



Regular article

# The Influence of Work Flexibility, Generational Diversity, and Digital Human Resources on Employee Performance at OJK Medan with Job Satisfaction as an Intervening Variable

Kartika Dinda Udhaty <sup>a,\*</sup>, Ritha F Dalimunthe <sup>b</sup>, Hamdani Harahap <sup>c</sup><sup>a</sup> Faculty of Economics and Business, University of North Sumatera, Indonesia<sup>b</sup> Faculty of Economics and Business, University of North Sumatera, Indonesia<sup>c</sup> Faculty of Economics and Business, University of North Sumatera, Indonesia

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## ABSTRACT

*This study aims to determine and analyze the effect of work flexibility, generational diversity, and digital human resources on employee performance through job satisfaction as an intervening variable at OJK Medan. This type of research is associative research, and the data used is quantitative data. The research population was 47 permanent employees and contract employees of OJK Medan. The data analysis used is Partial Least Squares Structural Equation Modeling. The results of the study directly show that work flexibility has a positive and significant effect on job satisfaction, generational diversity has a positive and significant effect on job satisfaction, digital human resources have a negative and insignificant effect on job satisfaction, work flexibility has a positive and significant effect on employee performance, generational diversity has a positive but insignificant effect on employee performance, digital human resources have a positive but insignificant effect on employee performance, job satisfaction has a positive and significant effect on employee performance, work flexibility has a positive and significant effect on employee performance through job satisfaction, generational diversity has a positive and significant effect on employee performance through job satisfaction, digital human resources have a negative and insignificant effect on employee performance.*

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\* Corresponding author.

Email address: [kartikadinda@gmail.com](mailto:kartikadinda@gmail.com) (K. D. Udhaty)

## Introduction

Organizational performance will be more optimal if employees work within a framework of regulations that support their success. Therefore, to improve organizational performance, companies need to establish rules that are both flexible and capable of maximizing work optimization. This aligns with the opinion of Idris et al. (2020), who stated that the success of an organization depends on the utilization of human resources, as they provide the energy, creativity, and enthusiasm for the organization and play a crucial role in its operational implementation. The quality of human resources also determines the success of organizational goals (Tanjung et al., 2021).

In the era of digitalization and Industry 5.0, companies are

undergoing many changes as most have already adopted digitalization, which has led to disruptive transformations. Digitalization has not only affected external aspects but has also changed all internal mechanisms within companies (Fiaz & Qureshi, 2024). Therefore, the use of technology is becoming increasingly important in realizing digital transformation, which encourages organizations to innovate, especially in human resource practices.

In this era, companies must engage internal driving forces to support organizational adaptation, and this is the primary responsibility of Human Resources (HR) (Zhao et al., 2024). HR must be able to adapt, innovate, stay competitive, and excel in the use of technology; otherwise, the role of human resources could be replaced by robotics.

Companies that have successfully implemented digitalization by optimizing their human resources can align and synergize with business growth in corporate management. Conversely, in companies where human resource management is less effective, the interaction between human resources and business operations tends to be limited (Zhao et al., 2024). The Financial Services Authority (OJK) is an institution tasked with regulating and supervising the financial services sector, as mandated by Law Number 21 of 2011. OJK also has offices across various provinces in Indonesia, including North Sumatra.

To maintain its existence and effectively regulate and supervise the financial sector, OJK Medan must pay attention to employee performance and the factors that influence it. Employee performance is the secret to a company's success. The higher the employee performance, the better the company will be. Performance is defined as the result achieved by an individual in completing assigned tasks, based on their experience, skills, and commitment. However, based on the preliminary research survey on employee performance at OJK Medan, it was found that employee performance is still not optimal.

