



The Influence of Young Leadership and Psychological Wellbeing on Employee Performance with Job Satisfaction as a Mediation Variable

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ABSTRACT

Published Online: February 14, 2024

Employee performance is a benchmark for a company to achieve its goals quickly and accurately. This research aims to determine employee performance influenced by young leadership and psychological well-being, both directly and indirectly through job satisfaction as a mediator. The research sample consists of 165 employees with the position of Unit Head spread across branches in Lampung. Data collection was carried out by distributing questionnaires using convenience sampling with simple random sampling techniques, and the data were processed using Structural Equation Modeling (SEM) - AMOS. The results of the study indicate overall support for the hypotheses, namely that young leadership has a positive and significant impact on employee performance. Psychological well-being has a positive and significant impact on employee performance. Young leadership has a positive and significant impact on employee performance indirectly mediated by job satisfaction. Psychological well-being has a positive and significant impact on employee performance indirectly mediated by job satisfaction. Based on the research, recommendations are provided, such as suggesting that young leaders balance and improve work-life, make significant improvements or changes in life for better psychological well-being, pay attention to colleagues in the team, and collaborate well with the team. It is also recommended for future endeavors that employees meet managerial tasks effectively.

Purpose: The aim of this research is to determine the influence of young leadership and psychological well-being on employee performance, mediated by job satisfaction.

Patients and methods: The research sample consists of 165 unit heads from PT. Permodalan Nasional Madani Branch Lampung. Data collection for this study was conducted by distributing questionnaires using the convenience sampling technique with the method of simple random sampling.

Results: The research results indicate that this study supports the hypotheses overall, namely that young leadership has a positive and significant impact on employee performance. Psychological well-being has a positive and significant impact on employee performance. Young leadership has a positive and significant impact on employee performance indirectly mediated by job satisfaction. Psychological well-being has a positive and significant impact on employee performance indirectly mediated by job satisfaction.

Conclusion: It is hoped that young leaders can balance and enhance work-life, make significant improvements or changes in life for better psychological well-being, pay attention to colleagues in the team, and collaborate effectively with the team. It is recommended for the future that employees are capable of fulfilling tasks given by managers effectively.

KEYWORDS:

Young Leadership, Psychological Wellbeing, Employee Performance and Job Satisfaction.

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**Cite this Article: Ayu Karmila Dewi, Habibullah Jimad, Nova Mardiana (2024). The Influence of Young Leadership and Psychological Wellbeing on Employee Performance with Job Satisfaction as a Mediation Variable. International Journal of Social Science and Education Research Studies, 4(2), 115-120*

1. INTRODUCTION

Young leaders emerge in the younger generation not only as part of organizational activities but also as a manifestation of support provided by the company to employees to contribute effectively to the organization. Buengeler et al (2016) state that age is one prototypical characteristic of a leader. Leadership arising from a young age tends to have an innovative mindset and be open to change. To achieve the

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company's goals, it is important to recognize that the company should not only focus on improving employee performance but also pay more attention to their psychological well-being in the workplace. The emotional and mental well-being of employees plays a very significant role in shaping excellent work outcomes, as employees will be able to give their best performance. Teimouri et al (2018) state that the higher the well-being, the higher the affective commitment of employees, which, in turn, leads to improved performance. However, the performance of employees at PT Permodalan Nasional Madani, Lampung branch, has not been maximized. The challenge for PT Permodalan Nasional Madani is to improve the psychological well-being of its employees. In addition, young leadership dominating at PT Permodalan Nasional Madani poses a significant challenge in enhancing employee performance and job satisfaction in the company.

In Buengeler et al's (2016) study, it is explained that the effects of leadership can be more apparent when comparing younger leaders to older ones. Anderson (2012) suggests that young leadership plays a crucial role in developing the youth as a means of helping the younger generation become socially, morally, emotionally, physically, and cognitively competent. Findings by Sosik and Godshalk (2000) show that participative leadership with a style closer to the leadership patterns commonly adopted by the younger generation, where employees are involved in decision-making processes, has a positive influence on employee job satisfaction.

Thi and Trong (2020) define psychological well-being as a positive affective state related to happiness and meaning in the workplace. The psychological well-being of employees has significant positive implications for individuals and organizations. Research by Wright and Cropanzano (2004) explores the connection between employees' psychological well-being, covering aspects such as job satisfaction, organizational commitment, and intrinsic motivation, with employee performance. According to Medrano and Trogolo (2018), who examine psychological well-being with employee life satisfaction, balancing work and life has a positive impact.

