employees towards their work, which is characterized by enthusiasm, dedication, and absorption, with positive team member behavior being significantly related to individual and organizational consequences, such as job performance (Bakker & Demorouti, 2014; Schaufeli, 2012).

One of the factors determining the success of team member performance is social capital. According to Pertiwi (2020), social capital is defined as a set of resources that encourage people's involvement in an organization, with social norms that emphasize knowledge and recognition formed from reciprocity between people who are directly related to improved performance. Social capital is assumed to be essential for companies to create a safer system. In addition to enhancing team member performance, research shows that employees tend to be more engaged when contextual resources are present. Interestingly, this research anticipates that social capital can be an essential relational resource that triggers work engagement. This is supported by the fact that employees who trust their supervisors are more likely to exchange critical information. The feeling of security accompanying trust has been created to facilitate task completion and contribute to work engagement.

In this research, the millennial generation's workforce, with their characteristics, works as a driver of technological innovation and adaptation, including those working in micro, small, and medium enterprises (MSMEs). In Indonesia, MSMEs make the most significant contribution by contributing as much as 20.26% to the formation of the National GDP (Department of Industry, 2017). So, the types of work in the workforce, including MSMEs, are almost occupied mainly by the Millennial Generation; this is according to Mulyati et al. (2019), adding that in 2020, the millennial generation will begin to dominate 75% of the workforce in Indonesia. Based on the description above, in the context of this research, the performance of the Millennial generation will add value to human resource research. The entry of the millennial generation into the world of work is one of the new challenges for MSMEs. This specificity is essential considering that the demographic posture of Indonesian employees is currently flooded with millennial employees with all their characteristics and uniqueness. Social capital and information technology are factors that can improve the performance of millennial generation employees.

The Influence of Social Capital on Millennial Employee Performance

Social capital can influence individual performance through increased cooperation, trust, and knowledge transfer between organizational members (Putnam, 2000). Millennial team member performance is often influenced by good interpersonal relationships, flexibility, and trust within the organization (Meijerink et al., 2020)—the influence of Information Technology on Millennial Generation Employee Performance.

The millennial employees who participated in this research place great importance on the presence of other people, whether coworkers or relatives, in building social relations. And supportive work networks to support their performance. Social ties and social capital are like a circle of mutual influence,

where social ties are built to strengthen social capital and vice versa (Kim, 2018). It is reiterated that social support is the basis of the interconnectedness of social capital and social relations (Kim, 2018). Finally, by getting social support from coworkers and relatives, millennial employees are better able to work together in the world of work and build networks that support their performance. Based on the description above, the researcher formulates the first hypothesis:

H1: Social Capital Affects Millennial Generation Employee Performance.

The Effect of Information Technology on Millennial Generation Employee Performance

The higher the mastery of information technology, the more it will affect the performance of employees in the company. This study's results align with research conducted by Handayani et al. (2018). Presenting that the variable mastery of information technology significantly affects team member performance. This shows that mastery of information technology has a positive value on team member performance, and the higher the mastery of information technology, the better team member performance will be. Based on the description above, the researchers formulated the second hypothesis:

H2: Information Technology Affects Millennial Generation Employee Performance.

The Influence of Team Member Engagement on Millennial Generation Employee Performance

Team member engagement is a behavior where employees feel they have an essential role in the company's success, are motivated to improve performance, and take part in doing work outside job requirements. (Mercer, in Carpenter and Wyman, 2007). Therefore, employees have high confidence and motivation so that team member performance becomes more effective and efficient and can improve the company's performance. This is based on

the results of previous research by Nabilah Ramadhan and Jafar Sembiring (2014). Based on the description above, the researchers formulated the third hypothesis:

H3: Employee Engagement Affects Millennial Generation Employee Performance.

The Effect of Social Capital on Employee Engagement

Social capital is the attitude towards work that always encourages cooperation for the work done. Individuals who have high social capital will always be sensitive to others. Individuals will always involve themselves in every job, which results in a sense of attachment to work. Rizkia Fitri's study (2023) emphasized the value of organizational social capital, which can increase team member engagement. Positive coworker relationships cause superiors, subordinates, and coworkers to feel more involved with their jobs and organizations. Based on the description above, the researcher formulates the fourth hypothesis,

H4: Social capital affects Millennials' team member engagement.

