

THE EFFECT OF EMPLOYABILITY, WORK MOTIVATION, AND LEADERSHIP ON JOB SATISFACTION OF GENERATION Z EMPLOYEES IN MEDAN CITY

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ABSTRAK

This study aims to determine the effect of employability, work motivation, and leadership on the job satisfaction of Generation Z employees in Medan City. This study uses a causal quantitative approach by distributing questionnaires to 170 Generation Z employee respondents in Medan City. The sampling technique used purposive sampling with the criteria of employees born between 1997–2012 and actively working in Medan City. The sample size was determined following Hair et al. (2013) with 16 indicators multiplied by 10. The data analysis technique used Partial Least Square – Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The results showed that: (1) employability has a positive and significant effect on job satisfaction (T=3.810; P=0.000); (2) work motivation has a positive and significant effect on job satisfaction (T=9.900; P=0.000); (3) leadership has a negative and significant effect on job satisfaction (T=1.992; P=0.047). Simultaneously, all three variables have a significant effect with F-count 77.04 > F-table 3.054. The R² value of 0.582 indicates that 58.2% of the variation in job satisfaction is explained by the three variables.

Keywords: *Employability, Work Motivation, Leadership, Job Satisfaction, Generation Z*

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INTRODUCTION

The continuously changing global employment dynamics significantly impact how employees view and manage their careers. In an era characterized by technological disruption, automation, and global competition, the ability of individuals to remain relevant and competitive in the labor market has become increasingly crucial. This phenomenon is particularly felt by Generation Z, namely individuals born between 1997 and 2012, who are now beginning to dominate the workforce across various industrial sectors, including in Medan City as one of the largest metropolitan cities in Indonesia.

Job satisfaction is one of the important indicators in human resource management that reflects the extent to which employees feel satisfied with their work and work environment. Generation Z employees have characteristics that differ from previous generations in terms of work expectations, motivation, and ways of responding to leadership styles. Understanding the factors that influence Generation Z's job satisfaction has become strategically important for organizations in their efforts to retain top talent and increase productivity.

Employability is one of the factors suspected of influencing job satisfaction. LaGree et al. (2024) proved that employability culture and leadership empowerment significantly affect job satisfaction. Cahyadi et al. (2025) at Indonesian state-owned companies found that employability positively affects job satisfaction. Sutanto et al. (2025) also confirmed the same. However, Xing et al. (2023) found inconsistent results, making further research necessary.

Work motivation is the second factor suspected of influencing Generation Z's job satisfaction. Yulianti and Sary (2025) found that work motivation has a positive and significant effect on job satisfaction of Generation Z employees in DKI Jakarta. Adwimurti et al. (2026) and Dimitrov (2023) consistently confirmed the same findings in different contexts. Leadership is the third factor suspected of influencing job satisfaction. Turangan et al. (2025) and Mawaddah et al. (2025) found the influence of leadership on Generation Z's job satisfaction. However, Oyedele (2025) found variations in influence depending on the leadership style applied. These inconsistencies prompt the need for further research in Medan City.

Based on the above description, research that simultaneously examines the effect of employability, work motivation, and leadership on the job satisfaction of Generation Z employees in Medan City has never been conducted before.

Problem Identification

1. The employability of Generation Z employees in Medan City is suspected to affect job satisfaction, but research results are still inconsistent.
2. Work motivation of Generation Z employees in Medan City is suspected to affect job satisfaction, but has not been specifically studied in Medan City.

3. Leadership is suspected to influence the job satisfaction of Generation Z employees in Medan City, but findings are still varied.
4. The simultaneous effect of the three variables on Generation Z's job satisfaction in Medan City has never been studied.

Research Questions

1. How does employability affect the job satisfaction of Generation Z employees in Medan City?
2. How does work motivation affect the job satisfaction of Generation Z employees in Medan City?
3. How does leadership affect the job satisfaction of Generation Z employees in Medan City?
4. How does the simultaneous effect of employability, work motivation, and leadership affect the job satisfaction of Generation Z employees in Medan City?

LITERATURE REVIEW

Employability Theory

Employability is the ability of individuals to obtain, retain, and secure new employment when necessary. Van der Heijde and Van der Heijden (2006) detail employability into dimensions of occupational competence and expertise, adaptability, professional networking, and willingness for continuous learning. Employees with high employability tend to be more confident about their career prospects, thus experiencing higher job satisfaction.

Work Motivation Theory

Work motivation is the internal and external drive that moves individuals to work optimally. Herzberg (1959) in the Two-Factor Theory distinguishes hygiene factors (extrinsic) and motivator factors (intrinsic) which include achievement, recognition, responsibility, and opportunities for growth. High motivation directly contributes to higher job satisfaction.

Leadership Theory

Leadership is the ability to influence and motivate others to contribute to organizational effectiveness. Bass and Avolio (1994) developed transformational leadership theory which includes communication ability, providing direction and guidance, support for subordinates, and fairness in decision-making.

Job Satisfaction Theory

Locke (1976) defines job satisfaction as a pleasant emotional state resulting from a person's assessment of their job or work experience. Smith, Kendall, and Hulin (1969) formulated job satisfaction indicators that include satisfaction with salary and benefits, work environment, coworker relationships, and career opportunities.

