

The Effect Of Participative Leadership Style And Supportive Organizational Culture On Job Satisfaction Among Generation Z Employees In Indonesia With Work-Life Balance As An Intervening Variable

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Abstract

The increasing presence of Generation Z in the Indonesian workforce has driven organizations to reassess leadership approaches and organizational practices to meet evolving employee expectations. This study aims to examine the effect of participative leadership style and supportive organizational culture on job satisfaction among Generation Z employees in Indonesia, with work-life balance serving as an intervening variable. A quantitative explanatory research design was employed, and data were collected through a structured questionnaire distributed to Generation Z employees across various industries using purposive sampling. The data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results indicate that participative leadership and supportive organizational culture have significant positive effects on job satisfaction. Both variables also significantly influence work-life balance, which, in turn, has the strongest positive effect on job satisfaction. Furthermore, work-life balance was found to partially mediate the relationship between participative leadership and job satisfaction as well as between supportive organizational culture and job satisfaction. These findings highlight the importance of inclusive leadership practices and supportive organizational environments in fostering work-life balance and enhancing job satisfaction among Generation Z employees. This study contributes to the human resource management literature by empirically validating the mediating role of work-life balance and provides practical insights for organizations seeking to improve job satisfaction and retention of Generation Z employees.

Keywords: Participative Leadership Style, Organizational Culture, Work-Life Balance, Job Satisfaction, Generation Z



INTRODUCTION

The contemporary workforce is experiencing significant changes driven by generational shifts, digital transformation, and evolving employee expectations. Generation Z, defined as individuals born between 1997 and 2012, has increasingly entered the labor market and now constitutes a substantial proportion of the workforce in Indonesia. Previous studies indicate that Generation Z employees possess distinctive characteristics, including a strong preference for participative leadership, supportive organizational environments, and a clear emphasis on work-life balance as a determinant of job satisfaction (Aura et al., 2025; Nugrohojati & Linando, 2025). These characteristics require organizations to reconsider traditional leadership approaches and organizational practices in order to maintain employee satisfaction and organizational sustainability.

Job satisfaction is a critical variable in human resource management, as it is closely associated with employee performance, commitment, turnover intention, and overall organizational effectiveness (Pawesti & Wikansari, 2016; Wibowo et al., 2024). For Generation Z employees, job satisfaction is not solely influenced by compensation, but also by leadership style, organizational culture, and the extent to which work responsibilities can be balanced with personal life demands (Mahardika et al., 2022; Pasaribu et al., 2025). Empirical evidence in Indonesia has shown that insufficient work-life balance may lead to emotional exhaustion, decreased motivation, and lower job satisfaction among younger employees (Ahad et al., 2024; Yasinta & Dewi, 2024).

Participative leadership has been identified as an effective leadership style in addressing the expectations of Generation Z employees. This leadership approach emphasizes employee involvement in decision-making, open communication, and shared responsibility between leaders and subordinates (Masruhin & Raudhoh, 2022; Teguh Pamungkas et al., 2024). Studies conducted in various organizational contexts demonstrate that participative leadership positively influences job satisfaction and employee engagement (Daud et al., 2024; Wadu et al., 2024). In parallel, supportive organizational culture—characterized by trust, collaboration, and concern for employee well-being—plays a crucial role in shaping positive employee attitudes and behaviors (Ahmad, 2020; Cahyati & Adelia, 2024; Shahriar et al., 2024).

In addition to leadership and culture, work-life balance has emerged as a central issue in modern organizational studies. Work-life balance refers to an individual's ability to effectively manage work demands alongside personal and social responsibilities (Mahardika et al., 2022; Zaky, 2020). Prior research suggests that leadership style and organizational culture significantly influence employees' ability to achieve work-life balance, which subsequently affects job satisfaction (Haar et al., 2017; Nassani et al., 2024; Rashmi & Kataria, 2023). However, empirical studies examining the mediating role of work-life balance in the relationship between participative leadership, supportive



organizational culture, and job satisfaction—particularly among Generation Z employees in Indonesia—remain limited.

Therefore, this study aims to analyze the effect of participative leadership style and supportive organizational culture on job satisfaction among Generation Z employees in Indonesia, with work-life balance serving as an intervening variable. This research is expected to contribute to the development of human resource management literature and provide practical insights for organizations seeking to enhance job satisfaction among Generation Z employees.

LITERATURE REVIEW

Participative Leadership

Participative leadership is a leadership style that encourages employee involvement in decision-making processes and emphasizes mutual communication between leaders and subordinates (Masruhin & Raudhoh, 2022; Permana & Karwanto, 2020). This leadership style allows employees to express ideas and opinions, thereby fostering a sense of ownership and responsibility. Empirical studies in Indonesia and other contexts have demonstrated that participative leadership positively influences job satisfaction and employee performance (Arifuddin et al., 2021; Fauzan & Santoso, 2024). For Generation Z employees, participative leadership aligns with their preference for autonomy, transparency, and collaborative work environments (Jaleel Mahesar et al., 2025; Rizana et al., 2025). Leaders who adopt participative behaviors are more likely to build trust and psychological empowerment, which enhances job satisfaction and engagement (Fatoki, 2023).

