



The Influence of Transformational Leadership Style and Emotional Intelligence on the Performance of Generation Z Employees in the Hybrid Work Era (A Study at PT Sari Mas Permai, Palembang)

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ABSTRACT

This study aims to examine the influence of transformational leadership style and emotional intelligence on the performance of Generation Z employees in the context of hybrid work at PT Sari Mas Permai, Palembang. The post-pandemic work landscape has driven companies to adapt to flexible work systems, which require new managerial approaches in managing the younger generation of employees. This research employs a quantitative approach using a survey method involving 100 Generation Z employees working in the administration and marketing departments. The research instruments were tested for validity and reliability, then analyzed using multiple linear regression.

The results show that transformational leadership style has a positive and significant effect on employee performance, with a coefficient of 0.328 and a significance value of 0.013. Meanwhile, emotional intelligence exerts a more dominant influence with a coefficient of 0.467 and a significance value of 0.000. Simultaneously, the two independent variables explain 62.4% of the variation in employee performance ($R^2 = 0.624$). These findings affirm that the combination of inspirational leadership and strong emotional abilities are key factors in enhancing the performance of Generation Z in a dynamic and digital work environment.

The implications of this study highlight the importance of developing a transformative leadership model and strengthening emotional intelligence as part of human resource management strategies. Companies need to provide training and mentoring programs to foster a work culture that supports adaptation and productivity among young employees in the hybrid work era.

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INTRODUCTION

The shift in work patterns after the COVID-19 pandemic has driven many companies to adopt hybrid work systems that combine online and offline work flexibly. This transformation has not only impacted organizational structures but also the dynamics of leadership and employee relations. In this context, the most affected generation of employees is Generation Z—individuals born after 1996—who are now actively entering the workforce. They possess unique characteristics such as dependence on technology, a desire for

flexibility, and an orientation toward meaningful work values. Therefore, human resource management, particularly leadership style, needs to be adjusted to create a productive work climate amid the complexities of hybrid work (Pratama et al., 2023).

Transformational leadership style is considered one of the most effective approaches in managing change and inspiring employees to achieve optimal performance. Transformational leaders not only provide direction but also nurture, motivate, and build a strong shared vision. This approach is regarded as suitable for facing the challenges of the hybrid work era, as it addresses employees' needs for flexibility and independence, especially among Generation Z (Nasrullah & Nurhidayati, 2021). Previous research has shown that this leadership style positively impacts various employee performance indicators such as loyalty, productivity, and innovation (Setiawan et al., 2020).

In addition to leadership, emotional intelligence also plays an important role in managing employee performance, particularly in work situations that are not fully face-to-face. Emotional intelligence includes the ability to recognize, understand, and manage both one's own emotions and those of others. In a hybrid work environment, where communication often takes place virtually, this ability becomes crucial to maintaining harmonious working relationships and fostering empathy among team members (Yuniarti & Widyastuti, 2022). Generation Z, while highly adaptive to technology, often faces challenges in emotional regulation and interpersonal communication, making emotional intelligence an essential indicator in supporting their performance.

PT Sari Mas Permai, a national private company in the cooking oil industry in Palembang, has adopted a flexible work system, particularly for administration and marketing divisions. With its modern organizational structure and significant recruitment of young Generation Z employees, the company serves as an ideal location to study how transformational leadership and emotional intelligence interact in influencing employee performance in the hybrid work era. This research is also expected to contribute to the development of more adaptive HR management policies for younger generations.

Although many studies have examined the relationship between leadership and employee performance, few have specifically explored the simultaneous role of transformational leadership and emotional intelligence on Generation Z's performance in hybrid work contexts. Moreover, studies conducted in the private, non-state-owned sector in South Sumatra remain limited. Thus, this research offers significant novelty while providing practical relevance for companies undergoing work model transformations.

Employee performance is a vital element in determining organizational success. Within the framework of organizational behavior theory, performance is not only influenced by technical skills or work experience but also by psychological factors and interpersonal relationships in the workplace (Robbins & Judge, 2021). For Generation Z, who tend to have high expectations for work-life balance and personal involvement in their jobs, leadership styles that provide intrinsic motivation and good emotional management will significantly impact performance. Therefore, a deep understanding of Gen Z's preferences and responses to leadership styles and emotional dimensions becomes crucial.