Conceptual Framework and Hypotheses

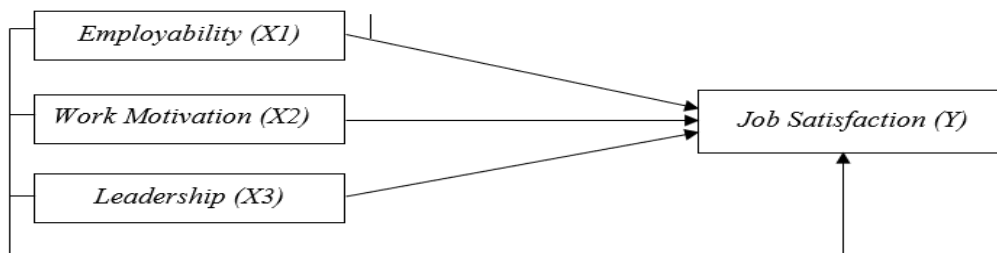


Figure 1. Conceptual Framework

H₁Employability has a positive and significant effect on job satisfaction of Generation Z employees in Medan City.

H₂: Work motivation has a positive and significant effect on job satisfaction of Generation Z employees in Medan City.

H₃: Leadership has a positive and significant effect on job satisfaction of Generation Z employees in Medan City.

H₄: Employability, work motivation, and leadership simultaneously have a positive and significant effect on job satisfaction of Generation Z employees in Medan City.

METHOD

Research Location and Time

This research was conducted in Medan City with the research object being Generation Z employees working in various companies and institutions in Medan

City. The research was conducted over three months, from February to April 2026.

Research Method

This study uses a causal or explanatory quantitative approach. According to Sugiyono (2021), quantitative research functions to test theories by measuring relationships between variables using numerical data and statistical analysis.

Population and Sample

The population of this study consists of all Generation Z employees working in Medan City whose exact number is unknown. The sample size was determined following Hair et al. (2013), which is 5 to 10 times the number of indicators. With 16 indicators, the minimum sample size is 160 respondents. This study collected 170 respondents using purposive sampling technique with the following criteria: (1) born between 1997–2012, (2) domiciled or working in Medan City, and (3) active employee status.

Operational Definition of Variables

Table 1. Operational Definition of Research Variables

Variable	Definition	Indicators	Scale	Source
Employability (X ₁)	The ability of Gen Z employees to obtain and maintain employment through strengthening competencies and adaptability.	1. Occupational competence & expertise 2. Adaptability 3. Professional networking 4. Willingness for continuous learning	Likert	Van der Heijde & Van der Heijden (2006)
Work Motivation (X ₂)	The drive that moves Gen Z employees to work optimally to achieve goals.	1. Achievement drive 2. Recognition & appreciation 3. Job responsibility 4. Growth opportunities 5. Work enthusiasm	Likert	Herzberg (1959)
Leadership (X ₃)	The ability of superiors to influence and guide Gen Z employees to contribute optimally.	1. Supervisor communication ability 2. Providing direction & guidance 3. Support & motivation from superiors 4. Fairness in decisions	Likert	Bass & Avolio (1994)
Job Satisfaction (Y)	Positive feelings of Gen Z employees toward their work based on evaluation of various aspects.	1. Satisfaction with salary & benefits 2. Satisfaction with work environment 3. Satisfaction with coworkers 4. Satisfaction with career	Likert	Locke (1976); Smith et al. (1969)

Source: Researcher's Synthesis (2026)

Data Analysis Method

The analysis method used PLS-SEM with SmartPLS 4.0. Outer model evaluation includes loading factor > 0.60 , AVE > 0.50 , Cronbach's Alpha and Composite Reliability > 0.70 . Inner model evaluation includes R^2 , F^2 , GoF, and hypothesis testing through bootstrapping with criteria T-Statistic > 1.96 and P-Value < 0.05 (Ghozali, 2021).

RESULTS AND DISCUSSION

Validity and Reliability Test

Table 2. Outer Model Test Results

Variable	AVE	Cronbach's Alpha	Composite Reliability	Loading Factor (Min-Max)	Remark
Employability	0.580	0.769	0.846	0.693 – 0.823	Valid & Reliable
Work Motivation	0.665	0.870	0.907	0.648 – 0.901	Valid & Reliable
Leadership	0.637	0.719	0.839	0.684 – 0.887	Valid & Reliable
Job Satisfaction	0.628	0.710	0.833	0.669 – 0.867	Valid & Reliable

Source: SmartPLS 4 Output (2026)

All variables have AVE > 0.50 , Cronbach's Alpha and Composite Reliability > 0.70 , and all loading factors > 0.60 with P-Value = 0.000. Therefore, all research instruments are declared valid and reliable (Ghozali, 2021).