Supportive Organizational Culture

Organizational culture refers to shared values, beliefs, and norms that guide employee behavior within an organization (Ahmad, 2020; Islamy & Nurjaman, 2018). A supportive organizational culture emphasizes employee well-being, cooperation, and mutual respect, which creates a positive work environment (Cahyati & Adelia, 2024). Studies indicate that a supportive organizational culture has a significant positive effect on job satisfaction and organizational commitment (Kalsum et al., 2023; Kumaradewa & Suwandana, 2021; Sanlia & Turangan, 2023).

In the context of Generation Z, organizational culture plays a vital role in shaping employee attitudes and retention. A culture that supports flexibility, learning, and work-life integration is particularly important for meeting the expectations of younger employees (Ilafisani et al., 2023; Liesera & Suatmi, 2024).



Work-Life Balance

Work-life balance is defined as an individual's ability to balance work responsibilities with personal and family life (Mahardika et al., 2022; Zaky, 2020). Previous research suggests that poor work-life balance can lead to stress, burnout, and reduced job satisfaction (Setyanti et al., 2022; Yasinta & Dewi, 2024). Conversely, supportive leadership and organizational practices can enhance employees' ability to achieve work-life balance (Bebasari et al., 2025; Haar et al., 2017).

Several studies have confirmed that work-life balance significantly influences job satisfaction among Generation Z employees (Aura et al., 2025; Pasaribu et al., 2025; Rinayanti Pelealu, 2025). Moreover, work-life balance has been identified as a mediating variable that explains how organizational factors affect employee outcomes (Aruldoss et al., 2021; Rashmi & Kataria, 2023).

Job Satisfaction

Job satisfaction refers to an individual's emotional and cognitive evaluation of their job experiences (Ariffin et al., 2025; Pawesti & Wikansari, 2016). Job satisfaction is influenced by various factors, including leadership style, organizational culture, work environment, and work-life balance (Jessica et al., 2023; Taheri et al., 2020). For Generation Z employees, job satisfaction is closely related to meaningful work, supportive leadership, and personal well-being (Han, 2024; Wibowo et al., 2024).

Hypotheses Development

Participative leadership promotes employee involvement, shared decision-making, and open communication, which enhance psychological empowerment and job satisfaction, particularly among Generation Z employees who value inclusivity and transparency (Arifuddin et al., 2021; Fatoki, 2023; Rizana et al., 2025). Similarly, a supportive organizational culture characterized by trust, collaboration, and organizational support fosters psychological safety and a sense of belonging, leading to higher job satisfaction (Kumaradewa & Suwandana, 2021; Shahriar et al., 2024).

Participative leadership and supportive organizational culture are also expected to improve work-life balance by enabling flexibility and better management of work and personal demands (Haar et al., 2017; Nassani et al., 2024). Work-life balance, in turn, plays a crucial role in enhancing job satisfaction by reducing stress and improving employee well-being, and it serves as a key mediating mechanism linking leadership and organizational culture to job satisfaction (Aruldoss et al., 2021; Rashmi & Kataria, 2023). Accordingly, the following hypotheses are proposed:

H1: Participative leadership style positively affects job satisfaction.

H2: Supportive organizational culture positively affects job satisfaction.



H3: Participative leadership style positively affects work–life balance.

H4: Supportive organizational culture positively affects work–life balance.

H5: Work–life balance positively affects job satisfaction.

H6: Work–life balance mediates the relationship between participative leadership style and job satisfaction.

H7: Work–life balance mediates the relationship between supportive organizational culture and job satisfaction.

METHODOLOGY

Research Design

This study employed a quantitative research approach with an explanatory design to examine the causal relationships among participative leadership style, supportive organizational culture, work-life balance, and job satisfaction of Generation Z employees in Indonesia. A quantitative approach was chosen to allow for objective measurement of variables and statistical testing of hypotheses (Ali et al., 2022; Hidayat et al., 2024). The explanatory design aimed to explain the influence of independent variables on the dependent variable through an intervening variable using empirical data.

Population and Sample

The population of this study consisted of Generation Z employees in Indonesia who are currently working across various industry sectors. Generation Z in this research refers to individuals born between 1997 and 2012 who have entered the workforce (Nugrohojati & Linando, 2025). The sampling technique applied was purposive sampling, which allowed the researcher to select respondents based on specific criteria relevant to the research objectives (Campbell et al., 2020).