Effect of Information Technology on Employee Engagement

Based on the results of research conducted by Sugianto and Santoso (2018) show that the use of information technology has a significant influence on team member engagement. This aligns with research conducted by Makhmut and Kurniawati (2023), which states that technology utilization considerably influences team member engagement. The results of his study indicate that the use of information technology significantly influences team member engagement. This is in line with research conducted by Makhmut and Kurniawati (2023), which states that technology utilization substantially affects team member engagement. Based on the description above, the researcher formulates the fifth hypothesis:

H5: Information Technology Affects Millennial Generation Employee Engagement.

Team Member Engagement Mediates the Effect of Social Capital on Millennial Generation Team Member Performance

High team member engagement will improve performance, as employees are more focused, productive, and results-oriented. In addition, substantial social capital will increase team member engagement because good relationships and a supportive work environment tend to encourage a sense of belonging and intrinsic motivation. In previous research conducted by Xanthopoulou et al. (2009) that engagement mediates the relationship between organizational resources such as social capital) and individual work outcomes, the results show that social capital can be considered as a resource that supports engagement and work outcomes. In addition, according to Ghosh and Limaye (2016), social capital has a positive effect on team member engagement, which significantly improves work performance; the results explicitly explore the relationship between social capital, engagement, and performance. Attached employees will be superior to those with a low sense of attachment. Employees who are connected have advantages, namely, they become happier and enthusiastic, healthier both physically and psychologically, and employees who are connected will channel attachment to other employees so that interpersonal relationships can be well established. Group performance becomes better (Bakker A. B., 2011). Based on the description above, the researcher formulates the sixth hypothesis:

H6: Employee Engagement mediates the effect of social capital on Millennial Generation team member performance.

Team Member Engagement Mediates the Effect of Information Technology on Millennial Generation Team Member Performance

High team member engagement drives motivation, creativity, and commitment to achieve optimal work outcomes. Effective information technology supports smooth

work, creates a positive work experience, and increases team member engagement. Thus, information technology directly affects performance and indirectly affects performance through team member engagement. High team member engagement supports emotional attachment to how technology supports emotional involvement and individual productivity, demonstrated by strength, commitment, and absorption. This is what is stated by (Bakker and Demerouti, 2017) and (Park et al., 2016): team member engagement proves that employees involved in their work gain better productivity, innovation, and performance. Innovative information technology is the main attraction for millennials who want to stay engaged at work. Millennials show higher engagement when technology supports collaboration and work flexibility. Based on the description above, the researcher formulates the seventh hypothesis:

H7: Employee Engagement mediates the effect of information technology on Millennial Generation team member performance.

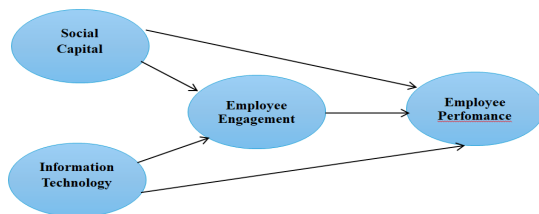


Figure 1. Research Model

Source: Author's Elaboration, 2024

METHODS

This research was conducted with a quantitative approach. This method examines data on the population and sample by collecting data through research instruments and analyzing the data quantitatively. The subjects in the study were Millennial Generation or Generation Y employees born between 1982 and 2005. This research was conducted on several types of jobs at MSMEs in the city of Palembang. The method used in this study was

purposive sampling. As for purposive sampling, a minimum of 100 samples. However, based on specific criteria and characteristics, a sample was finally obtained that considered elements or categories in the research population with a sample size of 80 millennial generation employees. The research hypothesis testing was carried out using the Structural Equation Modeling (SEM) approach using AMOS version 24, to determine the complex relationship of several variables tested in this study, so that the use of AMOS was able to combine several techniques including factor analysis, validity test, reliability, path analysis, and regression analysis.