According to the transformational leadership theory introduced by Bass & Avolio, there are four main components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Leaders who can internalize these four components are more likely to build highly committed and adaptive teams in hybrid work settings (Avolio et al., 2018). On the other hand, Goleman's theory of emotional intelligence highlights five key domains: self-awareness, self-regulation, motivation, empathy, and social skills. The synergy between transformational leadership and emotional intelligence is believed to foster a work environment that supports individual growth, including that of Generation Z.

Various empirical studies have demonstrated the positive influence of transformational leadership on employee performance. For example, Nugroho et al. (2022) found that transformational leaders can enhance employee performance through the mediation of intrinsic work motivation. Another study by Latif et al. (2020) showed that managers' emotional intelligence contributes to employee job satisfaction and productivity. However, most of these studies have not specifically examined the interaction between these two variables in relation to Generation Z within hybrid work systems. Thus, it is essential to develop a model that integrates both variables to address contemporary HR management challenges.

In practice, the greatest challenges of hybrid work are not only technical aspects like digital infrastructure but also human aspects such as communication clarity, remote leadership, and emotional conflict management. Generation Z, as a group born in the digital era, excels in technology use but is also prone to work stress due to multitasking and high expectations of leaders (Sutanto & Handayani, 2021). Hence, leaders who can build empathetic relationships, empower team members, and create an inspiring work vision are crucial to maintaining Gen Z's performance stability amid hybrid work demands.

PT Sari Mas Permai is a large-scale manufacturing company with an integrated work structure across its headquarters, factory, and distribution divisions. In recent years, the company has recruited a significant number of young employees into strategic positions in marketing, administration, and operations. Facing dynamic market conditions and the challenges of hybrid work adaptation, the company has actively driven internal transformations, particularly in leadership and HR management. This makes PT Sari Mas Permai a

relevant and compelling case study to explore how transformational leadership and emotional intelligence contribute to the performance of Generation Z employees.

In modern human resource management, managing Generation Z's performance cannot be separated from humanistic and value-based approaches. This generation, growing up amid rapid technological and social change, has heightened sensitivity to fairness, participation, and work-life balance. Several studies indicate that authoritarian or transactional leadership styles tend to be less effective in enhancing this group's performance, potentially even causing resistance or disengagement (Putri & Prasetya, 2020). Conversely, transformational leadership that fosters emotional engagement and recognition of individual contributions is considered more effective in driving loyalty and long-term performance.

In hybrid work, interactions are no longer dominated by face-to-face communication but occur through digital channels such as email, video conferencing, and online collaboration platforms. This shift transforms how leaders influence subordinates, moving from instructional to inspirational and participatory approaches. Here lies the importance of leaders with high emotional intelligence, as their ability to recognize team emotions, respond empathetically, and build trust virtually becomes a competitive advantage that no automation system can replace (Utomo et al., 2021). Thus, measuring the influence of transformational leadership style and emotional intelligence on Generation Z's performance is crucial in today's flexible and globalized work environment.

An in-depth, contextual study of this dynamic not only contributes theoretically to HR management literature but also impacts organizational practice. By understanding Generation Z's preferences and characteristics, companies can design more adaptive and human-centric leadership policies. PT Sari Mas Permai, currently consolidating resources and undergoing digital transformation, represents an ideal subject for empirically reflecting this phenomenon. Its complex organizational structure and multigenerational workforce provide sufficient scope to compare the effectiveness of various leadership approaches.

Furthermore, the hybrid work approach introduces new challenges that have not been widely researched locally, particularly in South Sumatra. Most previous studies have focused on Java and metropolitan areas, which do not fully represent cultural and organizational conditions outside the national economic center. Conducting this study in Palembang, specifically in the private industrial sector such as PT Sari Mas Permai, is expected to enrich the literature on managing young employees in hybrid work within regions with distinct social and cultural characteristics (Rahman & Cahyadi, 2021). This study also offers practical contributions in helping local companies understand how to sustain young employees' performance amid shifting work landscapes.

