

# The Moderation Role of Generation Z Adaptation on The Leadership Style Effect on Organizational Performance (Study at Pt. Pln Uiw Aceh)

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**Abstract:** This study aims to test the role of Generation Z adaptation motivation on the leadership style influence on the organizational performance of PT. PLN Aceh Regional Main Unit (PT. PLN UIW Aceh/PLN Aceh). The population was all Generation Z employees who are members of PT PLN Persero Unit Banda Aceh Region. The total population of the PLN main unit in the Aceh region is 181 employees. Sampling was carried out using a census technique. Data was processed using Structural Equation Modeling (SEM). The result reveals that at PLN Aceh, Leadership influenced motivation, Leadership influenced Satisfaction, Leadership influenced Engagement, Leadership did not affect Performance, Motivation influenced Performance, Satisfaction influenced Performance, Engagement influenced Performance, Motivation fully mediated the Leadership influence on Performance, Satisfaction fully mediated the Leadership influence on Performance, Engagement fully mediated the Leadership influence on Performance, and Adaptation Purely Moderated the motivation influence on performance. These findings illustrate the model's direct effect, mediating effect, and moderating effect, which can contribute academically to the strengthening of the theory regarding the causality of the variables. These findings explain that the performance improvement model at PLN Aceh is a function of the suitability of its leadership style, increased employee motivation and satisfaction, and strengthened employee engagement.

**Keywords:** Organizational Performance, Job Satisfaction, Employee Engagement, Adaptation, Leadership Style, Motivation

## I. Introduction

Electrical energy is very important for everyday life both for housing, offices, and industry. Lack of electrical energy not only causes inconvenience but also economic losses. Electricity is a driver of the economy and people's lives. Several studies state that increasing electricity consumption per capita can directly stimulate faster economic growth and indirectly increase social development, especially for countries with medium and low human development indexes. The use of electric power today has a very large influence on life. The need for electrical energy increases every year along with the increasing human need for various kinds of technology. Lack of electricity supply is one of the biggest challenges in the energy and mineral resources sector in Indonesia, increasing electricity resources is not a necessity but a necessity. The government since 2015 during the Jokowi-Jusuf Kalla administration has launched a 35,000 MW electricity development program and this has been regulated based on the Decree of the Minister of Energy and Mineral Resources of the Republic of Indonesia number 0074K/21/MEM/2015 concerning Ratification of the Electricity Supply Business Plan (RUPTL) through State Electricity Company (PLN) in 2015 to 2024. The electricity supply business plan for 2015-2024 is implemented to fulfill the development of electricity facilities in the PLN business area in the 2015-2024 period. In line with developments and changing conditions in the electricity industry in Indonesia, this RUPTL will be evaluated periodically and amended as necessary so that the electricity system development plan is more in line with current conditions. PLN reported that as of July 2020, the operating capacity of the power plants from the program had only reached 8,382 MW, or the equivalent of 23.9 percent of the total target. This RUPTL will be evaluated periodically and amended as necessary so that the electricity system development plan is more in line with current conditions. PLN reported that as of July 2020, the operating capacity of the power plants from the program had only reached 8,382 MW, or the equivalent of 23.9 percent of the total target. This RUPTL will be evaluated periodically and amended as necessary so that the electricity system development plan is more in line with current conditions. PLN

reported that as of July 2020, the operating capacity of the power plants from the program had only reached 8,382 MW, or the equivalent of 23.9 percent of the total target. With the increasing electricity demand, PLN must readjust its targets and manage its human resources even better. Human resources are considered important because they can affect the efficiency and effectiveness (Simamora, 2015); (Hasibuan, 2016). If individuals in a company, namely its human resources, can run effectively, the company will continue to run effectively (Ghoniya & Masurip, 2011).

