Impact of Job Satisfaction as Mediation on the Performance of Generation Z Employees

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A R T I C L E   I N F O

A B S T R A C T

This study investigates the role of job satisfaction as a mediator in the performance of Generation Z employees. It focuses on analyzing how work motivation, leadership style, and work competence relate to job satisfaction and, in turn, influence employee performance. Utilizing a quantitative methodology, the research collected data through surveys, which were then analyzed using statistical tools such as SPSS and SmartPLS. The findings reveal that job satisfaction significantly mediates the relationships between work motivation, leadership style, work competence, and employee performance. Specifically, enhanced job satisfaction improves how these independent variables impact performance. This suggests that organizations aiming to boost employee performance should prioritize strategies that enhance job satisfaction. By fostering a positive work environment and addressing factors that contribute to job satisfaction, companies can effectively improve the performance of their Generation Z employees. These insights are valuable for developing organizational strategies and policies aimed at achieving better employee outcomes and overall organizational success.

A B S T R A K

Studi ini menyelidiki peran kepuasan kerja sebagai variabel mediasi dalam kinerja karyawan Generasi Z. Penelitian ini fokus pada menganalisis bagaimana motivasi kerja, gaya kepemimpinan, dan kompetensi kerja berhubungan dengan kepuasan kerja dan, pada gilirannya, mempengaruhi kinerja karyawan. Menggunakan metodologi kuantitatif, data dikumpulkan melalui survei dan dianalisis menggunakan alat statistik seperti SPSS dan SmartPLS. Temuan penelitian menunjukkan bahwa kepuasan kerja secara signifikan memediasi hubungan antara motivasi kerja, gaya kepemimpinan, kompetensi kerja, dan kinerja karyawan. Secara khusus, kepuasan kerja yang meningkat memperbaiki bagaimana variabel-variabel independen ini mempengaruhi kinerja. Ini menunjukkan bahwa organisasi yang bertujuan meningkatkan kinerja karyawan harus memprioritaskan strategi yang meningkatkan kepuasan kerja. Dengan menciptakan lingkungan kerja yang positif dan mengatasi faktor-faktor yang berkontribusi pada kepuasan kerja, perusahaan dapat secara efektif meningkatkan kinerja karyawan Generasi Z mereka. Wawasan ini berharga untuk pengembangan strategi dan kebijakan organisasi yang bertujuan mencapai hasil karyawan yang lebih baik dan kesuksesan organisasi secara keseluruhan.

INTRODUCTION

According to Badan Pusat Statistik (2020), Generation Z is classified as the population born in the 1997-2012 range, with the highest composition of 27.94% compared to other generations. In Indonesia, jobs have begun to be filled by workers of Generation Z, who are also predicted to dominate the labour force and become the foundation for organizations and nations as they experience demographic bonuses by 2030. It can be categorized as an

opportunity to accelerate economic growth as they are in a productive age. (Lim & Dini, 2023). The main cause of stress among Generation Z is job prospects. Generation Z includes individuals aged between 11 and 26. The survey results also showed that having a supportive working environment correlates positively with employee performance. In the context of globalization and increasing competition, the success of an organization is determined not only by external factors, but also by internal factors, especially the performance of its employees. Employees who are motivated, have effective leadership, are competent in their jobs, and feel satisfaction with their work, tend to make the maximum contribution to the achievement of the organization's goals. (Kasman & Krisna, 2021).

Work motivation, leadership, competence, and job satisfaction are key interrelated elements in the context of employee performance. Meanwhile, leadership style, as a leader's pattern of behavior, has a major influence on employee motivation and job satisfaction. Employee ability or competence is also a crucial factor in determining to what extent an employee can optimal performance. (Li & Zhou, 2023).

Employee ability or competence is also a crucial factor in determining to what extent an employee can optimal performance. Job satisfaction, as a result of motivation, leadership, and competence, plays an important role in motivating employees to work harder. Job satisfaction can be measured through emotional attitude toward work, work ethics, performance achievement, and discipline. In this context, job satisfaction is not only a subjective parameter, but also has real implications for staff performance. (Nugroho et al., 2021).

The aim of this study is to explore the correlation between work motivation, leadership style, work competence, job satisfaction, and employee performance. The study will also examine whether job satisfaction plays a role as a mediator in the relationship between work motivation, leadership style, and work competence with employee performance.

