

Job Satisfaction as a Mediating Variable of Servant Leadership and Career Development on Gen Z Performance

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Abstract

This study aims to determine the effect of service leadership, career development, and satisfaction on gen z who work in digital marketing or sales executives in Central Java. This study is a quantitative study. The population of this study was all gen z workers. The data collection method used interviews and questionnaires to 116 gen z who worked for at least one year in digital marketing or sales executives. Data analysis techniques with SEM PLS. The results of the study showed that our research on the impact of servant leadership and career development on Gen Z employee performance in Central Java, with employee satisfaction as a mediating factor, reveals the following: Employee satisfaction significantly and positively impacts performance. Career development significantly and positively impacts both performance and satisfaction. Servant leadership significantly and positively impacts both performance and employee satisfaction.

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INTRODUCTION

The contemporary workforce increasingly comprises Generation Z (Gen Z) individuals, characterized by their distinct perspectives and approaches to work, shaped by their upbringing in the digital age. Their integration has significantly impacted workplace dynamics, particularly concerning work perceptions, culture, and ideal environments (Katsaros, 2024). Gen Z's unique professional outlook necessitates organizational adaptation to attract and retain this valuable talent pool (Julianto et al., 2024). Their adaptability, technological proficiency, and creativity render them exceptionally well-suited to today's rapidly evolving work environments. Their digital fluency and virtual collaboration skills align seamlessly with the demands of the modern, digitally driven workplace (Ishak et al., 2020).

Generation Z prioritizes meaningful and purposeful work, seeking alignment with companies that champion sustainability and social responsibility (Zehetner, 2023). Their commitment to continuous learning, receptiveness to feedback, and multitasking abilities contribute to their high performance, dynamism, and innovation (Yusuf et al., 2024). However, this generation can experience stress and anxiety, particularly when facing high expectations regarding career advancement and job satisfaction (Husainah et al., (2022). Pre-survey data indicates a preference for less rigid hierarchical structures, potentially creating challenges within organizations employing traditional management styles (Leblanc, 2022). Conversely, a servant leadership approach proves highly effective in motivating younger employees, resonating with their emphasis on diversity and inclusion, work-life balance, and professional development. This leadership style also benefits Millennials, addressing their desire for respect, community, and improved work-life balance.

Our study demonstrates a positive correlation between servant leadership and employee performance. A leader exhibiting servant leadership characteristics improves employee performance by fostering a supportive and appreciative work environment. (Gaskova, 2020). This approach cultivates high productivity as employees feel valued and respected, leading to increased initiative and proactive work completion. The resulting positive organizational climate contributes to overall progress (Gandasari et al., 2023).

Beyond servant leadership, robust career development significantly impacts Generation Z's workplace performance. This generation exhibits a unique perspective on work and career progression, often demonstrating less patience with traditional career ladders due to their digitally-driven expectation of immediate results (Dwidienawati et al., 2021). This can lead to unpreparedness for initiatives requiring sustained commitment. Their prioritization of personally fulfilling work over purely financial compensation, coupled with a preference for aligning their values with their employer's, underscores their desire for meaningful employment (Dwivedula and Singh, 2020).

Generation Z prioritizes career development opportunities that facilitate advancement to senior roles (Chen et al., 2023). A robust career development program enhances Gen Z's performance and accelerates progression to the next career level. Career development encompasses the progression of roles held by an individual throughout their employment, achieved through company-provided education and training (Barhate and Dirani, 2022). As an HR function, career development aims to optimize employee performance and maximize contributions to company objectives. Career development is a crucial process, enabling employees to attain roles aligned with their skills and qualifications through dedicated effort. An employee's career journey comprises a continuous series of endeavors, from initial employment to the conclusion of their tenure. To foster employee engagement and performance improvement, we must recognize that organizational efficiency hinges on the development of our human capital (Arar and Oneren, 2018). Therefore, robust employee career development programs are critical, particularly in today's rapidly evolving technological landscape.

