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THE ROLE OF AMBIDEXTROUS LEADERSHIP FOR GENERATION Z IN INDONESIAN BANKING INDUSTRY

PERAN KEPEMIMPINAN AMBIDEXTROUS BAGI GENERASI Z DI SINDUSTRI PERBANKAN INDONESIA

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ABSTRACT

As Generation Z begins to join the workforce in greater numbers, gaining a deeper understanding of their traits becomes increasingly essential. This study aims to explore the relationship between Ambidextrous Leadership (AL) and Motivation (M) in influencing Employee Performance (EP), with Employee Satisfaction (ES) examined as a potential mediating variable, specifically among Gen Z employees in Indonesia's banking sector. A total of 307 Gen Z employees from prominent banks across Indonesia participated in the study, selected through purposive judgment sampling. The data was analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method. Findings revealed that both AL and M significantly influenced ES and EP directly. However, ES did not significantly affect EP, nor did it mediate the relationships between AL and EP or M and EP. The findings highlight the need for an integrated strategy to enhance EP, focusing on strengthening ambidextrous leadership and boosting motivation. Leaders should embody an ambidextrous mindset, being adaptable, innovative, willing to take calculated risks, and attentive to performance outcomes. To improve motivation, companies should cultivate a supportive workplace culture, conduct routine performance assessments, and provide transparent career development opportunities. Companies should form ambidextrous leadership by conducting training and development, developing a flexible mindset, implementing a balanced reward system, honing communication skills and managing conflict effectively.

Keywords: Ambidextrous Leadership, Motivation, Employee Satisfaction, Employee Performance, Banking Sector

ABSTRAK

Seiring dengan semakin banyaknya Generasi Z yang memasuki dunia kerja, memahami karakteristik mereka secara mendalam menjadi semakin penting. Studi ini bertujuan untuk mengeksplorasi hubungan antara Kepemimpinan Ambidextrous (AL) dan Motivasi (M) dalam mempengaruhi Kinerja Karyawan (EP), dengan Kepuasan Karyawan (ES) dianalisis sebagai variabel mediasi potensial, khususnya di kalangan karyawan Generasi Z di sektor perbankan Indonesia. Sebanyak 307 karyawan Generasi Z dari bank-bank terkemuka di Indonesia berpartisipasi dalam studi ini, dipilih melalui metode sampling berdasarkan pertimbangan. Data dianalisis menggunakan metode Partial Least Squares Structural Equation Modeling (PLS-SEM). Temuan menunjukkan bahwa baik AL maupun M secara signifikan mempengaruhi ES dan EP secara langsung. Namun, ES tidak secara signifikan mempengaruhi EP, dan juga tidak bertindak sebagai variabel mediasi dalam hubungan antara AL dan EP atau M dan EP. Temuan ini menyoroti kebutuhan akan strategi terintegrasi untuk meningkatkan EP, dengan fokus pada penguatan kepemimpinan ambidextrous dan peningkatan motivasi. Pemimpin harus mengadopsi pola pikir ambidextrous, yaitu adaptif, inovatif, bersedia mengambil risiko yang terukur, dan memperhatikan hasil kinerja. Untuk meningkatkan motivasi, perusahaan harus menumbuhkan budaya kerja yang mendukung, melakukan penilaian kinerja rutin, dan menyediakan peluang pengembangan karier yang transparan. Perusahaan harus membentuk kepemimpinan ambidextrous dengan mengadakan pelatihan dan pengembangan, mengembangkan pola pikir yang fleksibel, menerapkan sistem penghargaan yang seimbang, mengasah keterampilan komunikasi, dan mengelola konflik secara efektif.

Kata Kunci: Kepemimpinan yang Fleksibel, Motivasi, Kepuasan Karyawan, Kinerja Karyawan, Sektor Perbankan

INTRODUCTION

In this era of global digitalization, the banking sector has undergone many changes, in terms of technology, regulations, services, culture, and organizational structure, making it

important for banks to maintain their performance, target the right markets and customers, and be able to develop digital products that adapt to the latest technology. Currently, gen Z is entering the workforce and the banking sector is no exception. As gen Z begins to enter the workforce, the need to better understand the characteristics of this generation becomes more important (Gabrielova & Buchko, 2021). The number of gen Z employees in the banking sector is starting to dominate, especially at the entry level. For example, in several big banks in Indonesia, the number of employees under the age of 30 ranges from 26% -41% of total employees. While at the managerial level, it is still dominated by generations X and Y. It is a common trend today on social media platforms for millennials and older generations to criticize their gen Z colleagues, ranging from describing generation Z as lazy and rude in communication, and often using mental health reasons as an excuse to their avoid fulfilling work responsibilities (Institute, 2024). A survey conducted by (1 in 5 Managers Have Considered Quitting Due to Stress of Overseeing Gen Z Employees, 2025) of 966 hiring managers found that 75% of companies reported that at least some gen Z new hires were underperforming, with the majority of the reasons being a of motivation. initiative. professionalism. and organizational skills from this generation. 1 in 6 hiring managers also said they reconsider hiring gen Z candidates in the future.

