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Do Traditional HRM Practices Still Matter? Evidence from Generation Z Employee Performance in the Retail Sector

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Abstract

This study investigates the effects of training, motivation, and work environment on employee performance among Generation Z employees, with job satisfaction as a mediating variable, in the retail sector of Pangkalpinang City, Indonesia. A quantitative explanatory approach was employed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) to analyze the relationships among variables. Data were collected through structured questionnaires distributed to Generation Z employees working in modern retail businesses. The results reveal that, although training, motivation, and work environment exhibit positive relationships with employee performance, most of these effects are not statistically significant. Notably, work environment is the only variable that has a significant positive effect on job satisfaction, indicating its dominant role in shaping employee perceptions. However, job satisfaction does not significantly influence employee performance, nor does it mediate the relationships between the independent variables and performance. These findings challenge the assumptions of traditional human resource management models, suggesting that employee performance among Generation Z is not primarily driven by individual-level factors such as motivation and training, but rather influenced by contextual and environmental conditions. The study contributes to the literature by highlighting the limitations of classical HRM theories in contemporary workforce settings and emphasizes the need for more context-sensitive and adaptive HR strategies. From a practical perspective, organizations are encouraged to prioritize the development of supportive work environments rather than relying solely on conventional training and motivation-based approaches to improve performance.

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INTRODUCTION

The rapid transformation of the global business landscape, driven by digital disruption, technological advancement, and shifting workforce demographics, has fundamentally altered the way organizations manage human resources. In this context, employee performance is no longer solely determined by traditional human resource management (HRM) practices such as training and motivation, but increasingly influenced by generational differences in work values, expectations, and behavioral patterns. The emergence of Generation Z as a dominant segment of the global workforce represents a critical inflection point for HRM theory and practice. Characterized by high digital fluency, a preference for flexibility, a strong orientation toward meaningful work, and lower organizational loyalty, Generation Z challenges conventional assumptions about employee behavior and performance (Schroth, 2019; Seemiller & Grace, 2020; Rudolph et al., 2021; Gabrielova & Buchko, 2021). Recent global reports further indicate that engagement levels and performance consistency among younger employees tend to be more volatile, raising concerns about productivity sustainability and workforce stability (Deloitte, 2023; Gallup, 2023; McKinsey, 2022). These developments suggest that traditional HRM models may no longer adequately explain employee performance in contemporary organizational contexts.

The retail sector provides a particularly relevant setting to examine this phenomenon due to its labor-intensive nature, high customer interaction, and operational pressures. In Indonesia, including in Pangkalpinang City, the rapid expansion of modern retail formats such as convenience stores and supermarkets reflects growing consumer demand and economic activity. However, this growth is not always accompanied by improvements in workforce performance, particularly among Generation Z employees who dominate entry-level positions in the sector. High turnover rates, fluctuating motivation, and misalignment between employee expectations and organizational conditions indicate a structural tension in HRM practices. This raises a fundamental question: to what extent do traditional determinants such as training, motivation, and work environment remain relevant in explaining employee performance within a Generation Z workforce in a dynamic retail context?

From a theoretical perspective, training, motivation, and work environment have long been established as key determinants of employee performance. Training, grounded

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in Human Capital Theory, is viewed as a strategic investment that enhances individual capabilities and productivity (Becker, 1993; Noe et al., 2020). Motivation, often explained through Expectancy Theory, posits that individuals exert effort when they expect it will lead to valued outcomes (Vroom, 1964; Kanfer et al., 2017). Meanwhile, the work environment, conceptualized within frameworks such as the Job Demands–Resources model and Social Exchange Theory, influences employee well-being, engagement, and performance through both physical and social conditions (Bakker & Demerouti, 2017; Cropanzano et al., 2017). In addition, job satisfaction has traditionally been positioned as a mediating psychological mechanism linking organizational factors to employee performance (Judge et al., 2001; Locke, 1976). However, emerging literature increasingly questions the universality and stability of these relationships, particularly in the context of new workforce generations with distinct value systems and expectations (Costanza et al., 2019; Rudolph et al., 2021; Ariza-Montes et al., 2020).

