

ANALYSIS OF TRANSFORMATIONAL LEADERSHIP ON JOB SATISFACTION MEDIATED BY SOFT SKILLS DEVELOPMENT FOR MILLENNIAL EMPLOYEES AT THE AGD GOVERNMENT INSTITUTION

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ABSTRACT

The study aims to analyze the influence of transformational leadership mediated by soft development skills on millennial employee job satisfaction at the AGD Government Institution. The research method used was quantitative with survey techniques. Data collected from 100 millennial employees at the AGD Government Institution through questionnaires. The data analysis technique used is the Process Macro SPSS which was developed by Andrew Hayes to test the transformational leadership influence, the soft development skills on millennial employee job satisfaction. Research suggests that transformational leadership and soft development skills have a significant and significant impact on the job satisfaction of millennial employees. The findings suggest that transformational leadership and the development of soft skills are key factors in promoting millennial employee job satisfaction. The implications of this study are the importance of institutions implementing leadership transformation and developing millennial worker soft skills to increase their job satisfaction.

Keywords: *Transformational Leadership; Soft Skill Development; Job Satisfaction; Millennial Employees; AGD Government Institution*

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1. INTRODUCTION

Millennial employees have dominated the job market today. Millennial employees are the generation born between 1981 to 1996. They are the first generation to grow up with the internet and digital technology. This generation has different characteristics and expectations from previous generations. They have different characteristics and expectations from previous

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generations. Millennials value work-life balance more, have a strong desire to grow, and want to work for a company that shares their values. (Wijoyo et al., 2020)

Millennial employees want to leave their jobs within two years. Job burnout or dissatisfaction is cited as one of the top three reasons young employees leave their jobs (Deloitte, 2022). Additionally, work-life balance components, such as more vacation time, the ability to work remotely, and greater social and environmental responsibility, are something millennial and generation Z employees expect from their employers (Schroth, 2019).

Waworuntu, et al. (2022) explain that work-life balance has a significant impact on job satisfaction and employee performance, particularly among Millennial and Gen Z employees. Their systematic review highlights that maintaining balance between professional and personal life not only increases satisfaction but also enhances productivity and organizational commitment.

One important factor that influences millennial employee job satisfaction is transformational leadership. In addition to leadership style, soft skill development is also key to increasing millennial employee job satisfaction. In the era of globalization and digitalization, competition in the world of work is getting tougher. Employees are not only required to have qualified hard skills, but also soft skills that can support their performance.

Transformational leadership, leaders can help bridge the self-development gap for millennial employees who are less adequate to influence the job satisfaction of these millennial employees by encouraging the development of soft skills, such as communication skills, time management, and problem solving. Transformational leadership that focuses on empowerment, inspiration, and individual attention can create better job satisfaction, although challenges remain in adapting the needs and values of the millennial generation to today's government system.

Based on data from the National Civil Service Agency (BKN), around 40% of civil servants (PNS) in 2023 will be millennials. In DKI Jakarta alone, 50% of employees in several agencies including the Education Office have fallen into the millennial age category (28-43 years old). This data shows that the dominance of millennials challenges the integration of dynamic and innovative work patterns in a bureaucratic system that tends to be rigid. Differences in work styles between millennials, who prefer flexible and technology-based work environments, and previous generations who were more hierarchical, can lead to communication breakdowns and decreased job satisfaction, potentially increasing turnover rates.

The following is a diagram of AGD Government Institution millennial employee mutations over the past five years (2020-2024) sourced from the Regional Civil Agency (BKD) reflecting a high turnover rate for Government Institutions.

