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**THE IMPACT OF EMPLOYEE MENTAL HEALTH AND EMPLOYEE EXPECTATIONS ON WELLNESS PROGRAMS AMONG GENERATION Z AND MILLENNIALS IN MALAYSIA**

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**ABSTRACT**

Employee mental health is a critical issue in the present-day workplace, particularly among Generation Z and Millennials. The pandemic caused by COVID-19 has exacerbated mental health challenges, amplifying burnout, digital fatigue, and stress among younger workers. This research focuses on the relationship between employee mental health, the evolving expectations of these generations and the efficacy of the wellness initiatives in the Malaysian private sector. Based on the Job Demands-Resources (JD-R) model, the study highlights the misalignment between traditional wellness programs and the mental health needs of young employees, focusing the need for psychological safety, comprehensive support, and flexibility. Through the research, it is apparent that there are numerous wellness programs that currently exist but fail to meet the psychological and emotional demands of younger employees and hence, burnout and detachment is witnessed. Policy recommendations include diversifying wellness offerings, implementing flexible work conditions, normalizing mental health discussions, and securing commitment of leadership. The study reinforces the need for a paradigm shift in the approaches to organizational wellness strategies, aligning them with the mental health expectations of modern employees to foster engagement, productivity, and retention.

**Keywords:** employee mental health, employee expectations, wellness programs burnout, wellness programs, generation Z

## **INTRODUCTION**

In recent years, employee mental health has emerged as a critical issue within organizational studies, particularly as workplace settings are constantly changing in the aftermath of the Covid-19 post-pandemic. Due to the pandemic, the workplace landscape changed tremendously with organizations changing to remote and hybrid work modes. This transition has intensified the current mental health issues, causing burnout and stress and emotional exhaustion to increase, especially in younger staff, including Millennials and the Generation Z (Kniffin et al., 2021; WHO, 2021). The psychological challenges also manifest because these generations are not only looking forward to more than their employers provide, but they also seek wellness programs beyond the commonly known physical health programs (Mahendran, 2025).

Regardless of current trends toward the appreciation of mental health as an impactful factor that defines organizational behavior, a lot of wellness programs are still poor in terms of their structure, and they do not adequately address the multifaceted needs of younger workers (Bakker & Demerouti, 2007). The usual programs of wellness are inclined towards physical well-being, independent of the rising needs of psychological safety, work-life balance, and emotional assistance (Edeh et al., 2024). This mismatch between what employees expect and what the organization provides is an important area of concern that must be looked to ensure that the employees feel engaged and want to be in the organization.

With the mental health crisis among employees worsening, particularly among younger generations, this study aims to examine how mental health needs change among the Millennials and Generation Z, regarding their expectations towards wellness programs within the Malaysia's private sectors. Also, to establish whether existing wellness programs meet such expectations and what companies can do to gear their efforts to be more accommodative to the well-being of employees.

## **PRIMARY OBJECTIVES OF THE STUDY**

1. To investigate employees' perceptions of mental health in the workplace, particularly among Millennials and Generation Z.
2. To examine employees' perceptions and expectations of wellness programs within their organizations.
3. To explore the gaps between existing wellness programs and the mental health needs of younger employees.
4. To provide policy recommendations for adapting wellness programs to meet the expectations of younger generations, with a focus on flexibility, psychological safety, and holistic support.

The study is grounded in the Job Demands-Resources (JD-R) model (Bakker & Demerouti, 2007), which offers a framework for explaining and understanding how workplace stressors (job demands) and resources (wellness programs) impacted health care and engagement of employees. Based on this model, the study seeks to investigate the importance of wellness programs in enhancing mental well-being as well as increasing organizational performance. Finally, the research is also intended to serve as a part of the current discussion proposed in social literature about multigenerational wellness programs in a workplace environment and provide a practical approach to the alignment of wellness initiatives and the changing requirements of younger-generation employees. This is not only fundamental in the advancement of the employee welfare but it is also a fundamental in the eventual long-term success of the organization in the volatile work environment.

## LITERATURE REVIEW

Mental health in employees has become a topic of interest over recent years increasingly as workplace stress and burnout have become more prevalent issues in organizations worldwide. COVID-19 pandemic has also served to exacerbate these factors, showing why proper and all-pervading wellness programs are necessary. Old fashioned programs of workplace wellness usually involving physical health and overall well-being are becoming perceived as inadequate when it comes to taking care of the psychological and emotional well-being of the current workforce (Bakker & Demerouti, 2007; Edeh et al., 2024). The need to have wellness programs where mental health takes central concern has increased tremendously as companies move to flexible and remote work.