Empirical evidence further reveals inconsistencies in the relationships among training, motivation, job satisfaction, and employee performance. On one hand, training has been shown to improve performance through enhanced skills and efficiency (Salas et al., 2019; Aguinis & Kraiger, 2020), yet other studies suggest that its impact is contingent upon relevance, transferability, and organizational support (Grossman & Salas, 2019). Similarly, while motivation is widely regarded as a primary driver of performance (Gagné et al., 2019), it does not always translate into measurable outcomes, particularly in environments lacking structural support (Van den Broeck et al., 2021). The relationship between job satisfaction and performance also remains contested, with some studies supporting the “happy–productive worker” hypothesis, while others report weak or insignificant associations (Judge et al., 2001; Bowling, 2007; Platis et al., 2015). These inconsistencies highlight a critical tension between established theoretical assumptions and empirical realities.

More importantly, within the context of Generation Z, there is growing evidence that performance mechanisms may be shifting from individual-driven to context-driven dynamics. Unlike previous generations, Generation Z employees appear to respond more strongly to experiential and environmental factors, such as workplace culture, social relationships, and perceived organizational support, rather than traditional extrinsic motivators. This suggests a potential paradigm shift in HRM, where contextual factors play a more dominant role than individual psychological drivers. However, most existing studies continue to rely on classical linear models, without critically examining their applicability to contemporary workforce conditions or specific industrial contexts.

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Based on this synthesis, three critical research gaps can be identified. First, from a theoretical perspective, there is a need to re-evaluate the validity of classical HRM models in explaining employee performance within a Generation Z workforce. Second, from an empirical standpoint, inconsistent findings across studies indicate that the relationships among key HR variables are context-dependent rather than universal. Third, from a contextual perspective, there is a lack of research focusing specifically on Generation Z employees in the retail sector within emerging regional settings such as Pangkalpinang, which possess unique labor market and organizational characteristics. Therefore, this study does not merely address a gap in the literature but also challenges the foundational assumptions underlying traditional HRM frameworks.

In response to these gaps, this study offers a novel contribution by developing and testing an integrative model that examines the effects of training, motivation, and work environment on employee performance, with job satisfaction as a mediating variable, specifically within a Generation Z workforce in the retail sector. The novelty of this study lies not only in the integration of these variables but also in its critical examination of whether classical HRM theories remain applicable in contemporary contexts. By employing Structural Equation Modeling (SEM-PLS), this study captures complex interrelationships among variables, providing a more comprehensive understanding of performance mechanisms.

Accordingly, the objective of this study is to analyze the direct and indirect effects of training, motivation, and work environment on the performance of Generation Z employees, with job satisfaction as a mediating variable, in the retail sector of Pangkalpinang City. Beyond hypothesis testing, this study aims to critically evaluate the explanatory power of established HRM models in the context of a new generation workforce.

Theoretically, this study contributes to the advancement of human resource management literature by offering a critical reassessment of classical performance models and highlighting their limitations in contemporary workforce contexts. Practically, the findings are expected to provide valuable insights for organizations, particularly in the retail sector, in designing more adaptive, context-sensitive, and generation-oriented HR strategies. Ultimately, this study seeks to bridge the gap between traditional HRM theory and the evolving realities of modern workforce behavior.

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RESEARCH METHODS

This study adopts a quantitative, explanatory research design to examine the causal relationships among training, motivation, work environment, job satisfaction, and employee performance within a Generation Z workforce in the retail sector. The explanatory approach is appropriate as it allows for testing theoretically grounded hypotheses and identifying both direct and indirect effects among variables within an integrated structural model. Given the complexity of the proposed relationships, particularly the inclusion of a mediating variable, this study employs a multivariate statistical approach to ensure robust and comprehensive analysis.

The population of this study consists of Generation Z employees working in the retail sector in Pangkalpinang City, Indonesia. Generation Z is operationally defined as individuals born between 1997 and 2012, consistent with widely accepted demographic classifications (Dimock, 2019). The retail sector includes employees from modern retail outlets such as minimarkets, supermarkets, and local retail chains. Considering the relatively manageable size of the population and the need to capture a comprehensive representation of employee perceptions, this study employs a saturated sampling technique (census method), where all members of the population are included as respondents. This approach minimizes sampling bias and enhances the generalizability of findings within the study context.