The criteria for sample selection included: (1) Indonesian citizens, (2) individuals aged 18–28 years, and (3) respondents who are currently employed or have prior work experience. This approach ensured that the selected respondents accurately represented Generation Z employees with real workplace exposure (Amin et al., 2023). The final sample size met the minimum requirements for structural equation modeling using the partial least squares approach.

RESULT

Measurement Model

The measurement model demonstrated satisfactory validity and reliability. All indicator loadings exceeded 0.70, confirming convergent validity. The AVE values were above 0.50, while Composite Reliability and Cronbach's Alpha values were greater than



0.70, indicating that the measurement instruments were reliable and consistent (Hair et al., 2022).

Structural Model and Hypothesis Testing

The structural model results indicate that participative leadership significantly improves job satisfaction ($\beta = 0.284$, $p < 0.01$), suggesting that employee involvement in decision-making enhances positive work attitudes among Generation Z employees. Supportive organizational culture also positively affects job satisfaction ($\beta = 0.312$, $p < 0.001$), reflecting the importance of a work environment that provides support, trust, and collaboration.

Participative leadership ($\beta = 0.331$, $p < 0.001$) and supportive organizational culture ($\beta = 0.358$, $p < 0.001$) were found to significantly enhance work-life balance, indicating that leadership style and organizational norms play a critical role in helping employees manage work and personal responsibilities. Furthermore, work-life balance showed the strongest effect on job satisfaction ($\beta = 0.401$, $p < 0.001$), highlighting its central role in shaping job satisfaction among Generation Z employees.

The R^2 value of 0.489 for work-life balance indicates moderate explanatory power, while the R^2 value of 0.612 for job satisfaction suggests that the model explains a substantial proportion of variance in job satisfaction, supporting the robustness of the research model.

Mediation Effect

The mediation analysis revealed that work-life balance partially mediates the relationship between participative leadership and job satisfaction as well as between supportive organizational culture and job satisfaction. This indicates that leadership and organizational culture not only have a direct influence on job satisfaction but also indirectly enhance satisfaction by improving employees' ability to balance work and personal life.

DISCUSSION

This study provides empirical evidence that participative leadership and supportive organizational culture significantly enhance job satisfaction among Generation Z employees, both directly and indirectly through work-life balance. The positive effect of participative leadership on job satisfaction indicates that Generation Z employees value involvement, open communication, and shared decision-making, which foster a sense of autonomy and psychological empowerment. This finding is consistent with previous studies emphasizing that participatory leadership increases employee satisfaction by strengthening perceived organizational support and engagement (Daud et al., 2024; Fatoki, 2023).



The significant influence of supportive organizational culture on job satisfaction further highlights the role of organizational values, trust, and collaboration in shaping positive work attitudes. A supportive culture provides social and emotional resources that reduce work-related stress and enhance employee well-being, which is particularly important for Generation Z, a cohort known to prioritize meaningful work environments and psychological safety (Sabri & Sumardin, 2025; Shahriar et al., 2024).

The findings also confirm that participative leadership and supportive organizational culture significantly improve work-life balance, supporting the Job Demands–Resources theory, which posits that organizational resources can mitigate job demands and promote employee well-being (Aruldoss et al., 2021). Leaders who involve employees in decision-making and organizations that cultivate supportive cultures enable Generation Z employees to better manage work and personal responsibilities, thereby enhancing their overall work experience.

Work-life balance emerged as the strongest predictor of job satisfaction, underscoring its strategic importance in managing Generation Z employees. This result aligns with prior research suggesting that younger employees place a high premium on flexibility, autonomy, and personal well-being, and are more likely to experience satisfaction when these needs are met (Aura et al., 2025; Pasaribu et al., 2025). The partial mediation effect of work-life balance indicates that leadership and organizational culture influence job satisfaction not only through direct mechanisms but also by creating conditions that support employees' non-work lives.

CONCLUSION

This study concludes that participative leadership and supportive organizational culture play a critical role in enhancing job satisfaction among Generation Z employees in Indonesia, with work-life balance acting as a partial mediating variable. The findings demonstrate that organizations seeking to improve job satisfaction and retention among Generation Z should prioritize leadership practices that actively involve employees and foster a supportive organizational culture that promotes balance between work and personal life.

From a theoretical perspective, this study contributes to the human resource management literature by empirically validating the mediating role of work-life balance in the relationship between leadership, organizational culture, and job satisfaction within the Generation Z context. Practically, the results provide actionable insights for managers and HR practitioners to design leadership development programs and organizational policies that emphasize participation, support, and flexibility.

Despite its contributions, this study is limited by its cross-sectional design and reliance on self-reported data. Future research is encouraged to employ longitudinal



approaches, expand the sample across industries, and incorporate additional variables such as employee engagement or psychological well-being to further enrich the understanding of job satisfaction among Generation Z employees.

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