### **Mental Health in the Workplace**

Mental health at workplace is the physical, emotional, and mental health of a worker. Workplace stress has been revealed by the World Health Organization (2022) as one of the major causes of mental health that affecting productivity, absenteeism, and higher turnover. In 2023, research has been conducted by the Ministry of Health Malaysia where they found that stress at work is a leading aspect of the mental health crisis with about 60 percent of the employees in Malaysia have experienced the symptoms of anxiety, depression, and burnout. The findings correspond to the phenomenon that goes on worldwide, as people are facing mental health challenges, and younger workers are more prevalent (Pillai, 2023; Sidhu, 2023).

### ***Wellness Programs: Traditional Approaches vs. Modern Expectations***

Traditionally, most wellness programs were based on physical health with the programs promoting the participation in sporting clubs, health check-ups, and stress management sessions. Although such programs are helpful to some extent, they cannot cover all the mental health concerns of employees, particularly in the environment of modern fast-paced jobs (Edeh et al., 2024). According to recent research, there is a necessity of more holistic wellness modalities, as well as those that help with mental and physical health, such as psychological safety, work-life integration, and emotional support networks (Mahendran, 2025).

In addition, new workplace arrangements with an inclusion of remote and hybrid work have presented different issues where wellness strategies are now adjusting. In work ability, a study by Kniffin et al. (2021) points out how remote work, along with its flexibility and many other advantages, is causing digital exhaustion, social isolation, and enormous pressure, especially in younger workers who want to integrate work and life and have a sense of control. Thus, organizations need to make adjustment in wellness programs to fit dynamic needs of diverse workforce.

### **The Job Demands-Resources (JD-R) Model**

The Job Demands-Resources (JD-R) model developed by Bakker and Demerouti (2007) has been widely used to explain how work-related stress can lead to burnout and disengagement. Based on this model, burnout happens when job demands outweigh the resources that employees can present which means both physical and psychological support systems. The JD-R model applied to the environment of the wellness programs implies that the organization should maintain the high levels of the work demand (e.g., large work-load, time deadlines) combined with the adequate resources (e.g. mental well-being assistance, flexibility in workplaces). Nevertheless, conventional wellness programs tend to be the one-sided approach to this equation i.e. physical health that leaves employees devoid of emotional and psychological needs they require.

Studies in the recent past have shown that inclusion of psychological resources in wellness programs is very effective. For examples, Medina-Garrido et al. (2023) and Lim (2022) reveal that organizations which provide their employees with mental health support interventions including counselling, mindfulness training, and flexibility work policies, have lower burnout experiences and greater employee engagement. Such results stress the necessity to match the wellness programs with mental health needs of the employees.

Recent studies have demonstrated the effectiveness of incorporating psychological resources into wellness programs. For instance, studies by Medina-Garrido et al. (2023) and Lim (2022) show that organizations that offer mental health support services such as counselling, mindfulness training, and flexible work policies, experience lower levels of burnout and higher employee engagement. These findings underscore the importance of aligning wellness programs with the specific mental health needs of employees.

### **The Evolving Needs of Millennials and Generation Z**

Millennials and Generation Z represent the two largest generations in the workforce, and their expectations for wellness programs differ significantly from those of older generations. Both generations appreciate meaningful work, work-life balance, and favorable working environments, where mental health is of prime importance (Mahendran, 2025). They are also likely to struggling to find employers who show a strong intent to mental health well-being, inclusivity, and flexibility. A survey conducted by Gallup (2023) revealed that Millennium and Gen Z employees are at a greater risk than older employees of encountering high levels of burnout and they need wellness programs that can provide psychological safety, emotional support, and feelings of belonging.

Also, Gen Z, especially, is characterized as tech-savvy people and those who rely on digital means. According to research conducted by Mahendran (2025), Gen Z employees have a higher chance of being fatigued and burned out due to the idea of perpetual connectedness. It highlights the necessity of wellness programs that would focus on improving mental health issues related to digital workplaces, including remote work and virtual collaboration.