Based on the results of a preliminary survey on the employee performance variable conducted with 30 OJK Medan employees, several issues were identified. Fifteen out of 30 respondents stated that they were not motivated to work at their best every day. Seventeen respondents admitted they did not complete tasks within the assigned deadlines, and 50% of employees reported that they did not work carefully or with minimal errors. Employee performance is influenced by various factors, such as work flexibility, generational diversity, digital human resources, and job satisfaction (Risya et al., 2024). Optimal employee performance helps a company achieve its goals, and the quality of a company can also be seen in how well its employees perform.

One of the factors that can influence performance is work flexibility, as it has become an important aspect in improving employee productivity and well-being, given that work flexibility can directly impact employee performance (Pricilla & Octaviani, 2024). According to Belfi et al. (2024), work flexibility includes options such as flexible start times, flexible end times, and part-time job-sharing positions. The Financial Services Authority (OJK), as an independent institution responsible for regulating and supervising the financial services sector in Indonesia, has also begun implementing the concept of work flexibility to adapt to changing times and organizational efficiency demands. The implementation of work flexibility at OJK is expected to improve employee performance effectiveness, support human resource well-being, and maintain the quality of supervision over the financial services sector. With a more adaptive working system, OJK employees can be more productive, uphold integrity in their work, and respond to financial industry dynamics more quickly and efficiently.

The implementation of work flexibility at OJK North Sumatra has faced several challenges, such as unclear regulations, inadequate technological infrastructure, and ineffective monitoring strategies to ensure that employee performance remains optimal under the work flexibility arrangement. This is reflected in the results of a preliminary survey conducted with 30 respondents from OJK Medan.

Based on the results of the preliminary survey on the work flexibility variable conducted with 30 OJK Medan employees, several issues were identified. A total of 66.7% of employees reported that they have never practiced work flexibility. Additionally, 50% of employees stated that the technological infrastructure at OJK Medan is inadequate for implementing work flexibility. Furthermore, 56.7% of employees indicated that the monitoring carried out by OJK Medan does not align with the principles of work flexibility.

Generational diversity is also an important element that deserves attention in efforts to improve performance outcomes (Kharat et al., 2024). Generational diversity is a growing phenomenon in contemporary business environments, where individuals with different life experiences, values, and skills work side by side. Although each generation of employees is unique, valuable, and special, in reality, each tends to view one another differently based on their own life experiences and expectations. Management must ensure that individuals from different generations perceive each other more positively to avoid intergenerational disharmony. In practice, OJK Medan has yet to make efforts to ensure that individuals from different generations view one another positively. For example, employees still experience difficulties working with colleagues from different generations due to the lack of company initiatives supporting positive collaboration amid generational diversity, as reflected in a preliminary survey conducted with 30 respondents on-site.

Based on the results of the preliminary survey on the generational diversity variable conducted with 30 OJK Medan employees, 50% of respondents stated that the company supports generational collaboration in the workplace. However, 66.7% of respondents reported experiencing difficulties in communicating or working with colleagues from different generations, and 63.3% of respondents indicated that generational diversity contributes positively to performance.

Employee performance can also be influenced by digital human resources. Digital human resources refer to the transformation of human resource management by utilizing digital technology to improve efficiency, effectiveness, and the employee work experience within an organization (Jani et al., 2023). However, in practice, the HR staff at OJK Medan are not yet fully prepared or accustomed to digital systems. Many employees, especially senior generations, are not familiar with using digital systems. Employees face difficulties operating HR platforms due to a lack of training or socialization, and even though a

digital HR system exists, some processes are still done manually, resulting in duplicated work. This is reflected in the results of a preliminary survey conducted with 30 respondents at OJK Medan.

Based on the results of the preliminary survey of 30 respondents, it was found that 17 out of 30 respondents reported not being accustomed to using the digital system provided by the company. Additionally, 15 employees stated they had difficulty operating the digital HR platform used by the company, and 16 employees reported duplicated work, meaning that although there is an online system, manual processes still need to be carried out.