Based on a survey conducted to 76 gen Z bankers with the question "I feel my job is too hard", 42% of the respondents disagree. Meanwhile for the question "I work harder than my coworkers", 35% of respondents agree. Only 49% of respondents disagree with

"I feel comfortable question expressing my feelings even if it offends others". Besides that, for the question "I feel pressured by the target given so I can't complete the work as expected", 41% of respondents disagree. In line with that, 41% of respondents agree with the question "I always achieve better performance than the average of my coworkers". While 49% of respondents disagree with the question "I'm more comfortable working alone than working in a team".

But behind that, gen Z is also considered to be more innovative than previous generations. Gen Z prefers to try new ideas and take risks (Slåtten et al., 2023). While generations X, Y, and Z may share the same work culture in terms of work achievement, a supportive environment, work and personal development, they still differ on some other important values, which can cause conflict in the work environment and affect performance. These values include leadership style and motivation (Gabrielova & Buchko, 2021). The way leaders manage their teams significantly influences the productivity of an organization's workforce, therefore, the overall success of an organization relies on the efficiency of its leadership (Gunasekare, 2021). The leadership style and role of an organizational leader are crucial for the success of an organization significantly influence productivity and creativity of its workforce (Babu et al., 2024).

In the world of work, gen Z has slightly different characteristics than previous generations. This generation prefers transparency, independence, flexibility, and personal freedom, as well as a work environment that provides opportunities for professional self-development (Baskoro et al., 2023). One leadership style that suits the characteristics of gen Z is ambidextrous

leadership. Ambidextrous leadership refers to a style of leadership that aims to inspire, support, and make employees feel that their contributions are vital to the development of their organization. The Closing Leadership Behaviour (CLB) aspect of ambidextrous leadership can effectively guide gen Z, who typically value creativity and flexibility, toward achieving strong performance outcomes. while ensuring adherence to established particularly regulations. This is important in the banking industry, where compliance with legal standards and the protection of customer confidentiality are non-negotiable. On the other hand, the Opening Leadership Behaviour (OLB) aspect serves as a counterbalance, fostering an environment that nurtures Gen Z's creativity and drives them toward high performance. Leaders with ambidextrous capabilities are wellequipped to strike a balance between maintaining organizational consistency and efficiency, and remaining adaptable in the face of change (Babu et al., 2024).

Employee performance can also be enhanced through motivation provided by leadership. For instance, incentives like bonuses can serve as effective motivators, ultimately leading improved performance (Andriana et al., 2019). Several prior studies have explored the connection between employee performance ambidextrous leadership. According to research by Babu et al. (2024) and (Sypniewska et al., 2023), ambidextrous leadership has been shown to have a significantly positive impact employee performance. Furthermore, research conducted by (Tella & Ibinaiye, 2020), discovered a notable relationship between employee performance and motivation, suggesting staff enhancing staff motivation will lead to performance. improved employee

Furthermore, the study conducted by (Gazi et al., 2022) highlights a significant link between job satisfaction and job performance.

Currently, gen Z is starting to enter the workforce and creates a generation gap due to differences in behaviour with previous generations, which often raises some issues that will disturb employee performance. Previous research took samples or respondents based industry sectors or certain work units without looking at which generation they came from, even though as we all know that each generation has different characteristics. Consequently, this research seeks to address the population gaps that have been overlooked in prior studies concerning gen Z in the banking industry. Existing literature highlighted significance the ofambidextrous leadership, motivation, and job satisfaction individually on employee performance. However. integrating these variables together still needs to be explored. Therefore, this research intends to address that empirical deficiency by assessing the influence of ambidextrous leadership and motivation employee performance, while considering employee satisfaction as a mediating factor for gen Z in Indonesia's banking industry.

The remaining part of our paper is as follows. After this introduction, we provide some theoretical background, followed by a description of our research methodology, and the presentation and discussion of the results of our analysis. After deliberating on the answers to our research questions, we conclude our paper by summarizing our contributions to the industry and pointing out several recommendations for future research.

LITERATURE REVIEW

1. Employee Performance (EP)

Employee performance is reflected in the quality and quantity of their work, adherence to work schedules, and ability to collaborate, all contributing to the achievement of the organization's objectives (Sutrisno, 2019). (Orea & Fusté-Forné F, 2023) states that the success of the company depends on the performance of the employees carrying out their duties and achieving their goals. (Ferrari, 2024) emphasized that skills, motivation, and personal characteristics are three common factors performance. underlying employee According to (Pingree et al., 2011), productivity is about inputs and outputs; outputs are affected by inputs, the author considers that a total reward system can be an effective input in this scheme. (Ramos-Villagrasa et al., 2019b) developed an 18-item scale to measure three dimensions of employee performance: contextual performance, task performance, and counterproductive work behavior.