The performance of PLN as a whole also did not show good numbers. In the Aceh Region, the performance of PLN Aceh Regional Main Unit (PT. PLN UIW Aceh/PLN Aceh) in recent years has shown inconsistent figures. Performance PT. PLN Persero Main Unit Aceh Region for the 2017-2021 period experienced fluctuations where in 2021 performance decreased by -3.42 percent from 2020. Pre-survey of this study found the overall performance of PLN Aceh did not perform well with an average score of 3.27 (3.27 < 3.41). Thus the performance of PLN Aceh has not been maximized according to the perceptions of some of its employees. PLN's poor performance certainly results from employee performance. The better the performance, the more profits will be received (Mangkunegara, 2016); (Wibowo, 2016). The changes in the digitalization era that are currently being felt have made companies more in need of Generation Z in the field of work. So the progress of the company will be largely determined by how this generation adapts to work. Performance can be influenced by adaptability and motivation (As'ad, 2012). Pre-survey also found the overall motivation of Generation Z employees at PLN Aceh is not good with an average score of 3.39 < 3.41. This shows that employee motivation is not optimal. The next factor is job satisfaction. Satisfaction and performance have a very close relationship. Job satisfaction is an optimistic emotional state over the assessment of work results and work experience. High employee satisfaction will usually improve organizational performance. Organizations that have employees with high levels of satisfaction tend to be more productive and effective. An employee's satisfaction is highly dependent on matters related to his work (Seema, Choudhary, & Saini, 2021). This is following research by (Arif, Syaifani, Siswadi, & Jufrizen, 2019) which found that higher satisfaction makes higher performance. Pre-survey of this study found the overall satisfaction of Generation Z employees at PLN Aceh is not good with an average score of 3.37 < 3.41. This shows that job satisfaction is still not optimal.

Furthermore, the next factor indicated is Employee Engagement. (Macey & Schneider, 2008) (cited by (Hermawan, 2011) argue that engagement makes employees have higher loyalty thereby reducing the desire to leave the company voluntarily. Positive feelings and high enthusiasm for work can be called employee engagement. Based on the pre-survey, it is known that the overall Employee Engagement of Generation Z employees at PLN Aceh is not doing well with an average score of 3.35 < 3.41. This shows that employee engagement has not been maximized. And besides that, the next factor indicated that is leadership style. Leadership is the process of using influence without coercion to shape the goals of a group or organization. (McLaurin & Amri, 2008). Employees who have high motivation will provide their maximum performance and will improve their organizational performance. Pre-survey found the overall leadership style at PLN Aceh is not good with an average score of 3.38 < 3.41. This shows that the leadership style at PLN Aceh is not optimal.

## **II. Literature**

### **Organizational Performance**

Organizational performance is the level of achievement that reflects the success of an organization. Performance is the result of cooperative activities among members or organizational components to realize organizational goals. Organizational performance is the totality of work results achieved by an organization. The performance can be seen from the level to which the organization can achieve goals based on predetermined goals (Sujardi, 2009). Service performance measurement can be carried out using service performance measurement instruments which according to (Zeithaml, Bitner, & Gremler, 2018) consist of ten service indicators, including: 1) Physical appearance (tangibles); 2) Reliability; 3) Responsiveness; 4) Expertise (competence); 5) Courtesy; 6) Credibility; 7) Security; 8) Communication; 9) Access, and; 10) Understanding of the customer. In this article, Organizational performance will often be referred to as just performance, or called PLN Aceh performance to represent the performance of the PLN company as a research subject.

### **Adaptation**

Adaptation implies the ability of a community group or an individual to learn and change (Handayani, 2014). Thus the process of adaptation or adjustment refers to the ability of people to adapt to their environment (Handayani, 2014). The term adaptation is often juxtaposed with the term adjustment. According to (Pulakos et al., 2002) indicators to measure adaptability are 1) Frequency of past adaptive experiences; 2) Interest in adaptive situations, and; 3) Special task of self-success to adapt.

## **Motivation**

(Schunk, 1989) in (Usman, 2012) states that: "Motivation is a process through which activities achieve goals that have been encouraging and sustainable." Furthermore, Siagian (Engkoswara & Komariah, 2011) defines that: "Motivation as the whole process of giving work motives to subordinates in such a way that they want to work sincerely to achieve organizational goals efficiently and economically do something with passion. (Schunk, 1989) in (Usman, 2012) states that motivation is a process through which activities achieve goals that have been encouraging and sustainable. (Mangkunegara, 2016) motivational indicators, namely: 1) Need; 2) Job Design; 3) Satisfaction; 4) Justice, and; 5) Goal Setting.

## **Job satisfaction**

(Hasibuan, 2016), states that job satisfaction is a person's feelings and evaluation of his work, especially regarding his working conditions, in terms of whether his work can meet his expectations, needs, and desires. According to (Mas'ud, 2004), job satisfaction is emotional fun and loving work. This attitude is reflected in work morale, discipline, and work performance. According to (Mas'ud, 2004), there are several indicators of job satisfaction, namely: 1) Wages; 2) job security; 3) Intrinsic factors of work, and; 4) Facility. In this article, job satisfaction will often be referred to simply as satisfaction.