According to Chen et al, the work motivation dimension includes working to peace of mind, working with more people, working to gain appreciation, working according to interests, and working to optimize self-potential. (Dewanto & Asenaty, 2023) According to Hasibuan, motivation is the force that drives the spirit in doing activity, so that individuals can work together well, effectively, and engage in every effort made to satisfaction. (Shoborin & Siharis, 2022).

Ali stated that Stephen Covey wrote in his book "Principle-Centered Leadership" about issues that are usually the focus of a leader. Covey pointed out that a leader focuses more on people than on material things. Moreover, leaders focus more on long-term goals than short-term objectives; on values and principles rather than activities; and on mission, goal, and direction rather than methods, techniques, and speed. (Mansaray, 2019) Many previous studies have digged this topic, such as Mahaputra & Saputra (2021), Anas (2020) and Sudiantini (2020), which provide further insights into leadership styles and their roles in the workplace. (Sudiantini & Saputra, 2022).

Torang (2019) defines competence as the ability, which involves skills and knowledge, to carry out a particular activity, job, or task. Similarly, Wibowo (2019) divides competence

into five types of characteristics, namely motive, nature, self-concept, knowledge, and skill. (Candra, Jennifer et al., 2022) In this context, job competence has great significance as an indicator for employees in adapting to changes or current demands. Human resources in an organization play an important role, that is, in achieving a set goal. (Pariakan, Melki Ayub., et al., 2023).

Many previous studies have focused on job satisfaction, as done by P. B. Sianipar (2019), F. Saputra & Mahaputra (2022), and Andrian et al. (2021). These researches have made important contributions to the understanding of the elements that inspire the quality of work and its implications for individual performance in a variety of organizational contexts. (Sudiantini & Saputra, 2022)   According to Stephen P. Robbins (2021), job satisfaction is a reaction or attitude that arises from employees in response to what the company gives. This satisfaction comes from the difference between the amount and conditions of work done with appreciation or the results expected from the company. Factors that play a role include compensation such as salary, working atmosphere, and the leadership style perceived by employees. (Sutrisno et al., 2023).

From some theories of performance, it can be concluded that performance is the result of work or the level of success achieved by workers in their field of work that can be directly reflected in the output produced in terms of quantity and quality, according to the criteria applied to the job. It can be measured through 1) Technical ability; 2) Conceptual ability; 3) Responsibility; 4) Initiative; and 5) Interpersonal relationship ability. (Nguyen et al., 2020) According to Shmailan, employee performance is defined as the actions performed by employees when they do the work that the company is supposed to do. Performance in carrying out functions is not interdependent, but always related to employee satisfaction and the level of compensation given, as well as influenced by the skills, abilities, and characteristics of each individual. (Ridwan et al., 2020).
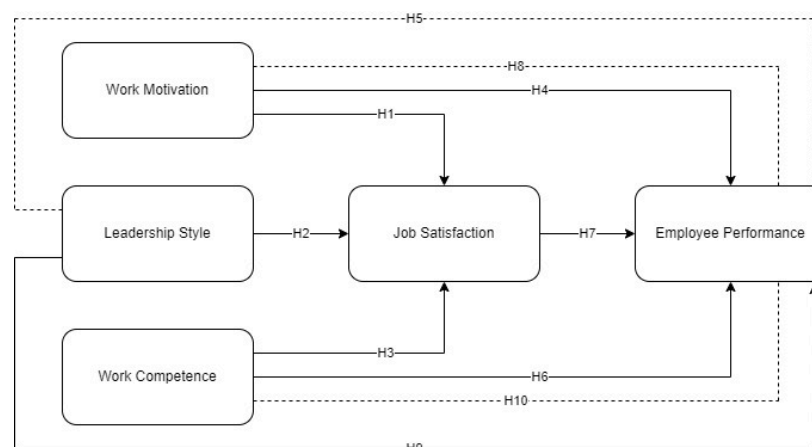
Figure 1 *Framework*

H1: Work motivation has a positive effect on job satisfaction;
H2: Leadership has a positive effect on job satisfaction;
H3: Job competence has a positive effect on job satisfaction;

H4: Work motivation has a positive effect on employee performance;
H5: Leadership has a positive effect on employee performance;
H6: Employment competence has a positive effect on employee performance;
H7: Job satisfaction has a positive effect on employee performance;
H8: Work motivation has a positive effect on employee performance through job satisfaction;
H9: Leadership has a positive effect on employee performance through job satisfaction;
H10: Employment competence has a positive effect on employee performance through job satisfaction.