Research indicates a strong correlation between career development and job satisfaction, further demonstrating its significant impact on employee performance. To enhance both satisfaction and performance, the company should prioritize and invest in career development initiatives. (Gochangco and Ocenar, 2024). Since employee performance is a key metric for individual and organizational assessment, strategic improvements in this area are vital. Beyond career development, we must also acknowledge the importance of job satisfaction, particularly among Gen Z employees (Aksakal and Ulucan, 2024). Generation Z exhibits heightened selectivity in employer choice, demonstrating a preference for organizations whose vision and mission resonate with their

personal values (Aggarwal et al., 2022). They seek employment offering not only financial compensation but also demonstrable positive societal or environmental impact (Achmad et al., (2023). Therefore, this research will analyze the influence of service leadership and career development on Generation Z's organizational performance, with job satisfaction serving as a mediating variable.

Servant leadership is a leadership philosophy rooted in a genuine desire to serve, prioritizing the needs of followers, achieving collective goals, and fostering mutual success (Lianti, 2023). Five key characteristics define this approach: [1]An altruistic calling, marked by a strong commitment to positively impacting others, prioritizing their needs above self-interest, and diligently addressing subordinate needs. [2]Emotional healing, reflecting a leader's dedication to enhancing and restoring employee morale. [3]Wisdom, demonstrated by a leader's ability to readily comprehend situations and their implications. [4]Persuasive mapping, encompassing the leader's skill in problem-solving, envisioning optimal outcomes, and effectively persuading others by articulating opportunities. [5]Humility characterizes the leader's approach.

Organizational success hinges on robust career development initiatives. A structured career path is crucial for motivating employees and enhancing performance (Soni et al., 2024). This encompasses all activities preparing individuals for their chosen career trajectory, with realistic goals aligned to employee-defined career plans (Putra et al., 2023). Career planning, a process undertaken by individual employees, involves defining and implementing steps to achieve their career aspirations (Nurrahman, 2024). These steps may be self-directed, organizationally sponsored, or a combination thereof. A core tenet of career development is its multi-faceted nature, encompassing key indicators such as (Soni et al., 2024): [1]Career Clarity: Transparent career planning and structured education empower employees to understand their current roles and future trajectories, fostering proactive preparation for advancement. [2]Self-Development: This encompasses self-awareness enhancement, talent cultivation, skill development, and overall human capital growth, ultimately improving quality of life and facilitating the achievement of personal and professional goals. [3]Performance Quality Improvement: A structured, team-based process focused on optimizing organizational systems and workflows, drawing upon diverse functional expertise and organizational levels.

Job satisfaction is defined as a positive emotional response resulting from an evaluation of job characteristics (Waworuntu et al., 2022). High job satisfaction is characterized by positive feelings, in contrast to dissatisfaction. Satisfied employees experience pleasure and well-being from achieving goals. Job satisfaction is an emotional state reflecting employees' perceptions of their work (Lyle and Le, 2024). It manifests as a positive attitude toward work and the work environment. Commonly used metrics for measuring employee job satisfaction include: [1]Intrinsic job satisfaction stems from engaging tasks, learning opportunities, responsibility, and advancement potential. [2]Compensation is a multifaceted contributor to job satisfaction, with the perceived adequacy and fairness of wages being key determinants. [3]Opportunities for professional development and career advancement are crucial for employee satisfaction and retention. [4]Effective supervision encompasses both technical assistance and supportive behavior, including demonstrating genuine care and fostering employee participation in decision-making. [5]Positive coworker relationships and collaborative teamwork provide essential support, camaraderie, and mutual assistance, significantly impacting job satisfaction.

