

## LEADERSHIP STYLE, WORK ENVIRONMENT, AND WORK COMMUNICATION AS DETERMINANTS OF GENERATION Z EMPLOYEE PERFORMANCE AT PT. SEMOGA BERKAH SUKSES

Pingkan Novita Yanda Putri<sup>1</sup>, Hasan Ubaidillah<sup>2</sup>, Rifdah Abadiyah<sup>3</sup>

<sup>1,2,3</sup>Management Study Program, Muhammadiyah University of Sidoarjo, Indonesia

Corresponding author: Pingkan Novita Yanda Putri

E-mail: [ubaid@umsida.ac.id](mailto:ubaid@umsida.ac.id)

Volume: 7

Number: 1

Page: 145 - 161

### Article History:

Received: 2025-11-09

Revised: 2025-12-12

Accepted: 2026-01-20

### Abstract:

The point of this study is to look into how leadership style, work setting, and communication at work affect the success of Generation Z workers. In this study, leadership style, work setting, and communication at work are the independent factors. Employee success is the dependent variable. The study uses a descriptive quantitative method, which means that the numbers from the research results are used to explain things. The people in this study are all Generation Z workers at PT Semoga Berkah Sukses; there are 100 of them. The total sampling method was used to get a group that was representative of the whole population so that the results could be used more widely. For this study, version 25 of the SmartPLS (Partial Least Squares Structural Equation Modeling) program was used to help look at the data.

**Keywords:** Generation Z, Leadership Style, Work Environment, Workload, Employee Performance.

## INTRODUCTION

In the era of globalization and accelerated technological development, the world of work has experienced significant changes. One of the most visible changes is the entry of new generations into the world of work, especially Generation Z (Putri et al., 2024). This generation, born between 1995 and 2010, has different characteristics, values, and expectations from previous generations. This condition presents both challenges and opportunities for organizations in managing human resources in the company, with the increasing number of Generation Z employees becoming part of the company, PT. Hopefully, Berkah Sukses will face the need to adjust and develop its management strategy. Leadership style, work environment conditions, and communication patterns in the workplace are three main aspects that need to be considered in relation to the performance of Generation Z employees. In increasingly fierce business competition, employee performance is one of the determining factors for a company's success (Madiistriyatno, 2024). This study focuses on analyzing the influence of these three aspects on the performance of Generation Z employees at PT. Hopefully Berkah Sukses.

An organization is a place where individuals work together to achieve common goals (Khairizah et al., 2020). Within it, there is a hierarchical structure involving leaders and subordinates (Valentsia & Leovani, 2023). Therefore, organizations require qualified human resources, both in leadership roles and as employees. According to Pratama and Elistia (2020), leadership is the ability to influence a group of people to achieve common goals. The role of leadership is key to realizing an organization's vision, mission, and targets through the implementation of structured and planned programs (Hardian & Hermawan, 2022). Meanwhile, Asi and Gani (2021) explain that human resources are individuals with potential and are an important part of an organization or work unit. Thus, leadership is needed to direct a group to achieve predetermined goals.

In an effort to build a successful organization, leaders need to have an effective leadership style to motivate employees to be able to achieve the goals that have been set. The role of leaders is



very important because they are role models for employees, a place to exchange ideas when facing work obstacles, and face various challenges that arise both within the organization and in the community (Muktamar et al., 2024). Leadership within an organization or community plays a vital role because each individual will interact with others, which ultimately creates leadership dynamics with various styles according to the character of each leader. The form of this interaction can vary, from simple to complex, both within the scope of small groups and large organizations.

Leadership style is a crucial component of human resource management. Various studies have shown that implementing the right leadership style can increase employee motivation and productivity (Pratam & Elistia, 2020). Leadership style plays a strategic role because it can shape organizational culture and boost work enthusiasm. Generation Z generally values leaders who are open, honest, and provide regular feedback (Soerjoatmodjo, 2023). For this generation, the ideal leader not only provides instructions but also inspires and supports the personal development of their employees. Therefore, understanding the appropriate leadership model for Generation Z is an important step in optimizing their performance.

The work environment, both physically and psychologically, has a significant impact on employee performance and well-being. Generation Z is known to prioritize flexibility, teamwork, and work-life balance. They tend to desire a work environment that encourages creativity, innovation, and opportunities for personal development (Bambang et al., 2020). In this regard, PT. Semoga Berkah Sukses needs to reassess whether the existing work environment aligns with the preferences and needs of Generation Z employees. This study aims to examine the extent to which physical and psychological factors in the company's workplace can influence the work enthusiasm and motivation of employees from this generation group.

Communication in the workplace is another crucial aspect in supporting employee performance. In the fast-paced digital era, the boundaries between personal and professional life are increasingly blurred. Generation Z, while known for their multitasking abilities and technological expertise, is susceptible to stress and fatigue due to excessive communication. Therefore, managing effective workplace communication presents a challenge for companies to maintain productivity without compromising employee well-being. Good communication between superiors and subordinates can create a harmonious work environment and expedite work completion. In today's world, where information technology plays a crucial role in daily interactions, it is crucial to understand how communication patterns at PT. Semoga Berkah Sukses influences the performance of Generation Z employees. The purpose of this study is to examine the influence of three key variables—leadership style, work environment, and workplace communication—on the performance of Generation Z employees within the company. A deeper understanding of these three factors is expected to assist companies in developing more appropriate strategies to maximize the potential of Generation Z employees.