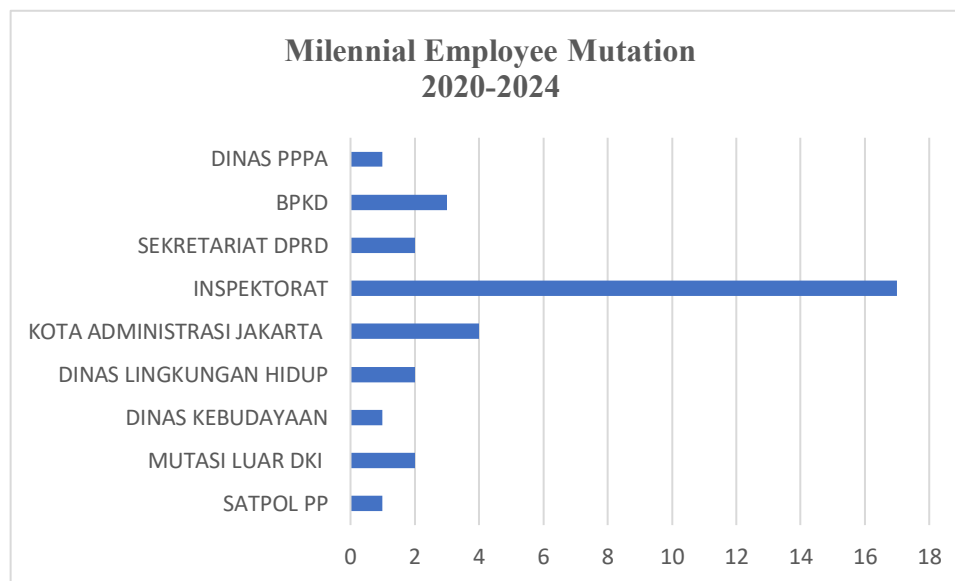


Figure 1. Millennial Employee Mutation 2020-2024

Source: explained

According to mutation data over the past five years, thirty-three people have transferred from AGD Government Institutions to other Institutions. The largest number, namely seventeen millennial employees, transferred to the DKI Jakarta Inspectorate because of a more adequate level of career development even though there was no administrative permission from their leadership. This happens because the DKI Jakarta Inspectorate is the highest institution that has the function of supervising the duties of the State Civil Apparatus.

By applying Transformational leadership, leaders can help bridge the personal development gap for millennial employees, which inadequately affects the job satisfaction of these millennial employees by encouraging the development of soft skills, such as communication skills, time management, and problem solving. Transformational leadership that focuses on empowerment, inspiration, and individual attention can create better job satisfaction, although challenges remain in adapting the needs and values of the millennial generation to today's government system.

Seeing the importance of Transformational leadership and soft skill development related to increasing job satisfaction, the author is interested in conducting research at the AGD Government Institution to be discussed in the author's thesis by taking the title "*Analysis of Transformational Leadership on Job Satisfaction Mediated by Soft Skills Development among Millennial Employees at the AGD Government Institution*"

Based on the description of the background of the problem above, the author formulates the following issues:

1. Is there an influence between transformational leadership and job satisfaction of millennial employees at the AGD Government Institution?
2. Is there an influence between transformational leadership and soft skill development of millennial employees at the AGD Government Institution?
3. Is there an influence between soft skill development and job satisfaction of millennial employees at the AGD Government Institution?
4. Is there an influence of transformational leadership on employee job satisfaction through the mediation of soft skill development of millennial employees at the AGD Government Institution?

This study is limited to millennial employees at the AGD Government Institution and focuses solely on the influence of transformational leadership on their job satisfaction, with soft skills development as the mediating variable. It uses only primary data from questionnaires and interviews and does not examine the impact of job satisfaction on organizational performance. These limitations are set to maintain focus and prevent deviation from the main research objectives.

2. LITERATURE REVIEW

The development of soft skills and transformational leadership has become a primary focus in enhancing employee job satisfaction, particularly among the millennial generation. Employee job satisfaction is a crucial factor that influences both organizational performance and stability. In the context of government institutions, such as the AGD Institution, the development of soft skills and the implementation of transformational leadership can significantly contribute to improving employee satisfaction and overall organizational performance.

Transformational leadership, which emphasizes employee development and organizational growth, has been closely linked to increased job satisfaction. In public institutions, this leadership style fosters greater employee participation and development, thereby enhancing job satisfaction.

Research by Hill et al. (2023) found that transformational leadership can boost employee satisfaction by strengthening organizational commitment.

According to Verameta et al. (2021), transformational leadership and career development have a positive influence on employee performance. This effect occurs both directly and indirectly, with job satisfaction acting as a mediating variable in the context of civil servants at the Ministry of Trade of the Republic of Indonesia.

H1: Transformational leadership has a positive and significant effect on job satisfaction.

The development of soft skills and transformational leadership can play a significant role in enhancing employee job satisfaction and overall organizational performance. Therefore, this study aims to examine the impact of soft skill development and leadership transformation on the job satisfaction of millennial employees at the AGD Government Institution.