Companies must also pay attention to employee satisfaction, as it is one of the important factors that can influence employee performance (Idris et al., 2020). Job satisfaction is a crucial aspect of organizational behavior and human resource management practices. As Robbins (2022) states, job satisfaction is the positive feeling a person has toward their job. To face an ever-changing and developing environment and remain successful and competitive, organizations need to satisfy their employees, and this applies to OJK Medan as well. To ensure employee satisfaction, OJK Medan has taken several measures, such as providing compensation, bonuses, allowances, rewards, and work facilities. However, in practice, these efforts are still insufficient, as there are employees who remain dissatisfied, according to the results of the preliminary research survey.

Based on the results of the preliminary survey, 53.3% of employees reported that their job did not meet their expectations when they first joined OJK Medan. Additionally, 56.7% of employees expressed dissatisfaction with the compensation, bonuses, allowances, rewards, and work facilities they received. Furthermore, 60% stated that the work environment significantly influenced their job satisfaction.

Based on the problems and research gaps mentioned above, the researcher is interested in conducting further study on the influence of work flexibility, generational diversity, and digital human resources on employee performance at OJK Medan, with job satisfaction as an intervening variable.

## Literature Review

### *Work Flexibility*

Work flexibility refers to workplace options that give employees control over how much, when, or where they work, such as flexible schedules, working from home, and so on (Guo et al., 2025). Meanwhile, Shepard and McNaughtan (2024) stated that work flexibility represents trust, requires individual adjustment, must be implemented with compassion, and demands clear policies and expectations. Employees who have greater access to flexible work options tend to report a fairer workplace and increased feelings of commitment, engagement, and job well-being. According to Musarofah (2024), work flexibility is the

freedom given to employees to carry out their tasks. With this flexibility, employees can complete their work anytime and anywhere while still adhering to company procedures.

According to Altunay & Özdemir (2024), work flexibility also refers to the sequence of tasks, the work performed, and the pace of work. This can be achieved through various means, including changes in location, workplace, taking leave, and modifying working hours. According to Belfi et al. (2024), work flexibility includes options such as flexible start times, flexible end times, and job-sharing part-time positions.

### *Generational Diversity*

Generational diversity is based on demographic characteristics. This diversity can lead to differences in perceptions between generations regarding communication styles and work attitudes (H. Wang et al., 2024). According to Matlhaba (2023), generational diversity is characterized by the collective experiences of group members within a specific birth year range (generation), which shape the values and attitudes among the members of that generation. Similarly, Malik & Shahid (2024) state that generational diversity refers to the presence of individuals from different generations working together in the same workplace, bringing different values, experiences, work styles, and perspectives.

Diversity in the workplace allows for more ideas, creativity, and greater opportunities to identify practical solutions to specific problems, thereby enhancing the potential for better performance (Hans et al., 2023). This view also aligns with intergenerational diversity. Based on the definitions above, intergenerational diversity involves various generations bringing non-overlapping perspectives, skills, and experiences that help create a broader knowledge base, leading to better decision-making, faster problem-solving, and positive group outcomes.

### *Human Resource Digital*

Digital Human Resource (HR) refers to the transformation of human resource management by utilizing digital technology to improve efficiency, effectiveness, and the employee work experience within an organization. Digitalization in HR enables companies to automate processes, analyze employee data more accurately, and enhance employee interaction and engagement through technology. Digital HR is useful for managing HR processes efficiently, improving HR practices effectively, and intelligently building relationships among people through social networks to foster a better sense of belonging (Jani et al., 2023).

Digital human resource management is the process of planning and implementing information technology to assign and support at least two individuals or groups to participate in carrying out human resource activities (Atiyah & Turki, 2024). Digital transformation of human resources (HR) emphasizes the importance of digital skills in driving

creativity, as well as the necessary steps for an organization’s human resources to undergo digital transformation (Budiarti & Firmansyah, 2024).

*Employee Performance*

According to Dessler (2022), performance is the act of working and the results obtained from that work. Performance is often understood as work results or achievements; however, in reality, performance has a broader meaning, not only involving the results but also including how the work process takes place (Sojanah et al., 2025).