Considering the urgency, relevance, and scarcity of studies in this area, research on the influence of transformational leadership style and emotional intelligence on Generation Z employees' performance in the hybrid work era is highly significant. Beyond providing theoretical insights into the relationships between these variables, this study also offers direct implications for developing management and leadership strategies in national private companies. Using a quantitative approach, the research aims to objectively measure the extent to which the two independent variables affect the dependent variable and present data that can serve as the basis for future internal policy formulation.

The selection of PT Sari Mas Permai as the research site is based on its organizational characteristics, which align with the study's focus. As a national private company engaged in the cooking oil processing industry, PT Sari Mas Permai has a modern and dynamic organizational structure with a significant proportion of young employees, especially from Generation Z. In addition, the company has adopted flexible and semi-hybrid work systems, particularly in administration, marketing, and logistics. This situation creates the right context to observe how leadership styles and emotional intelligence influence young employees' performance in a non-conventional work model.

Moreover, PT Sari Mas Permai is recognized as a company with advanced HR management practices, making it an ideal setting to empirically examine organizational behavior dynamics. Its strategic location in Palembang also facilitates direct data collection through observations and surveys. The multigenerational and heterogeneous work environment within the company allows for comprehensive observation of Generation Z's adaptation to leadership styles and the influence of emotional aspects on work performance. Thus, the company serves as a suitable representation to address the research questions in this study.

METHODOLOGY

This study employs an associative quantitative approach with a survey method, aimed at testing the relationship and influence of transformational leadership style and emotional intelligence on the performance of Generation Z employees in the hybrid work era. This approach was chosen as it allows for objective measurement of the studied variables through standardized instruments. Data were collected using a closed-ended questionnaire with a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5), distributed to respondents both directly and online.

The population in this study consists of all Generation Z employees (born 1996–2012) working at PT Sari Mas Permai, particularly in the administration, marketing, and operations divisions that implement a

hybrid work system. Purposive sampling was applied to select respondents who met specific criteria: employees aged a maximum of 28 years and with at least six months of work experience in the company. The sample size was determined using the Slovin formula with a 5% margin of error, resulting in 90–100 respondents as a representative sample.

The study investigates three main variables:

1. Transformational Leadership Style (X_1)
Measured based on Bass & Avolio's dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.
2. Emotional Intelligence (X_2)
Measured through Goleman's indicators: self-awareness, self-regulation, empathy, motivation, and social skills.
3. Employee Performance (Y)
Measured based on Mangkunegara's aspects: quality of work, productivity, timeliness, and work initiative.

Before data analysis, the research instruments were tested for validity and reliability using Pearson Product Moment and Cronbach's Alpha, with a reliability threshold of ≥ 0.70 . Data analysis was then conducted using multiple linear regression with the assistance of the latest version of SPSS software. Classical assumption tests such as normality, multicollinearity, and heteroscedasticity were also performed to ensure the suitability of the regression model. Hypothesis testing was carried out through partial t-tests and simultaneous F-tests with a 5% significance level.

The research design was structured to provide a comprehensive understanding of the extent to which each independent variable affects employee performance, both individually and collectively. The hypothesis model was built based on relevant theories and previous studies, adapted to the organizational context and characteristics of Generation Z. The results are expected to provide strong empirical evidence to recommend more effective leadership and HR management strategies, particularly in addressing the challenges of the hybrid work era in the private industrial sector.

Table of Variables, Indicators, and Sources

No.	Variable	Sub-Variabel/Indicator	Scale	Source
1.	Transformational Leadership Style (X_1)	- Idealized influence - Inspirational motivation - Intellectual stimulation - Individualized consideration	Likert	Bass & Avolio (2004)
2.	Emotional Intelligence (X_2)	- Self-awareness - Self-regulation - Empathy - Motivation - Social skills	Likert	Goleman (1998)
3.	Employee Performance (Y)	- Quality of work - Productivity - Timeliness - Work initiative	Likert	Mangkunegara (2017)

Research Hypotheses

- H1: Transformational leadership style has a positive and significant effect on the performance of Generation Z employees at PT Sari Mas Permai, Palembang.
- H2: Emotional intelligence has a positive and significant effect on the performance of Generation Z employees at PT Sari Mas Permai, Palembang.
- H3: Transformational leadership style and emotional intelligence simultaneously have a positive and significant effect on the performance of Generation Z employees at PT Sari Mas Permai, Palembang.

