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# Ethical and Emotional Leadership as Predictors of Gen Z Employee Retention: Evidence from Indonesia's Banking Sector

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**Abstract:** This study analyzes the influence of ethical leadership, emotional leadership, and continuous performance management on quitting intentions among Generation Z employees in the Indonesian banking sector. Using a quantitative survey approach, data were collected from Generation Z employees working in banks in Surabaya and analyzed with Structural Equation Modeling using SmartPLS3 to examine the relationships among latent variables simultaneously. The empirical results indicate that both ethical leadership and emotional leadership have a positive impact on employee motivation and performance, whereas continuous performance management does not show a significant effect. Motivation partially mediates the relationship between leadership styles and employee performance, and performance has a negative effect on quitting intentions. These findings highlight the strategic importance of ethical and emotional leadership practices, supported by continuous performance management efforts, to strengthen employee retention and improve organizational effectiveness. The study offers novelty by integrating two leadership styles and a sustainable performance management system into a single empirical model tested in the context of Generation Z employees in the Indonesian banking industry, a setting that has received limited prior scholarly attention.

**Keywords:** Ethical Leadership, Emotional Leadership, Employee Motivation, Job Performance, Quitting Intentions.

## INTRODUCTION

Generation Z, born between 1997 and 2012, is emerging as the dominant cohort in the modern workforce (Burger et al., 2021). This generation exhibits unique characteristics distinct from its predecessors, including a strong orientation toward flexibility, work-life balance, and meaningful work (Gagola & Prapunoto, 2024; Gupta, 2025; Salem, 2025). In an organizational context, these traits demand adaptive leadership styles and management systems aligned with Gen Z's values and expectations (Zahra et al., 2025). The banking sector is widely recognized as a high-pressure industry characterized by strict performance targets and hierarchical organizational structures, which can elevate employee stress levels and turnover intentions. In practice, these conditions are also reflected in professional discussions and reports on platforms

such as LinkedIn, which highlight growing concerns about mental well-being among bank employees as workloads and performance demands intensify. In the Indonesian banking sector, high turnover intentions among young employees pose a particular challenge. Annual report data show that employee attrition rates in several large banks range from 3% to 7% per year, highlighting the urgent need for effective leadership and performance management strategies. The strict targets and performance demands in this industry may increase stress and decrease motivation, thereby contributing to employees' quitting intentions (Robbins & Judge, 2019). To face these challenges, organizations need to implement a leadership style that focuses not only on results but also on developing employee morale and emotional well-being (Brown et al., 2005).

Previous studies demonstrate the significant role of leadership in shaping motivation and retention. Ethical and emotional leadership, in particular, have been shown to enhance motivation and performance while reducing turnover intentions (Ouakouak et al., 2020). Based on Self-Determination Theory (Deci & Ryan, 2000), these leadership styles fulfill employees' psychological needs for autonomy, competence, and relatedness, which underpin intrinsic motivation. In parallel, performance management systems are equally vital. Continuous performance management (CPM), a dynamic, feedback-based approach has been found to strengthen motivation, autonomy, and engagement, outperforming traditional annual appraisal systems (Qureshi et al., 2024).

This study integrates ethical leadership, emotional leadership, and continuous performance management to examine their effects on motivation, performance, and quitting intentions among Gen Z employees in the Indonesian banking sector. The findings emphasize the importance of ethical and emotional leadership for Gen Z retention, while continuous performance management may be less effective in bureaucratic contexts. This study focuses on Gen Z bank employees in Surabaya and contributes to both theory and practice in organizational behavior and human resource management..

Based on the research novelty and objectives, this study develops a theoretical framework explaining how ethical leadership, emotional leadership, and continuous performance management influence motivation, job performance, and quitting intentions among Gen Z employees in the Indonesian banking sector. Accordingly, the relationships among these variables are discussed and formulated into testable hypotheses. Ethical leadership refers to leaders' behavior grounded in moral values, honesty, and fairness in decision-making. Brown et al., (2005) explain that ethical leaders foster a work environment marked by respect and transparency and serve as moral role models for their subordinates. This condition fosters a sense of psychological safety, builds trust, and strengthens the quality of the relationship between leaders and employees. Based on Self-Determination Theory, fulfilling psychological needs such as autonomy, competence, and social connectedness are the main factors that foster intrinsic motivation (Deci & Ryan, 2000). Therefore, ethical leader behavior can increase employee work motivation.