Furthermore, this study also seeks to fill the gap in academic research on human resource management in the digital era. The results of this study are expected to provide significant contributions both practically and theoretically. The relevance of this research is further strengthened given the increasing proportion of Generation Z in the workforce. Based on data from the Central Statistics Agency (BPS) in 2023, this generation has contributed around 25% of the total workforce in Indonesia Ruslim and Madiistriyatno, 2023). This figure is expected to increase in the coming years, so understanding the factors that influence their performance is an important part of human resource management.

Based on preliminary observations conducted by researchers at PT Semoga Berkah Sukses, a phenomenon was discovered that suggests there may be an influence between leadership and





employee performance. It was found that over the past year, the introduction of a new director within the company with a new leadership style has made it difficult for employees to adapt to the regulations established by the director. Has it created a more stressful work environment, preventing employees from performing optimally? Furthermore, this change in leadership style has also impacted work communication within the company, with some employees feeling that information conveyed by the leader is unclear and infrequent. It has led to misunderstandings regarding their duties and responsibilities, reducing work efficiency. Generation Z employees, known for their preference for transparent communication and a more participatory leadership style, have struggled to adapt to the new leader's more authoritarian approach. Furthermore, an unsupportive work environment, with high workloads and a lack of open communication channels, has left employees feeling stressed and unmotivated. Therefore, it is important to understand how the leadership style applied, the work environment created, and the communication patterns used can influence the performance of Generation Z employees at PT. Semoga Berkah Sukses. This study aims to identify various factors that influence the performance of Generation Z employees and analyze the extent to which each factor contributes to the improvement or decline of their performance within the company. Therefore, the results of this study are expected to generate relevant recommendations for companies in their efforts to improve leadership systems, create a more conducive work environment, and optimize communication patterns to more effectively support the productivity and performance of Generation Z employees.

**Table 1.** Summary of monthly KPIM review of Generation Z employees at PT Semoga Berkah Sukses

NO	MONTH	PERFORMANCE ASSESSMENT				TARGET	SCORE MINIMUM	TOTAL SCORE
		ON-TIME PROJECT COMPLETION	SALES TARGET ACHIEVEMENT	CUSTOMER SATISFACTION	EMPLOYEE DEVELOPMENT			
1	JANUARY	20	19	24	20	100	85	83
2	FEBRUARY	18	18	17	19	100	85	72
3	MARCH	20	19	24	17	100	85	80
4	APRIL	20	20	20	20	100	85	80
5	MAY	21	24	25	19	100	85	89
6	JUNE	19	20	23	20	100	85	82
7	JULY	18	20	25	25	100	85	88
8	AUGUST	19	20	24	20	100	85	83
9	SEPTEMBER	20	22	25	24	100	85	91
10	OCTOBER	22	19	24	21	100	85	86
11	NOVEMBER	20	20	24	20	100	85	84
12	DECEMBER	20	20	20	20	100	85	80

Source: Data from HRD PT Semoga Berkah Sukses 2024

**Table 2.** Recapitulation of the monthly KPI review of Generation Z employees of PT Semoga Berkah Sukses

NO	MONTH	PERFORMANCE ASSESSMENT				TARGET	SCORE MINIMUM	TOTAL SCORE
		ON-TIME PROJECT COMPLETION	SALES TARGET ACHIEVEMENT	CUSTOMER SATISFACTION	EMPLOYEE DEVELOPMENT			
1	JANUARY	25	23	23	25	100	85	96
2	FEBRUARY	24	22	23	25	100	85	94
3	MARCH	23	23	23	25	100	85	94
4	APRIL	25	24	23	25	100	85	97



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5	MAY	25	25	23	25	100	85	98
6	JUNE	25	24	23	25	100	85	97
7	JULY	24	24	23	25	100	85	96
8	AUGUST	23	23	23	25	100	85	94
9	SEPTEMBER	25	25	23	25	100	85	98
10	OCTOBER	24	22	23	25	100	85	94
11	NOVEMBER	25	21	23	24	100	85	93
12	DECEMBER	24	23	23	25	100	85	95

Source: Data from HRD PT Semoga Berkah Sukses 2023

The table above shows a decline in Gen Z employee performance scores each month in 2024 compared to 2023. The average decline ranged from 5 to 8 points. Based on the researchers' initial observations, this decline was likely influenced by changes in company leadership styles, which have become more authoritarian, inconsistent with the character of Gen Z, who prefer open and participatory communication. Furthermore, a perceived increasingly demanding work environment and ineffective communication between superiors and subordinates were also factors contributing to the decline in employee morale and productivity in 2024.