Employees showing the best performance tend to have the potential for creative thinking, willingness to take new initiatives, and openness to continuous learning and development. Gabrielova and Buchko (2021) state that employee performance is one of the key determinants of organizational success.

Allocating time and resources to ensure employee job satisfaction is an investment that holds significant value in the long-term growth and success of the company. Hu (2020) says that job satisfaction reflects the extent to which an

employee is satisfied with their current job based on their evaluation of work experiences. Job satisfaction is a positive attitude of employees that can facilitate them to work more diligently and build positive relationships with the organization and their superiors. Kim et al (2018) state that employees with strong psychological capital tend to feel satisfied and happy with their work.

The problem addressed in this study is that the performance of PT Permodalan Nasional Madani is growing, but the performance achievement of its employees, particularly in the Lampung branch, has not yet reached an optimal level. The performance of PT Permodalan Nasional Madani branch Lampung has not been maximized, while the psychological well-being of employees has been well addressed by the company. Therefore, there is a gap between employee performance and psychological well-being at PT Permodalan Nasional Madani branch Lampung.

II. METHOD

This study employs an associative research approach, where the main focus is on the relationship between two or more variables. The research aims to identify causal relationships (cause and effect) among independent variables. The type of data used in this study is primary data obtained through a survey method by distributing online questionnaires via Google Form, and the link is sent through the WhatsApp application. The data source used in this study employs Moderated Regression Analysis (MRA). The population of interest is the employees of PT Permodalan Nasional Madani Lampung Branch with the position of Unit Head, totaling 182 individuals. The sample size is determined using the formula by Hair, et al. According to Hair et al., (2017), the sample size should ideally be 100 or more significant. Therefore, a sample of 165 unit head employees is obtained using the convenience sampling method. This study utilizes the SEM-Amos analysis tool and employs the Sobel test to measure the mediating effect of job satisfaction in mediating the impact of young leadership on employee performance and the mediating effect of employee job satisfaction in mediating psychological well-being on employee performance at PT Permodalan Nasional Madani Lampung Branch.

III. RESULTS

Hypothesis testing plays a crucial role in evaluating the overall fit of the model, utilizing the Maximum Likelihood estimation method in AMOS. The results of the calculations reveal that the model's fit is well-assessed based on various criteria, including p-value, GFI, RMR, RMSEA, TLI, NFI, RFI, and CFI. These fit indices meet the recommended standards and categorize the model as a good fit. The evaluation calculations conducted for the goodness of fit within the structural model yield positive and satisfactory

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outcomes, affirming the adequacy of the model in capturing the relationships between variables.

Table. 1 Goodness of Fit

Goodness of fit Index	Acceptable Match Level	Model Index	Explanation
Chi-square	chi-square $\leq 2df$ (good fit). $2df < \text{chi-square} \leq 3df$ (marginal fit). $\text{chi-square} > 3df$ (bad fit)	303 $\leq 2df$	<i>Marginal Fit</i>
p-value	$P \geq 0.05$ (good fit). $p < 0.05$ (bad fit)	0.000 ≥ 0.05	<i>Bad Fit</i>
GFI	$GFI \geq 0.9$ (good fit). $0.8 \leq GFI \leq 0.9$ (marginal fit)	0.821 ≥ 0.9	<i>Good Fit</i>
RMR	$RMR \leq 0.5$ (good fit)	0.009 ≤ 0.5	<i>Good Fit</i>
RMSEA	$0.05 < RMSEA \leq 0.08$ (good fit). $0.08 < RMSEA \leq 1$ (marginal fit)	0.093 ≤ 0.08	<i>Good Fit</i>
TLI	$TLI \geq 0.9$ (good fit). $0.8 \leq TLI \leq 0.9$ (marginal fit)	0.943 ≥ 0.9	<i>Good Fit</i>
NFI	$NFI \geq 0.9$ (good fit). $0.8 \leq NFI \leq 0.9$ (marginal fit)	0.920 ≥ 0.9	<i>Good Fit</i>
AGFI	$AGF \geq 0.9$ (good fit). $0.8 \leq AGFI \leq 0.9$ (marginal fit)	0,763 $\geq 0,9$	<i>Marginal Fit</i>
CFI	$CFI \geq 0,9$ (good fit). $0,8 \leq CFI \leq 0,9$ (marginal fit)	0,952 $\geq 0,9$	<i>Good Fit</i>

Table 1 indicates that The overall results of the Goodness-of-Fit model measurement are considered good. The chi-square value is 303.004 with a probability level of 0.000, indicating a good fit. The Goodness of Fit Index (GFI) of the model has a value of 0.821, indicating a good model fit. The RMSEA value of 0.093 shows a good fit level. RMR has a value of 0.009, indicating a good fit. The modified model's AGFI value of 0.763 indicates a marginal fit indication. Therefore, overall, the developed model is considered good. The TLI data shows a good fit with a TLI value of 0.943. The CFI

value of 0.952 indicates that the model has a good fit. The CMIN/DF value in this model is 2.349, indicating a good fit. The results of the data analysis for the full SEM model are presented in Figure 1.