### **GAPS IN LITERATURE**

While there is an increasing body of literature on well-being of employee and wellness programs, several gaps remain, particularly in the context of younger generations in Malaysia. Available literature mostly lacks investigation of how wellness programs may be shaped to address the unique requirements of Millennials and Gen-Z, particularly within the private sector. Also, studies that focus on the relevance of mental healthcare in wellness program and its influence on engagement, retention, and output of employees are limited. This study tries to address these gaps by examining how wellness initiatives within the Malaysian and the context of the private sector could be integrated to accommodate the advice of Millennials and Generation Z and, ultimately, the performance of an organization.

### **CONCEPTUAL FRAMEWORK**

The Conceptual Framework used in this paper is grounded in the Job Demands-Resources (JD-R) model (Bakker & Demerouti, 2007) which suggests that workplace stressors (job demands) and the resources available (such as wellness program) jointly influence employee well-being, engagement, and productivity of the employees.

When it comes to healthy employee, the job demands on young generations which include, but are not limited to, large workloads, digital exhaustion, and work-life imbalances have grown exponentially in the post-pandemic world. Concurrently, job resources, including wellness programs, have not always ensured the emerging requirements of Millennials and Generation Z. These younger workers are majorly characterized by their focus on mental issues, psychological safety, and their needs to be more flexible; that is why they expect organizations to offer more than regular wellness programs (e.g., gym membership and health tests).

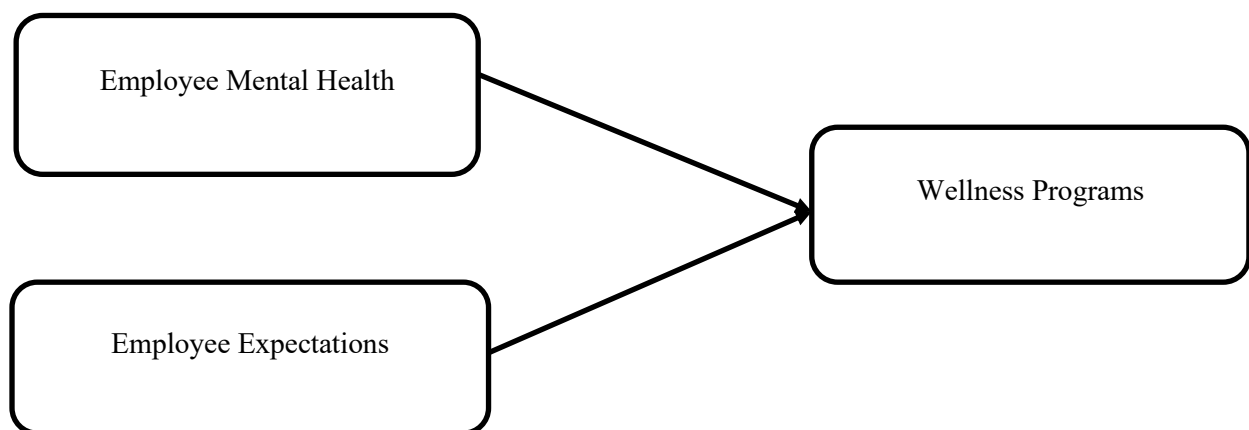
This conceptual framework identifies three key components:

1. Employee Mental Health: Mental health challenges such as burnout, anxiety, and stress among Millennials and Generation Z employees.
2. Wellness Programs: Current wellness initiatives and their adequacy in addressing mental health concerns, focusing on flexibility, psychological safety, and holistic support.
3. Employee Expectations: The evolving demands of Millennials and Generation Z for wellness programs that prioritize mental well-being, flexibility, and emotional support.

This framework illustrates how these elements interact and highlights the gaps in existing wellness programs. It postulates that wellness programs should be transformed to incorporate the mental well-being of the younger generation to better employee engagement, employee retention as well as expertise in an organization. This involves a change in the conventional health promotion ideas to the models which embrace both emotional, psychological assistance in addition to the physical health benefits.

**Figure 1**

*Conceptual Framework*



## **DISCUSSION**

The increasing focus on employee mental health, especially in the post-pandemic era, has brought wellness programs into sharper focus, especially in the context of Millennials and Generation Z. The theoretical approach, presented in the current paper, indicates that organizations should be more serious about the dynamic mental health issues that may arise in younger employees, as well as ensure that their wellness program meets the expectations of their staff. The limited wellness programs that have concentrated more on physical fitness have not been able to keep up with the increased psychological requirements of the current generation of workers. When there is a mismatch between employee desires and the provision in

an organization this can have great consequences on the engagement, employee retention and productivity of an organization.