According to Trihudyatmanto (2025), performance refers to how well the tasks that are part of an employee’s job are completed. Employee performance can be assessed if an individual or organization knows the outcomes of their work. Employees can evaluate their own performance in relation to the goals, vision, and mission of the organization or company by using employee performance programs or platforms. Meanwhile, Lestarina & Safitri (2024) state that performance is the result achieved by an individual or group to legitimately achieve the objectives of the respective company, in a manner that complies with laws, morality, and ethics, and does not contradict these principles.

*Job Satisfaction*

According to Robbins (2022), job satisfaction is the positive feeling a person has toward their job. Job satisfaction can be defined as an affective orientation (positive or negative) that a person may have toward their job, or through aspects of the job (Bianco et al., 2025). Job satisfaction also indicates how well a person’s psychological needs are fulfilled. Individuals who recognize changes in their commitment to their relationship with their job and company may experience greater job satisfaction (Udechukwu et al., 2024). According to Mathis, R. L., & Jackson (2019), job satisfaction is a positive emotional state resulting from the evaluation of one’s work experiences.

Drawing from the literature review and prior studies, a conceptual framework can be developed. Sugiyono (2016) defines the conceptual framework as a representation of the research variables and how theories connect to the variables being investigated, specifically the independent and dependent variables. The conceptual relationships between these variables will be described as follows:

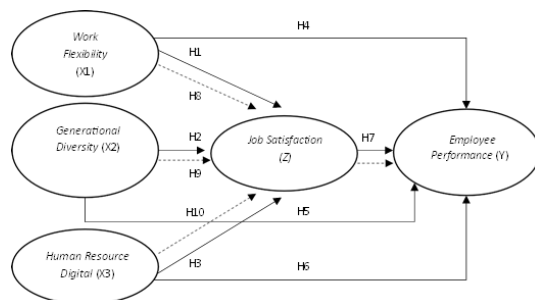


Figure 1 Conceptual Framework

**Methodology**

*Research Population and Sample*

Population refers to a general area consisting of items or individuals with certain attributes selected by the researcher to be investigated and concluded upon (Sugiyono, 2019). The population in this study consists of all permanent employees of the Financial Services Authority (Otoritas Jasa Keuangan) of North Sumatra, totaling 47 employees. A sample is a portion of the population's characteristics used in the research. The sampling technique used in this study is non-probability sampling, specifically involving all 47 permanent employees of the Financial Services Authority of North Sumatra. The study employs a total sampling method, meaning the entire population is used as the sample. Therefore, the sample in this study amounts to 47 employees.

*Data analysis*

The data analysis method used in this study is partial regression analysis (partial least squares/PLS), which aims to test the hypotheses proposed in this research.

**Results and Discussion**

*Descriptive Analysis Results*

According to Sugiyono (2017), descriptive analysis is a type of analysis in which the data is collected, arranged, grouped, analyzed, and then interpreted objectively to provide an overview of the problems faced and an explanation of the calculation results. The questionnaire consists of a total of 40 statement items, with 8 statement items for the work flexibility variable (X1), 7 statement items for the general diversity variable (X2), 6 statement items for the human resource digital variable (X3), 12 statement items for the job satisfaction variable (Z), and 7 statement items for the employee performance variable (Y).

*Respondent Characteristics Analysis*

The characteristics of the respondents in this study describe the demographic background and job positions of the employees of the Financial Services Authority (OJK) Medan who were selected as the sample. Based on gender, the respondents consisted of 25 males (53.19%) and 22 females (46.81%). This composition indicates a relatively proportional gender balance in the OJK Medan work environment, although males are slightly more dominant.