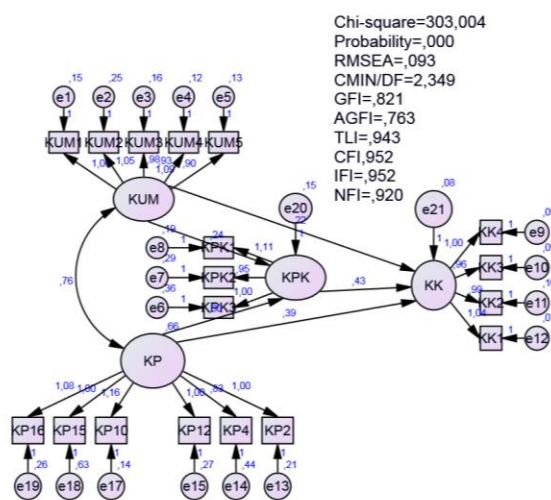


Figure 1. Result of the Structural Equation Model (SEM)

Figure 1 shows the the measurement model testing (outer model) was initially conducted using confirmatory factor analysis (CFA). The results of the confirmatory factor analysis (CFA) are utilized to ensure that the survey items employed in this study are valid and reliable, thereby allowing the survey to proceed in constructing the survey model. The outcomes of the measurement model testing indicate the validity of the survey items. Moving forward, the statistical testing involves examining the structural model or the structural equation model, also referred to as the inner model. The structural model is assessed by examining the influence of one variable on another.

3.1 Hypothesis Testing

This study aims to investigate and analyze the impact of young leadership on both employee performance and psychological well-being within the workplace. The research delves into the intricate relationship between young leadership styles and psychological well-being, particularly examining how job satisfaction acts as a mediating variable influencing employee performance. The exploration of these dynamics involves the formulation and testing of four hypotheses. The testing process utilizes the Structural Equation Modeling (SEM) method, with the support of the AMOS software, to derive comprehensive insights into the interplay of factors affecting employee performance in the context of young leadership and psychological well-being.

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Table 2. Direct Effect Result

Hypothesis	Estimate	P Value	Description
Young Leadership → Employee Performance	2.160	0.004	Supported
Psychological wellbeing → Employee Performance	3.860	0.000	Supported

Table 3. Indirect Effect Result

Hipotesis	Estimate	P Value	Description
Young Leadership → Job Satisfaction → Employee Performance	2.830	0.007	Supported
Psychological wellbeing → Job Satisfaction → Employee Performance	2.597	0.009	Supported

3.2 The Influence of Young Leadership on Employee Performance

The first hypothesis examines whether young leadership has a positive and significant impact on employee performance. The results indicate that the first hypothesis posits an influence of young leadership on employee performance. The SEM calculations yield an estimated value of 2.160 and a p-value of 0.004, indicating significance. This is considered significant because the estimated value is greater than the t-table >1.96 with a p-value <0.05. Therefore, the first hypothesis is supported, indicating acceptance of this hypothesis.

3.3 The Influence of Psychological Wellbeing on Employee Performance

The second hypothesis tests whether psychological well-being has a positive and significant impact on employee performance. The results indicate that the second hypothesis posits an influence of psychological well-being on employee performance. The SEM calculations yield an estimated value of 3.860 and a p-value of 0.000. This is considered significant as the estimated value is greater than the t-table >1.96 with a p-value <0.05. Therefore, the second hypothesis is supported, indicating acceptance of this hypothesis.

3.4 The Influence of Young Leadership on Employee Performance Through Job Satisfaction

Testing the mediation effect suggests that job satisfaction plays a positive role in mediating the influence of young

leadership on employee performance. The result from the t-value of 2.830 > t-table 1.965. Hence, it can be concluded that job satisfaction has a mediating effect on the influence of young leadership on the performance of employees at PT Permodalan Nasional Madani, Lampung branch. Therefore, the third hypothesis is supported, indicating acceptance of this hypothesis.

3.5 The Influence of Psychological Wellbeing on Employee Performance Through Job Satisfaction

Testing the positive mediating role of job satisfaction on employee performance is derived from the t-value of 2.597 > t-table 1.965. The condition for significance is that the t-value must be greater than the t-table value. Therefore, it can be concluded that psychological well-being plays a significant mediating role in the relationship between job satisfaction and employee performance at PT Permodalan Nasional Madani. Therefore, the fourth hypothesis is supported, indicating acceptance of this hypothesis.