RESULTS AND DISCUSSION

Based on Table 1 shows the profile of respondents in this study consisting of gender, education, and length of work. Female respondents dominate respondents based on gender. Furthermore, respondents based on education are dominated by undergraduate respondents. Finally, respondents based on length of work are dominated by respondents with a length of work of <5 years.

Table 1. Respondent Profile

Respondent Profile	Category	Frequency	Percentage
Gender	Male	29	36.3%
	Female	51	63.8%
Education	Senior High School	29	36.3%
	Diploma	16	20.0%
	Bachelor	35	43.8%
	< 5 Year	63	78.8%
Length of work	5 Year - 10 Year	15	18.8%
	> 10 Year - 15 Year	1	1.3%
	> 15 Year	1	1.3%

Source: Processed Primary Data, 2024

Quality Test

Table 2. Validity and Reliability Test Results

Item	Loading Factor	CR	VE	AVE
Social Capital		0.657	0.516	0.511
SC1	0.632			
SC2	0.634			
SC3	0.820			
SC4	0.825			
Information Technology		0.629	0.509	0.505
IT1	0.633			
IT2	0.779			
IT3	0.696			
IT4	0.634			
Team Member Engagement		0.623	0.514	0.507
EE1	0.606			
EE2	0.691			
EE3	0.593			
EE4	0.775			
Team Member Performance		0.631	0.547	0.503
EP1	0.767			
EP2	0.735			
EP3	0.601			
EP4	0.604			

Source: Processed Primary Data, 2024

Based on Table 2, it can be seen that all research items or indicators have a loading factor value of ≥ 0.50 . So, it can be concluded that all indicators or instruments are declared valid. Furthermore, the reliability test shows that all constructs in the study, namely Social Capital, Information Technology, Employee Engagement, and Employee Performance, have a CR value of ≥ 0.50 , VE value of $\geq .50$, and AVE value of $\geq .50$. So it can be concluded that all constructs are declared reliable.

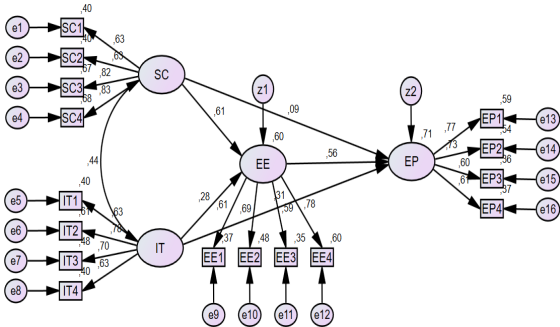


Figure 2. Full Model Structural Equation Modeling

Source: Processed Primary Data, 2024

Table 3. Direct Influence Test Results

Hypothesis	Direction of Influence	P Value	Explanation
H1	SC → EP	0.512	Rejected
H2	IT → EP	0.007	Accepted
H3	EE → EP	0.001	Accepted
H4	SC → EE	0.000	Accepted
H5	IT → EE	0.008	Accepted
H6	SC → EE → EP	0.000	Accepted
H7	IT → EE → EP	0.000	Accepted

Note:

SC = Social Capital

IT = Information Technology

EE = Employee Engagement

EP = Employee Performance

Source: Processed Primary Data, 2024

Based on Tables 4 and 5, the results of hypothesis testing show that the hypothesis in this study is as follows:

H1 : Social Capital Does Not Significantly Affect Millennial Generation Employee Performance. So, the first hypothesis proposed in this study was rejected.

H2 : Information Technology Has a Significant Effect on Millennial Generation Employee Performance. So, the second hypoth-

esis proposed in this study is accepted.

H3 : Employee Engagement Significantly Affects Millennial Generation Employee Performance. So, the third hypothesis proposed in this study is accepted.

H4 : Social Capital Has a Significant Effect on Millennial Generation Employee Engagement. So, the fourth hypothesis proposed in this study is accepted.

H5 : Information Technology Has a Significant Effect on Millennial Generation Employee Engagement. So, the fifth hypothesis proposed in this study is accepted.

H6 : Employee Engagement Mediates the Effect of Social Capital on Millennial Generation Employee Performance. So, the sixth hypothesis proposed in this study is accepted.