According to Northouse in Jufrizen (2020), transformational leadership is shaped by four main factors. Idealized influence refers to leaders who serve as strong role models, earning admiration, respect, and trust from their followers. Inspirational motivation highlights leaders who articulate high expectations, inspire enthusiasm, and encourage employees to commit to and become part of a shared organizational vision. Intellectual stimulation involves leaders who challenge assumptions, promote creativity, and encourage innovative thinking by questioning both their own and their followers' values and beliefs. Lastly, individualized consideration represents leaders who provide a supportive climate, listen attentively to each follower's needs, and act as coaches and mentors to help employees fully realize their potential.

The findings of this study are expected to contribute to the field of Human Resource Management by providing insights into how soft skill development and transformational leadership can improve the job satisfaction of millennial employees in government institutions.

H2: Transformational leadership has a positive and significant effect on soft skill development.

According to Suravi (2023) found that enhancing communication and teamwork skills through soft skill development leads to improved job satisfaction. The development of soft skills has been associated with increased employee job satisfaction. Soft skills—such as communication, teamwork, and conflict resolution—enhance interpersonal interactions, foster a sense of security, and contribute to greater job satisfaction.

Handayani (2020) highlights that both motivation and organizational commitment are critical determinants of enhanced employee performance and job satisfaction. When employees are intrinsically motivated and strongly committed to their organization, they are more likely to display higher levels of productivity and simultaneously experience greater satisfaction in their roles. Several studies have demonstrated that soft skill development positively influences employee satisfaction.

H3: The development of soft skills has a positive and significant effect on job satisfaction.

Soft skill development plays a crucial mediating role in the relationship between transformational leadership and job satisfaction. Inspirational transformational leaders motivate employees to enhance their competencies through the development of soft skills, which subsequently improves job performance, expands career opportunities, strengthens interpersonal relationships, and ultimately increases overall job satisfaction. Human Resource Management emphasizes that improving performance and job satisfaction can be achieved

through strengthening motivation and fostering organizational commitment, as both complement each other in creating a productive and satisfied workforce (Afuan et al., 2023).

This study will analyse several key variables, including soft skill development, transformational leadership, and employee job satisfaction. Soft skill development will be measured based on the effectiveness of training programs implemented in hybrid and remote work environments, and their impact on job satisfaction (Suravi, 2023). Assessment will utilize a Likert scale focusing on communication skills, teamwork, and problem-solving abilities.

Transformational leadership will also be measured using a Likert scale, with indicators including work engagement, innovative behaviour, and leadership participation—all of which are positively correlated with career satisfaction and employee well-being (Hill et al., 2023). These factors are expected to have a positive influence on improving job satisfaction.

H4: Soft skill development mediates the relationship between transformational leadership and job satisfaction.

Hendriana (2021) stated that “Soft skills are a person’s abilities when interacting with others (interpersonal skills) and skills in managing oneself (intrapersonal skills), which can enhance performance to its maximum potential effect to job satisfaction.” Whereas according to Ketenagakerjaan and Nuraeni (2022), the strategy for developing soft skills competencies for workers in vocational training centres (BLK) involves creating programs that enhance communication, teamwork, problem-solving, and adaptability. These soft skills are considered essential to improve the quality of the workforce and to prepare them for the dynamic demands of the labour market.

Through this study, it is expected to contribute to the existing body of knowledge by providing insights into how the development of soft skills and transformational leadership can enhance job satisfaction—particularly among millennial employees in the AGD Government Institution.

3. METHODS

In this study, variables will be analyzed, including soft skill development, transformational leadership, and employee job satisfaction. Transformational leadership will be measured using a Likert scale to assess indicators such as work engagement, innovative behavior, and leadership participation. These aspects contribute positively to career satisfaction and employee well-being, which in turn have a significant influence on improving job satisfaction (Hill et al., 2023). Soft skill development will be measured based on the effectiveness of training programs conducted in hybrid and remote work environments. The impact of these programs on job satisfaction will

be evaluated using a Likert scale, with a focus on communication skills, teamwork, and problem-solving abilities (Suravi, 2023).