**H1: Ethical leadership has a positive effect on employee motivation.**

Employees led by ethical leaders tend to be more motivated, a crucial factor driving improved performance. According to (Robbins & Judge, 2019), motivation is the primary driver of employee behavior in achieving organizational goals. Furthermore, (Ouakouak et al., 2020) assert that ethical leadership influences performance through morale boosts, clarity of values, and the sense of responsibility instilled by leaders. Thus, motivation acts as a mechanism linking ethical leadership to employee performance.

**H2: Employee motivation mediates the relationship between ethical leadership and job performance.**

Continuous Performance Management (CPM) emphasizes the importance of consistent communication between superiors and subordinates through direct and ongoing feedback. This approach helps employees understand job expectations, receive clear direction, and continuously develop competencies. When employees feel engaged and have room to grow, their work motivation increases because their psychological needs for competence and autonomy are met (Qureshi et al., 2024). This finding aligns with Quantum Workplace's view that ongoing performance conversations increase employee engagement, commitment, and desire to stay with the organization.

**H3: Continuous performance management has a positive effect on employee motivation.**

Emotional leadership refers to a leader's ability to recognize, understand, and manage their own and others' emotions. Goleman Daniel (1998) stated that a leader's emotional intelligence influences interpersonal relationships, team atmosphere, and employees' psychological Well-being. When leaders demonstrate empathy and emotional support, employees feel more valued and connected. This has been shown to increase motivation (Ouakouak et al., 2020), as employees perceive a warmer and safer work environment.

**H4: Emotional leadership has a positive effect on employee motivation.**

A leader's ability to manage emotional dynamics directly impacts motivation and ultimately performance. According to Bass & Riggio (2006), leadership that focuses on emotional support can increase employee morale, commitment, and participation. Increased motivation leads to employees working with greater dedication and quality (Gagné & Deci, 2005). Therefore, work motivation is the link between emotional leadership and employee performance.

**H5: Employee motivation mediates the relationship between emotional leadership and job performance.**

Ethical leadership creates a work environment that is fair, honest, and open. Resick et al., (2011) stated that moral values implemented by leaders contribute to positive work behaviors and accurate decision-making. When employees feel treated professionally and ethically, they demonstrate better commitment and performance. Furthermore, Brown et al., (2005) added that ethical leaders directly improve work quality through consistent moral standards.

**H6: Ethical leadership has a positive effect on job performance.**

Leaders who manage emotional relationships create a harmonious, conflict-free, and supportive work environment. Goleman Daniel (1998)) stated that a positive work environment allows employees to be more focused and productive. Emotional support from leaders increases employees' self-confidence and self-efficacy, which ultimately improves individual performance (Ouakouak et al., 2020)**.**

**H7: Emotional leadership has a positive effect on job performance.**

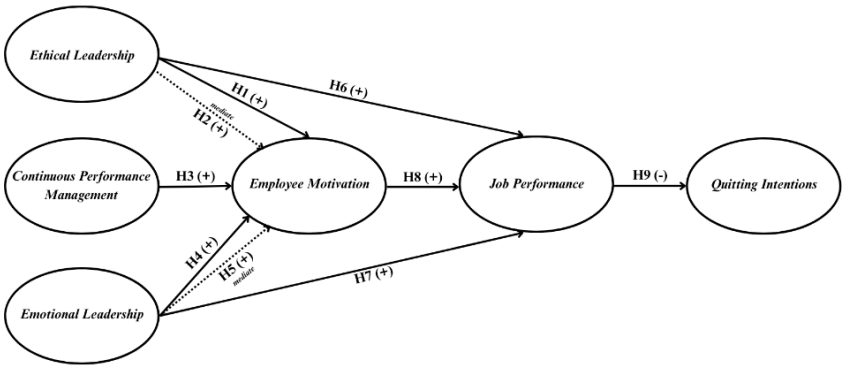
Motivation is one of the main determinants of individual performance success. Gagné & Deci (2005) emphasized that intrinsic motivation drives employees to work with sincerity and high commitment. When employees feel their work is meaningful and aligned with their personal goals, they perform more effectively (Gagné & Deci, 2005). Therefore, the higher the level of motivation, the higher the quality of employee performance.