RESEARCH METHOD

The research was designed using quantitative methodologies using surveys and statistical analysis to analyze the impact between variables. With variables such as Leadership Style (LS), Work Competence (WC) and Work Motivation (WM) as independent, Job Satisfaction (JS) as mediation and Employee Performance (EP) as dependent. The research aims to provide insight into how the variables interact with each other. The primary data collection of this study uses the questionnaire as the primary source of data designed to measure and respondent responses to the variables Leadership Style (LS), Work Competence (WC) and Work Motivation (WM) as independent, Job Satisfaction (JS) as mediation and Employee Performance (EP) as dependent.

The Likert scale is a technique used to evaluate the views, attitudes, or opinions of a person or group about a particular event. On this scale, there are two kinds of things: positive to measure positive aspects, and negative to measuring negative aspects. Positive side are assessed with score of 5, 4, 3, 2 and 1, while negative side are evaluated with score of 1, 2, 3, 4 and 5. According to Nasution (2021), a questionnaire is a data collection tool that contains a list of questions designed to obtain specific information from respondents. (Pranatawijaya et al., 2019)

In this research, the process of data collection and sampling is carried out through several stages. The first phase is the creation of google forms in the production of questionnaires that are made as the main instrument in data collection. The questionnaires are compiled based on relevant literature reviews, ensuring that the resulting content is valid. The questionnaire will be spread to the randomly selected sample, selecting the sample until the random sample is deleted or reduced to the incorrectly filled. Data collection will stop until the questionnaire has reached the target. After verifying the sample, validity and relativity will be performed using SPSS and continued using SmartPLS for the next phase of analysis

RESULTS and DISCUSSION

In this study, the demographics of the sample respondents covered several aspects such as age, gender, recent education, division of employment, length of work, employment status, monthly income, job relocation and location area. Here's a brief summary of the demographics.

Table 1 *Age Data of Respondents*

Age	Quantity	Percentage(%)
18 to 20 years	83	17,22%
Over 20 years to 22 years	129	26,76%
Over 23 years to 24 years	168	34,85%
Over 25 years to 26 years	102	21,16%
TOTAL	482	100,00%

Source: *Primary Data, 2024*

In this study, the majority of respondents in the study were in the age range 23 - 24 years of age of 168 with a percentage of 34.85%. Next were respondents with an age range 20 - 22 years of life of 129 people with a percent of 26.76%. Next the respondents of the age group 25 - 26 years of old of 102 people with 21.16 percent. And the least was the respondent with the age span 18 - 20 years with the percentages of 17.22%. Randstad Workmonitor (2022) stated that Gen Z was difficult to get a job because of some factors such as Minimum work experience, choosing a job and too much demands could lead to why Gen Z aged 18 to 20 years had the least respondents. (Fauzi, 2024).

Table 2 *Gender data of respondents*

Gender	Quantity	Percentage(%)
Male	179	37,14%
Female	303	62,86%
TOTAL	482	100,00%

Source*: Primary Data, 2024*

The majority of respondents as in table 2 above were working women, with a total of 303 respondents, which included a 62.86 per cent percentage. Richard Reeves (2023) a senior non-resident researcher in Brookings, stated that there were more Gen Z women working than men because of some factors. These include improved gender equality, higher education, and job flexibility. In his book and various studies in 2023 and 2024, Reeves explained that changes in social norms also played an important role, in which women were more motivated to pursue careers and participate in the labour force. (Kamarck & Muchnick, 2024).

Table 3 *Last Education data of respondents*

Last Education	Quantity	Percentage(%)
Primary School or Equivalent	9	1,87%
Junior High School or Equivalent	18	3,73%
High School/Vocational School or Equivalent	182	37,76%
Diploma or Equivalent	118	24,48%
Bachelor or Equivalent	152	31,54%
Magister or Equivalent	3	0,62%
TOTAL	482	100,00%

Source: *Primary Data, 2024*

The majority of respondents are high school/vocational graduates or equivalent, with a total of 181 respondents, which is 37.55%. According to Rhenald Kasali (2024), some of the factors that caused Gen Z not to pursue college and choose a job were the financial factors that reached millions of rupees per semester to earn a bachelor's degree, the work experience factor that made Gen Z think that the direct experience of work is more important than continuing higher education. He also mentioned that the technology capabilities that Gen Z possessed from an early age became one of those factors that made them more confident to plunge directly into the world of work without going through a long and expensive formal education. (Corebima, 2024).