2. Ambidextrous Leadership (AL)

The word "ambidexterity" refers to the capacity to use both hands with equal proficiency (Sypniewska et al., 2023). Ambidextrous leadership is a style that inspires and encourages employees, making them feel that their contributions are vital to the organization's growth while promoting a supportive work environment. Ambidextrous leadership means being able to effectively manage leveraging between existing competencies and exploring new things to achieve organizational success (Babu et al., 2024). Ambidextrous leadership is considered a leadership style that applies behaviors, namely explorative, exploitative, and flexibility to switch explorative-exploitative between attitudes needed periodically as (Nuangjamnong, 2022).

There are two dimensions in ambidextrous leadership. namely Opening Leadership Behavior (OLB) and Closing Leadership Behavior These two dimensions (CLB). significantly and positively affect work, organization, and employee performance. CLB is defined as a leader's behavior that limits variations in subordinates' behavior by correcting misbehavior, providing specific guidance, and ensuring targets are achieved. In the meantime, OLB motivates subordinates to investigate new ideas, try out different approaches, enhance their autonomy, and promote a willingness to take risks. OLB aims to provide flexibility for employees in completing their work. In implementing leaders OLB. encourage subordinates to break away from the same routine and look for new ways to get their work done (Babu et al., 2024). While it consists of two distinct dimensions, the essence of ambidextrous leadership lies in the ability to flexibly alternate between OLB and CLB behaviors and to integrate them effectively (Memon et al., 2020). Ambidextrous leadership also implies that leaders are able to combine between transactional and transformational Transformational leadership styles. leadership style is used in dynamic situations while transactional leadership is used in stable situations (Syed Arslan Haider, 2021).

3. Motivation (M)

The definition of work motivation according to (Uno, 2012), is the internal drive-in individuals that impact on the direction of goals, level of accuracy, level of persistence of their behavior toward completing tasks. According to (Wibowo, 2014), work motivation is a psychological process that stimulates, guides, and sustains voluntary actions

aimed at reaching specific goals. Research by Bankole et al. (2023), suggests that motivation is linked to an individual's satisfaction with their job's terms and conditions, as well as the components of their work environment. More than that, employee motivation refers to the elements that enable employees to make earnest efforts in achieving set organizational goals and objectives (Yaya, 2017). It is important to understand the work motivations of generation z in order to recognize their level of job satisfaction and ultimately have an impact on performance.

4. Employee Satisfaction (ES)

According to (Shah et al., 2024), job satisfaction is an assessment that reflects feelings and attitudes, which depicts joy and satisfaction at work. In line with this, (Baxi & Atre, 2024), states that employee satisfaction is a positive emotion or a sense of pleasure experienced by employees towards their work. Meanwhile, according to Asa'ad (2002) the factors affecting employee satisfaction that impact job satisfaction include job security, chances advancement and growth, salary, conditions, and the working communication between employees and their supervisors or management. A high level of employee satisfaction will have a positive impact on the company, including increased employee performance, decreased turnover, the formation of team engagement and loyalty to the company. Employee job satisfaction refers to the degree of pleasure or discontent that workers feel in their roles. It is a crucial factor as it can cultivate a sense of belonging in the workplace and promote a productive work environment (Institute, 2024).

This study tests the correlation between AL, M, ES, and EP in the Indonesian banking sector. (Chalise & Paudel, 2024), concluded that ambidextrous leadership the leadership style that has the most influence on employee satisfaction. Leadership is an interesting topic in education institutions because describes the importance of leadership in volatile and complex work environment. The main focus of leaders is to achieve organizational goals and objectives, creating loyal employees who are motivated and committed to achieving those goals (Domfeh et al., 2016). Research conducted by (Chalise & Paudel, 2024) shows the impact of ambidextrous leadership style employee satisfaction in Nepalese banks more significant compared to individual leadership styles (transformational and transactional). Based on this, this study proposes a hypothesis to examine the influence between ambidextrous leadership on Employee Satisfaction.

H1. Ambidextrous leadership has a positive significant effect on Employee Satisfaction

Previous study by (Nuangjamnong, 2022), on medical employees showed that OLB significantly affects the effectiveness of medical representatives' performance. Employee performance can be improved by leaders who are able to implement explorative leadership or OLB. Compared to CLB, OLB is more effective in improving the performance representatives. medical The combination of exploratory and exploitative behaviors is essential to improve leader effectiveness. Leaders should be able to provide flexibility to medical employees to think independently, which encourages space for personal ideas. Research conducted by (Sypniewska et al., 2023), showed that ambidextrous leadership is directly related to Service Quality Care of medical personnel. Research conducted by (Karama, 2024) also showed that both OLB and CLB play crucial roles in influencing employee performance. Referring to the data above, this study proposes a hypothesis to examine the influence between ambidextrous leadership on Employee Performance.