From the perspective of job title or position, there is a diversity of roles that reflects the complexity of the organizational structure at OJK Medan. The highest number of respondents came from the Administrator position, totaling 12 individuals (25.53%), followed by the Analyst and Driver positions, each with 8 individuals (17.02%). Meanwhile, the Office Assistant position ranked third with 5 respondents (10.64%). Several other positions are also represented in this study, including Supervisors and Receptionists, each with 3 individuals

(6.38%), as well as Archivists, Secretaries, and Building Technicians, each with 2 individuals (4.26%). The positions of Head of Division and IT Staff were each represented by only 1 respondent (2.13%).

Table 1 Frequency Distribution and Percentage of Respondent Characteristics

Decryption	Category	Frequency	Percentage
Gender	Man	25	53,19
	Woman	22	46,81
	<b>Total</b>	<b>47</b>	<b>100,00</b>
Position	Administrator	12	25,53
	Analyst	8	17,02
	Archivist	2	4,26
	Section Head	1	2,13
	Supervisor	3	6,38
	Driver	8	17,02
	Officer	5	10,64
	Receptionist	3	6,38
	Secretary	2	4,26
	Building Technician	2	4,26
	IT Staff	1	2,13
	<b>Total</b>	<b>47</b>	<b>100,00</b>

This distribution reflects that the data collected involves various types of job positions, ranging from technical functional roles to administrative and support positions. This diversity of positions is important to provide a comprehensive overview of how work flexibility, generational diversity, and human resource digitalization affect overall employee performance, including job satisfaction as an intervening variable.

*Hypothesis Test Results*

A path model is a diagram used to visually present hypotheses and the relationships between variables being examined when Structural Equation Modeling (SEM) is applied (Hair, 2021). The overall hypothesis testing in this study uses the Partial Least Squares (PLS) method. Partial Least Squares (PLS) is an analytical method that is not based on many assumptions (Ghozali, 2018). The PLS method allows the tested model to operate under assumptions such as: the data does not have to be normally distributed, measurement scales can be nominal, ordinal, interval, or ratio, a large sample size is not required, indicators do not have to be reflective (they can be either reflective or formative), and the model does not have to be based strictly on theory (Ghozali, 2018).

Table 2 Path Coefficient Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics ((O-STDEV))	P Values	Hypothesis
Generational Diversity (X2) -> Job Satisfaction (Z)	0,439	0,430	0,074	5,887	0,000	Accepted
Generational Diversity (X2) -> Employee Performance (Y)	0,119	0,137	0,084	1,418	0,157	Rejected
Human Resource Digital(X3) -> Job Satisfaction (Z)	-0,073	-0,054	0,063	1,160	0,247	Rejected
Human Resource Digital(X3) -> Employee Performance (Y)	0,014	0,010	0,036	0,373	0,709	Rejected
Job Satisfaction (Z) -> Employee Performance (Y)	0,717	0,697	0,112	6,389	0,000	Accepted
Work Flexibility (X1) -> Job Satisfaction (Z)	0,582	0,582	0,077	7,546	0,000	Accepted
Work Flexibility (X1) -> Employee Performance (Y)	0,166	0,167	0,079	2,109	0,035	Accepted
Generational Diversity (X2) -> Job Satisfaction (Z) -> Employee Performance (Y)	0,314	0,299	0,070	4,489	0,000	Accepted
Digital Human Resources (X3) -> Job Satisfaction (Z) -> Employee Performance (Y)	-0,052	-0,037	0,043	1,212	0,226	Rejected
Work Flexibility (X1) -> Job Satisfaction (Z) -> Employee Performance (Y)	0,417	0,406	0,087	4,816	0,000	Accepted