Data were collected using a structured questionnaire designed based on validated measurement scales from prior studies, with necessary contextual adaptations to fit the retail environment. The questionnaire consists of five main constructs: training, motivation, work environment, job satisfaction, and employee performance. All items are measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), allowing for the assessment of respondents' perceptions in a standardized manner. The training construct captures dimensions such as relevance of training content, quality of delivery, and applicability to job tasks (Noe et al., 2020). Motivation includes both intrinsic and extrinsic aspects, such as recognition, achievement, and rewards (Gagné et al., 2019). Work environment encompasses physical conditions, safety, and social relationships in the workplace (Bakker & Demerouti, 2017). Job satisfaction reflects employees' overall evaluation of their job, including satisfaction with tasks, supervision, and work conditions (Judge et al., 2001). Employee performance is measured through indicators such as work quality, productivity, timeliness, and responsibility.

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Prior to the main analysis, the measurement model (outer model) was evaluated to ensure the validity and reliability of the constructs. Convergent validity was assessed using outer loadings and Average Variance Extracted (AVE), with acceptable thresholds of 0.70 and 0.50 respectively (Hair et al., 2021). Discriminant validity was examined using the Fornell–Larcker criterion and cross-loadings to confirm that each construct is empirically distinct. Reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR), with values above 0.70 indicating acceptable internal consistency. These procedures ensure that the measurement instruments are both accurate and consistent in capturing the underlying constructs.

The structural model (inner model) was analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with the assistance of SmartPLS software. SEM-PLS was selected due to its suitability for complex models, its ability to handle relatively small sample sizes, and its minimal assumptions regarding data normality (Hair et al., 2021). The analysis includes the estimation of path coefficients to assess the strength and direction of relationships among variables, as well as the evaluation of statistical significance using the bootstrapping technique. Bootstrapping was conducted with a large number of resamples to obtain stable estimates of standard errors, t-statistics, and p-values.

In addition, the coefficient of determination (R^2) was used to assess the explanatory power of the model in predicting endogenous variables, particularly job satisfaction and employee performance. Effect size (f^2) and predictive relevance (Q^2) were also examined to evaluate the practical significance and predictive capability of the model. To test the mediating role of job satisfaction, indirect effects were analyzed using bootstrapping procedures, following established guidelines for mediation analysis in PLS-SEM. A mediation effect is considered significant when the indirect path coefficient is statistically significant.

RESULTS AND DISCUSSION

The evaluation of the measurement model confirms that all constructs meet the required standards of validity and reliability. All indicator loadings exceed the threshold of 0.70, and the Average Variance Extracted (AVE) values are above 0.50, indicating satisfactory convergent validity. Additionally, Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70, confirming strong internal consistency. These results demonstrate that the measurement model is robust and suitable for structural analysis. The structural model assessment indicates strong explanatory power, with an

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R^2 value of 0.620 for job satisfaction and 0.721 for employee performance. These values suggest that the model explains a substantial proportion of variance in both endogenous variables, indicating high predictive relevance in the context of Generation Z employees in the retail sector. To further examine the relationships among variables, Table 1 presents the results of hypothesis testing, including path coefficients, t-statistics, and p-values.

Table 1. Path Coefficients, T-Statistics, and P-Values for Hypothesis Testing

Hypothesis	Relationship	Path Coefficient (β)	T-Statistic	P-Value	Result
H1	Training → Employee Performance	0.276	1.790	0.074	Not Significant
H2	Motivation → Employee Performance	0.254	1.715	0.086	Not Significant
H3	Work Environment → Employee Performance	0.258	1.553	0.121	Not Significant
H4	Job Satisfaction → Employee Performance	0.146	1.095	0.274	Not Significant
H5	Training → Job Satisfaction	0.280	1.198	0.231	Not Significant
H6	Motivation → Job Satisfaction	0.109	0.549	0.583	Not Significant
H7	Work Environment → Job Satisfaction	0.448	2.674	0.008	Significant

As shown in Table 1, the results reveal that most of the hypothesized relationships are positive but not statistically significant, indicating a deviation from conventional theoretical expectations. Specifically, the relationship between training and employee performance (β = 0.276; p = 0.074) is positive but not significant at the 5% level, although it approaches marginal significance. This suggests that training may have a potential influence on performance, but its effectiveness is not sufficiently strong in this context. This finding implies that training programs may not be fully aligned with job requirements or lack effective implementation, thereby limiting their impact on actual performance outcomes. Similarly, motivation does not have a significant effect on employee

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performance (β = 0.254; p = 0.086), despite showing a positive direction. This result challenges the traditional assumption derived from Expectancy Theory, which posits that motivation directly drives performance. The finding indicates that motivation alone is insufficient to produce higher performance among Generation Z employees, particularly in operationally constrained environments such as retail. It suggests that motivational factors need to be supported by structural and organizational mechanisms to be effectively translated into performance.