Table 4 *Division data of respondents*

Division	Quantity	Percentage(%)
Operational Division	59	12,24%
Finance Division	59	12,24%
Accounting Division	73	15,15%
Production Division	66	13,69%
Logisctic Division	60	12,45%
Information Technology Division	60	12,45%
Innovation Division	54	11,20%
Human Resource Division	42	8,71%
Administration Division	3	0,62%
Marketing Division	1	0,21%
Freelance	1	0,21%
Assisstant Manager	1	0,21%
Publication of Documentation	1	0,21%
Data Entry	1	0,21%
All-round Division	1	0,21%
TOTAL	482	100,00%

Source: *Primary Data, 2024*

The majority of respondents as shown in table 4 work in the Accounting Division with a total of 73 respondents with a 15.15 per cent percentage. Generation Z's preference for larger divisions is influenced by factors such as clear career opportunities, high job stability, opportunities to learn and develop, the influence of peers, the availability of more jobs, and the division's reputation in terms of working environment and work-life balance. (Deloitte, 2019).

Table 5 *Length of Service data of respondents*

Length of Service	Quantity	Percentage(%)
Less than or equal to 1 years	113	23,44%
More than 1 year to 2 years	151	31,33%
More than 2 years to 3 years	110	22,82%
More than 3 years to 4 years	75	15,56%

	33	6,85%
TOTAL	482	100,00%

The majority of respondents have worked for more than 1 to 2 years with a total of 151 respondents with a 31.33% percentage. Tenjas Vemparala (2023) stated that Gen Z tends not to work long in one place because they are looking for a balance of life-work, career development opportunities, a supportive work environment, fair compensation, and engaging in meaningful work. They are also interested in flexibility and the use of advanced technology in the workplace. (Vemparala, 2023).

Table 6 *Employment Status data of respondents*

Employment Status	**Quantity**	**Percentage(%)**
Contract Employees	204	42,32%
Permanent Employees	278	57,68%
TOTAL	482	100,00%

The majority of respondents are permanent employees with a total of 278 respondents with a percentage of 57.68%. Deloitte (2019) stated that Generation Z tends to prefer job stability and safety in their careers. They tend to seek fixed jobs rather than contracts, because jobs still offer financial certainty and less uncertainty compared to contractual jobs. (Folini, 2020).

Table 7 *Monthly Income data of respondents*

Monthly Income	**Quantity**	**Percentage(%)**
Less than up to Rp.4,500,000,-	136	28,22%
More than Rp.4,500,000,- up to Rp.6,000,000,-	157	32,57%
More than Rp6.000.000,- up to Rp7.500.000,-	94	19,50%
More than Rp7.500.000,- up to Rp9.000.000,-	70	14,52%
More than Rp9.000.000,-	25	5,19%
TOTAL	482	100,00%

Most of the respondent monthly incomes of more than Rs. 4,500,000 to Rs. 6,000,000 with a total of 157 respondents with a percentage of 32.57%. Bryan Hancock and Brooke Weddle (2021) stated that some of the factors influencing why Gen Z does not receive a salary of over 9 million a month are minimal work experience, unstable contractual or part-time jobs, high levels of mental health problems, and changes in economic conditions as well as rising cost of living that limit their ability to negotiate higher salaries.

Table 8 *Change Jobs data of respondents*

Change Jobs	**Quantity**	**Percentage(%)**
Never	106	21,99%
1 time	102	21,16%

2 times	126	26,14%
3 times	78	16,18%
4 times	43	8,92%
5 times	21	4,36%
More than 5 times	6	1,24%
TOTAL	482	100,00%

Source: *Primary Data, 2024*

The majority of respondents have moved more than 2 jobs with a total of 126 respondents with 26.14 percent. Tenjas Vemparala (2023) stated that Gen Z frequently moved jobs because they were looking for a better life-work balance, rapid career development, a positive working environment, and involvement in meaningful jobs. They also value flexibility, fair compensation, and sophisticated technology in their workplace. (Vemparala, 2023).