H2. Ambidextrous leadership has a positive significant effect on Employee Performance

satisfaction Employee has received attention education in institutions because many studies have significant impact organizational performance, staff wellbeing, and workplace culture (Bekele, 2021). Furthermore, a study (Siswanto et al., 2020) concluded that job satisfaction is a mediating variable between the influence of leadership style performance. While research conducted by (Megawaty et al., 2022) concluded that leadership style has no significant effect on employee performance through job satisfaction as a mediating variable. Therefore, this study proposes a hypothesis to test the mediation effect employee of satisfaction on ambidextrous leadership and employee performance.

H3. Employee Satisfaction mediates the effect of ambidextrous leadership on Employee Performance

& Vermeulen. (Hoole Job Satisfaction Among South African Aircraft Pilots, 2003) concluded that employee motivation is the most critical factor influencing job satisfaction. Additionally, an employee's position and job level are positively linked to satisfaction or negatively associated with dissatisfaction. Similarly, (Idris et al., 2023) found a direct effect of motivation on employee satisfaction. (Kazmi & Javaid, 2022)

further emphasized that motivation provides direction and consistency in achieving goals, while job satisfaction fosters a sense of accomplishment through various work-related activities and rewards. Building on these perspectives, this study aims to reexamine the impact of motivation on employee satisfaction.

H4. Motivation has a positive significant effect on employee satisfaction

Earlier studies carried out by Andriana et al. (2019) indicate that motivation has a substantial impact on employee performance. The findings reveal that a majority of employees are driven by the desire for rewards and recognition for their achievements. When employees realize that they are recognized for the work they do, it will increase motivation and produce more output than needed and produce a higher level of efficiency. This is consistent with the results of research conducted by (Gao et al., 2023) regarding healthcare personnel performance, which shows a positive and significant correlation between work motivation and the quality of the work performed by medical staff. In addition, the positive impact of work motivation was strongest for medics who received financial incentives and had lighter work (fewer patients). According to (Juwaini et al., 2021), a leader in an organization significantly shapes the workplace environment for employees. The motivation provided by leadership can enhance employee performance. Their motivation given the leadership of would improve the workers performance. Therefore, this study proposes a hypothesis to test the effect between motivation and employee performance especially generation z banking industry.

H5. Motivation has a positive

significant effect on employee performance

The greater the job satisfaction experienced by employees as a result of the enhanced work motivation they received. it tends to improve employee performance because when employees get positive encouragement from their superiors, they will think that they are considered and valued and, in the end, will make a good contribution in their place of work; thus they tend to be satisfied with the work they do (Jumiati et al., 2023). Based on the findings of the research conducted by (Usu et al., 2024), motivation has a significant and positive effect on employee performance, with job satisfaction acting as a mediating factor. A study carried out (Wardiansyah et al., 2024), it was found that job satisfaction can partially mediate the relationship between employee job performance. motivation and Consequently, this research proposes a hypothesis to investigate the mediating role of employee satisfaction in the connection between motivation and employee performance.

H6. Employee satisfaction mediates the effect of motivation on employee performance

Previous studies conducted by Badrianto & Ekhsan (2020) suggest that improving job satisfaction among employees is an essential strategy for increasing their performance. In line with this, according to (Bhatti et al., 2018), people who feel satisfied and happy with their jobs have better performance than those who do not. (Sutrisno, 2019) demonstrates that employee satisfaction has a significant organizational positive effect on performance and acts as a mediating factor that connects talent management which encompasses talent identification,

talent development, talent culture, and talent retention to organizational performance. Consequently, this study will propose a hypothesis to evaluate the impact of employee satisfaction on employee performance.

H7. Employee Satisfaction has a positive significant effect on employee performance

METHODOLOGY

1. Research Design

According to research conducted (Hackman, 2021), quantitative research methods such as survey questionnaires require fewer resources, making it more practical to apply in large-scale research. This research is minimal interference and non-contrived because it was conducted in a banking environment where gen Z works. Employees are an organization's sustainable resource, so they are the main driver for change, especially in rapidly a evolving environment (Kung et al., 2020). For this reason, the object of research is individual employees of gen Z (Phuong & Huy, 2022), and studied at one point in time (Bali et al., 2023).

2. Sampling Method and Sample Size

This study seeks to examine the effects of ambidextrous leadership and motivation, with employee satisfaction mediator. serving as a performance of Gen Z in the banking sector. The focus population is Gen Z employees in Indonesian Judgment sampling is used to select subjects who are most well-positioned to provide the necessary information (Sekaran & Bougie, 1993). Therefore, the sampling design for this study non-probability utilizes sampling through a purposive judgment sampling method, targeting Generation employees employed at major banks in Indonesia. The 10-times rule, as outlined by (Memon et al., 2020), is applied to establish the sample size for the PLS SEM model. Given the total of 29 questionnaire items, the study requires a minimum of 290 respondents to meet the sampling criteria.