IV. DISCUSSION

The Influence of Young Leadership on Employee Performance

The results of data analysis show that young leadership has a positive and significant effect on employee performance, so H1 is accepted. These results are in line with the hypothesis stating that there is a positive and significant effects between young leadership and employee performance. This research is also supported by studies conducted by previous research investigating the impact of leadership on employee performance was conducted by Ayu et al (2008). The results of the study indicated that leadership has a positive and significant influence on company performance. This implies that leadership plays a role in influencing individuals through communication, aiming to achieve organizational goals.

The Influence of Psychological Wellbeing on Employee Performance

The results of data analysis show that psychological wellbeing has a positive and significant effect on employee performance, so H2 is accepted. These results are in line with the hypothesis stating that there is a positive and significant effects between psychological wellbeing and employee performance. These results indicate that the second hypothesis posited an influence of psychological well-being on employee performance. The SEM (Structural Equation Modeling) calculation yielded an estimated value of 3.860 with a p-value of 0.000. This is declared significant because the estimated value is greater than the t-table >1.96 with a p-value <0.05, thus supporting the second hypothesis, indicating acceptance of this hypothesis. Widhi (2012) stated that leadership has a direct, positive, and significant impact on job satisfaction. Leadership styles, one of which can be exhibited by young leaders, may be related to the level of

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employee job satisfaction. The higher the psychological well-being, the more it will enhance employee performance.

The Influence of Young Leadership on Employee Performance Through Job Satisfaction

These results align with the hypothesis stating that there is an effect between young leadership on employee performance through job satisfaction as a mediating variable. H3 is accepted. According to Ayu et al (2008), based on the results obtained, the higher the leadership of young age through the mediating variable of job satisfaction on employee performance, it will improve employee performance both directly and indirectly. The influence of young age leadership on employee performance and job satisfaction can serve as a mediating variable between them, as young age leadership can inspire employees with new ideas, energy, and fresh perspectives..

The Influence of Psychological Wellbeing on Employee Performance Through Job Satisfaction

These results align with the hypothesis stating that there is an effect psychological wellbeing on employee performance through job satisfaction as a mediating variable. H4 is accepted. These results also support the statement in the research hypothesis and previous research conducted by This is in line with research conducted by Hu (2020), stating that employees with high levels of job satisfaction and psychological well-being will benefit both their own health and the long-term organizational performance. Wong and Chan (2020) mentioned that poor working conditions can create interference between work and life, negatively impacting the psychological well-being and job satisfaction of employees. Another study conducted by Ibrahim et al (2020) explains that employee well-being positively mediates the impact of job satisfaction on employee performance.

V. CONCLUSION

1. The results of the research show that this research supports the proposed hypothesis, namely that that young age leadership has a positive and significant impact on employee performance at PT Permodalan Nasional Madani Branch Lampung. These findings suggest that if young age leadership predominates, it will enhance employee performance, and conversely, if older age leadership dominates, it may lower the performance of PT Permodalan Nasional Madani Branch Lampung. Therefore, the recommendation for young age leadership is that young leaders must be able to balance and enhance work-life.

2. The results of the research show that this research supports the proposed hypothesis, namely that that psychological well-being has a positive and significant impact on employee performance at PT Permodalan Nasional Madani Branch Lampung. These findings suggest that if management enhances psychological well-being, it will improve employee performance, and conversely, if psychological well-being is not addressed by management, it may decrease employee

performance. Therefore, it is recommended to make significant improvements or changes in life for better psychological well-being.

3. The results of the research show that this research supports the proposed hypothesis, namely that that young age leadership has a positive and significant impact on employee performance through job satisfaction as a mediating variable at PT Permodalan Nasional Madani Branch Lampung. These findings suggest that if young age leadership predominates, it will enhance performance through employee job satisfaction as a mediating variable. Therefore, it is recommended to pay attention to colleagues within a team and to collaborate effectively with team members.

4. The results of the research show that this research supports the proposed hypothesis, namely that psychological well-being has a positive and significant impact on employee performance through job satisfaction as a mediating variable, providing a positive indirect effect on the performance of employees at PT Permodalan Nasional Madani Branch Lampung. These findings suggest that if management improves psychological well-being, it will enhance employee performance through job satisfaction as an indirect mediating variable. Therefore, it is recommended for future performance that employees are capable of fulfilling tasks assigned by the manager effectively.

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