**H8: Employee motivation has a positive effect on job performance.**

Good performance is typically accompanied by job satisfaction and a stronger sense of attachment to the organization. According to Douglas (2006), high-performing employees are less likely to leave the organization because they feel valued and have clear prospects. High

performance is also associated with lower levels of work stress and positive relationships with coworkers, thus reducing the desire to resign. Conversely, low performance often leads to frustration, which can trigger turnover intentions (Robbins & Judge, 2019).

**H9: Job performance has a negative effect on quitting intentions.**




Source: Research Result

**Figure 1. Conceptual Framework**

## METHOD

This study employed a quantitative design using an online questionnaire distributed via Google Forms. Classified as basic research, it examined the relationships between ethical leadership, emotional leadership, continuous performance management, and motivation, job performance, and quitting intentions among Gen Z employees in Surabaya's banking sector. Data were collected using purposive sampling from Gen Z bank employees with one to three years of work experience. A total of 24 measurement items were employed to capture six constructs; the items were assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The final dataset consisted of 260 usable responses. To examine the relationships between the exogenous and endogenous variables, the study employed Structural Equation Modeling (SEM) using the Partial Least Squares (PLS) approach, implemented through SmartPLS 3.0.

**Table 1. Variables Measurement**

| Variables | Codes | Statements |
|---|---|---|
| Ethical Leadership (Ouakouak et al., 2020) | ETL1 | Disciplining employees who violate ethical standards |
| | ETL2 | Having the best interests of employees in mind |
| | ETL3 | Making fair and balanced decisions |
| | ETL4 | Being trusted |
| | ETL5 | Setting an example of how to do things the right way in terms of ethics |
| Continuous Performance Management (Qureshi et al., 2024; Singh, 2018; Steelman et al., 2004) | CPM1 | I receive feedback from my manager(s) on a continuous basis |
| | CPM2 | My supervisor encourages me to ask for feedback whenever I am uncertain about my job performance |
| | CPM3 | When I do a good job at work, my supervisor praises my performance |
| Emotional Leadership (Ouakouak et al., 2020) | EML1 | Acts with considering my feelings |
| | EML2 | Shows respect for my personal feelings |

| | | |
|---|---|---|
| | EML3 | Behaves in a manner thoughtful of my personal needs |
| | EML4 | Treats me with considering my personal feelings |
| Employee Motivation (Ouakouak et al., 2020) | EM1 | I feel stimulated by my work tasks |
| | EM2 | I am motivated to work |
| | EM3 | I often feel a strong will to work |
| | EM4 | I would spend more time at work, if possible |
| Job Performance (Ouakouak et al., 2020) | JP1 | I always complete the duties regarding my job |
| | JP2 | I meet all the formal performance requirements of the job |
| | JP3 | I fulfill all responsibilities required by my job |
| | JP4 | I never neglect aspects of the job that I am obligated to perform |
| Quitting Intentions (Ouakouak et al., 2020) | QI1 | At this time I would quit my job if it were feasible |
| | QI2 | I am planning to leave my job within the next six months |
| | QI3 | I am actively searching for another job right now |
| | QI4 | I have thoughts about leaving this organization |

## RESULTS AND DISCUSSION

### Descriptive Statistics

The descriptive analysis of respondent characteristics, as presented in the table above, was obtained from 260 respondents in this study. Based on gender, 95 respondents (36.5%) were male, while 165 respondents (63.5%) were female. The descriptive statistics indicate that the majority of respondents were female. In terms of age, the largest number of respondents were in the 21–23 age group, with 133 (51.2%), followed by the 24–26 age group with 88 (33.8%), the 27–28 age group with 21 (8.1%), and the 18–20 age group with 18 (6.9%).