Table 9 *Location Area data of respondents*

Location Area	Quantity	Percentage(%)
Kecamatan Batu Ampar	36	7,47%
Kecamatan Lubuk Baja	50	10,37%
Kecamatan Bengkong	47	9,75%
Kecamatan Nongsa	44	9,13%
Kecamatan Batu Aji	40	8,30%
Kecamatan Sagulung	31	6,43%
Kecamatan Galang	34	7,05%
Kecamatan Bulang	33	6,85%
Kecamatan Sekupang	31	6,43%
Kecamatan Sungai Beduk	26	5,39%
Kecamatan Belakang Padang	22	4,56%
Kecamatan Batam Kota	88	18,26%
TOTAL	482	100,00%

Source: *Primary Data, 2024*

The majority of respondents work in the Baja Lubuk district with a total of 50 respondents with a 10.37 per cent percentage. Sariwati Umasugi (2023), factors such as low incomes that force the search for additional employment, a supportive social and cultural environment or not, low motivation, lack of employment opportunities, high level of need, age of staff affecting family responsibilities, high educational level for better career opportunities, low wages affecting motivations, a lack of information about job vacancies, and an unsupportive working environment, all affect staff performance. (Umasugi & Laloma, 2023).

Table10 *Common Method Variance*

Total Variance Explained		
	Initial Eigenvalues	Extraction Sums of Squared Loadings

Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	14.259	31.686	31.686	14.259	31.686	31.686
2	2.190	4.866	36.552			
3	1.860	4.133	40.685			
4	1.529	3.398	44.083			
5	1.311	2.912	46.995			
6	1.255	2.722	49.717			
7	1.084	2.408	52.125			
8	1.030	2.289	54.414			
9	1.010	2.245	56.659			

Source: *Processed Data, 2024*

The CMV test results of a total of 482 respondents can be seen from the "Total Variance Explained" table, it can be said that the data is free of Common Method Variance/Common Method Bias because it is below 50% or 31,686%.
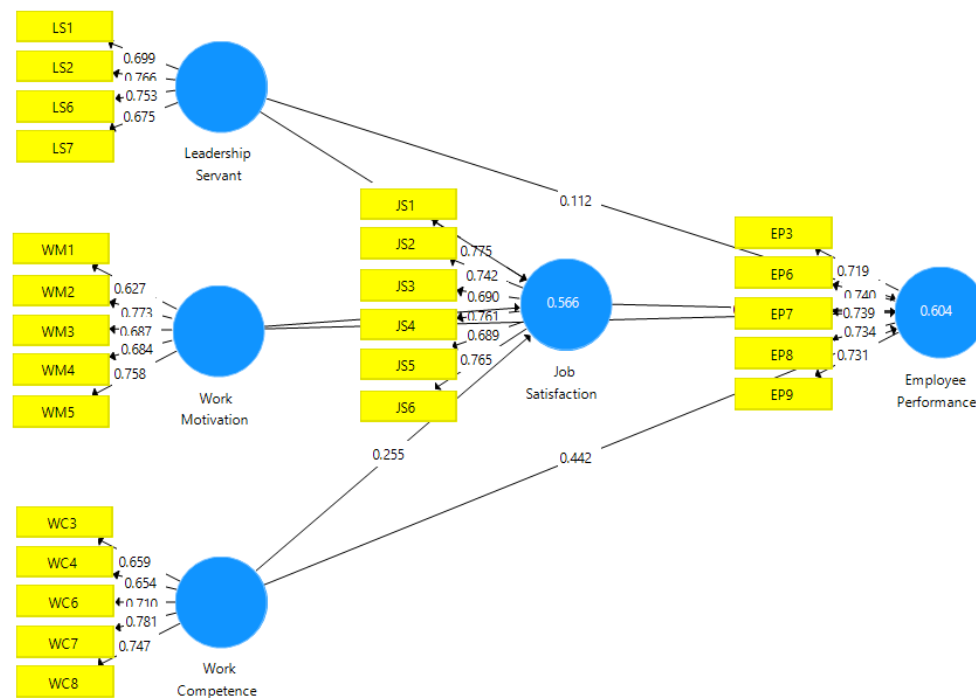

Figure 2 *SEM PLS Result Test*
Source: *Processed Data, 2024*

Table 11 *Outer Loading SmartPLS*

	EP	JS	LS	WC	WM
EP3	0,740				
EP6	0,743				
EP7	0,727				
EP8	0,734				
EP9	0,717				
JS1		0,775			
JS2		0,742			
JS3		0,690			