## **Employee Engagement**

Employee engagement is the level when employees are willing to work and be directly involved in their work and exert all their capabilities for the job (Brunetto, Shacklock, Teo, & Farr-Wharton, 2014). Another understanding explained by (David & David, 2015) regarding Employee Engagement is the intensity at which individuals who are actively involved in their work identify themselves psychologically towards their work and realize that work performance is very important for their self-esteem. According to Setiawan (2017:168) mentioned several indicators to measure employee engagement are: 1) Work environment; 2) Leadership; 3) Team and co-worker relationships; 4) Career training and development; 5) Compensation; 6) Organization policy, and; 7) Work welfare. In this article, employee engagement will often be referred to simply as engagement.

## **Leadership Style**

Leadership style is the way a leader interacts with his subordinates. According to (Edison, Anwar, & Komariah, 2016), leadership style is the way a leader acts and or how he influences his members to achieve certain goals. The indicators to measure leadership style according to (Edison et al., 2016), are: 1) Have a clear and well-communicated strategy; 2) Care for members and the environment; 3) Stimulating members; 4) Maintain team cohesiveness; 5) Respect differences and beliefs. In this article, leadership style will often be referred to simply as leadership.

## **Hypothesis**

This study formulates a hypothetical model as follows.

H1 : Leadership influenced motivation

H2 : Leadership influenced satisfaction

H3 : Leadership influenced engagement

H4 : Leadership influenced performance

H5 : Motivation influenced performance

H6 : Satisfaction influenced performance

H7 : Engagement influenced performance

H8 : Motivation partially mediated the leadership influence on performance

H9 : Satisfaction partially mediated the leadership influence on performance.

H10 : Engagement partially mediated the leadership influence on performance.

H11 : Adaptation moderated the motivation influence on performance

## **III. Method**

The population in this study was all Generation Z employees who are members of PLN Aceh in the Banda Aceh Region. The total population was 181 employees. Sampling was carried out using a census technique. Data was processed using Structural Equation Modeling (SEM) through AMOS software. The data type was primary data. The study models to be tested consist of direct effect models (H1 to H7), mediation models (H8 to H10), and a moderation model (H11). The type of data collected was primary data. Data was taken directly from the answers to the questionnaires distributed to the respondents, with answers using a Likert scale of 1 (strongly disagree) to 5 (strongly agree).

agree). The processed results will answer the conjecture through the hypothesis in this study, in the form of proving the causality model.

**IV. Result**

**Table 1. Regression**

			Estimates	SE	CR	P
Engagement	<---	Leadership	0.897	0.064	7,065	0.000
Satisfaction	<---	Leadership	0.809	0.107	6,904	0.000
Motivation	<---	Leadership	0.765	0.109	7,385	0.000
Performance_ Organization	<---	Leadership	0.145	0.223	1,728	0.084
Performance_ Organization	<---	Motivation	0.285	0.071	2,048	0.042
Performance_ Organization	<---	Satisfaction	0.271	0.080	2,130	0.033
Performance_ Organization	<---	Engagement	0.280	0.066	2.106	0.036

Source: Primary Data Processed, (2023)

After completing the measurement model testing on SEM-AMOS, the table above is the result of the structural model test which answers the research problem. These results are discussed in the following description.

**H1 : Leadership Influence to Change Motivation**

The Leadership influence test in changing Motivation obtained a significance of 0.000, reveals Leadership significantly influenced motivation. The Leadership contribution size on Motivation is 0.765, which explains that 1 unit of leadership increase will cause 0.765 units of motivation to increase. The better the Leadership creates higher the motivation.

**H2 : Leadership Influence to Change Satisfaction**

The Leadership influence test in changing Satisfaction obtained a significance of 0.000, which describes Leadership significantly influenced Satisfaction. The Leadership contribution size on Satisfaction is 0.809, which means 1 unit of leadership increase will cause 0.809 units of satisfaction to increase. The better the Leadership creates higher Satisfaction.

**H3 : Leadership Influence to Change Engagement**

The Leadership influence test in changing Employee Engagement obtained a significance of 0.000, which describes Leadership significantly influenced Engagement. The Leadership contribution size on Employee Engagement is 0.897, revealing that 1 unit of leadership increase will cause 0.897 units of engagement to increase. The better the Leadership the stronger Engagement.

**H4 : Leadership Influence to Change Performance**

The influence of Leadership on Performance obtained a significance of 0.084, which explains Leadership does not influence Performance because the significance > 0.05. So the increase or decrease that occurs in leadership cannot directly change organizational performance.