Source: data processed by SmartPLS, 2025

*The Influence of Work Flexibility on Job Satisfaction*

The data analysis results show that work flexibility has a positive and significant effect on job satisfaction. Theoretically, flexible work—whether through flextime, flex-place, or hybrid schemes—enhances autonomy (a core dimension in the Job Characteristics Model by Hackman & Oldham) and serves as a strategic job resource within the framework of the Job Demands–Resources (JD-R) model. When employees can determine when and where they complete their tasks, their basic psychological needs for autonomy, competence, and relatedness—as outlined in the Self-Determination Theory (Deci & Ryan) are more effectively fulfilled; as a result, intrinsic motivation and job satisfaction increase. Flexibility also reduces work–family role conflict, thereby improving positive affect and minimizing stress, as demonstrated by a large population study in the U.S. (Wang et al., 2024) and a recent meta-analysis on flextime and well-being (Naqshbandi et al., 2024). From the perspective of Social Exchange Theory, organizations that provide flexible policies are perceived as supportive; employees, in return, respond with greater job satisfaction and higher commitment.

*The Influence of Generational Diversity on Job Satisfaction*

Theoretically, the influence of generational diversity on job satisfaction can be explained through several major frameworks in organizational behavior. First, Social Identity Theory (Tajfel & Turner, 1986) asserts that when an organization creates a climate that values cross-generational identities—from Baby Boomers to Generation Z it fosters positive emotional bonds among group members, which in turn enhances employees’ affect toward their work and organization. Second, the Value Congruence Theory (Kristof, 1996) states that alignment between individual and organizational values reduces role tension, thereby leading to higher job satisfaction. In the context of generational diversity, this alignment does not mean homogenizing values, but rather facilitating cross-transfer of values and complementary work practices, for example, combining the integrity and experience of senior generations with the creativity and digital literacy of younger generations. Additionally, the Inclusive Climate Model (Randel et al., 2018) emphasizes that a high perception of inclusiveness, including acceptance of age, gender, race, and belief diversity, serves as a direct antecedent of higher job satisfaction because it fosters a sense of felt respect and psychological safety.

*The Influence of Human Resource Digital on Job Satisfaction*

Theoretically, based on the conceptual framework, the digitalization of HR functions—commonly referred to as Human Resource Digital—is generally positioned as a job resource that can enhance the quality of the work experience and, ultimately, employee satisfaction. Socio-Technical Systems Theory (Davis, 2021) emphasizes that when technological subsystems are aligned (fit) with human needs, they create a sense of

ease, control, and engagement, which fosters positive affect. In line with this, the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) states that perceived usefulness and perceived ease of use are strong determinants of work attitudes and satisfaction (Venkatesh & Davis, 2022). Furthermore, Self-Determination Theory asserts that technologies that provide autonomy and strengthen personal competence fulfill basic psychological needs, thereby generating higher job satisfaction (Ryan & Deci, 2020). Therefore, conceptually, the relationship between Human Resource Digital and Job Satisfaction is predicted to be positive and significant.

#### *The Influence of Work Flexibility on Employee Performance*

Theoretically, the finding that work flexibility has a positive and significant effect on employee performance aligns with various contemporary theoretical frameworks. From the perspective of the Job Demands–Resources (JD-R) model, flexibility in work time and place serves as a job resource that increases autonomy, reduces commuter stress, and enables faster energy recovery, thereby enhancing work engagement and performance output (Bakker & Demerouti, 2017). The Job Characteristics Model also positions autonomy as a core characteristic that fosters personal responsibility for results, driving both the quality and quantity of performance (Hackman & Oldham, 1980/2005). Furthermore, Self-Determination Theory explains that freedom to arrange working hours and location fulfills basic needs for autonomy and competence, which in turn stimulates intrinsic motivation to work more productively (Deci & Ryan, 2020). From the viewpoint of Social Exchange Theory, organizations that provide such flexibility are perceived as supportive; employees "reciprocate" with above-average performance behaviors as a form of reciprocation (Blau, 1964). Thus, conceptually, there is a strong logical pathway from flexibility policies to increased individual work output.