H7 : Employee Engagement Mediates the Effect of Information Technology on Millennial Generation Employee Performance. So, the seventh hypothesis proposed in this study is accepted.

The Influence of Social Capital on Millennial Employee Performance

Social capital can influence individual performance through increased cooperation, trust, and knowledge transfer between organizational members (Putnam, 2000). Millennial team member performance is often influenced by good interpersonal relationships, flexibility, and trust within the organization (Meijerink et al., 2020)—the Effect of Information Technology on Millennial Employee Performance. Millennial employees who are participants in this research care about the existence of other people, whether coworkers or relatives, in building social relationships and working networks that support their performance. Social relations and social capital are like a circle of mutual influence, where social ties are built to strengthen social capital and vice versa (Kim, 2018). It is reiterated that social support is the basis of the interconnectedness of social capital and social relations (Kim, 2018). Finally, millennial employees can work together and build networks that support their performance by getting social support from coworkers and

relatives. Social capital is an essential foundation for building strong interpersonal relationships and catalyzes the creation of a productive and collaborative work environment. Millennial employees, who are more open to social relationships and flexibility, tend to leverage social capital to support the achievement of organizational goals. In this context, social support from coworkers and superiors can increase a sense of security and trust in the workplace, thus encouraging them to share knowledge, ideas, and resources. In addition, social capital also plays a vital role in building an inclusive and supportive work climate, which is particularly relevant for millennials who emphasize work-life balance. This social support not only helps individuals cope with work challenges but also strengthens emotional bonds and attachment to the organization, which ultimately positively impacts individual and team performance. In the face of the digital age, social capital becomes even more relevant when combined with the utilization of information technology. Information technology enables cross-border collaboration and expands the reach of social relationships, thereby strengthening existing social capital. By integrating technology and social capital, organizations can create a work culture that is more adaptive, innovative, and supportive of team member performance growth, especially the millennial generation.

The Effect of Information Technology on Millennial Generation Employee Performance

The higher the mastery of information technology, the more it will affect the performance of employees in the company. This study's results align with research conducted by Handayani et al. (2018). Presenting that the variable mastery of information technology significantly affects team member performance. This shows that mastery of information technology has a positive value on team member performance, and the higher the mastery of information technology, the better team member performance will be. Furthermore,

mastery of information technology allows employees to complete tasks more efficiently and effectively. Employees who can utilize information technology tend to have faster access to the data and information needed, thus accelerating the decision-making process and increasing work productivity (Kuncorowati & Supardin, 2024).

In addition, this capability also strengthens collaboration between employees through the use of collaborative software and technology-based project management systems. On the other hand, information technology also enables the automation of various tasks that previously required manual labor. With automation, employees can focus more on strategic tasks that require critical thinking and in-depth analysis (Riatmaja et al., 2024). This not only improves work efficiency but also allows employees to develop new skills relevant to technological advances. Companies that implement information technology-based systems also have the advantage of monitoring team member performance in real time. This system allows managers to identify individual strengths and weaknesses, provide constructive feedback, and design more targeted performance improvement strategies. In addition, information technology enables more accurate and secure data management, thus supporting data-driven decision-making. In this digital era, mastery of information technology is also essential in supporting remote working, which companies are increasingly implementing. Employees accustomed to using information technology can adapt to flexible work systems without reducing productivity. This shows that mastery of information technology is not only relevant in the context of conventional work but also in modern and digital-based work models.

The Influence of Team Member Engagement on Millennial Generation Employee Performance