Performance constitutes a metric quantifying the extent to which an activity/policy's implementation achieves an organization's strategic goals, objectives, mission, and vision (Aggarwal et al., 2022). The term frequently denotes individual or group success. Performance indicators, whether qualitative or quantitative, measure target achievement, considering inputs, outputs, outcomes, benefits, and impacts (Gaskova, 2020). Input indicators encompass all resources necessary for activity implementation, including funds, personnel, information, and regulatory frameworks. Output indicators represent tangible and/or intangible activity results (Katsaros, 2024). Outcome indicators reflect the medium-term (direct) effects of activity outputs. Benefit indicators directly correlate with the ultimate objectives of implemented activities. Impact indicators reflect the resulting effects, both positive and negative, at each indicator level, contingent upon established assumptions (Putra et al., 2023). Key performance indicators for employee evaluation include (Aggarwal et al., 2022): [1]Quality: Work quality is assessed based on employee self-perception of work quality and task completion, relative to their skills and capabilities. [2]Quantity: This metric quantifies output, expressed as units produced or activity cycles completed.

[3]Timeliness: This measures the degree of task completion within specified deadlines, considering coordination with overall output and optimal allocation of time. [4]Effectiveness: This evaluates the efficient utilization of organizational resources (labor, capital, technology, materials) to maximize unit output. [5] Autonomy: This assesses the employee's capacity for independent work and commitment to organizational objectives and responsibilities

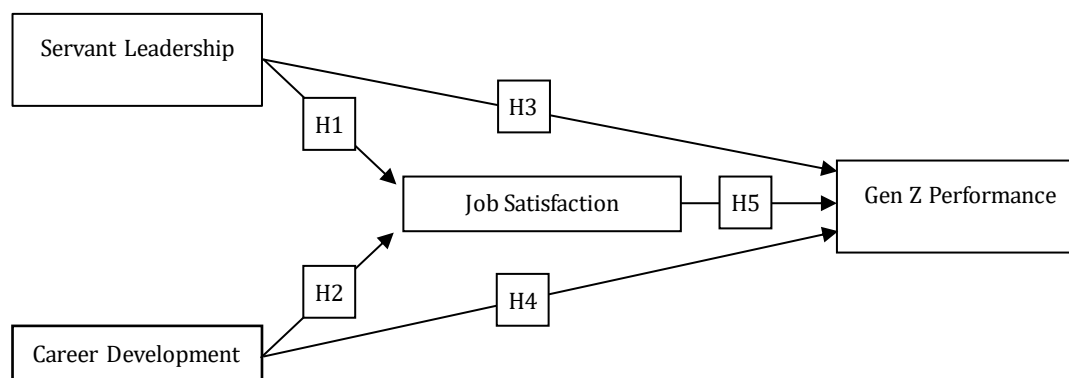


Figure 1. Empirical research model

Therefore, the following hypothesis is proposed:

H1: Servant leadership positively and significantly influences job satisfaction.

H2: Career Development has a Positive and Significant Influence on Job Satisfaction.

H3: Servant leadership positively and significantly influences performance.

H4: Career Development has a Positive and Significant Effect on Performance.

H5: Job satisfaction has a positive and significant effect on employee performance.

METHOD

This study employed a quantitative research design (Sugiyono, 2016). The population comprised all Generation Z employees in Central Java. A purposive sampling technique was utilized, selecting 145 respondents meeting the following criteria: Generation Z age, minimum one years of employment, and work in sales executive or digital marketing.

Data were collected via interviews and questionnaires using a five-point Likert scale ("strongly disagree," "disagree," "neutral," "agree," "strongly agree"). The questionnaire assessed individual perceptions related to the study variables. Independent variables included servant leadership and career development; the dependent variable was performance; and job satisfaction served as the mediating variable.

Servant leadership is a philosophy prioritizing the needs of followers, fostering collaboration, and achieving shared goals through genuine, heartfelt service (Lianti, 2023). Five key characteristics define it: altruistic calling, emotional healing, wisdom, persuasive mapping, and humility.

Career development encompasses all activities preparing individuals for specific career paths, requiring a well-defined plan and realistic goals (Soni et al., 2024). Three key indicators measure career development: career clarity, self-development, and performance quality improvement. Performance quality improvement is a structured, team-based process for enhancing organizational systems and processes, drawing upon diverse staff expertise across functional areas and organizational levels.