JS4	0,761			
JS5	0,689			
JS6	0,765			
LS1		0,703		
LS2		0,780		
LS6		0,744		
LS7		0,664		
WC3			0,662	
WC4			0,660	
WC6			0,711	
WC7			0,779	
WC8			0,740	
WM1				0,615
WM2				0,778
WM3				0,682
WM4				0,688
WM5				0,761

Source: *Processed Data, 2024*

Data processing results show that after eliminating some instruments that are invalid or below 0.500, the entire indicator has met the Rule of Thumb criteria. The greatest load factor value on variable Employee Performance is found on the EP6 statement of 0.743, which contains the statement "My colleagues believe that I am an excellent worker in this organization." The greatest load factor value on variable Job Satisfaction is found in the JS1 statement of 0.755, which contains the statement "I enjoy my job more than my free time." The greatest loading factor value on variable Leadership Style is found in the LS2 statement of 0.780, which contains the statement "My leader makes my career development a priority." The greatest loading factor value on variable Work Competence is found on the WC7 statement of 0.779 which contains the statement "I encourage my colleagues to work well". The greatest loading factor value on variable Motivation is found on the WM2 statement of 0.778 which contains the statement "Working in this company is the best choice in my life".

Table 12 *Average Variance Extracted (AVE)*

Variables	Average Variance Extracted (AVE)
Employee Performance	0,536
Job Satisfaction	0,545
Leadership Style	0,524
Work Competence	0,507
Work Motivation	0,500

Source: *Processed Data, 2024*

Average Variance Extracted (AVE) indicates that variables such as Employee Performance, Job Satisfaction, Servant Leadership, Job Competence, and Work Motivation are above 0.5 on the average Variance Extracts (AVE), so it is stated that they have met the criteria. With each variable such as Staff Performance has a score of 0.536, Job satisfaction has a rating of 0.545, Leadership Style has a value of 0.524, Work Competence has a rate of 0.507, and Work motivation has a number of 0.500. Acromah Zonic (2022), factors that

influence the motivation and performance of Generation Z in the workplace include the lack of motivation often associated with rights claims, mental health problems that can reduce productivity, high-tech work skills that are considered less productive, priority for life balance and freedom in work, pressure from a competitive work environment, the importance of job satisfaction to increase productiveness, preference for positive and supportive work environments, and challenges in facing stress that may reduce their resilience. (Safna & Wulandari, 2022).

Table 13 **Tabel Heterotrait-Monotrait Ratio (HTMT)**

Variables	EP	JS	LS	WC	WM
Employee Performance	0,732				
Job Satisfaction	0,628	0,738			
Leadership Style	0,581	0,611	0,724		
Work Competence	0,719	0,629	0,584	0,712	
Work Motivation	0,648	0,690	0,614	0,623	0,707

Source: *Processed Data, 2024*

To evaluate the discriminatory validity using the Heterotrait-Monotrait Ratio (HTMT) method, we must compare the correlation values between different constructions. If the HTMT value is below 0.90, then the discriminative validity is considered satisfied. The correlation value between Employee Performance and Job Satisfaction is 0.628, Employees Performance and Leadership Styles is 0.581, Employment Performance and Work Competence is 0.719, Employer Performance and Jobs Motivation is 0.648, Job satisfaction and leadership styles are 0.611, Job satisfactions and Job Competences are 0.629, Job satisfacation and work motivation is 0,648, Leadership Style and Jobs Competency is 0,584, Work Leadership and Motivation Style is 0.648 and Work Skills and Work Motivation are 0.707. According to Dwivedula (2020), the low performance of Generation Z employees towards job competence can be caused by several factors. First, lack of adequate training and development makes them unable to optimize their skills. Second, low motivation due to lack of incentives and an unsupporting working environment. Third, the inconsistency between their competences and the job given. In addition, ineffective leadership styles and lack of support and constructive feedback also contribute. Finally, the mental health and well-being problems generally experienced by Generation Z can affect their performance. (Dwivedula, 2020).