This data indicates that the majority of respondents were in the young age range (21–26), which generally falls within the early productive age category. Furthermore, based on tenure, the majority of respondents (168 respondents) had worked for 1–2 years, followed by 46 respondents (17.7%) with 3 years of service, 33 respondents (12.7%) with less than 1 year, and 13 respondents (5%) with more than 3 years of service. These results indicate that most respondents were relatively new to the workforce, with less than two years of service, indicating relatively little work experience. Overall, the description of the respondents' characteristics indicates that the study was dominated by young women aged 21–23 with 1–2 years of service. This suggests that the majority of respondents are in the early stages of their careers and that perceptions of leadership, motivation, and performance are therefore likely influenced by work ethic and a desire for development.

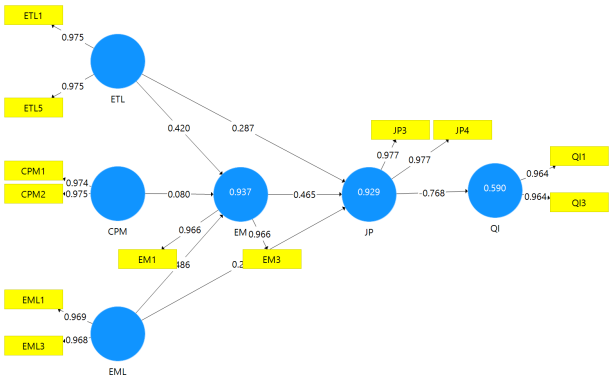
**Table 2. Respondents Profile**

| Category | | Number of Respondents | Percentage |
|---|---|---|---|
| **Gender** | Male | 95 | 36.5% |
| | Female | 165 | 63.5% |
| **Age** | 18-20 Years | 18 | 6.9% |
| | 21-23 Years | 133 | 51.2% |
| | 24-26 Years | 88 | 33.8% |
| | 27-28 Years | 21 | 8.1% |
| **Tenure** | <1 Years | 33 | 12.7% |
| | 1-2 Years | 168 | 64.6% |
| | 3 Years | 46 | 17.7% |
| | >3 Years | 13 | 5% |

Source: Research data

## Discriminant Validity

**Figure 1. Outer Model**




Source: Processed by the authors

**Table 3. Fornell-Larcker Criterion**

| Construct | CPM | EM | EML | ETL | JP | QI |
|---|---|---|---|---|---|---|
| **CPM** | 0.975 | | | | | |
| **EM** | 0.938 | 0.966 | | | | |
| **EML** | 0.939 | 0.953 | 0.969 | | | |
| **ETL** | 0.956 | 0.949 | 0.932 | 0.975 | | |
| **JP** | 0.938 | 0.955 | 0.939 | 0.942 | 0.977 | |
| **QI** | -0.781 | -0.780 | -0.781 | -0.789 | -0.768 | 0.964 |

Source: Research data

The purpose of the discriminant validity test is to verify that every construct in the measurement model is unique and clearly separated from the others. In line with Hair et al., (2019), discriminant validity reflects the degree to which an empirical construct can be distinguished from other constructs within the structural model. In this research, the Fornell–Larcker criterion was applied, which requires the square root of the Average Variance Extracted (AVE) for each construct to exceed its correlations with the remaining constructs. Based on Figure 2 (outer model), the measurement model evaluation results show that all indicators have outer loading values above 0.70, with most exceeding 0.95. High outer loading values indicate that these indicators have a strong correlation with the latent construct being measured, thus

meeting the convergent validity criteria in the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach (Hair et al., 2019)

Based on Table 3 (Fornell–Larcker Criteria), the square root of the Average Variance Extracted (AVE) value located on the main diagonal for each construct is greater than the correlation value between the other constructs. This indicates that each construct has a better ability to explain its own indicators compared to the indicators of other constructs, thus meeting the criteria for discriminant validity (Fornell & Larcker, 1981; Hair et al., 2019). The diagonal values for the constructs CPM (0.975), EM (0.966), EML (0.969), ETL (0.975), JP (0.977), and QI (0.964) are all higher than their correlations with the other constructs. Therefore, there is no issue of conceptual overlap between constructs in this research model. Although the QI construct shows a fairly strong negative correlation with other constructs, this condition does not violate the Fornell–Larcker criteria because the square root of the AVE of QI remains greater than the absolute value of its correlation with other constructs. Therefore, the QI construct is still declared to have adequate discriminant validity (Hair et al., 2017).