The research method used in this study is a quantitative approach to survey techniques. Data was collected through a questionnaire that has been developed based on the Multifactor Leadership Questionnaire (MLQ) by Bernard M. Bass & Bruce J. Avolio which was filled in by 100 millennial employees at AGD Government Institutions. Questionnaire containing the Transformational Leadership, Soft Skill Development and Job Satisfaction variables that will be measured using Likert scale. The assessment uses a scale of 1-5. A score of 1 indicates strongly disagree (STS), a score of 2 indicates disagree (TS), a score of 3 indicates somewhat agree or neutral (CS), a score of 4 indicates agree (S), and a score of 5 indicates strongly agree (SS). Here are the examples for each item in the questionnaire

1. Transformational Leadership Variable:

1. My leader has a clear vision and can communicate well with the team
2. My leader always motivates me to achieve goals that challenge me and give me direction clearly to achieve it.
3. My leader provides recognition and appreciation for my achievements, both individually and as a team.

2. Soft Skill Development Variable:

1. This institution provides soft skills training and development skills that are relevant for millennial employees, such as communication, leadership, and problem solving.
2. I can develop soft skills through training, seminars and workshops that are held by this institution.
3. I feel that soft skills training and development that I follow in this institution is useful for improving my ability to work.

3. Variable Job Satisfaction:

1. I feel satisfied with my work in this institution.
2. I feel that my work in this institution has meaning and makes a positive contribution to the public.
3. I feel appreciated for my contribution and hard work in this institution.

Data analysis was conducted using Process Macro SPSS by Andrew Hayes to test the effect of transformational leadership and soft skills development on job satisfaction of millennial employees. The results of the analysis are expected to have an influence on the factors that affect employee satisfaction.

The population in this study were employees at the AGD Government Institution totaling 236 people consisting of several sections. Researchers targeted respondents who would fill out a questionnaire of 100 respondents who were the number of millennial employees of the AGD Government Institution (born 1981-1996) by providing questionnaires in the form of printed sheets at the AGD Government Institution. This study uses non-probability sampling techniques. According to Sugiyono (2022: 131), the sample is part of the number and characteristics of the population. The sampling technique used in this study is non-probability sampling, namely purposive sampling.

4. RESULTS AND DISCUSSION

In carrying out this research, Researcher obtained data from 100 employee samples who had filled out the questionnaire directly. The sample is millennial employees (born 1981-1996) who work within the scope of the DKI Jakarta Provincial Education Office with a total of 236 employees. From all statements given by respondents through filling out the questionnaire, Researcher can get a true picture of the conditions at the research location. The results of respondents' answers regarding demographic information on gender, field, position and length of service are shown:

1. Gender

The most subjects in this study were female, with 53 respondents or around 53%.

2. Age

The characteristics of respondents in this study are State Civil Apparatus aged 28 to 42 years, including the millennial generation (born in 1981-1996).

3. Field Section (Work Unit)

This characteristic shows the field in which each respondent works at the AGD Government Institution. There are 12 areas (Work Units), namely Educators and Education Personnel (PTK), Program & Budget, General Secretariat, Financial Secretariat, Public Relations Secretariat, Asset Secretariat, Early Childhood Education (PAUD), Elementary School (SD), Junior High School (SMP), Senior High School (SMA), Vocational High School (SMK) and Information Data Center. Most respondents came from the field of Educators and Education Personnel (PTK) as many as 32% of respondents.

4. Position

This characteristic is divided into 4 categories of respondents' working positions, namely Staff, Executive Staff, Treasurer and Archivist. Most respondents are staff as 71 respondents.

The validity test used in this study is the Pearson Product Moment validity test, which aims to assess the relationship between the construct variables, namely Transformational Leadership, Soft Skill Development, and Job Satisfaction. This test is conducted to determine whether these variables demonstrate good construct validity.

In addition, the Pearson Product Moment correlation is used to evaluate the significance of the relationships between these variables. The significance level (p-value) indicates whether the observed correlation could have occurred by chance. If the p-value is less than 0.05 (or 0.01 for a higher level of significance), the relationship is considered statistically significant, suggesting a genuine correlation between the variables.

In this study, the validity test was conducted at a 95% confidence level with a sample size of $n = 30$. It reflects the data is valid. The reliability test conducted in this study shows that the Cronbach's Alpha value is > 0.600 , namely 0.870.

The normality test was conducted using the Kolmogorov-Smirnov method. The results showed a significance value (Asymp. Sig. 2-tailed) of 0.100, which is greater than 0.05. This indicates that the data is normally distributed. Therefore, based on the results of the normality test, it can be concluded that the data meets the assumption of normality. Each validity, reliability and normality tests were conducted using SPSS version 27.