Table 14 *Cronbach Alpha*

Variables	Cronbach's Alpha	rho_A
Employee Performance	0,784	0,787
Job Satisfaction	0,832	0,834
Leadership Style	0,700	0,716
Work Competence	0,757	0,766
Work Motivation	0,749	0,761

Source: *Processed Data, 2024*

Cronbach's Alpha is an internal reliability measure that shows to what extent the items in a structure measure the same concept. Generally, a value above 0.70 is considered sufficient to indicate good reliability, although a higher value (above 0.80) is preferred in some research contexts. A value higher than 0.784 is an Alpha for Employee Performance, a Job Satisfaction is 0.832, a Leadership Style is 0.700, a Job Competence is 0.757, and a Job Motivation is 0.749. Variable values higher than 0,70 are considered sufficiently to indicates good reliability. Holly Schroth (2019), Generation Z's less effective leadership styles are often caused by a lack of understanding of their unique preferences, such as the need for flexibility and the use of technology. They also appreciate frequent and constructive feedback and support for career development. Moreover, non-inclusive leadership and not supporting diversity can reduce the effectiveness of leadership towards Generation Z. (Dwivedula, 2020). The next step is to evaluate a structural model aimed at observing the influence of latent variables and evaluating how well the model is produced according to the available data. (Goodness of Fit).

Table 15 *Direct Effect*

Variables	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Job Satisfaction -> Employee Performance	0,133	0,048	2,752	0,006
Leadership Style -> Employee Performance	0,112	0,055	2,044	0,041
Leadership Style -> Job Satisfaction	0,216	0,046	4,755	0,000
Work Competence -> Employee Performance	0,442	0,055	8,066	0,000
Work Competence -> Job Satisfaction	0,255	0,048	5,299	0,000
Work Motivation -> Employee Performance	0,211	0,060	3,520	0,000
Work Motivation -> Job Satisfaction	0,397	0,044	9,034	0,000

Source: *Processed Data, 2024*

Direct effect and indirect effect count as significant when the T-Statistics are over 1.96 and P Values doesn't exceed 0.05. The direct effect Job Satisfaction with Employee Performance are significant because the T-Statistics values are 2.752 and P Values are 0.006, it shows that improvements in job satisfaction are strongly linked to improvement in employee performance. The direct effect Leadership Style with Employee Performance are significant because the T-Statistics value are 2.044 and P Values are 0.041, it shows that improvements in leadership style are strongly linked to improvement in employee performance. The direct effect Leadership Style with Job Satisfaction are significant because the T-Statistics value are 4.755 and P Values are 0.000, it shows that improvements in leadership style are strongly linked to improvement in job satisfaction.

The direct effect Work Competence with Employee Performance are significant because the T-Statistics value are 8.066 and P Values are 0.000, it shows that improvements in work competence are strongly linked to improvement in employee performance. The direct effect Work Competence with Job Satisfaction are significant because the T-Statistics value are 5.299 and P Values are 0.000, it shows that improvements in work competence are strongly linked to improvement in job satisfaction. The direct effect Work Motivation with Employee Performance are significant because the T-Statistics value are 3.520 and P Values are 0.000, it shows that improvements in work motivation are strongly linked to improvement in employee performance. The direct effect Work Motivation with Job Satisfaction are significant because the T-Statistics value are 9.034 and P Values are 0.000, it shows that improvements in work motivation are strongly linked to improvement in job satisfaction.

The low influence of leadership styles on the performance of Generation Z employees can be attributable to several factors, including differences in leadership expectations, reliance on technology, the need for purpose and meaning in the job, and a need for sustainable feedback and development. Research by Hauer et al. (2021) shows that Generation Z values leaders who are directly involved, give feedback on a routine basis, and are able to integrate technology into their leadership approaches. Moreover, a study by Goh & Lee (2019) emphasizes the importance of leadership that supports a balance between work and personal life and that matches their values and personal aspirations. (Schroth, 2019)

Table 16 *Indirect Effect*

Variables	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Leadership Style ➜ Job Satisfaction ➜ Employee Performance	0,137	0,029	4,713	0,000
Work Competence ➜ Job Satisfaction ➜ Employee Performance	0,160	0,034	4,637	0,000
Work Motivation ➜ Job Satisfaction ➜ Employee Performance	0,250	0,031	8,062	0,000

Source: *Processed Data, 2024*

The indirect effect Leadership Style with Employee Performance through Job Satisfaction are significant because the T-Statistics value are 4.713 and P Values are 0.000, it shows that the improvement in leadership style are strongly linked to improvement in employee performance through job satisfaction because the value of original sample are 0.137. The indirect effect Work Competence with Employee Performance through Job Satisfaction are significant because the T-Statistics value are 4.637 and P Values are 0.000, it shows that the improvement in leadership style are strongly linked to improvement in employee performance through job satisfaction because the value of original sample are 0.160. The indirect effect Work Motivation with Employee Performance through Job

Satisfaction are significant because the T-Statistics value are 8.062 and P Values are 0.000, it shows that the improvement in work motivation are strongly linked to improvement in employee performance through job satisfaction because the value of original sample are 0.250.