#### *The Influence of Generational Diversity on Employee Performance*

Theoretically, at the conceptual level, generational diversity is projected to have a positive effect on performance because the combination of heterogeneous knowledge, perspectives, and work styles is believed to enrich the quality of decision-making and team innovation, as explained by information/decision-making theory and the cross-generational dynamic capability framework. The presence of Baby Boomers through Generation Z enables organizations to blend experience (such as regulatory knowledge) with advanced digital skills, thereby broadening the spectrum of solutions, increasing adaptability speed, and ultimately enhancing performance output. However, recent comprehensive meta-analyses have found that this positive effect tends to be small because individual and team performance heavily depend on intermediary conditions, especially inclusive climate, managerial support, and effective coordination mechanisms. This means that

although the theoretical direction of influence is positive, the magnitude and significance of the empirical effect are determined by how well the organization manages differences in values, communication preferences, and career expectations across generations.

#### *The Influence of Human Resource Digital on Employee Performance*

Theoretically, conceptually, the digitalization of HR functions (human resource digital/HR-digital) is predicted to enhance employee performance because automation of administrative processes, AI-based talent analytics, and self-service platforms should add job resources in the form of time efficiency, accuracy of information, and transparency of feedback. The Job Demands–Resources framework explains that technology reducing administrative burdens enables employees to allocate cognitive energy to core tasks, thus increasing output; meanwhile, the dynamic capability view sees HR-digital as an organizational capability to seize opportunities and quickly reconfigure resources (Zhou et al., 2021). A meta-analysis on e-HRM (Nishad & Kumar, 2021) also reports a moderate positive correlation between HR-digital practices and various performance indicators, although significance is often influenced by the degree of user-friendliness and organizational culture readiness. Thus, the positive influence observed at OJK Medan remains consistent with expert theories, although the empirical effect size has yet to reach a significant level.

#### *The Influence of Job Satisfaction on Employee Performance*

Theoretically, in the theoretical domain, the relationship between job satisfaction and performance is explained by several classical and contemporary models. The Happy-Productive Worker Thesis states that positive affect, including satisfaction, increases intrinsic motivation, selective attention, and persistence, thus leading to higher performance (Landy, 1985; Sonnentag & Ilies, 2020). The Job Demands–Resources framework views satisfaction as a direct outcome of fulfilled psychological needs for autonomy, competence, and support; when these needs are met, employees allocate greater energy to core tasks, thereby increasing output (Bakker & Demerouti, 2017). A recent meta-analysis reviewing over 100 cross-national studies confirms a moderate positive correlation between satisfaction and performance, and shows that this effect persists after controlling for personality and contextual variables. Thus, theoretically, there are affective, cognitive, and reciprocal mechanisms within the Social Exchange Theory framework that predict both the positive direction and significance of the influence.

#### *The Influence of Work Flexibility on Employee Performance through Job Satisfaction*

Conceptually, the mechanism of work flexibility influencing performance through job satisfaction can be understood through a combination of the Job Demands–Resources (JD-R) model and Self-Determination Theory. Flexibility in work time and place is a job

resource that increases autonomy, reduces commuting stress, and enhances opportunities for energy recovery; these conditions fulfill basic psychological needs for autonomy and competence, thereby generating positive affect in the form of job satisfaction. Job satisfaction then acts as a “motivational energy” that strengthens task focus, persistence, and in-role performance, reflecting the happy-productive worker thesis. In other words, flexibility influences performance not only directly (by saving time and improving coordination efficiency) but especially through the affective-cognitive pathway of satisfaction that boosts intrinsic motivation and extra-role behaviors.

#### *The Influence of Generational Diversity on Employee Performance through Job Satisfaction*

The influence of generational diversity on performance through job satisfaction can be explained by combining the information/decision-making theory and the inclusive climate theory. Age diversity increases the variety of tacit knowledge, as well as digital literacy, thereby enriching the team’s information base. At the same time, a climate that values cross-generational interactions fulfills the psychological needs for felt respect and psychological safety, which then manifests as job satisfaction. Within the framework of Job-Demands Resources, satisfaction functions as “motivational energy” that facilitates selective attention, persistence, and extra-role behaviors; as a result, both individual and team performance improve. This mediating pathway is also elaborated in recent studies on diversity management, which identify job satisfaction and work commitment as key mediators in the diversity–performance relationship.