The relationship between work environment and employee performance (β = 0.258; p = 0.121) is also positive but not statistically significant. While the work environment appears to contribute to performance, its direct effect is not strong enough to be considered significant. This indicates that the role of the work environment may be more indirect rather than directly influencing performance outcomes. Interestingly, job satisfaction does not significantly affect employee performance (β = 0.146; p = 0.274). This finding contradicts the widely accepted "happy–productive worker" hypothesis, suggesting that in the context of Generation Z, job satisfaction does not necessarily translate into improved performance. This may indicate that job satisfaction functions more as a psychological state related to well-being rather than a direct driver of productivity. On the other hand, the relationship between work environment and job satisfaction (β = 0.448; p = 0.008) is the only significant path in the model. This finding highlights the critical role of the work environment in shaping employee satisfaction. A supportive, comfortable, and socially conducive work environment significantly enhances job satisfaction among Generation Z employees, who tend to place high value on workplace experience and interpersonal relationships. In contrast, training (β = 0.280; p = 0.231) and motivation (β = 0.109; p = 0.583) do not significantly influence job satisfaction. These findings suggest that job satisfaction in this context is more strongly driven by environmental and contextual factors rather than individual-level factors such as motivation or training.

Overall, the findings presented in Table 1 indicate a structural shift in the determinants of employee performance. While traditional HRM theories emphasize the importance of training, motivation, and job satisfaction as primary drivers of performance, the results of this study suggest that these relationships are not universally applicable, particularly within a Generation Z workforce. The lack of significant relationships across most hypotheses suggests that employee performance in this context is not primarily driven by individual-level factors, but rather influenced by broader contextual and organizational conditions. The significant role of the work environment in shaping job

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satisfaction further reinforces the importance of contextual factors in understanding employee behavior. These findings support the notion of a paradigm shift from individual-driven performance models to context-driven performance mechanisms. In this framework, employee performance is less about internal motivation or satisfaction alone, and more about how well the organizational environment supports and enables employees to perform. From a theoretical perspective, this study challenges the universality of established frameworks such as Human Capital Theory, Expectancy Theory, and the Happy–Productive Worker model. From a practical standpoint, the results suggest that organizations—particularly in the retail sector—should move beyond traditional HR practices and focus on creating supportive, engaging, and meaningful work environments that align with the expectations of Generation Z employees.

Table 2. Indirect Effects (Mediation Analysis via Job Satisfaction)

Hypothesis	Indirect Path	Indirect Effect (β)	T-Statistic	P-Value	Mediation Result
H8	Training → Job Satisfaction → Employee Performance	0.041	0.736	0.461	Not Significant
H9	Motivation → Job Satisfaction → Employee Performance	0.016	0.345	0.730	Not Significant
H10	Work Environment → Job Satisfaction → Employee Performance	0.065	0.868	0.385	Not Significant

As presented in Table 2, the results of the indirect effect analysis indicate that job satisfaction does not significantly mediate the relationships between training, motivation, and work environment on employee performance. All indirect paths show positive coefficients; however, none reach statistical significance ($p > 0.05$), suggesting that the mediating mechanism commonly assumed in the human resource management literature is not supported in this study. Specifically, the indirect effect of training on employee performance through job satisfaction ($\beta = 0.041$; $p = 0.461$) is not significant, indicating that training does not enhance performance through increased job satisfaction. This finding implies that even if training contributes to improving employees' perceptions of

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their work, such improvements do not translate into measurable performance outcomes. This result challenges the assumption embedded in Human Capital Theory that capability development naturally leads to enhanced performance via psychological mechanisms such as satisfaction.

Similarly, the indirect effect of motivation on employee performance through job satisfaction (β = 0.016; p = 0.730) is also not significant. This suggests that motivation does not influence performance through satisfaction as an intermediary mechanism. In other words, even when employees feel motivated, this motivation does not necessarily increase job satisfaction in a way that drives performance. This finding contradicts traditional motivational frameworks and indicates that the linkage between motivation, satisfaction, and performance may be weaker or more complex in the context of Generation Z employees. Furthermore, the indirect effect of work environment on employee performance through job satisfaction (β = 0.065; p = 0.385) is also not statistically significant, despite the fact that the direct relationship between work environment and job satisfaction is significant. This indicates that although the work environment strongly enhances job satisfaction, such satisfaction does not serve as an effective pathway to improve performance. This disconnect suggests that job satisfaction, while important for employee well-being, may not function as a strategic lever for performance enhancement in this context.