Based on the results of data processing through Process Macro SPSS by Andrew Hayes to test the effect of transformational leadership and soft skill development on job satisfaction of millennial employees. The following are the results of the data test in the conceptual framework image which shows the beta coefficient (β) effect of each research variable with p-value = 0.

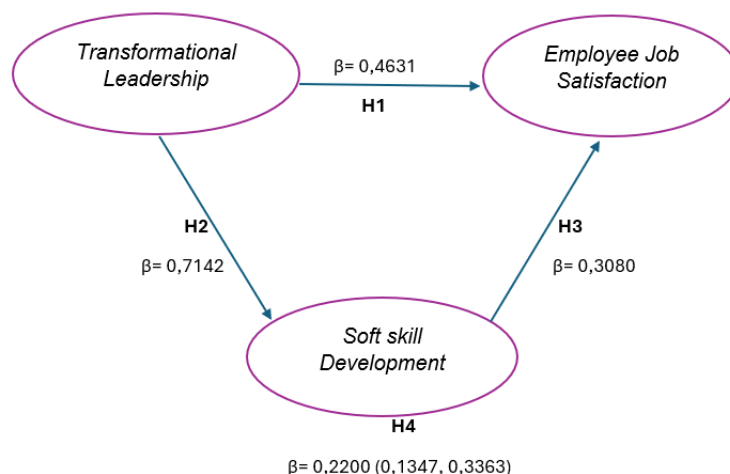


Figure 2. Conceptual Framework of Research

Source: Researcher

Direct and Indirect (Mediation) Effects of Transformational Leadership on Job Satisfaction through Soft Skill Development:

- a. Direct Effect of TL on Job Satisfaction: 0.4631, significant at $p < 0.05$, indicating that Transformational Leadership directly influences Job Satisfaction. This remains true even after accounting for the mediating effect of PSS.
- b. Indirect Effect of TL on WS through PSS: 0.2200, with a 95% bootstrap confidence interval (0.1347, 0.3363). Since this interval is not zero, the indirect effect is significant, meaning that Soft Skill Development mediates the relationship between Transformational Leadership and Job Satisfaction.

The results of the hypothesis test using Andrew Hayes Process Macro SPSS between Transformational Leadership (TL) and Job Satisfaction (KK) through the mediation of Soft Skill Development (PSS) are shown in the following analysis result table:

Table 1. Analysis Result

Analysis Result Table

Relationship	Coefficient	Sig.	Remark
TL → PSS	0.7142	0.000	Significant
TL → KK (direct)	0.4631	0.000	Significant
PSS → KK	0.3080	0.000	Significant
TL → PSS → KK (indirect)	0.2200	-	Significant (CI ≠ 0)

H1: Transformational leadership has a positive and significant effect on Job Satisfaction.

In this study, the results of hypothesis testing show that Transformational leadership has proven to have a significant direct and indirect effect on Job Satisfaction. The results of the analysis show that Transformational Leadership (TL) has a positive and significant influence on Job Satisfaction or job satisfaction both directly and through soft skill development as a mediator. From hypothesis testing, it was found that an increase in Transformational Leadership increases soft skill development, which will increase Job Satisfaction.

The regression results show that TL has a direct effect on job satisfaction with a coefficient of 0.4631 (significant at $p < 0.05$), meaning each one-unit increase in TL correlates with a 0.4631 increase in job satisfaction. In addition, there is an indirect effect of TL on job satisfaction through soft skill development of 0.2200 with a 95% confidence interval, indicating the significance of this mediating effect.

Transformational Leadership is statistically proven to play an important role in increasing job satisfaction, both directly and through soft skill development as a mediator. This is in line with previous research conducted by Hill et al. (2023) which found that management

transformation can increase job satisfaction of millennial employees through increased organizational commitment.

In the research results, it can be concluded that the better the transformational leadership is implemented, the higher the level of employee job satisfaction. Transformational leadership affects job satisfaction directly by increasing the positive relationship between leaders and millennial employees, which creates a more supportive and motivating work environment.

The analysis results show a coefficient of 0.4631 (with a p-value of < 0.05), which means that any increase in transformational leadership is positively correlated with an increase in job satisfaction. In addition, through soft skill development as a mediator, transformational leadership strengthens its influence on job satisfaction, with an indirect effect of 0.2200. This means that effective leaders not only have a direct impact on job satisfaction but also encourage the improvement of relevant skills and will increase the job satisfaction of millennial employees.