Coefficient of Determination Test (R-Square)

Table 3. R-Square

Variable	R-Square	R-Square Adjusted
Job Satisfaction	0.582	0.575

Source: SmartPLS 4 Output (2026)

The R^2 value = 0.582 indicates that 58.2% of the variation in job satisfaction can be explained by employability, work motivation, and leadership. The remaining 41.8% is influenced by other factors outside the model. This value falls into the moderate category (Ghozali, 2021).

Effect Size Test (F-Square).

Table 4. Effect Size Test (F-Square)

Path	F-Square	Category
Employability → Job Satisfaction	0.167	Medium
Leadership → Job Satisfaction	0.045	Small
Work Motivation → Job Satisfaction	0.360	Large

Source: SmartPLS 4 Output (2026)

Work motivation has the largest contribution to job satisfaction (large effect, $F^2=0.360$), followed by employability (medium effect, $F^2=0.167$), and leadership (small effect, $F^2=0.045$).

Goodness of Fit Test (GoF)

$GoF = \sqrt{(0.6275 \times 0.582)} = \sqrt{0.3652} = 0.604$. The GoF value = $0.604 > 0.36$, so the research model falls into the large category and has very adequate predictive power (Hair et al., 2014).

Hypothesis Test (t-Test)

Table 5. Path Coefficients (Hypothesis Test Results)

Path	Original Sample	Sample Mean	T-Statistic	P-Value	Remark
Employability → Job Satisfaction	0.421	0.424	3.810	0.000	H ₁ Accepted
Work Motivation → Job Satisfaction	0.582	0.576	9.900	0.000	H ₂ Accepted
Leadership → Job Satisfaction	-0.222	-0.211	1.992	0.047	H ₃ Accepted

Source: SmartPLS 4 Output (2026)

1. Employability (X1) has a positive and significant effect on Job Satisfaction (Y) with T-Statistic $3.810 > 1.96$ and P-Value $0.000 < 0.05$, so H₁ is accepted.
2. Work Motivation (X2) has a positive and significant effect on Job Satisfaction (Y) with T-Statistic $9.900 > 1.96$ and P-Value $0.000 < 0.05$, so H₂ is accepted.
3. Leadership (X3) has a negative and significant effect on Job Satisfaction (Y) with T-Statistic $1.992 > 1.96$ and P-Value $0.047 < 0.05$, so H₃ is accepted.

Simultaneous Test (F-Test)

$F = 0.582(170-3-1) / 3(1-0.582) = 96.612 / 1.254 = 77.04$. The F-count value (77.04) > F-table (3.054) with DF1=2 and DF2=166 at 5% significance. It is concluded that employability, work motivation, and leadership simultaneously have a significant effect on job satisfaction of Generation Z employees in Medan City, so H4 is accepted.

Discussion

Effect of Employability on Job Satisfaction

The research results show that employability has a positive and significant effect on job satisfaction (coefficient 0.421; T=3.810; P=0.000). Generation Z employees who have high competencies, are able to adapt, have good professional networks, and are committed to continuous learning tend to experience higher job satisfaction because they feel more confident about their career prospects. This finding is consistent with Cahyadi et al. (2025) and Sutanto et al. (2025) who found a positive effect of employability on job satisfaction.

Effect of Work Motivation on Job Satisfaction

The research results show that work motivation is the variable with the greatest influence on job satisfaction (coefficient 0.582; T=9.900; P=0.000; F²=0.360, large category). Generation Z employees who have achievement drive, feel valued, are responsible, and see growth opportunities will experience higher job satisfaction. This finding is consistent with Yulianti and Sary (2025), Adwimurti et al. (2026), and Dimitrov (2023).

Effect of Leadership on Job Satisfaction

The research results show that leadership has a negative and significant effect on job satisfaction (coefficient -0.222; T=1.992; P=0.047). This negative effect indicates that the leadership style applied has not fully aligned with the expectations of Generation Z employees who desire more collaborative, autonomous, and flexible leadership. This finding is in line with Turangan et al. (2025) who found differences in Generation Z's response to leadership compared to previous generations.

CONCLUSION

Conclusions

- Employability has a positive and significant effect on the job satisfaction of Generation Z employees in Medan City, evidenced by T-Statistic $3.810 > 1.96$ and P-Value $0.000 < 0.05$.
- Work motivation has a positive and significant effect on the job satisfaction of Generation Z employees in Medan City, evidenced by T-Statistic $9.900 > 1.96$ and P-Value $0.000 < 0.05$, and is the variable with the greatest influence ($F^2=0.360$).
- Leadership has a negative and significant effect on the job satisfaction of Generation Z employees in Medan City, evidenced by T-Statistic $1.992 > 1.96$ and P-Value $0.047 < 0.05$.
- Simultaneously, employability, work motivation, and leadership have a significant effect on job satisfaction, with F-count $77.04 > F$ -table 3.054 and R^2 of 0.582 .

Recommendations

For Companies

Companies are expected to enhance Generation Z competency development programs through continuous training, create effective reward systems to increase work motivation, and adapt leadership styles to the characteristics of Generation Z who desire more collaborative and participatory leadership.

For Future Researchers

Future researchers are advised to add other variables such as organizational culture, work-life balance, or compensation, as well as expand the geographic scope of research to strengthen the generalizability of findings.

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