Collectively, these findings provide strong evidence against the mediating role of job satisfaction, which has long been considered a central mechanism in explaining how HR practices influence employee performance. The absence of mediation across all tested paths suggests that the traditional linear model—where organizational factors influence performance through satisfaction—is insufficient to explain the behavior of Generation Z employees. From a theoretical perspective, these results signal a critical limitation of classical HRM models, particularly those grounded in the “happy–productive worker” assumption. The findings imply that job satisfaction may operate as an outcome variable rather than a mediating mechanism, or alternatively, that other unobserved variables (e.g., engagement, psychological empowerment, or organizational commitment) may play a more significant mediating role. From a broader perspective, the results support the argument that employee performance in contemporary workforce contexts—especially among Generation Z—is shaped by more complex and non-linear mechanisms. Rather than being driven by satisfaction alone, performance may depend on the alignment between individual expectations, job design, and organizational systems. From a managerial standpoint, these findings suggest that organizations should

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be cautious in assuming that improving job satisfaction will automatically lead to better performance. While enhancing satisfaction remains important for retention and well-being, it should not be treated as a primary mechanism for driving productivity. Instead, organizations need to adopt a more integrative approach that directly addresses structural and contextual factors influencing performance.

The findings of this study reveal a consistent and non-trivial pattern in which most hypothesized relationships—although positive—are statistically non-significant. Rather than indicating model failure, this pattern points to a systematic limitation of traditional human resource management (HRM) assumptions when applied to a Generation Z workforce in a retail context. In other words, the results suggest not a lack of relationships, but a misalignment between classical theoretical expectations and contemporary workforce realities. First, the non-significant effects of training and motivation on employee performance challenge two foundational pillars of HRM theory—Human Capital Theory and Expectancy Theory. While these frameworks assume that capability development (through training) and internal drive (through motivation) directly translate into higher performance, the present findings indicate that such mechanisms may no longer operate in a straightforward manner. This suggests that, within a Generation Z workforce**,** the conversion of inputs (training and motivation) into outputs (performance) is not automatic, but contingent upon contextual enablers that were not fully captured in traditional models. This aligns with emerging perspectives that emphasize the diminishing explanatory power of individual-centric models in increasingly complex and fluid work environments.

More critically, the absence of a significant relationship between job satisfaction and employee performance directly contradicts the widely accepted *happy–productive worker* hypothesis. This finding indicates that job satisfaction may no longer function as a primary driver of productivity, particularly among Generation Z employees. Instead, satisfaction appears to operate as a psychological condition related to well-being rather than performance enhancement. This decoupling of satisfaction and performance suggests a fundamental shift in employee behavior, where being satisfied with a job does not necessarily imply a higher level of effort, engagement, or output. Such a finding calls into question the continued reliance on satisfaction as a central mediating mechanism in HRM models. The mediation analysis further reinforces this argument. The complete absence of significant indirect effects through job satisfaction suggests that **the** classical linear pathway—where HR practices influence performance through satisfaction—is structurally weak in this context. This is a critical insight, as it implies that job satisfaction

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may no longer serve as an effective transmission mechanism between organizational practices and performance outcomes. Instead, performance may be shaped by more immediate, situational, or structural factors, rather than by internal psychological states alone.

Interestingly, the only significant relationship identified in this study is between work environment and job satisfaction. This highlights the central role of contextual factors**,** particularly the work environment, in shaping employee perceptions and experiences. However, the fact that this relationship does not extend to employee performance suggests **a** disconnect between experience and output. In other words, while a supportive work environment enhances how employees feel about their jobs, it does not necessarily influence how they perform. This finding further supports the argument that performance in a Generation Z workforce may be governed by different mechanisms than those assumed in traditional HRM theory. Taken together, these findings point toward a broader conceptual shift—from individual-driven performance models to context-driven performance mechanisms. Traditional models assume that improving individual attributes such as skills, motivation, and satisfaction will naturally lead to better performance. However, the results of this study suggest that such an assumption may no longer hold in contemporary workforce settings. Instead, performance appears to be influenced by a more complex interplay of contextual, structural, and possibly unobserved factors, such as job design, leadership style, digital work systems, or psychological empowerment.