**H5 : Motivation Influence to Change Performance**

The motivation influence test in changing performance obtained a significance of 0.042, proving motivation influences performance. The motivation contribution size on performance is 0.285 describes that 1 unit of motivation increase will cause 0.285 units of performance to increase. The higher the motivation creates higher the performance.

**H6 : Satisfaction Influence to Change Performance**

The Satisfaction influence test in changing Performance obtained a significance of 0.033, revealing satisfaction affects performance. The Satisfaction contribution size on Performance is 0.271, indicating that 1 unit of satisfaction increase will cause 0.271 units of performance to increase. the higher the Satisfaction makes higher Performance.

**H7 : Engagement Influence to Change Performance**

The Employee Engagement influence test in changing Performance obtained a significance of 0.036, which explains Engagement influenced Performance. The Employee Engagement contribution size on Performance is 0.280, proving that a 1 unit of engagement increase will cause 0.280 units of performance to increase. The higher the Employee Engagement makes higher the Performance.

**H8 : Motivation Mediation on the Leadership Influence on Performance**

Sobel test provides the result of 3.484 with a significance of 0.000, describing Motivation acted as a variable that mediated Leadership to Performance. Thus, because motivation can act as a mediation, leadership does not have a significant influence on performance directly, the role of motivation in mediating the leadership influence on performance is fully mediating. Full means that leadership can only be through motivation as a mediator to influence performance.

**H9 : Satisfaction Mediation Contribution on the Leadership Influence on Performance**

Sobel test provides the result of 3.091 with a significance of 0.000, revealing Satisfaction acted as a variable that mediated Leadership to Performance. So, because Satisfaction can act as a mediator, and Leadership did not have a significant influence on Performance directly, the Satisfaction role in mediating the Leadership influence on Performance was as a full mediator. Full means that leadership can only be through satisfaction as a mediator to influence performance.

**H10 : Engagement Mediation Contribution on the Leadership Influence on Performance**

Sobel test provides the result of 3.942 with a significance of 0.000, proving Engagement acted as a variable that mediated Leadership to Performance. So, because Engagement can act as a mediator, Leadership did not have a significant influence on Performance directly, so the Engagement role in mediating the Leadership influence on Performance was as a full mediator. Full means that leadership can only be through engagement as a mediator to influence performance.

**H11 : Adaptation Moderation Contribution on The Motivation Influence On Performance**

**Table 2. Moderation Effect Testing**

	Estimates	SE	CR	P
Performance_Organization <--- Motivation	0.667	0.091	6,030	0.000
Performance_Organization <--- Adaptation	0.476	0.082	4,821	0.000
Performance_Organization <--- Interaction	-0.222	0.011	-2,278	0.023

Source: Primary Data Processed, (2022)

Testing the first moderating influence on the moderation role of Adaptation on the Motivation influence on Performance. The test results show that the coefficient  $\beta_2 = 0.476$  with a significance of 0.000, where adaptation has no significant influence on performance. While the coefficient  $\beta_4 = 0.222$  with a significance of 0.023, where the interaction between Adaptation and Motivation has a significant influence on Performance. This shows that Adaptation moderates as the pure moderator of the influence of Motivation on Performance.

**V. Conclusion**

The result reveals that at PLN Aceh, Leadership influenced motivation, Leadership influenced Satisfaction, Leadership influenced Engagement, Leadership did not affect Performance, Motivation influenced Performance, Satisfaction influenced Performance, Engagement influenced Performance, Motivation fully mediated the Leadership influence on Performance, Satisfaction fully mediated the Leadership influence on Performance, Engagement fully mediated the Leadership influence on Performance, and Adaptation Purely Moderated the motivation influence on performance. These findings illustrate the model's direct effect, mediating effect, and moderating effect, which can contribute academically to the strengthening of the theory regarding the causality of the variables. These findings explain that the performance improvement model at PLN Aceh is a function of the suitability of its leadership style, increased employee motivation and satisfaction, and strengthened employee engagement. These findings are also useful

for further research, which also examines organizational performance models. Practically, the findings can be used by practitioners, especially decision makers on research subject, namely PLN in general and PLN Aceh in particular, to formulate strategies and policies to improve the performance of their companies. Some of the recommendations resulting from the results of this study are that PLN Aceh must provide employees with a good quality work environment, and to increase employee motivation, organizations must make changes to the job design system so that employees can easily complete work.

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