Based on the results of previous studies, there is a lack of in-depth research on how the combination of leadership style, work environment, and work communication specifically affects the performance of Generation Z employees in manufacturing companies. Although there are many studies that discuss these factors separately, not many have examined the integrative relationship between the three in the context of a company with the characteristics and dynamics of Generation Z employees. Thus, this study has the potential to provide new insights into how a flexible leadership approach, a conducive work environment, and efficient communication can optimize the performance of Generation Z employees in manufacturing companies such as PT. Hopefully Berkah Sukses. On the other hand, various previous studies are still limited in examining these three variables simultaneously, especially in the context of Generation Z, who have a need for a participatory leadership style, a flexible work environment, and transparent communication (Khairizah et al., 2020; Pratama & Elistia, 2020; Soerjoatmodjo, 2023; Amelia, 2024). In addition, most studies have not adapted their research framework to the dynamics of the manufacturing workplace, which has a more hierarchical and stressful work structure (Hidayat et al., 2021; Fajriyanti et al., 2023). Previous research has also not touched much on transitional aspects of leadership, such as the change from a democratic to an authoritarian style, which can create communication barriers and discomfort in the work environment for Gen Z (Muktamar et al., 2024; Sundari & Siahaan, 2024). Therefore, this research is important to fill this gap by analyzing the influence of leadership style, work environment, and work communication together on the performance of Generation Z employees, so that it can provide practical contributions in HR management and become a reference for organizational development in the current digital era.

**Problem Formulation.** Do the variables of leadership style, work environment, and business communication influence the performance of PT Semoga Berkah Sukses?

**Research Questions.**

1. Does leadership style influence employee performance at PT Semoga Berkah Sukses?
2. Does the work environment influence employee performance at PT Semoga Berkah Sukses?
3. Does work communication influence employee performance at PT Semoga Berkah Sukses?
4. Do leadership style, work environment, and work communication collectively influence employee performance at PT Semoga Berkah Sukses?



**Research Objective.** This study examines how leadership style, work environment conditions, and workplace communication styles influence employee performance at PT Semoga Berkah Sukses. The goal is to understand how these three factors are interconnected and contribute to improving employee performance. By understanding this, companies are expected to develop more appropriate management strategies, not only to increase productivity but also to create a comfortable, open, and responsive work environment to meet employee needs. It is especially important because many employees are from Generation Z, who have different work styles and expectations than previous generations. Furthermore, this study can also guide companies in developing more flexible leadership styles that are appropriate for the ever-changing modern workplace.

**SDGs Category.** This study adopts SDG category 8, which aims to promote inclusive and sustainable economic growth, create an optimal and productive workforce, and provide decent work for all.

**Leadership Style (X1).** Leadership style refers to the method or approach used by a leader to influence the mindset, emotions, attitudes, and behavior of members within an organization, both leaders and employees. According to Ruslim and Madiistriyatno (2023), leadership styles can be classified into three main categories: authoritarian, democratic, and laissez-faire. An authoritarian leadership style is characterized by complete domination by the leader, where all control, decision-making, and direction within the organization are centralized in one individual, namely the leader (Amelia, 2024). Meanwhile, a democratic leadership style is considered more effective because it encourages active participation from organizational members in the decision-making process. In this style, the leader does not hold absolute power but rather shares authority with team members and opens up space for discussion, input, and consideration from all parties involved (Amelia, 2024). Meanwhile, a laissez-faire leadership style focuses more on interpersonal relationships than on task completion (Hidayati et al., 2021). This style gives employees or organizational members the freedom to determine their own goals and carry out their own tasks.

Leadership style indicators encompass various aspects that demonstrate how a leader leads, influences, and manages his or her team. Some dimensions and indicators of leadership style frequently discussed in various leadership studies and books include the following (Ruslim & Madiistriyatno, 2023):

- a) Relationship between Leader and Subordinates
- b) Ability to Respect: Respecting the rights and obligations of each employee.
- c) Communication: Building warm and open communication.
- d) Support: Helping solve problems faced by subordinates.
- e) Appreciation: Appreciating the work results of subordinates.
- f) Objectivity: Being objective towards subordinates.

Task Structure:

- a) Simplicity of Work Plans: Clear and easy-to-understand work plans.
- b) Realization of Work Plans: Implementing work plans according to established procedures.
- c) Clarity of Responsibility: Determining clear responsibilities for each individual.

Power:

- a) Ability to Command: Able to lead and direct subordinates effectively.
- b) Decisiveness: Firm in decision-making.
- c) Subordinate Quality Development: Focus on improving the abilities and quality of subordinates.



**Work Environment (X2).** The work environment refers to the space or conditions in which individuals carry out their work activities, encompassing the physical, social, and cultural aspects of their surroundings (Farid & Satria, 2023). Various factors within the work environment have the potential to influence employee psychological well-being, productivity levels, and job satisfaction [16]. In this study, the indicators used to measure the work environment were compiled based on the results of relevant previous studies (Fajriyanti et al., 2023). Therefore, the work environment indicators used as a reference in this study are as follows:

**Physical Work Environment:**

- a) Lighting: the level of incoming light that supports smooth work.
- b) Room temperature: adequate air circulation.
- c) Noise: the level of noise that could hinder concentration and the smooth running of the work process.
- d) Layout and space: the availability of adequate space for movement, both with and without work equipment.
- e) Safety and employee relations: aspects that include protection against physical and psychological risks, as well as the quality of social interactions between employees that support a safe and harmonious work environment.

**Non-Physical Work Environment.** These are conditions that cannot be perceived by the five senses but are felt by employees, such as:

- a) Relationships with Superiors: The quality of interaction and communication between employees and management.
- b) Relationships with Coworkers: Social dynamics among employees.
- c) Opportunities for Advancement: Opportunities for career development and promotion.
- d) A conducive work environment can encourage optimal employee productivity (Fajriyanti et al., 2023).