## Validity and Reliability Tests

**Table 4. Validity and Reliability Tests**

| Variables | Items | Outer Loadings | Composite Reliability | Cronbach's Alpha | AVE | Conclusion |
|---|---|---|---|---|---|---|
| Ethical Leadership | ETL1 | 0.975 | 0.975 | 0.948 | 0.951 | Valid and Reliable |
| | ETL5 | 0.975 | | | | |
| Continuous Performance Management | CPM1 | 0.974 | 0.974 | 0.948 | 0.950 | Valid and Reliable |
| | CPM2 | 0.975 | | | | |
| Emotional Leadership | EML1 | 0.969 | 0.968 | 0.934 | 0.938 | Valid and Reliable |
| | EML3 | 0.968 | | | | |
| Employee Motivation | EM1 | 0.966 | 0.966 | 0.929 | 0.933 | Valid and Reliable |
| | EM3 | 0.966 | | | | |
| Job Performance | JP3 | 0.977 | 0.977 | 0.952 | 0.954 | Valid and Reliable |
| | JP4 | 0.977 | | | | |
| Quitting Intentions | QI1 | 0.964 | 0.963 | 0.924 | 0.929 | Valid and Reliable |
| | QI3 | 0.964 | | | | |

Source: Research data

Based on Table 4, the validity test results show that all indicators for each variable have outer loading values above 0.70, thus meeting the convergent validity criteria in the PLS-SEM approach (Hair et al., 2019) . Furthermore, the Average Variance Extracted (AVE) values for all constructs are above the minimum threshold of 0.50, indicating that the latent construct is able to explain more than 50% of the variance in its indicators (Fornell & Larcker, 1981). Thus, all variables in this study are considered convergently valid.

Furthermore, the reliability test results show that all constructs have Composite Reliability and Cronbach's Alpha values exceeding 0.70, indicating excellent internal consistency (Hair et al., 2017). Therefore, the constructs of Ethical Leadership, Continuous Performance Management, Emotional Leadership, Employee Motivation, Job Performance, and Quitting Intentions are declared reliable. Thus, all indicators in this study are shown to accurately and consistently measure their constructs, enabling the entire model to meet the validity and reliability criteria for further analysis.

## R-Square Test

**Table 5. R-Square Test**

| Variables | R-Square | R-Square Adjusted | Conclusion |
|---|---|---|---|
| Employee Motivation | 0.937 | 0.936 | Substantial |
| Job Performance | 0.929 | 0.928 | Substantial |
| Quitting Intentions | 0.590 | 0.588 | Moderate |

Source: Research data

Based on the R-square test results in the table above, the Employee Motivation construct has an R-square value of 0.937, indicating that the predictor variables in the model can explain 93.7% of the variation in employee motivation. Referring to (Hair et al., 2019), an R-square value of 0.75 is categorized as strong or substantial, so a value of 0.937 reflects a very high level of predictive power. This finding indicates that the research model has an excellent ability to explain the factors influencing employee motivation. Furthermore, the Job Performance construct showed an R-square value of 0.929, which also exceeds the 0.75 threshold. This indicates that the model is highly effective in explaining variation in employee work performance and that the independent variables in the model have a strong and significant influence on employee performance. Meanwhile, the Quitting Intentions variable had an R-square value of 0.590. According to (Chin, 1998; Henseler & Ringle, 2009), R-square values in the range of 0.50 to 0.75 are categorized as moderate. Thus, although the model's predictive power for turnover intentions is lower than the other two constructs, this value still indicates quite good predictive ability. Overall, the research model was able to explain 59.0% of the variation in quitting intentions; the model is still considered to have adequate predictive capability.