3. Data Collection Methods and Techniques

The study referenced in (Rivai, 2005) used a survey method with a questionnaire to gather data on employee performance. This method offers the advantage of maintaining respondent anonymity and confidentiality, as it does collect personal information. Similarly, the research in (Alam et al., 2024) also adopted a questionnairebased survey approach. questionnaire was created using Google Forms, and the survey link was distributed to potential participants via email and WhatsApp. Online surveys are commonly used in social science research due to their efficiency. convenience for both researchers and participants, and their ability to deliver quick, accurate, and flexible results. Therefore, this study will also adopt a survey method, utilizing an electronic questionnaire for data collection.

4. Data Analysis

This research will employ the Structural Equation Modeling-Partial Least Squares (SEM-PLS) approach to influencing analyze the factors Employee Performance in Indonesia's banking industry. **SEM-PLS** selected due to its strong capability in interrelationships handling complex among multiple variables. This method is able to provide flexibility when the data obtained does not fit the normal distribution. Another advantage of this method is that it can analyze the relationship between variables that are

non-linear, compared to other methods such as linear regression (Nuangjamnong, 2022). SEM-PLS can handle complex models well, such as models that have many constructs and indicators, and have mediation and moderation effects (Polat Goktas, 2024).

RESULTS

1. Demographic Results

The respondents are gen Z that was born during 1997 to 2012 and currently work in the banking sector in Indonesia. 61% respondents are women and 39% are men, 77% are still single and 23% married. In terms of work experience, 55% of respondents had been employed for less than three years, 21% had worked for three to five years, and 24% had more than five years of experience. 34% of respondents work as frontliner and 28% work as sales & marketing, while the others work in back office, IT, finance, and other. 74% of respondents are still in staff level, while the others are in higher levels such as supervisor and manager. Regarding educational level, 79% of respondents are graduates.

2. Validity Test

To evaluate the construct validity of the reflective measurement model, two approaches were employed: convergent and discriminant validity. Convergent validity was assessed by calculating the factor loading values and Average Variance Extracted (AVE) for each indicator. Table 1 presents the factor loading values after omitting invalid question indicators in the pre-test process: OLB6, CLB3, CLB5, ES2, ES4, M4, CWB5, TP1, TP2, and CP1. The study's findings reveal that all indicators within each variable have met the validity criteria, with the highest factor loading value of 0.908, represented by indicator TP4.

Table 1. Outer Loadings

		<u>iter Loadin</u>	O	
Variable	Dimension	Indicator	Factor Loading	Result
			Value	
Ambidextrous	Opening Leadership	OLB1	0.721	Valid
Leadership	Behaviour	OLB2	0.833	Valid
		OLB3	0.865	Valid
		OLB4	0.825	Valid
		OLB5	0.836	Valid
	Closing Leadership	CLB1	0.783	Valid
	Behaviour	CLB2	0.843	Valid
		CLB4	0.811	Valid
		CLB6	0.757	Valid
Employee		ES1	0.809	Valid
Satisfaction		ES3	0.861	Valid
		ES5	0.793	Valid
Motivation		M1	0.869	Valid
		M2	0.891	Valid
		M3	0.734	Valid
Employee	Counterproductive	CWB1	0.836	Valid
Performance	Work Behavior	CWB2	0.858	Valid
		CWB3	0.848	Valid
		CWB4	0.785	Valid
	Task Performance	TP3	0.876	Valid
		TP4	0.908	Valid
		TP5	0.804	Valid
	Contextual	CP2	0.761	Valid
	Performance	CP3	0.791	Valid
		CP4	0.792	Valid
		CP5	0.821	Valid
		CP6	0.786	Valid
		CP7	0.786	Valid
		CP8	0.735	Valid
		CIO	0.733	v unu

Table 2 demonstrates that all variables in the study model had Average Variance Extracted (AVE) values exceeding 0.5, indicating that they met the necessary threshold for the validity test.

Table 2. AVE						
<u>Variable</u>	AVE					
EP	0.632					
ES	0.675					
M	0.696					

For testing discriminant validity, we utilized several methods, including Fornell-Larcker and Cross Loading. Table 3 presents the findings from the Fornell-Larcker Matrix, while Table 4

contains the results from the Cross Loading Matrix.

Table 3. Fornell Larcker Matrix

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Variable	EP	ES	M						
EP	0.795								
ES	0.384	0.821							
M	0.545	0.732	0.834						

Table 4. Cross Loading

Indicator	AL	ES	M	EP
OLB	0.937	0.586	0.558	0.41
CLB	0.710	0.406	0.527	0.362
ES1	0.417	0.809	0.587	0.344
ES3	0.601	0.861	0.643	0.363
ES5	0.474	0.793	0.571	0.257
M1	0.547	0.729	0.869	0.437
M2	0.553	0.644	0.891	0.477
M3	0.492	0.421	0.734	0.462

CWB	0.292	0.288	0.390	0.681
TP	0.331	0.305	0.442	0.836
СР	0.451	0.344	0.464	0.856

Based on the Fornell-Larcker criterion, all variables meet the minimum requirement, confirming their validity. Similarly, according to the cross-loading criterion, each indicator's cross-loading value is higher than that of other indicators. This indicates that all indicators have successfully passed the discriminant validity test.