Previous research has revealed that the work environment can influence workforce productivity, as found in research (Farid & Satria, 2023; Panggabean & Satwika, 2024).

**Work Communication (X3).** Communication is a fundamental component in the formation of communities and social relationships within an organizational environment. According to Fatmawati (2022), communication is at the heart of a community because it serves as a means of creating shared meaning and togetherness among individuals. A community itself consists of a group of people who gather or live together to achieve a specific goal, and communication serves as the primary link in building shared experiences and emotions among its members. In this regard, communication is not just about speaking, but also relates to culture, such as art, religion, and language, which help strengthen social ties within a society. Communication itself can occur in two main ways: verbally and nonverbally. Verbal communication is the delivery of messages through words, either spoken or written, and is the primary way for individuals to convey thoughts, feelings, and goals. Through words, individuals can clearly describe their experiences and perspectives, so that the intended message can be understood more directly (Sundari et al., 2024).

On the other hand, nonverbal communication encompasses all forms of expression that do not use words, such as gestures, facial expressions, body language, and the use of space and the environment. According to Erlangga and Arif (2024), nonverbal communication involves all stimuli other than verbal language used in interactions and can have meaning for both the sender and receiver of the message. It includes both intentional and unintentional behavior. In fact, individuals often convey nonverbal messages without realizing that others interpret their actions and have specific meanings (Prastuti et al., 2024). In an organizational context, the ability to build effective



communication, both verbally and nonverbally, is crucial for supporting collaboration, increasing productivity, and creating healthy working relationships among fellow employees and between superiors and subordinates.

According to Sundari et al. (2024), work communication has several important dimensions and indicators that need to be understood in an organizational environment. These dimensions and indicators explain how the communication process occurs in the workplace and how it impacts relationships and performance between individuals within the organization.

- a. Internal Communication: Internal communication is the interaction that occurs within an organization, involving members such as employees and management.
- b. External Communication: External communication, on the other hand, involves interactions between the organization and external parties, such as customers, suppliers, and the media.

Communication indicators include:

- a. Easy to understand for employees.
- b. Frequency of communication.
- c. Openness of information from management.
- d. Interaction with the public on social media.
- e. Good relationships with partners and external parties.
- f. Effectiveness of communication with the public.

**Employee Performance (Y).** According to Wulandari (2019), employee performance can be defined as the results of work performed by individuals, measured by both quantity and quality. This performance encompasses both individual and group work. Sinambela and Poltak (2023) state that performance is a form of evaluation of an individual's work compared to previously agreed-upon criteria. On the other hand, Ansari et al. (2024) define employee performance as a result measured by quality, quantity, work time, and collaboration in achieving predetermined goals. Thus, performance can be concluded as the result of an employee's work in completing tasks according to their assigned responsibilities. Employees who demonstrate a sense of responsibility and concern for the interests and success of the company tend to deliver maximum performance. According to Lubis et al. (2019), performance encompasses the entire individual work process, the results of which serve as the basis for assessing the quality of work performed. Individual capabilities are a key factor in improving performance, as reflected in the results of the work produced. Rakhim (2020) states that performance is the result of work and work behavior achieved in completing tasks and responsibilities within a specific time period.

Meanwhile, Yang and Sentosa (2023) define performance as real behavior that demonstrates the work achievements achieved by employees in carrying out their roles in the company. From these various definitions, it can be concluded that employee performance is the work results or achievements achieved in carrying out tasks that can be measured based on quality and quantity. It is used to assess the extent to which employees have succeeded in carrying out their roles in the company during a certain period. Employee performance plays an important role in contributing to the company, especially in determining the quality of output produced by the company.

The dimensions of work productivity are:

- a. Effectiveness: a percentage that provides an estimate of how many of our targets are achieved, taking into account quality, quantity, and skill level.
- b. Efficiency: maximizing resources optimally, with minimal sacrifice.

According to Lubis et al. (2019), employee performance can be seen from the following indicators:



- a. The quantity of work, namely, how many targets or tasks are completed according to the established criteria.
- b. Quality of work, namely the level of quality of work produced, as assessed by satisfaction and how well the work is carried out according to standards.
- c. Punctuality, namely, whether work can be completed according to the schedule or time specified.
- d. Attendance, namely the level of employee presence at work according to applicable working hours.
- e. Ability to work together, namely the ability of employees to work and collaborate with coworkers to complete tasks that cannot be done alone.
- f. Efficient use of resources, namely the extent to which employees are able to utilize time, energy, and work facilities effectively to achieve optimal results.

## METHODS

This study uses a descriptive quantitative approach, which aims to describe the relationship between research variables numerically based on data obtained from respondents. This type of research is suitable for analyzing the extent to which independent variables, namely leadership style (X1), work environment (X2), and work communication (X3), affect the dependent variable, namely employee performance (Y). This research was conducted at PT. Hopefully Berkah Sukses, which is located at Jl. Raya Tlasi No. 109, Tlasi Satu, Tlasi, Tulangan District, Sidoarjo Regency, East Java, 61273.

**Population and Sample.** The population in this study was all Generation Z employees (born between 1995 and 2010) working at PT. Semoga Berkah Sukses, totaling 140 people. The sampling technique used was total sampling, where all members of the population were sampled, resulting in a total of 100 respondents who met the eligibility criteria for completing the questionnaire. The data used was primary data, obtained directly from respondents through questionnaire distribution. The data source was internal company respondents, namely Generation Z employees at PT. Semoga Berkah Sukses.