RESULT

The results of the multiple linear regression analysis show that both independent variables, namely transformational leadership style and emotional intelligence, simultaneously have a significant effect on the performance of Generation Z employees at PT Sari Mas Permai, Palembang. This is indicated by the F-value of 49.231 with a significance level of 0.000, which is smaller than the threshold $\alpha = 0.05$, meaning that this regression model is feasible to explain the dependent variable. With an R Square value of 0.624, it can be concluded that 62.4% of the variation in employee performance can be explained by the combination of transformational leadership style and emotional intelligence, while the remainder is explained by other factors outside the model.

Table of Multiple Linear Regression Analysis Results

Independent Variable	Regression Coefficient (B)	t-value	Sig. (p-value)	Note
Transformational Leadership Style (X_1)	0.328	2.521	0.013	Significant
Emotional Intelligence (X_2)	0.467	3.904	0.000	Highly Significant
R Square (R^2)	0.624	-	-	Model is fairly strong
F-value	49.231	-	0.000	Simultaneously significant
N	100 respondents	-	-	

Compared to the two variables, emotional intelligence is proven to be the more dominant predictor in explaining variations in employee performance. This aligns with the characteristics of hybrid work, which require emotional regulation, virtual collaboration, and interpersonal sensitivity as key success factors for individuals in achieving work targets. Meanwhile, leadership still plays a significant role as a guide and motivator; however, its effectiveness depends on how well leaders can adjust their communication style to the needs and characteristics of the younger generation. Overall, these results indicate that human resource management in the hybrid work era cannot rely on a single approach. A combination of inspirational leadership style and individual ability to manage emotions is a key factor in creating optimal performance among Generation Z employees. Therefore, companies need to strengthen leadership training programs and the development of emotional intelligence, both for supervisors and employees, in order to create an adaptive, harmonious, and results-oriented work environment.

DISCUSSION

The Effectiveness of Transformational Leadership Style in the Context of Generation Z

The research findings indicate that transformational leadership style has a positive and significant effect on the performance of Generation Z employees. This finding reinforces Bass & Avolio's theory that leaders who are inspiring, provide individual consideration, and are able to stimulate employees' thinking can create a productive work climate. In the context of Generation Z, this leadership style is highly relevant because this generation tends to value open, participative leadership that gives meaning to the work they perform. They are more responsive to leaders who not only give instructions but also serve as role models and sources of motivation. A study by Wang et al. (2020) emphasizes that transformational leadership has a strong relationship with employee engagement and job satisfaction among millennials and Gen Z, particularly in flexible work environments. In the case of PT Sari Mas Permai, the characteristics of Gen Z—who are adaptive to technology yet sensitive to their superiors' communication style—make the application of communicative and appreciative leadership crucial. Leaders who can adjust their leadership style to the expectations of the younger generation have the potential to create an innovative and highly competitive work environment. Furthermore, the effectiveness of transformational leadership style is also reflected in the increased loyalty and work initiative of young employees. This shows that leaders are not merely task directors but also facilitators of personal and professional growth. In a hybrid work model, where direct supervision is limited, trust and inspiration become the main driving forces of performance. Therefore, leadership strategies should be directed toward building emotional attachment and a strong collective vision of work, as also suggested by Tang et al. (2019) in their study on digital-age leadership practices.

The Dominant Role of Emotional Intelligence on Performance in a Hybrid Work Environment

Emotional intelligence has been proven to be the most dominant factor influencing the performance of Generation Z employees at PT Sari Mas Permai. This finding is in line with the development of contemporary HR management theories, which position emotional intelligence as a core competency in dealing with the complexities of modern work. In the context of hybrid work, the ability to understand and manage one's own emotions as well as those of others becomes crucial for maintaining effective communication, collaboration, and swift decision-making. For Generation Z, who tend to be more open yet also more easily affected by digital social pressures, emotional intelligence serves as an essential support in maintaining work stability.

