

ABSTRACT

Employee performance is a major challenge for modern organizations as Generation Z increasingly dominates the workforce. The characteristics of Gen Z, who demand autonomy and transparency, often clash with the rigid bureaucratic systems in Central Java. Furthermore, the inconsistency of previous research regarding the direct impact of transformational leadership on performance suggests the need to examine psychological mediating variables. Therefore, this study aims to examine the effect of transformational leadership on employee performance, with employee engagement as a mediating variable among Generation Z in Central Java Province.

This study employs a triangulation mixed methods design (convergent parallel design). Quantitative data were collected from 53 respondents through purposive sampling and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), while qualitative data were gathered simultaneously through open-ended questions and analyzed thematically. Both data streams were analyzed independently and subsequently merged to mutually validate and deeply examine the anomalies found in the field.

Quantitative results show that transformational leadership has a positive and significant effect on employee performance ($\beta = 0.608$; $t = 2.740$; $p = 0.006$) and employee engagement ($\beta = 0.936$; $t = 42.238$; $p = 0.000$). Employee engagement does not have a significant effect on performance ($\beta = 0.300$; $t = 1.282$; $p = 0.200$). The specific indirect effect test also reveals that the indirect effect of transformational leadership on performance through employee engagement is not significant ($\beta = 0.281$; $t = 1.290$; $p = 0.197$), thus the mediation hypothesis is not supported. Qualitative findings provide a possible contextual explanation that this anomaly occurs because employee engagement is primarily sustained by social relationships, whereas work energy (extra effort) is vulnerable to depletion due to high job demands and the instability of managerial rules..

Keywords: *Transformational Leadership, Employee Engagement, Employee Performance, Generation Z, Triangulation Mixed Methods.*