Factors that influence the performance of Generation Z employees through job satisfaction. For example, a lack of understanding of generational differences and unsatisfied leadership expectations can lower job satisfaction, which in turn affects their performance. (Jones, Chauhan, & Torabian, 2019). In addition, good work flexibility can increase job satisfaction by providing a better balance between work and personal life, thereby improving employee performance (Taibah & Ho, 2023). Social support and structural empowerment can also increase job contentment by giving a sense of appreciation and support in the work environment, which ultimately improves employee performances. (Gaidhani, Arora, & Sharma, 2019). Thus, these factors not only directly affect performance, but also through increased or decreased employment satisfaction of Generation Z employees. (Dwidienawati et al., 2021)

Table 17 *R Square*

Variables	R Square	R Square Adjusted
Employee Performance	0,395	0,393
Job Satisfaction	0,568	0,565

Source: *Processed Data, 2024*

The R Squares variable of Employee Performance values are 0.395, that is considered as moderate because the values are <0.50. The R Squares variable of Job Satisfaction values are 0.568, that is considered as strong because the values are between >0.50 and <0.75.

Table 18 *Standardized Root Mean Square Residual (SRMR)*

	Original Sample (O)	95%	99%
Saturated Model	0,064	0,051	0,053
Estimated Model	0,088	0,057	0,060

Source: *Processed Data, 2024*

SRMR (Standardized Root Mean Square Residual) is used to measure correlation matrix compatibility in a model. The SRMR value for the Saturated Model is 0.064, which is deemed acceptable. The SARMR for the Estimated model is 0.088, which is considered to have a good match. Overall, although the Saturate Model has a better match (the lower SRMRI value), the Estimaed Model also shows a fairly good match with the observed data. The SRMA value for an Estimate Model is within the acceptable range, especially when viewed from values at 95% and 99% confidence levels. (Fahmi et al., 2023)

$$Comm = \frac{0.536+0.545+0.524+0.507+0.500}{5} = 0,522$$

$$R^2 = \frac{0.395+0.568}{2} = 0,482$$

$$GoF = \sqrt{0.522+0.482} = 0,502$$

The calculation to find the GoF value is 0.502. According to (Ie & Widjaja, 2021), values produced above 0.36 are already in the big GoF category, which means that the model is categorized as a strong model. With a GoF of 0.502, the resulting model can be considered to have a good match and show strength in explaining the existing data.

CONCLUSIONS

This study effectively addressed the research objectives by examining the influence of job satisfaction as a mediator on the performance of Generation Z employees. The findings indicate that job satisfaction significantly mediates the relationships between work motivation, leadership style, work competence, and employee performance. Using a quantitative methodology, data were meticulously collected through surveys and analyzed using statistical tools such as SPSS and SmartPLS. The conclusions are firmly grounded in the factual data obtained, providing a logical and accurate representation of the research outcomes.

The results highlight the critical role of job satisfaction in enhancing employee performance. Employees who are satisfied with their jobs tend to perform better, as satisfaction acts as a significant mediator between various independent variables (work motivation, leadership style, and work competence) and employee performance. This relationship underscores the importance of creating a work environment that fosters job satisfaction to achieve optimal performance levels. The conclusions emphasize the need for organizations to focus on factors that influence job satisfaction. Furthermore, the study's thorough analysis confirms that enhancing job satisfaction can have profound implications for overall organizational performance. Organizations that invest in improving job satisfaction can expect to see corresponding improvements in employee performance. This includes implementing effective leadership styles, offering continuous professional development, and creating a supportive work environment. Such strategies are essential for fostering a satisfied and high-performing workforce.

Based on these findings, it is recommended that organizations prioritize initiatives to enhance job satisfaction. This may include leadership development programs, regular skill enhancement opportunities, and a work environment that promotes motivation and satisfaction. These initiatives are crucial for improving employee performance and achieving organizational goals. Future research should continue to explore additional factors affecting job satisfaction and performance, providing a broader understanding of these dynamics in the workplace.

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