## Full Collinearity VIF

**Table 6. Full Collinearity VIF**

| CPM1 | CPM2 | EM1 | EM3 | EML1 | EML3 | ETL1 | ETL5 | JP3 | JP4 | QI1 | QI3 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 5.290 | 5.290 | 4.026 | 4.026 | 4.332 | 4.332 | 5.316 | 5.316 | 5.754 | 5.754 | 3.802 | 3.802 |

A full collinearity test was conducted to identify potential vertical and lateral multicollinearity in the structural model. As noted by Hair et al., (2019), the Variance Inflation Factor (VIF) is used to assess the degree of collinearity among indicators and latent constructs. A VIF value below 5.0 indicates the absence of problematic multicollinearity, while values between 5.0 and 10.0 are acceptable in social research, particularly in complex models involving multiple latent constructs.

The test results showed that the VIF values for all indicators ranged from 3.802 to 5.754. The highest values were recorded for indicators JP3 and JP4 (5.754), followed by ETL1 and ETL5 (5.316), and CPM1 and CPM2 (5.290). Although some indicators show values that slightly exceed the conservative threshold of 5.0, these values are still well below the maximum limit of 10.0, thus not indicating any disturbance to the stability of the path coefficient estimates (Hair et al., 2019).

## Hypothesis Testing

**Table 7. Direct Effect**

| Direction | Original Sample (O) | Sample Mean | Standard Deviation (STDEV) | T Statistic | P-Values | Conclusion |
|---|---|---|---|---|---|---|
| ETL → EM (H1) | 0.420 | 0.414 | 0.065 | 6.458 | 0.000 | Supported |
| CPM → EM (H3) | 0.080 | 0.076 | 0.072 | 1.111 | 0.266 | Not Supported |
| EML → EM (H4) | 0.486 | 0.496 | 0.084 | 5.818 | 0.000 | Supported |
| ETL → JP (H6) | 0.287 | 0.286 | 0.060 | 4.803 | 0.000 | Supported |
| EML → JP (H7) | 0.229 | 0.231 | 0.061 | 3.766 | 0.000 | Supported |
| EM → JP (H8) | 0.465 | 0.463 | 0.067 | 6.936 | 0.000 | Supported |
| JP → QI (H9) | -0.768 | -0.768 | 0.039 | 19.544 | 0.000 | Supported |

Source: Research data

Based on the PLS-SEM estimation results, the relationship between constructs was evaluated using the path coefficient, t-statistic, and p-value, in accordance with the criteria recommended by Hair et al., (2019). A relationship between variables is considered significant if the t-statistic is >1.96 and the p-value is <0.05. The test results indicate that most of the hypotheses in this research model are empirically supported.

The analysis shows that ethical leadership has a positive and significant effect on employee motivation (β = 0.420; t = 6.458; p <0.001), thus H1 is accepted. This finding indicates that fair, honest, and consistent leadership behavior plays a significant role in increasing work motivation, particularly among Generation Z employees in the banking sector. Conversely, continuous performance management did not show a significant effect on employee motivation (β = 0.080; t = 1.111; p = 0.266), therefore H3 is rejected. These results indicate that a formal and bureaucratic performance management system has not been able to effectively increase the work motivation of younger employees.

Furthermore, emotional leadership was shown to have a positive and significant effect on employee motivation (β = 0.486; t = 5.818; p < 0.001), supporting H4. This finding emphasizes the importance of a leader's emotional intelligence in creating a supportive and motivating work environment. Furthermore, ethical leadership also had a positive and significant effect on job performance (β = 0.287; t = 4.803; p < 0.001), thus accepting H6. This indicates that ethics-based leadership directly contributes to improving the quality and consistency of employee performance in the banking industry.

The test results also showed that emotional leadership had a positive and significant effect on job performance (β = 0.229; t = 3.766; p < 0.001), thus accepting H7. Furthermore, employee motivation had a positive and significant effect on job performance (β = 0.465; t = 6.936; p < 0.001), supporting H8. This finding confirms the role of motivation as a key mechanism bridging leadership practices and employee performance.