For the formative measurement model, namely Ambidextrous Leadership through Opening Leadership Behaviour and Closing Leadership Behaviour indicators, we conduct a collinearity test to measure the relationship between each indicator. Table 5 shows the result of Variance Influence Factor (VIF).

Table 5. VIF Value

Table 5.	vir value
Indicator	VIF Value
OLB1	1.632
OLB2	2.306
OLB3	2.808
OLB4	2.555
OLB5	2.346
CLB1	1.737
CLB2	2.022
CLB4	1.822
CLB6	1.580

3. Reliability Test

A reliability test assesses the overall consistency and dependability of the indicator block used to measure the constructs, ensuring the accuracy and stability of the results. Table 6 demonstrates the value of composite reliability & Cronbach's Alpha, which must exceed 0.7 to indicate reliability. All variables have composite reliability and Cronbach's Alpha value above 0.7, indicating a reliability construct.

Table 6. Reliability Test

Variabl e	Composit e Reliabilit y (rho_a)	Composit e Reliabilit y (rho_c)	Cronbach' s Alpha
EP	0.722	0.836	0.704
ES	0.768	0.861	0.759
M	0.804	0.872	0.780

4. Effect of F-Square and R-Square

F-Square value is divided into three: 0.02 is meant to have a small influence, 0.15 has a moderate influence, and 0.35 has a large influence. Refer to Table 7, small influences with a value of 0.02 to 0.15 are the influence of AL on ES, AL on EP, and M on EP. While a large influence with a value above 0.35 is the impact of M on ES of 0.463. Meanwhile, there isn't any influence on the impact of ES on EP.

Table 7. The F-Square

Variable	AL	EP	ES	M
AL				
EP	0.033			
ES	0.082	0.004		
M		0.133	0.46	

Table 8 presents the results of the R-Square simulation, which typically ranges between 0 and 1. A higher R-Square value indicates that a larger proportion of the variance in the dependent variable is explained by the independent variable(s). The results show that AL and M together account for 57.1% of the variance in Furthermore, the combined influence of AL, ES, and M on EP is estimated at 32.0%.

Table 8. The R-Square

Variable	R-Square
Employee Performance	0.320
Employee Satisfaction	0.571

5. Hypothesis Testing

SmartPLS 4.0 was employed to test the hypotheses using the bootstrapping method, which involved generating 5,000 sub-samples from a population with a sample size of 307. This approach allowed for assessing the

direction and significance of relationships between latent variables. The results of the SEM analysis on variable relationships are illustrated in Figure 2, with further details provided in Table 9.

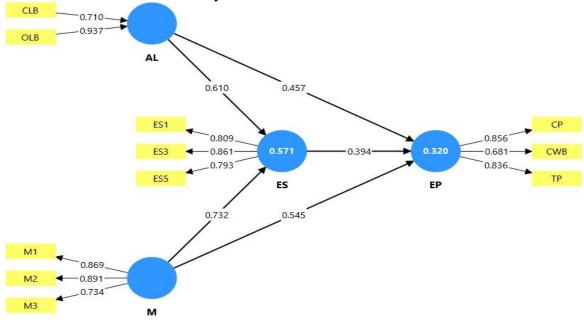


Figure 2. SEM Analysis Result

Table 9. Path Analysis (Direct Effects) and Hypothesis Testing

Н	Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values	Conclusion
H1	AL -> ES	0.243	0.246	0.058	4.161	0.000	Supported
H2	AL -> EP	0.203	0.204	0.070	2.898	0.002	Supported
H4	M -> ES	0.578	0.577	0.059	9.869	0.000	Supported
H5	$M \rightarrow EP$	0.471	0.479	0.099	4.767	0.000	Supported
H7	ES -> EP	0.075	-0.078	0.088	0.853	0.197	Not
							Supported

Table 10. Specific Indirect Effects and Hypothesis Testing

Н	Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values	Conclusion
Н3	$AL \rightarrow ES \rightarrow EP$	0.018	-0.018	0.022	0.832	0.203	Not Supported
Н6	$M \rightarrow ES \rightarrow EP$	0.043	-0.046	0.053	0.826	0.205	Not Supported

The study confirmed that bankers' significantly influenced AL supporting Hypothesis 1 (H1). critical p-value was 0, and the T-statistic was 4.161, strongly validating H1. The direct relationship between AL and ES showed a path coefficient of $\beta = 0.243$, indicating a positive correlation. For Hypothesis 2 (H2), which examined the link between AL and EP, the results also demonstrated significant a relationship, with a critical p-value of 0.002 and a T-statistic of 2.898. The path coefficient $\beta = 0.203$ further confirmed a positive correlation between AL and EP.