Job satisfaction is defined as a positive emotional response to one's work, resulting from an evaluation of its characteristics (Waworuntu et al., 2022). Five key indicators commonly used to measure employee job satisfaction are: the nature of the work itself, salary/wages, promotion opportunities, supervision quality, and coworker relationships.

Employee performance is defined as the level of achievement in implementing activities and policies to meet organizational targets, goals, mission, and vision, as outlined in the strategic plan (Aggarwal et al., 2022). Five indicators for measuring employee performance are: quality of work,

quantity of work, punctuality, effectiveness, and level of independence. Data analysis will utilize validity and reliability testing, along with hypothesis testing via PLS-SEM.

RESULT AND DISCUSSION

Of the 140 distributed questionnaires, 116 (82.8%) were completed. Regarding respondent demographics within the sales executive or digital marketing, 87 (75%) were male and 29 (25%) were female, indicating a predominantly male workforce. Educational attainment showed 18 respondents (15.6%) with a high school education, 35 (30.1%) with an associate's degree, and 63 (54.3%) holding a Bachelor's degree. Therefore, a Bachelor's degree represents the highest level of education among respondents. Analysis of the Servant-Leadership variable reveals a mean index score indicating a high category ranking. Similarly, the Career Development variable exhibits a mean index score placing it in the high category. The Job Satisfaction variable also displays a mean index score within the high category. Finally, the Performance variable demonstrates a mean index score categorized as high.

Cronbach's alpha and composite reliability values exceeded 0.7, validating the reliability and validity of the employee performance, employee satisfaction, career development, and servant leadership variables. The result of the validity and reliability test are shown in Table 1. The adjusted R-squared values for endogenous performance (0.809) and endogenous employee satisfaction (0.839) indicate strong predictive ability. Specifically, 80.9% of performance variability and 83.9% of employee satisfaction variability are explained by the models.

Hypothesis 1, proposing a positive and significant relationship between servant leadership and employee satisfaction, is supported ($p < 0.05$). Therefore, increased servant leadership correlates with increased employee satisfaction. Hypothesis Test 2 yielded a p-value less than 0.05 ($p < 0.05$), indicating a statistically significant relationship between career development and employee satisfaction. Therefore, Hypothesis 2, proposing a positive correlation between career development and employee satisfaction, is supported. This suggests a direct positive relationship: increased perceived career development correlates with increased employee satisfaction. Hypothesis Test 3 similarly produced a p-value less than 0.05 ($p < 0.05$), demonstrating a statistically significant relationship between servant leadership and performance. Consequently, Hypothesis 3, postulating a positive correlation between servant leadership and performance, is supported. This implies that higher levels of servant leadership are associated with improved performance. Hypothesis Test 4 indicates a non-significant relationship ($p > 0.05$) between career development and performance. Therefore, we fail to reject the null hypothesis; career development does not have a statistically significant positive effect on performance. Hypothesis Test 5 reveals a statistically significant relationship ($p < 0.05$) between employee satisfaction and performance, supporting the hypothesis that higher employee satisfaction correlates with higher performance. Complete hypothesis test results are presented in Table 2.

This study's mediation analysis reveals that job satisfaction significantly mediates the relationship between career development and performance, but not between servant leadership and performance. Analysis of exogenous variable influence on endogenous variables indicates a significant positive indirect effect of career development on performance ($p = 0.035$), while servant leadership shows no significant indirect effect ($p = 0.053$). Direct effects were as follows: satisfaction on performance (0.037), career development on performance (0.005), career development on satisfaction (0.000), servant leadership on performance (0.006), and servant leadership on satisfaction (0.000). Complete hypothesis test results are presented in Table 2.