**Data Collection Technique.** Data collection was conducted using a closed-ended questionnaire, where respondents were asked to answer statements structured based on indicators for each variable.

**Data Analysis Technique.** Data analysis was performed using SmartPLS version 25 software using the Structural Equation Modeling (SEM) method based on Partial Least Squares (PLS).

The data analysis steps included:

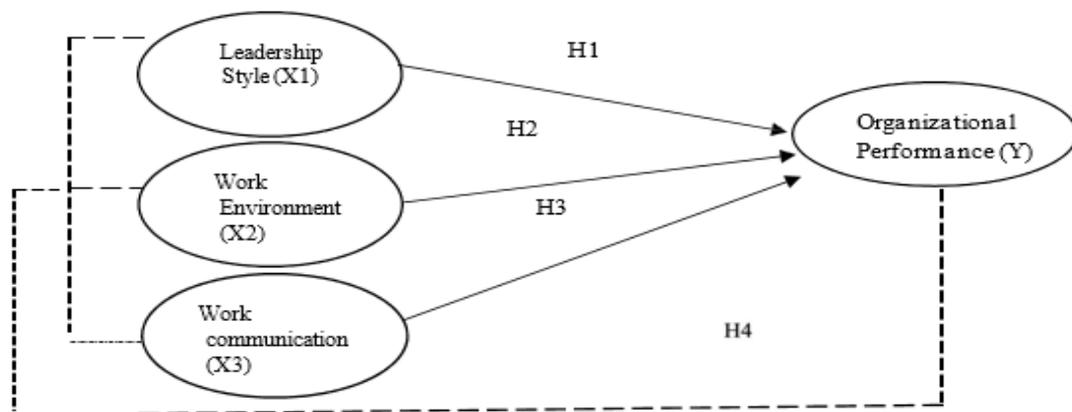
- 1) Instrument Validity and Reliability Test. A validity test is used to determine the extent to which an instrument (questionnaire items) is able to measure what it is supposed to. An instrument is considered valid if the correlation between item scores and the total score is greater than the table  $r$  at a significance level of 5%. Meanwhile, a reliability test aims to determine the level of consistency of respondents' responses to questionnaire items. An instrument is considered reliable if the Cronbach's Alpha value is  $\geq 0.70$ , indicating good internal consistency.
- 2) Path Analysis. Path analysis is used to determine the direct and indirect influence of each independent variable (leadership style, work environment, and work communication) on the dependent variable (Generation Z employee performance). This analysis also aims to examine the causal relationships between variables in the model more comprehensively.
- 3) Partial Test (t-Test). A t-test is conducted to examine the partial influence of each independent variable on the dependent variable. This test is performed by comparing the calculated t-value



with the table t-value at a significance level of 5% (0.05). If the calculated t-value > t-value, then the independent variable significantly influences the dependent variable.

- 4) Simultaneous Test (F Test). The F test is used to determine whether the independent variables simultaneously significantly influence the dependent variable. This test is performed by comparing the calculated F-value and the table F-value. If the calculated F-value > F-value at a significance level of 5% (0.05), it can be concluded that the independent variables simultaneously influence the dependent variable.
- 5) Coefficient of Determination Test (R<sup>2</sup>). This test aims to determine the overall contribution of the independent variables in explaining the variation in the dependent variable. A coefficient of determination value close to 1 indicates that the model used has a high ability to explain the dependent variable. Conversely, a value close to 0 indicates a low ability.

**Conceptual Framework.**



**Figure 1.** Conceptual Framework

**Hypothesis.**

- H1: Leadership style influences employee performance at PT Semoga Berkah Sukses.
- H2: Work environment influences employee performance at PT Semoga Berkah Sukses.
- H3: Work communication influences employee performance at PT Semoga Berkah Sukses.
- H4: Leadership style, work environment, and work communication influence employee performance at PT Semoga Berkah Sukses.

**Operational Definition.** Operational definitions provide a more specific interpretation of the variables in the study, thus facilitating the measurement process. This study includes four variables: Leadership Style (X1), Work Environment (X2), Work Communication (X3), and Employee Performance (Y).

1. Leadership Style (X1). Leadership style is the way a leader influences, directs, and encourages the behavior of subordinates to achieve organizational goals (Ruslim & Madiisriyatno, 2023). This definition encompasses a leader's ability to provide instruction, motivation, and support to employees, as well as create an environment conducive to collaboration and productivity.

**Table 3.** Operational Leadership Style Variable (X1)

Variable	Dimensions	Indicator	Scale
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Leadership Style	1. Relationship between Leaders and Subordinates	<ol style="list-style-type: none"> <li>1. Respect the rights and obligations of every employee.</li> <li>2. Establish warm and open communication.</li> <li>3. Help solve problems faced by subordinates.</li> <li>4. Always appreciate the work of subordinates.</li> <li>5. Be fair to subordinates.</li> </ol>	Ordinal
	2. Task Structure	<ol style="list-style-type: none"> <li>1. A clear and easy-to-understand work plan.</li> <li>2. Implementing the work plan as determined.</li> <li>3. Defining clear responsibilities for each individual.</li> </ol>	
	3. Power	<ol style="list-style-type: none"> <li>1. Able to lead and direct subordinates effectively.</li> <li>2. Firm in decision-making.</li> <li>3. Focus on improving the skills and qualities of subordinates.</li> </ol>	

2. Work Environment (X2). The work environment is the physical, social, and psychological conditions in the workplace that influence employee performance and productivity (Farid & Satia, 2023). It encompasses all elements surrounding employees as they perform their tasks, including facilities, tools, and the work environment. A good work environment can increase motivation and efficiency, while a poor environment can decrease employee performance and job satisfaction (Fajriyanti et al., 2023).