#### *The Influence of Digital Human Resources on Employee Performance through Job Satisfaction*

Theoretically, the digitalization of human resource functions, which includes the automation of personnel administration, artificial intelligence-based talent analytics, and self-service applications, is expected to improve performance through the pathway of job satisfaction. Within the Job-Demands–Resources (JD-R) framework, HR technology is viewed as a job resource that reduces bureaucratic burdens, accelerates information flow, and provides real-time feedback, thereby fulfilling the basic psychological needs for autonomy and competence; the resulting satisfaction then generates intrinsic motivation and more persistent task behavior. Socio-Technical Systems Theory adds that when the technology subsystem is aligned (fit) with the social structure, collective productivity is boosted due to reduced coordination friction. Conversely, if there is a misfit between digital capabilities and user readiness, techno-stress and the effects of “electronic monitoring” can reduce positive affect, lower job satisfaction, and hinder or even reverse the benefits flowing to performance. Thus, conceptually, the direction of the relationship between Digital Human

Resources through Job Satisfaction to Performance is contingent upon the quality of implementation, user literacy, and organizational culture.

## **Conclusions**

Based on the data processing results and research observations, the conclusions can be described as follows:

1. Work Flexibility has a positive and significant effect on Job Satisfaction. This means that if Work Flexibility increases, Job Satisfaction will increase significantly, and vice versa.
2. Generational Diversity has a positive and significant effect on Job Satisfaction. This means that if Generational Diversity increases, Job Satisfaction will increase significantly, and vice versa.
3. Digital Human Resources has a negative and insignificant effect on Job Satisfaction. This means that if Digital Human Resources increases, Job Satisfaction will decrease insignificantly, and vice versa.
4. Work Flexibility has a positive and significant effect on Employee Performance. This means that if Work Flexibility increases, Employee Performance will increase significantly, and vice versa.
5. Generational Diversity has a positive but insignificant effect on Employee Performance. This means that if Generational Diversity increases, Employee Performance will increase but not significantly, and vice versa.
6. Digital Human Resources has a positive but insignificant effect on Employee Performance. This means that if Digital Human Resources increases, Employee Performance will increase but not significantly, and vice versa.
7. Job Satisfaction has a positive and significant effect on Employee Performance. This means that if Job Satisfaction increases, Employee Performance will increase significantly, and vice versa.
8. Work Flexibility has a positive and significant effect on Employee Performance through Job Satisfaction at OJK Medan. This means that if Work Flexibility increases, Employee Performance will increase significantly through Job Satisfaction, and vice versa.
9. Generational Diversity has a positive and significant effect on Employee Performance through Job Satisfaction at OJK Medan. This means that if Generational Diversity increases, Employee Performance will increase significantly through Job Satisfaction, and vice versa.
10. Digital Human Resources has a negative and insignificant effect on Employee Performance through Job Satisfaction at OJK Medan. This means that if Digital Human Resources increases, Employee Performance will decrease insignificantly through Job Satisfaction, and vice versa.

For future research, it is recommended that studies not only investigate the direct and indirect effects of Work Flexibility,

Generational Diversity, and Digital Human Resources on Job Satisfaction and Employee Performance, but also explore additional variables that may moderate or mediate these relationships. Potential factors to consider include organizational culture, leadership style, employee engagement, technological readiness, and communication effectiveness. Furthermore, researchers could expand the scope by conducting comparative studies across different industries or organizational contexts to gain broader insights into how diverse workforce characteristics and digital HR practices influence job satisfaction and performance. Cross-cultural or multi-generational studies could also provide valuable perspectives on how cultural, economic, or generational differences affect these dynamics. Such comprehensive investigations would contribute to a deeper and more nuanced understanding of how to enhance sustainable employee satisfaction and performance in increasingly complex and technology-driven work environments.

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