Table 1. Validity and Reliability of Measurement Items

	Outer Loading
Servant Leadership	
1. Altruistic calling	0.91
2. Emotional healing	0.89
3. Wisdom	0.90
4. Persuasive mapping	0.93
5. Humily	0.87

Career Development		
1.	Career Clarity	0.93
2.	Self development	0.88
3.	Quality improvement	0.92
Job Satisfaction		
1.	Work it self	0.90
2.	Salary	0.89
3.	Promotion opportunity	0.90
4.	Supervision	0.88
5.	Coworker relationships	0.81
Gen Z Performance		
1.	Quality	0.90
2.	Quantity	0.92
3.	Punctuality	0.92
4.	Effectiveness	0.92
5.	Level of independence	0.92

Table 2. Regression Weight Full Model

Hypotheses			Original Sample	Sample Mean	ST DEV	O/STD EV	P Values
Job Satisfaction <---	Servant Leadership		0.536	0.532	0.065	8.212	0.000
Job Satisfaction <---	Career Development		0.417	0.415	0.066	6.278	0.000
Gen Z Performance <---	Servant Leadership		0.363	0.350	0.133	2.734	0.006
Gen Z Performance <---	Career Development		0.333	0.341	0.119	2.797	0.006
Gen Z Performance <---	Job Satisfaction		0.245	0.244	0.117	2.087	0.037

CONCLUSSION AND RECOMMENDATION

Servant leadership prioritizes the growth and well-being of followers, the leader, and the community over personal ambition and self-interest (Vanpech and Chear kaitpradab, 2024). Cultivating employee job satisfaction is complex, influenced by multiple factors including leadership style (Morrison, 2024). Servant leadership, an alternative leadership model applicable in formal settings such as government organizations, emphasizes a human-centered approach; leaders focused on the development of themselves, others, and the surrounding environment (Gochangco and Ocenar, 2024). A study investigating the influence of servant leadership on job satisfaction demonstrated a positive correlation. Further research analyzing the impact of servant leadership and organizational culture on employee performance, mediating through job satisfaction, similarly revealed a significant positive effect of servant leadership on job satisfaction.

Career development significantly impacts job satisfaction (Vanpech and Chear kaitpradab, 2024). A robust career development program is crucial for organizational success, motivating employees to enhance performance and fostering job satisfaction (Soni et al., 2024). Such programs encompass all activities preparing individuals for specific career paths, requiring realistic goals

aligned with well-defined career plans (Putra et al., 2023). Research confirms a positive and significant correlation between career development and employee job satisfaction (Nurrahman, 2024),

Servant leadership significantly impacts performance (Salsabila et al., 2022). This reciprocal leadership model prioritizes the needs of followers, fostering a sense of recognition and shared leadership (Morrison, 2024). Servant leaders prioritize the growth and well-being of their team, community, and themselves, foregoing personal ambition for the collective good. Research analyzing the influence of servant leadership and organizational culture on employee performance, mediated by job satisfaction, confirms this positive impact (Wulur and Mandagi, 2023).

Career development significantly impacts employee performance (Wulur and Mandagi, 2023). Numerous factors influence performance, and career development is a key contributor, motivating employees to enhance their work (Putra et al., 2023). It's a process of improving employee capabilities, fostering performance improvements to achieve career goals (Hill et al., 2024). Company-supported career development initiatives anticipate positive performance feedback. Furthermore, career development encompasses self-directed activities aligned with individual career plans. Research indicates a positive correlation between career development and employee performance, suggesting that career development fosters confidence in future career prospects, leading to optimal performance.

Job satisfaction significantly correlates with employee performance (Wulur and Mandagi, 2023). This relationship holds true at both individual and organizational levels; organizations with higher employee satisfaction demonstrate greater overall effectiveness (Waworuntu et al., 2022). Employee performance is crucial to organizational success, and companies consistently seek to enhance it through initiatives such as training, competitive compensation, motivational strategies, and a positive, structured work environment (Putra et al., 2023). Improved employee performance is essential for sustained organizational success in a competitive market. Consequently, enhancing employee performance presents a significant challenge (Gochangco and Ocenar, 2024). Research on the effect of job satisfaction on employee performance reveals a correlation.

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