**Table 4. Operational Variables of the Work Environment (X2)**

Variable	Dimensions	Indicator	Scale
Work Environment (X2)	1. Non-Physical Work Environment	<ol style="list-style-type: none"> <li>1. Quality of interaction and communication between employees and management.</li> <li>2. Relationships with coworkers.</li> <li>3. Opportunities for career development and promotion.</li> </ol>	Ordinal
	2. Non-Physical Work Environment	<ol style="list-style-type: none"> <li>1. A clean and tidy environment to support productivity and comfort.</li> <li>2. Flexible work areas and open spaces that allow for interaction.</li> </ol>	

3. Work Communication (X3). Work communication is the process of exchanging information and ideas between individuals or groups within an organization, both verbally and non-verbally [18]. This communication is crucial for building good relationships, enhancing collaboration, and achieving common goals. Furthermore, effective communication helps reduce misunderstandings and increase productivity in the workplace.

**Table 5. Operational Variables of Work Communication (X3)**

Variable	Dimensions	Indicator	Scale
Work Communication (X3)	1. Internal Communication	<ol style="list-style-type: none"> <li>1. Easy for employees to understand.</li> <li>2. How often does communication occur?</li> <li>3. Transparency of information from management.</li> </ol>	Ordinal
	2. External Communication	<ol style="list-style-type: none"> <li>1. Interaction with the public on social media.</li> <li>2. Good relationships with partners and external parties.</li> <li>3. Effective communication with the public.</li> </ol>	

4. Employee performance (Y). Employee performance is a measure of the extent to which an individual successfully achieves the goals and standards set by the company or organization



employing them (Lubis et al., 2019). This performance encompasses the abilities, skills, and work results demonstrated in carrying out assigned tasks and responsibilities (Yang & Sentosa, 2023). Several indicators used to measure employee performance include:

**Table 6.** Operational Variables of Employee Performance (Y)

Variable	Dimensions	Indicator	Scale
Employee Performance (Y)	1. Effectiveness	1. Number of targets to be completed or achieved 2. Level of quality achieved	Ordinal
	2. Efficiency	1. Presence 2. Ability to work together	
		3. Measuring the ratio between results achieved and resources used	

**RESULT AND DISCUSSION**

**Respondent Characteristics by Gender.** Table 1 below presents information regarding respondent characteristics by gender.

**Table 7.** Respondent Characteristics by Gender

No	Gender	Number (of Souls)	Percentage (%)
1	Female	73	73 %
2	Male	27	27 %
Amount		100	100

Data source: Primary Data

Based on Table 7 above, regarding respondent characteristics by gender, it can be seen that 27 male respondents, or approximately 27% of the total number of respondents, were female, and 73 female respondents, or approximately 73% of the total number of respondents. It indicates that the majority of respondents were female.

**Characteristics by Division.** Table 8 below presents information regarding respondent characteristics by division or section within the company.

**Table 8.** Respondent Characteristics by Division

No	Type	Number (of Souls)	Percentage (%)
1	Administration	31	31 %
2	Production operator	79	79 %
Amount		100	100

Data source: Primary Data

Based on Table 8 above regarding the characteristics of respondents by division, it can be seen that the number of respondents who are administrators is 31 people or approximately 31% of the total number of respondents and respondents including production operators are 79 people or approximately 79% of the total number of respondents. It identifies that the majority of respondents studied are production operators.

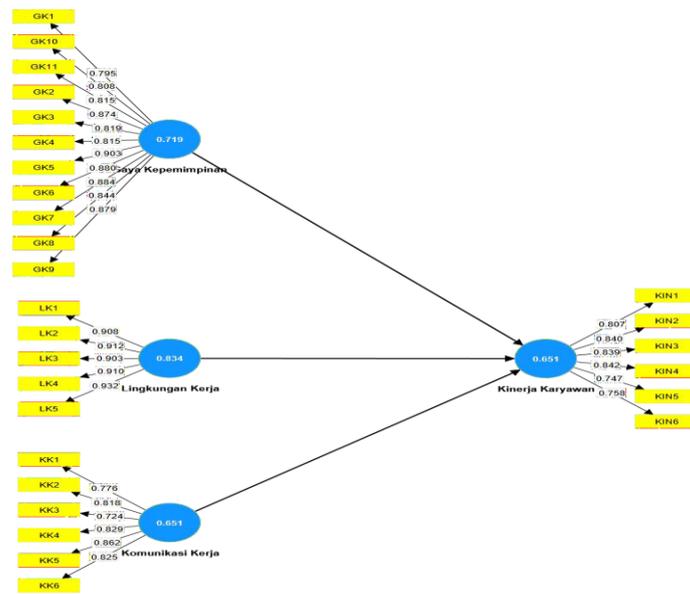
**Instrument Testing.** The initial variables and indicators developed in this study were tested for validity and reliability in a preliminary questionnaire instrument test. Based on these test results, the model to be used in the study consisted of four variables:

1. The leadership style variable (X1), consisting of 11 indicators: X1.1, X1.2, X1.3, X1.4, X1.5, X1.6, X1.7, X1.8, X1.9, X1.10, and X1.11.