From a theoretical standpoint, this study contributes by challenging the universality of established HRM frameworks. It demonstrates that widely accepted theories—including Human Capital Theory, Expectancy Theory, and the Happy–Productive Worker model—may have limited applicability in explaining employee performance within a Generation Z context. This does not invalidate these theories, but rather indicates that their explanatory power is context-dependent and requires adaptation. Consequently, this study calls for the development of more context-sensitive and generationally informed HRM models**.**

From a practical perspective, the findings carry significant implications for organizations, particularly in the retail sector. The results suggest that relying solely on traditional HR interventions such as training programs and motivational strategies may not yield the expected improvements in performance. Instead, organizations need to adopt a more **holistic and system-oriented approach**, focusing on aligning work environments, job structures, and organizational systems with the expectations and

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working styles of Generation Z employees. Importantly, while improving job satisfaction remains valuable for employee well-being and retention, it should not be assumed to automatically enhance performance.

CONCLUSION

This study set out to examine the effects of training, motivation, and work environment on employee performance among Generation Z employees in the retail sector, with job satisfaction positioned as a mediating variable. The findings reveal a consistent pattern in which most hypothesized relationships are positive but not statistically significant, with the exception of the relationship between work environment and job satisfaction. These results indicate that while traditional HRM variables remain directionally relevant, their explanatory power in predicting employee performance is limited within the context of Generation Z. One of the most important conclusions of this study is that employee performance in a Generation Z workforce is not primarily driven by individual-level factors such as training, motivation, or even job satisfaction. Instead, performance appears to be influenced by more complex and context-dependent mechanisms. The absence of significant direct effects from training and motivation suggests that capability development and motivational inputs alone are insufficient to generate measurable performance outcomes. Similarly, the non-significant relationship between job satisfaction and employee performance indicates that satisfaction no longer functions as a reliable predictor of productivity, challenging the traditional *happy–productive worker* assumption.

Furthermore, the mediation analysis confirms that job satisfaction does not act as an effective intermediary between HR practices and employee performance. This finding highlights a critical limitation of classical HRM models, which often assume a linear pathway from organizational practices to performance through psychological states. In contrast, the results of this study suggest that such mechanisms may be weakened or even disrupted in the context of Generation Z employees, whose work behavior is shaped by different values, expectations, and contextual influences. Despite the lack of significant relationships in most paths, the model demonstrates strong explanatory power, indicating that the variables included in this study remain relevant but operate in a more complex and indirect manner. The significant effect of work environment on job satisfaction underscores the importance of contextual factors in shaping employee experiences. However, the absence of a corresponding effect on performance suggests that enhancing employee well-being alone is not sufficient to improve productivity.

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From a theoretical perspective, this study contributes to the literature by critically re-evaluating the applicability of established HRM theories—such as Human Capital Theory, Expectancy Theory, and the Happy–Productive Worker model—in a contemporary workforce setting. The findings suggest that these theories, while still valuable, may require adaptation to better reflect the realities of Generation Z employees. In particular, the study highlights the need to move beyond individual-centric models toward more context-sensitive frameworks that incorporate environmental, structural, and generational factors. From a practical standpoint, the findings imply that organizations—especially in the retail sector—should reconsider their HR strategies. Rather than relying solely on training programs and motivational initiatives, organizations need to focus on creating work systems that are aligned with the expectations of Generation Z. This includes designing more meaningful work, improving organizational support systems, and developing adaptive work environments that facilitate not only satisfaction but also performance outcomes.

Nevertheless, this study has several limitations that should be acknowledged. First, the research is limited to the retail sector in Pangkalpinang, which may restrict the generalizability of the findings to other industries or regions. Second, the cross-sectional design limits the ability to capture dynamic changes in employee behavior over time. Third, this study focuses on a specific set of variables, and future research should consider incorporating additional factors such as employee engagement, leadership style, digital work systems, or psychological empowerment to provide a more comprehensive understanding of performance mechanisms. Future research is therefore encouraged to explore alternative models that better capture the complexity of employee performance in contemporary settings. Longitudinal studies, multi-sector analyses, and the inclusion of emerging variables relevant to Generation Z are particularly recommended. By doing so, future studies can further refine theoretical models and provide deeper insights into how organizations can effectively manage performance in an evolving workforce landscape.

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