Finally, the analysis showed that job performance had a negative and highly significant effect on quitting intentions (β = −0.768; t = 19.544; p < 0.001), thus accepting H9. This relationship was the strongest in the structural model, indicating that improving employee performance significantly reduced intentions to leave the organization. This finding confirms

that improving performance is an important strategy for reducing turnover, particularly among Generation Z employees in the banking sector.

**Indirect Effect**

**Table 6. Indirect Effect**

| Direction | Original Sample (O) | Sample Mean | Standard Deviation (STDEV) | T Statistic | P-Values | Conclusion |
|---|---|---|---|---|---|---|
| ETL → EM → JP (H2) | 0.195 | 0.191 | 0.038 | 5.126 | 0.000 | Mediate |
| EML → EM → JP (H5) | 0.226 | 0.230 | 0.048 | 4.748 | 0.000 | Mediate |

Source: Research data

The results of the indirect effect analysis indicate that employee motivation significantly mediates the relationship between ethical leadership and job performance. The path from ethical leadership → employee motivation → job performance yields a coefficient of 0.195, with a t-statistic of 5.126 and a p-value of 0.000, thus meeting the significance criteria according to (Hair et al., 2019). Thus, hypothesis H2 is supported. This finding indicates that ethical leadership improves employee performance by strengthening work motivation, in line with amination Theory, which emphasizes the importance of fulfilling psychological needs in driving performance.

Furthermore, the results of the indirect effect test on the path from emotional leadership → employee motivation → job performance show a coefficient of 0.226, with a t-statistic of 4.748 and a p-value of 0.000. These results confirm that employee motivation also mediates the relationship between emotional leadership and job performance, thereby supporting hypothesis H5. These findings confirm that emotionally intelligent leadership contributes to improved performance by increasing work motivation, particularly in banking organizations that demand high performance and intensive interpersonal interactions.

## CONCLUSION

This study aims to analyze the influence of ethical leadership, emotional leadership, and continuous performance management on employee motivation, job performance, and quitting intentions among Generation Z employees in the banking sector in Surabaya. Based on the results of the PLS-SEM analysis, the research model demonstrated strong explanatory power and provided empirical support for contemporary theories in organizational behavior.

The results indicate that ethical and emotional leadership have a positive, significant effect on employee work motivation and performance, both directly and indirectly. Ethical leadership has been shown to increase motivation and performance through behaviors that are fair, transparent, and high in integrity, aligning with Generation Z values. Meanwhile, emotional leadership plays a crucial role in building a psychologically safe work environment through empathy and emotional sensitivity, thereby increasing intrinsic motivation and employee performance.

Conversely, continuous performance management did not demonstrate a significant effect on work motivation, indicating that CPM practices in the banking sector have not fully aligned with the expectations and psychological needs of Generation Z. CPM systems tend to be procedural and do not provide the rapid, personalized, and development-oriented feedback expected by younger employees. Furthermore, this study confirms that employee motivation plays a significant mediating role in the relationship between leadership style and employee performance. These findings indicate that leadership effectiveness is determined not only by

the ability to direct tasks, but also by the leader's ability to foster intrinsic motivation that drives optimal performance. Furthermore, job performance was shown to have a very strong negative influence on quitting intentions, indicating that high-performing employees tend to have lower turnover intentions. These findings provide an important foundation for employee retention strategies in the banking industry, which experiences high levels of work pressure and potential for high turnover.

Overall, this study confirms that creating a supportive work environment for Generation Z requires a combination of leadership with integrity and emotional sensitivity. Although continuous performance management has not shown a significant impact, this approach still has potential if redesigned to be more adaptive to the development needs and psychological expectations of younger employees.

However, this study has several limitations. The use of a cross-sectional design and self-report-based data limits the study's ability to draw causal conclusions and potentially introduces common method bias. Therefore, further research is recommended to use longitudinal designs or experimental leadership interventions to gain a more comprehensive understanding of the dynamics of leadership, motivation, and employee performance over time.

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