This result is consistent with the study by Salas-Vallina et al. (2021), which found that emotional intelligence significantly contributes to job satisfaction and organizational citizenship behavior within the digital workforce context. Employees with high EQ are more capable of managing conflicts, adapting to change, and showing initiative in completing tasks without strict supervision. This is particularly important in hybrid work, where physical proximity is reduced, and independence becomes a primary requirement. Thus, emotional intelligence not only supports interpersonal relationships but also serves as a key indicator of independent performance in modern organizations.

In addition, emotional intelligence enables Generation Z to build self-confidence and social influence in the workplace. The ability to understand the feelings of colleagues and superiors, as well as to show empathy, helps them establish positive work networks. In the long term, this impacts intrinsic motivation and increased productivity. As Serrat (2017) argues, EQ is a critical differentiator between employees who merely meet work targets and those who are able to create sustainable added value within the organization.

Managerial Implications in Managing Gen Z Employees in the Hybrid Work Era

The implications of these findings suggest that managing Generation Z in the workplace cannot rely on traditional management approaches. The implementation of rigid policies that fail to consider psychological aspects may lead to a decline in engagement and performance. Therefore, companies need to design management strategies that are humanistic, flexible, and adaptive to the characteristics of the younger generation. This includes creating open dialogue spaces between superiors and subordinates, providing constructive feedback, and encouraging autonomy in task completion. Such practices reflect a paradigm shift from command-based leadership to people-centered leadership.

Managers and leaders in the hybrid era must also be equipped with digital leadership and emotional intelligence training to more effectively address the needs of Gen Z employees. A study by Clark et al. (2023) emphasizes the importance of "digital emotional leadership" as a combination of empathy, effective communication, and technological adaptation in managing virtual teams. This demonstrates that it is not enough for leaders to merely understand work systems; they must also know how to build social connections within the digital landscape. Gen Z employees value leaders who are authentic, supportive, and open to feedback.

Finally, the integration of transformational leadership style and emotional intelligence can serve as the foundation for a more comprehensive human resource development strategy. These two factors are not separate, but rather mutually reinforcing in creating a productive and healthy work environment. By prioritizing collaboration, flexibility, and attention to psychological well-being, organizations such as PT Sari Mas Permai can sustain the stability and long-term performance of young employees while also enhancing the company's competitiveness amidst rapid changes in the world of work.

CONCLUSION

The results of this study show that transformational leadership style and emotional intelligence have a significant effect on the performance of Generation Z employees at PT Sari Mas Permai, Palembang. This influence occurs both partially and simultaneously, with emotional intelligence contributing more dominantly to performance improvement. The hybrid work model implemented in the company presents unique challenges for the younger generation, requiring leadership approaches that can adapt to the psychological needs and digital-native characteristics of employees.

Generation Z employees tend to respond positively to leadership that is inspiring, values individuality, and is able to build a shared work vision. Transformational leadership style has been proven to enhance their loyalty, initiative, and work quality. However, the successful implementation of this leadership style also greatly depends on employees' emotional abilities in managing pressure, building effective communication, and maintaining emotional stability in a dynamic, partially remote work environment.

Emotional intelligence plays an important role in supporting Gen Z's work adaptation, particularly in facing the challenges of digitalization, virtual collaboration, and multitasking pressures. Individuals with high EQ tend to be more resilient, flexible, and productive. Therefore, the development of emotional competencies

should be an integral part of human resource development strategies in the hybrid work era, both through internal training and soft skills-based performance evaluation systems.

Based on these findings, companies are advised to actively develop inclusive and communicative leadership models, as well as build an organizational culture that emphasizes the importance of emotional awareness. Training programs on transformational leadership and strengthening emotional intelligence for employees should be integrated into HR management systems. This is an essential step to ensure sustainable performance amidst future changes in work structures.

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