In this study, the number of millennial employees who participated in filling out the questionnaire was mostly in the age range of 28 to 43 years and most positions that filled out the questionnaire were millennial staff and executive staff. This provides positive value to the leaders of organizational units that in transformational leadership, especially in structural positions, leaders can inspire and motivate which can increase job satisfaction of millennial employees.

The application of transformational leadership in AGD Government Institutions plays an important role in advancing the quality of education and improving the motivation and performance of employees. Transformational leadership focuses on the development of individuals in the organization, encouraging them to contribute more than just their daily tasks. One of the key aspects of this implementation is the career and competency development of millennial employees. AGD Government Institutions actively implement training and development programs, helping millennial employees to reach their full potential. Through efforts to facilitate good career planning, employees feel more valued and motivated to make better contributions in their work.

In addition, leaders at AGD Government Institutions make efforts in empowering teamwork. The application of transformational principles encourages employee involvement in decision-making, creating an environment where every voice is heard. The collaborative organizational structure creates space for employees to participate in various aspects of education management, from planning to program implementation. By giving millennial employees, the freedom to develop themselves, leaders can create a sense of belonging and responsibility in employees, which is important for creating a positive and productive work culture.

Transformational leaders are also expected to contribute to the realization of inspiring vision. vision of AGD is embodied in the mission to create a supportive learning environment that addresses the educational needs of Jakarta. Leaders must be able to communicate this vision clearly to all elements in AGD, thus creating a collective spirit to achieve common goals. Through an aligned vision and mission, employees can feel the meaning of their work and are motivated to contribute more to realize the mission.

Continuous monitoring and evaluation are the key to implementing transformational leadership. AGD Government institutions conduct evaluations of implemented policies and programs, providing constructive feedback for improvement. This not only helps in ensuring that programs are running according to set standards but also supports individual and team development in facing challenges. Through innovative approaches in education systems and adaptive management, AGD Government Institutions strive to implement transformational leadership as a tool to improve the quality of education and build a better future.

H2: Transformational leadership has a positive and significant effect on Soft Skill Development.

In this study, the results of hypothesis testing show that Transformational Leadership is proven to have a positive and significant influence on soft skill development. This finding shows that effective transformational leadership can encourage the improvement of soft skills in millennial employees.

Regression analysis shows that TL has a coefficient of 0.7142 on soft skill development, with significance at $p < 0.05$. This means that every one unit increase in TL correlates with an increase of 0.7142 in soft skill development. Thus, the better the quality of transformational leadership demonstrated, the higher the soft skill development perceived by millennial employees.

Transformational Leadership creates a supportive environment for learning and personal development, which encourages millennial employees to develop interpersonal, communication, and problem-solving skills, which are important aspects of soft skills. This makes it clear that transformational leaders not only motivate and inspire but also take an active role in building employees' soft skills capacity, supporting employee performance in the workplace.

The application of transformational leadership in AGD Government Institutions has a significant influence on employee soft skills development. Transformational Leadership focuses not only on achieving concrete results, but also on developing individuals and teams through inspiring and motivating interactions. One of the biggest influences of this leadership is the ability to create a work environment that supports and facilitates the development of soft skills such as communication, collaboration, and leadership.

Transformational leadership also emphasizes the importance of developing leadership skills among employees. Through mentorship and career development, leaders in AGD Government Institutions can develop the potential of leaders, especially in millennial employees. By giving millennial employees, the opportunity to take on larger roles in specific projects or lead initiatives, they can practice leadership skills that are beneficial in their careers. Employees who can to develop leadership soft skills will be better equipped to handle challenges and lead to change in the education environment.

Thus, the application of transformational leadership in AGD Government Institutions not only focuses on achieving educational goals but also builds a strong foundation for the development of soft skills of employees. The presence of inspiring and supportive leaders creates a work environment with multiple opportunities to learn, collaborate and develop the necessary interpersonal skills.

H3: Soft Skill Development has a positive and significant effect on Job Satisfaction.