2. The work environment variable (X2), consisting of five indicators: X2.1, X2.2, X2.3, X2.4, and X2.5.
3. The work communication variable (X3), consisting of six indicators: X3.1, X3.2, X3.3, X3.4, X3.5, and X3.6.
4. Employee performance variable (Y) consists of 6 indicators, namely Y.1, Y.2, Y.3, Y.4, Y.5, and Y.6.

**Evaluation of the measurement model (outer model).**



**Figure 2.** Final Research Model in SmartPLS

The evaluation of the measurement model (outer model) consisted of validity and reliability tests. The validity test examined the loading factor values of each indicator. An indicator is considered valid if it has a loading factor value of  $\geq 0.7$ . Table 9 shows that several indicators had loading factor values below 0.7, so these indicators were removed in the next stage. After eliminating invalid indicators, the final model was obtained as shown in Figure 2.

**Table 9.** Summary of Research Indicator Loading Factor Values

Indicator	Loading Factor Value	Conclusion
GK1	0.795	Valid
GK10	0.808	Valid
GK11	0.815	Valid
GK2	0.874	Valid
GK3	0.819	Valid
GK4	0.815	Valid
GK5	0.903	Valid
GK6	0.880	Valid
GK7	0.884	Valid
GK8	0.844	Valid
GK9	0.879	Valid
LK1	0.908	Valid
LK2	0.912	Valid

LK3	0.903	Valid
LK4	0.910	Valid
LK5	0.932	Valid
KK1	0.776	Valid
KK2	0.818	Valid
KK3	0.724	Valid
KK4	0.829	Valid
KK5	0.862	Valid
KK6	0.825	Valid
KIN1	0.807	Valid
KIN2	0.840	Valid
KIN3	0.839	Valid
KIN4	0.842	Valid
KIN5	0.747	Valid
KIN6	0.758	Valid

Source: SmartPLS output results (processed)

The next step is to conduct reliability testing. Calculations using SmartPLS yielded Cronbach's Alpha and AVE values, as shown in Table 10. All variables were deemed reliable, as all Cronbach's Alpha values were above 0.7 and AVE values were above 0.5. The next reliability test evaluated discriminant validity by examining cross-loadings and comparing the AVE root values with the correlations between constructs.

**Table 10.** Summary of Reliability Tests for the Final Research Model

Variable	Cronbach's Alpha	AVE	Information
Leadership Style	0.961	0.719	Reliable
Work environment	0.950	0.834	Reliable
Work Communication	0.892	0.651	Reliable
Employee performance	0.892	0.651	Reliable

Source: SmartPLS output results (processed)

Based on Table 10, all variables in the research model – leadership style, work environment, work communication, and employee performance – have Cronbach's Alpha values above 0.70 and AVE values above 0.50, indicating that the instrument meets the criteria for reliability and convergent validity. It means that each indicator is able to measure its construct consistently and accurately. Furthermore, based on the cross-loading values, all indicators have higher correlation coefficients with their respective constructs compared to other constructs, indicating that the requirement for discriminant validity has also been met. It is reinforced by a comparison of the root AVE values and the correlation values between constructs, where all constructs have root AVE values greater than their maximum correlations with other constructs, as shown in Table 11. Thus, this research model is suitable for further analysis.

**Table 11.** Summary of Comparison of Root AVE Values and Maximum Correlation Coefficients with Other Constructs

Variable	AVE Root	Maximum Correlation Coefficient with Other Constructs	Information
Leadership Style	0.848	0.692	Fulfilled





Work environment	0.913	0.698	Fulfilled
Work Communication	0.807	0.708	Fulfilled
Employee performance	0.807	0.708	Fulfilled

Discriminant validity is declared met if the square root of the AVE value of a construct is greater than its maximum correlation with other constructs. The table above shows that all constructs meet this criterion, thus passing the Fornell-Larcker criterion.

Here is the complete version, including sample figures (including moderation effects and R<sup>2</sup>), in paragraph and table format suitable for direct insertion into a Word document.

**Structural Model Evaluation (Inner Model).** Hypothesis testing was conducted by calculating path coefficients and R<sup>2</sup> values. The significance of the relationships between constructs was demonstrated through the t-statistics and p-values obtained from the Bootstrapping calculations using SmartPLS. The magnitude of the influence between constructs and the interaction effect (moderation) was assessed from the path coefficient values (Haryono, 2016). A relationship was considered significant if the t-statistic was greater than 1.96 and the p-value was less than 0.05.

**Table 12.** Summary of t-statistics and p-values

Connection	t-statistics	p-value	Conclusion
Leadership Style on Employee Performance	6,091	0,000	Significant
Work Communication on Employee Performance	3,009	0,003	Significant
Work Environment on Employee Performance	2,225	0,027	Significant

**R<sup>2</sup> Analysis.** R<sup>2</sup> analysis was conducted to determine the extent of influence of the independent variables on the dependent variable. The R<sup>2</sup> value for the Employee Performance variable was 0.707, meaning that the combination of leadership style, work communication, and work environment can explain 70.7% of the variation in employee performance. The remaining 29.3% is explained by factors outside this research model.