Team member engagement is a behavior where employees feel they have an es-

sential role in the company's success, are motivated to improve performance, and take part in doing work outside job requirements. (Mercer, in Carpenter and Wyman, 2007). Therefore, employees have high confidence and motivation so that team member performance becomes more effective and efficient and can improve the company's performance. This is based on the results of previous research by Nabilah Ramadhan and Jafar Sembiring (2014). Team member engagement also contributes to increasing team member loyalty to the company. Employees who feel involved tend to be more committed to the company's vision and mission, so they are more motivated to work optimally to achieve organizational goals. This aligns with research conducted by Bakker and Demerouti (2008), which states that team member engagement encourages proactive and innovative Behavior in the workplace. Employees who have high engagement also show greater levels of job satisfaction. They feel valued and recognized for their contributions, creating a positive and supportive work environment. According to Kahn's (1990) research, team member engagement allows employees to fully present themselves physically, cognitively, and emotionally in their work, thus creating optimal performance. In addition, team member engagement significantly impacts reducing team member turnover (Kuncorowati et al., 2022). Employees who feel emotionally connected to the company tend to be more loyal and have a lower desire to seek employment elsewhere. This is crucial in reducing the cost of recruiting and training new employees and ensuring continuity in the company's business processes (Kuncorowati et al., 2024). To create and maintain a high level of team member engagement, companies are advised to provide a conducive work environment, strengthen internal communication, and provide clear career development opportunities. Recognition and reward programs for team member performance also play an essential role in maintaining engagement.

The Effect of Social Capital on Employee Engagement

Social capital is the constant attitude towards work to cooperate for the work done. Individuals who have high social capital will always be sensitive to others. Individuals will always involve themselves in every job, which results in a sense of attachment to work. Rizkia Fitri's study (2023) emphasized the value of organizational social capital, which can increase team member engagement. Positive coworker relationships cause superiors, subordinates, and coworkers to feel more involved with their work and organization. Social capital also supports forming solid work networks where employees feel comfortable sharing information and experiences.

This creates more effective collaboration in accomplishing complex and challenging tasks. In addition, social capital also helps build a high sense of trust among team members. This trust encourages open and effective communication, which lays the foundation for better decision-making. With mutually supportive relationships, employees feel safer to express ideas and feedback, facilitating innovation and collaborative problem-solving. High social capital also contributes to increased team member commitment and organizational loyalty. Employees who feel emotionally and socially connected to their colleagues and the organization tend to have stronger intrinsic motivation to deliver their best performance. In this context, companies must utilize social capital as a strategic asset to strengthen team member engagement. Training programs, team-building activities, and recognition of team member contributions can be used to improve social relationships and enhance collaboration. In addition, providing communication platforms that support teamwork, such as project management software, can also strengthen social capital in the workplace.

Effect of Information Technology on Employee Engagement

Based on the results of research con-

ducted by Sugianto and Santoso (2018) show that the use of information technology has a significant influence on team member engagement. This is in line with research conducted by Makhmut and Kurniawati (2023), which states that technology utilization considerably impacts team member engagement. The results of his study indicate that the use of information technology significantly influences team member engagement. This is in line with research conducted by Makhmut and Kurniawati (2023), which states that technology utilization considerably impacts team member engagement.

Social capital also plays a vital role in building trust and cooperation in the work environment. High trust between employees creates a harmonious and supportive work atmosphere, increasing motivation and productivity. According to Coleman (1988), social capital strengthens relationships between individuals through social norms and networks that enable effective collaboration. In addition, social capital encourages open and transparent communication in the workplace. Good communication enables faster and more efficient problem-solving, strengthening team coordination. It also supports better decision-making as information can be shared more efficiently and accurately. In the context of teamwork, social capital encourages helping each other and exchanging ideas, which is critical to fostering innovation and creativity. Employees who feel supported by their colleagues are more likely to come up with new ideas and take measured risks for the betterment of the organization. Social capital also contributes to employees' psychological wellbeing. Social support from coworkers and superiors can reduce stress and increase job satisfaction. This aligns with Putnam's (2000) research that highlights the importance of social capital in building individual wellbeing within the work community. Therefore, companies need to encourage the development of social capital through various activities such as team building, mentoring, and discussion forums. Companies strengthen team member engage-

ment and loyalty through this approach and create a more collaborative and productive work environment.

Team Member Engagement Mediates the Effect of Social Capital on Millennial Generation Team Member Performance

High team member engagement will improve performance, as employees are more focused, productive, and results-oriented. In addition, substantial social capital will increase team member engagement because good relationships and a supportive work environment tend to encourage a sense of belonging and intrinsic motivation. In previous research conducted by Xanthopoulou et al. (2009) that engagement mediates the relationship between organizational resources such as social capital) and individual work outcomes, the results indicate that social capital can be considered as a resource that supports engagement and work outcomes. In addition, according to Ghosh and Limaye (2016), social capital has a positive effect on team member engagement, which significantly improves work performance; the results explicitly explore the relationship between social capital, engagement, and performance. Attached employees will be superior to those with a low sense of attachment. Employees who are engaged have advantages. Namely, they become happier and enthusiastic, healthier both physically and psychologically, and employees who are involved will channel attachment to other employees so that interpersonal relationships can be well established and group performance becomes better (Bakk et al. B B., 2011).