### **THEORETICAL IMPLICATIONS**

This paper contributes to the existing literature regarding employee well-being by applying the Job Demands-Resources (JD-R) model to the domain of wellness programs. The JD-R model has also been long applied to investigate the relationship between job demands/job resources to influence the state of employee engagement and burnout. Yet, what is special about the current paper is that the researcher extends the model in reference to the changing expectations of Millennials and Generation Z. The evidence implies that organizations should exit outdated economies of wellness and should be able to offer comprehensive guidance that concerns a physical and psychological well-being.

Moreover, the article highlights the necessity of psychological safety and work-life balance as the most crucial elements of wellness programs that are crucial to decreasing burnout and rising employee engagement (Bakker & Demerouti, 2007). Organizations can incorporate these factors into their employee wellness programs to enhance the resilience, good mental health outcomes, and organizational loyalty.

### **PRACTICAL IMPLICATIONS**

Practically, the findings emphasize that organizations must adapt their wellness programs to meet the unique needs of Millennials and Generation Z employees. Not just the traditional ones (such as healthcare and gym memberships), younger generations are also willing to dedicate more interest to such efforts like mental health support, flexibility at work, and even psychological safety. To illustrate, in coping with the emotional and mental needs of the employees, it is possible to use the employee assistance programs (EAPs), the concept of the mental health days, and mindfulness training in the organizations.

In addition, organizations should consider focusing on the feedback mechanisms to ascertain that wellness programs are constantly improved to cater the emerging needs of employees. Polling on mental health and candid conversations on the same can create an environment of inclusivity and support which eventually lead to increased employee spirits and sustainability.

### **POLICY RECOMMENDATIONS**

Several policies emerge based on the insights from the conceptual framework:

1. **Wellness Program Diversification:** Organizations must diversify their wellness program and incorporate advice on mental wellbeing as well. Organizations could introduce counselling, therapy, and stress management programs.
2. **Flexible Work Policies:** The importance of flexible working policies that can involve hybrid workplace and flexible time to suit the mental health of young workers.
3. **Leadership Commitment:** Obtaining a commitment of senior leadership to make mental health and wellness a priority at the corporate level so that the goals of a wellness program are baked into the corporate culture.
4. **Employee Involvement:** Engaging employees in an active manner in the development and review of wellness programs and making sure that their needs are considered during the development of the programs.

## **LIMITATIONS AND FUTURE RESEARCH DIRECTIONS**

While this paper provides valuable insights into the evolving expectations of Millennials and Generation Z, it is based on conceptual analysis and literature synthesis, which limits its empirical validation. Studies in the future should emphasize conducting empirical studies to measure effectiveness of various strategies in wellness programs in increasing employee mental health and engagement, especially in the diverse industries.

Besides, comparative research on the various nations or cultural dimensions would give a better picture on how the expectations on wellness programs differ among the world countries. Also, other factors like organizational culture, leadership styles, employee demographics, and others could be investigated and researched, which would determine the success of the wellness programs.

## **CONCLUSION**

This paper has addressed the evolving mental health challenges faced by Millennials and Generation Z experience at the workplace and the need for wellness initiatives that suit their expectations. The findings underscore a critical gap in existing wellness programs, which often fail to address the psychological, and emotional needs of younger workers. In their journey of the post-pandemic period, mental health assistance, psychological safety, and the concept of flexibility programs have made the practice of wellness even more apparent in organization.

The Job Demands-Resources (JD-R) model has been able to offer valuable framework for understanding how job demands and available resources impact the well-being of the employees. Using this model, the study points the mismatch between the mainstream wellness programs and mental health priorities of both Millennials and Generation Z, who are less concerned with the benefits of maintaining physical health only than with work-life balance, flexibility, and emotional support.

To effectively support the mental health of younger employee and foster a more engaged, resilient workforce, organizations need to change their wellness programs. This encompasses the expansion of services to feature mental health services including counselling and mindfulness initiative, adoption of flexible working rules, and ensuring that leaders are firmly committed to employee welfare. Regular feedback mechanism should be put in place to ensure wellness initiatives remain aligned with the changing needs of employees.

In conclusion, it is not only crucial to align wellness programs with the mental health standards of the successful generations of Millennials and Generation Z to boost the relevant employee well-being but also to maintain the organizational success in an environment that can be described as more competitive and changing than ever before. Future research should focus on empirical studies to validate the proposed framework and investigate how different wellness strategies affect employee engagement and productivity across various sectors and cultures.

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