To determine the effect of independent variables on employee performance, an analysis was conducted on each direct relationship path in the structural model. In this study, there are three independent variables, namely leadership style, work communication, and work environment, that were tested on employee performance. The influence of leadership style on employee performance shows a t-statistic of 6.091 and a p-value of 0.000, which means it has a significant influence. It indicates that the better the leadership style applied in the organization, the higher the resulting employee performance. The influence of work communication on employee performance also shows significant results, namely a t-statistic of 3.009 and a p-value of 0.003. It means that effective work communication between individuals in the organization can directly and positively improve employee performance. Furthermore, the work environment on employee performance also has a significant influence with a t-statistic of 2.225 and a p-value of 0.027. A comfortable, supportive, and conducive work environment can encourage employees to work more optimally, thereby improving their performance.

Based on these results, the three independent variables have a significant relationship with employee performance. Because all direct relationships are significant, no additional moderation is required in this model. No interaction or mediating, or moderating effects from other variables were found in the data, so the relationship between the constructs is direct and linear. This model is quite strong with an R<sup>2</sup> value of 0.707, which means that 70.7% of the variation in employee performance can be explained by leadership style, work communication, and the work environment together, while the remaining 29.3% is explained by other factors outside this model.



Based on the results of the structural model testing (inner model) using SmartPLS, it was found that the three independent variables, namely leadership style, work environment, and work communication, statistically significantly influence the performance of Generation Z employees at PT. Hopefully Berkah Sukses. The t-statistic value for leadership style is 6.091 ( $p = 0.000$ ), work communication is 3.009 ( $p = 0.003$ ), and work environment is 2.225 ( $p = 0.027$ ). All p-values are smaller than 0.05, meaning that the hypotheses H1, H2, and H3 are accepted. In addition, the  $R^2$  value of 0.707 indicates that 70.7% of employee performance can be explained by the three variables together. It indicates that the research model used is quite strong and able to explain employee performance well.

Empirically, research findings confirm that a participatory leadership style, a comfortable work environment, and open and effective communication can improve the performance of Generation Z employees. Observation results and questionnaire data indicate that Generation Z employees respond more positively to leaders who support open dialogue and provide appreciation. Furthermore, a clean, safe, and conducive work environment provides psychological encouragement for employees to work more productively. Clear and transparent work communication has also proven crucial in minimizing miscommunication and increasing teamwork effectiveness.

Furthermore, the results of the questionnaire data processing show that the five statements with the highest average scores came from the leadership style variable. It indicates that most respondents gave positive assessments of the leadership aspect. Some of the most agreed-upon statements include: "My superior is unable to direct subordinates well" (GK9), "My superior is not firm in making decisions" (GK10), and "My superior rarely appreciates my work results" (GK4), all of which had average scores above 4. Because these statements are structured negatively, high scores actually indicate that employees feel their superiors are able to lead firmly, communicate well, and provide support. This finding confirms that leadership style is the factor most directly felt by employees in supporting their performance.

The results of this study support previous theories related to human resource management and organizational behavior. These findings align with transformational and participatory leadership theories, which emphasize the importance of leaders in shaping employee behavior and performance through a communicative and supportive approach. A positive work environment supports Herzberg's two-factor theory, where good physical and psychological working conditions are motivating factors for employees. Meanwhile, the importance of workplace communication in improving employee performance aligns with organizational communication theory, which states that effective communication is key to creating cooperation and organizational efficiency. Thus, the results of this study theoretically strengthen the foundation of the importance of interpersonal relationships, healthy work structures, and communication in shaping superior performance, especially for Generation Z in today's workplace.

## CONCLUSION

Based on the results of research conducted on the influence of leadership style, work environment, and work communication on the performance of Generation Z employees at PT. Semoga Berkah Sukses, it can be concluded that all independent variables in this study have a significant influence on the dependent variable, namely employee performance. These findings indicate that Generation Z employees respond positively to work systems that are managed in an open, communicative, and supportive manner.

1. Leadership style has a direct, positive and significant influence on employee performance. Leaders who demonstrate participatory leadership, provide clear direction, and serve as role models in the workplace have been shown to increase work enthusiasm, loyalty, and target achievement among Generation Z employees. Statistical test results support this finding with a t-statistic of 6.091 and a p-value of 0.000.
2. The work environment has also been shown to play a significant role in improving employee performance. A safe, comfortable work environment that supports collaboration and provides opportunities for employee development is highly valued, especially by Generation Z. A t-statistic of 2.225 and a p-value of 0.027 indicate that the better the work environment perceived by employees, the higher their productivity.
3. Effective work communication is a crucial factor that significantly influences employee performance. Generation Z employees require clear information, organized direction, and a space to express opinions openly. It is evident from the t-statistic of 3.009 and p-value of 0.003, indicating that good work communication can directly improve the quality of employee work.
4. Simultaneously, the coefficient of determination ( $R^2$ ) of 0.707 indicates that leadership style, work environment, and work communication can explain approximately 70.7% of the change in performance of Generation Z employees. It indicates that the research model used is robust and suitable for use as a reference in making strategic decisions, particularly those related to human resource management.

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