High team member engagement creates a more dynamic and collaborative work environment. Employees who feel engaged tend to have greater responsibility for their work, increasing individual and team productivity. Strong engagement also triggers the spirit to innovate and find creative solutions to work challenges, thus strengthening the organization's competitiveness (Trisninawati & Supardin, 2024). In this case, social capital is vital to strengthen team member engage-

ment. Good interpersonal relationships and mutual trust in the workplace allow employees to support each other and share information effectively (Yulianto et al., 2023). Employees who feel happy and enthusiastic at work will transmit positive energy to their coworkers, strengthening teamwork and improving overall group performance. In addition, high team member engagement strengthens workforce retention, reduces turnover rates, and increases loyalty to the company. Thus, investing in developing adequate social capital and engagement programs is an important strategy to retain top talent and drive sustainable performance.

Team Member Engagement Mediates the Effect of Information Technology on Millennial Generation Team Member Performance

High team member engagement drives motivation, creativity, and commitment to achieve optimal work outcomes. Effective information technology supports smooth work, creates a positive work experience, and increases team member engagement. Thus, information technology directly affects performance and indirectly affects performance through team member engagement. High team member engagement supports emotional attachment to how technology supports emotional involvement and individual productivity, demonstrated by strength, commitment, and absorption. This is by what is stated by (Bakker & Demerouti, 2017) and (Park et al., 2016), team member engagement proves that employees involved in their work gain better productivity, innovation, and performance. Innovative information technology is the main attraction for millennials who want to stay engaged at work.

Millennials show higher engagement when technology supports collaboration and work flexibility. Furthermore, innovative information technology has a strong appeal, especially for millennials, who want to stay engaged in their work. This generation shows higher engagement when technology supports

cross-team collaboration, time flexibility, and a workplace that is adaptive to their needs. Information technology is a key catalyst in creating high work engagement in millennials by providing platforms that facilitate seamless communication, quick access to information, and the ability to work more efficiently. In this context, technology-facilitated collaboration enhances the synergy between individuals, while the flexibility it offers helps fulfill the need for professional and personal life balance.

CONCLUSION

The conclusion of the study is that social capital does not have a significant effect on the performance of employees of the millennial generation. Second, information technology substantially impacts the performance of millennial generation employees. Third, team member engagement significantly affects the performance of millennial generation employees. Fourth, social capital has a significant impact on the engagement of millennial generation employees. Fifth, information technology substantially affects the engagement of millennial generation employees. Sixth, team member engagement mediates the impact of social capital on the performance of millennial generation employees. Finally, team member engagement mediates information technology's effect on millennial generation employees' performance.

Therefore, MSME actors should pay attention to several aspects to improve the performance of millennial generation employees. First, creating a work environment that supports social capital, namely positive and collaborative relationships between employees, is essential. In addition, appropriate information technology is needed so that the workflow becomes more efficient and employees can work more productively. With adequate technology, employees will also be able to adapt more quickly to the increasing work demands. To improve performance, MSME actors must also focus on developing team member en-

gagement. In addition, it is important for MSMEs to realize that team member engagement also acts as a mediator connecting social capital and team member performance so that increased engagement will positively impact their performance.

On the other hand, for further research, it is essential to conduct longitudinal studies to observe the long-term effects of social capital, information technology, and team member engagement on team member performance. Further research can also explore the differences in influence between various industrial sectors, for example, between the manufacturing, service, or technology industries, to provide more specific insights into the factors that influence performance in each sector. In addition, further research can identify other factors that affect performance, such as organizational culture, leadership style, or company policies. More in-depth studies on the specific types of information technology that are most effective in improving performance and team member engagement can also provide additional insights.

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