Hypothesis 4 (H4) revealed a strong positive connection between M and ES. The analysis indicated that M directly influenced ES, measured at 0.578, validating H4. Similarly, Hypothesis 5 (H5) predicted a positive association between M and EP, which was supported by the data, showing a direct influence of M on EP at 0.471.

This confirmed a significant positive correlation, leading to the validation of H5. However, Hypothesis 7 (H7) indicated a negative correlation, with a path coefficient of β = -0.075. The relationship between ES and EP was not statistically significant (p-value = 0.197), leading to the rejection of H7. This suggests that ES does not have a meaningful impact on EP.

This study also explores two hypotheses involving mediating variables. The test results and indirect effects for Hypotheses H3 and H6 are summarized in Table 10. The specific indirect effect of AL on EP through ES was statistically insignificant, with a Tstatistic of 0.832, falling below the significance threshold of p < 0.05. As a result, H3 is not supported, indicating that ES does not effectively mediate the relationship between AL and EP. Similarly, there is insufficient evidence to support the indirect effect of M on EP through ES. The T-statistic of 0.826 did not meet the significance threshold of p < 0.05, confirming that ES does not mediate the relationship between M and EP. Consequently, H6 is not supported.

DISCUSSION

1. The Impact of AL on ES and EP

Our study suggests that AL enhances ES, ultimately benefiting the organization. This finding aligns with previous research demonstrating a strong positive correlation between AL and ES ((Chalise & Paudel, 2024); (Domfeh et al., 2016)). The study also supports the second hypothesis (H2), confirming a significant positive relationship between AL and EP, consistent with earlier research highlighting this connection. The integration of exploratory and exploitative behaviors is crucial for improving leadership effectiveness in employee driving performance (Nuangjamnong, 2022); (Sypniewska et al., 2023); (Karama, 2024)).

In the context of Generation Z within the banking sector, ambidextrous leadership can have a considerable influence, as this generation tends to prefer flexible, technology-driven work environments and growth opportunities (Indrayani & Sihombing, 2025). By allowing space for exploring new ideas while maintaining efficiency in daily operations, ambidextrous leadership can enhance job satisfaction among Gen Z employees. They often feel more engaged and appreciated when granted the freedom to innovate (Kung et al., 2020), which can positively affect their performance.

Overall, ambidextrous leadership significantly enhance the can performance of Generation Z fostering innovation, maintaining a balance between tasks, and promoting flexibility. Nonetheless, it is crucial for leaders to carefully balance these two aspects to avoid overwhelming Gen Z with excessive demands. When managed appropriately, this approach can help Gen Z feel more valued, motivated, and enthusiastic about contributing to a dynamic work environment (McGaha, 2018).

2. The Impact of M on ES and EP

The findings of this study highlight the crucial role of M in enhancing ES. This result aligns with previous studies by (Kazmi & Javaid, 2022), (Idris et al., 2023), and (Hoole & Vermeulen, Job Satisfaction Among South African Aircraft Pilots, 2003), which also identified a positive correlation between M and ES. Employees who are highly motivated and aligned with their organization's goals tend to experience greater job satisfaction. The fifth hypothesis (H5) revealed a positive correlation between M and consistent with previous studies by

Andriana et al. (2019), (Gao et al., 2023), and (Juwaini et al., 2021). A company's leader plays a crucial role in shaping the workplace atmosphere. The motivation provided by leadership can significantly enhance employee performance.

(Hardin, 2020) confirmed that motivation significantly influences the performance of Generation Z due to the unique traits of this age group. Growing up in a highly digital environment, Generation Z has access to abundant information and holds high expectations regarding flexibility and personal growth (Ramadorai & Haris, 2023). Both intrinsic motivation (from within) and extrinsic motivation (from external sources, such as incentives or rewards) can propel Generation Z to be more productive and innovative (Hardin, 2020). They typically aspire to deliver quality work and take pride in their accomplishments. Motivation encourages them to seek out new, more efficient methods of working and to innovate in their assigned tasks.

Consequently, it is essential for organizations aiming to harness the potential of young employees to understand the impact of motivation on their performance. However, it is equally important to ensure that motivation is balanced and aligned with their personal values and objectives. Organizations should offer a variety of rewards, provide opportunities for learning and development, and foster a supportive work environment to enable Gen Z to excel (Camelia et al., 2025).

3. The Impact of ES on EP

For Generation Z, employee satisfaction extends beyond salary and benefits; it includes a variety of other elements that enhance their work experience, such as company culture, learning opportunities, and acknowledgment of their

accomplishments (Achmad et al., 2023). However, the study did not support the third hypothesis (H3), which posited that Employee Satisfaction (ES) mediates the relationship between Ambidextrous Leadership (AL) and **Employee** Performance (EP). This finding contradicts earlier research by (Siswanto et al., 2020), which identified ES as a mediating factor. The differences in outcomes may be attributed to the study's sample, which predominantly included Generation Z employees with less than three years of work experience (55% of respondents), as they are still early in their careers and may not have developed expectations of elevated their organizations.

This study did not support the sixth hypothesis (H6), as it found significant evidence that Employee Satisfaction (ES) mediates the relationship between Motivation (M) Employee Performance Additionally, the study rejects hypothesis seventh (H7),which suggested that employee satisfaction has positive significant effect organizational performance and serves as a mediating factor. This may be attributed to the fact that the study was conducted in the banking sector, which is characterized by a comfortable work environment and salaries that exceed the minimum wage, along with various facilities provided by the company, resulting in ES not influencing EP.

CONCLUSION

This research examines the impact of ambidextrous leadership on the dynamics of motivation and performance among Generation Z in Indonesia's banking sector. The findings support the proposed hypotheses, with the exception of H3, H6, and H7. The data collected in this study demonstrates a strong relationship between

ambidextrous leadership and employee satisfaction (H1). By employing an ambidextrous leadership style, leaders can effectively balance innovation and efficiency, creating a work environment that promotes employee satisfaction. Hypothesis testing of H2 further indicates that ambidextrous leadership positively impacts employee performance. Leaders who encourage innovation and empower employees to new generate ideas. while concentrating on desired outcomes, can boost engagement and motivation, enhanced performance. leading to Additionally, the results show that motivation significantly affects individual behavior and performance in the workplace, playing a crucial role in improving employee satisfaction (H4). The testing of H5 also confirms that motivation has a positive influence on employee performance.

A major conclusion of this study is that ambidextrous leadership has a significant impact on the performance development of Generation Z in the banking sector. However, Motivation plays an even more substantial role in influencing Employee Satisfaction (0.578) and Employee Performance (0.471) compared to Ambidextrous Leadership. To enhance employee satisfaction and performance, organizations should prioritize boosting motivation through recognition, rewards, and opportunities for career development.

Ambidextrous leadership, motivation, and employee satisfaction collectively explain only 32.0% of the impact on employee performance, indicating that other factors also play a role in determining performance outcomes. Generation Z is characterized by its adaptability and innovation, seeking leadership that prioritizes not only the achievement of duties but also

encourages creative expression. This study illustrates that leaders who effectively balance efficient management with innovative practices can positively affect employee motivation, thereby enhancing the performance of Generation Z employees in the banking sector.

Implication and Recommendation

The implications of this study aim to help banks understand Generation Z and improve their performance. The that findings reveal ambidextrous leadership and motivation have a positive impact on both employee satisfaction and performance, with the effects of ambidextrous leadership on these factors measured at 0.243 and 0.203, respectively. It is essential for organizations to have leaders who embody the principles of ambidextrous leadership, characterized by flexibility, creativity, a willingness to take risks, and a close monitoring of performance implementing outcomes. Bvleadership ambidextrous strategy, performance indicators such counterproductive work behavior, task performance, and contextual performance can be effectively achieved. Companies should cultivate ambidextrous leadership through training and development, fostering a flexible mindset, establishing a balanced enhancing system, communication skills, and effectively managing conflicts.

Motivation significantly influences employee satisfaction and performance, with impact values of 0.578 0.471, respectively. and Consequently, companies should prioritize maintaining high motivation encouraging levels by employee engagement, cultivating a positive organizational culture, establishing clear expectations, providing opportunities for growth, recognizing achievements, and fostering a sense of belonging. To enhance employee motivation, organizations must create a supportive work environment, conduct regular performance evaluations, and clearly outline career advancement paths.

Limitations and Future Research

Our research was conducted within the banking sector, known for its comfortable working environment, salaries above the Regional Minimum Wage (UMR), and a variety of facilities positively support employee satisfaction. This context may differ from other industries. Additionally, a limitation of the study lies in the respondent population, as it may be restricted to Generation Z employees in particularly larger specific banks, institutions, meaning the findings may not accurately represent the experiences of employees in smaller banks.

Furthermore, time constraints are significant; if data collection occurs over a specific timeframe, external factors like economic conditions and regulatory policies may impact the banking sector and the performance of employees within it. Considering these limitations, additional research is necessary to examine the effects of ambidextrous leadership on employee performance among Generations X, Y, and Z in the banking sector. The rapid pace of digitization within the industry necessitates incorporating continuously changing technological factors in future studies. Investigating ambidextrous leadership leverage technology to enhance the performance of Generation Z employees presents a compelling research opportunity.

Moreover, it is essential to conduct further studies to identify other factors influencing Employee Performance beyond Ambidextrous Leadership, Motivation, and Employee Satisfaction. Ultimately, by exploring these areas more deeply, we can better understand the impact of ambidextrous leadership on employee satisfaction and productivity, which contributes improved organizational performance. Future research could also focus on additional factors affecting employee satisfaction that were not covered in this study.

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