In this study, the results of hypothesis testing show that soft skill development has proven to have a positive and significant effect on job satisfaction. The results of the research analysis show that Soft Skill Development functions as a mediator in job satisfaction. Any increase in Soft Skill Development (PSS) is followed by a significant increase in Job Satisfaction (KK), with a regression coefficient of 0.3080 which is statistically significant ($p < 0.05$).

The high correlation and R-squared value of 0.6728 show that these variables are strongly interconnected in shaping employee job satisfaction, where 67.28% of the variation in job satisfaction is in Soft Skill Development and Transformational Leadership. This is in line with research conducted by Suravi (2023) which suggests that soft skill development can increase employee job satisfaction through improving communication and teamwork skills.

Overall, this shows that enhancing soft skills in employees not only improves interpersonal and communication skills, but also positively impacts their level of satisfaction at work. This is in line with the concept that soft skills, such as adaptability, effective communication, and cooperation, strengthen employee job satisfaction by helping millennial employees cope more effectively with job challenges.

Soft skills development plays an important role in improving job satisfaction in AGD Government Institutions. In education, interpersonal skills such as communication, teamwork, and time management are necessary to create a productive and harmonious work environment. Good soft skills enable millennial employees to interact effectively with each other, support better collaboration, and promote more optimal productivity. Therefore, training focused on soft skills development is needed for educators and education personnel.

One of the positive impacts of soft skills development is improved communication skills. Millennial employees who have good communication skills can convey ideas, opinions and information clearly, thus minimizing misunderstandings. With effective communication, teams can work with solidarity, enabling collaboration in curriculum development, organizing activities, and better management of educational institutions. This will increase the job satisfaction of millennial employees due to engagement and good communication.

H4: There is a mediating role of Soft Skill Development variables on the influence between Transformational leadership variables and Job Satisfaction.

In this study, the results of hypothesis testing show that there is a mediating role of Soft Skill Development variables on the influence between Transformational leadership and Job Satisfaction variables. Based on the results of the analysis presented, this mediating role has an influence through significant direct and indirect effects as follows:

- a. **Direct Effect of TL on KK:** Transformational Leadership directly affects Job Satisfaction with a coefficient of 0.4631 which is significant ($p < 0.05$). This shows that transformational leadership style can increase job satisfaction directly through its influence on the work environment, employee motivation, and inspired vision to the team.
- b. **Indirect Effect of TL on KK through PSS:** Transformational Leadership also affects Job Satisfaction indirectly through soft skill development with a mediation coefficient of 0.2200. This effect is significant, as indicated by the 95% bootstrap confidence interval (0.1347, 0.3363). This means that Soft Skill Development becomes a mechanism that bridges the influence of Transformational Leadership on Job Satisfaction.
- c. **Significance of Partial Mediation:** Soft Skill Development has proven to be a partial mediator, which means that Transformational Leadership affects Job Satisfaction both directly and through the mediation path of Soft Skill Development. Most of the effect of Transformational Leadership on Job Satisfaction can be explained by the leader's ability to improve employee Soft Skills.

This is in line with Transformational Leadership influenced by work engagement, innovative behavior and leader participation contribute positively to career satisfaction and employee well-being (Hill et.al, 2023) has a positive influence in increasing job satisfaction. At AGD Government Institutions Transformational Leadership refers to a leadership style that inspires and motivates employees to adapt and develop and contributes more to the goals of AGD Government Institutions. Leaders who apply this approach focus on individual development, increasing self-confidence, and encouraging millennial employees to reach their full potential, which is the main driving factor for millennial employees to develop the soft skills needed in carrying out their daily work.

Transformational Leadership serves as the main factor influencing soft skills development, which then impacts the level of job satisfaction in AGD Government Institutions. This mediating variable demonstrates the importance of interpersonal and collaborative skills development in

improving the quality of the work environment. If leaders can consistently provide support and facilities for soft skills development, then millennial employees' job satisfaction will increase, creating more positive and productive work experience in educational institutions such as the AGD Government Institution.

The AGD government needs to take strategic steps to improve the effectiveness of Transformational Leadership and Soft Skill Development of millennial employees. With a high Mean Score for Transformational Leadership, management should continue to maintain and strengthen this leadership style, as has been shown to contribute positively to job satisfaction. However, the low mean score of Soft Skill Development compared to Transformational Leadership and Job Satisfaction indicates the need for improvement in existing training programs. Management should conduct a thorough evaluation of the soft skills development program, ensuring that the training offered is relevant and in line with employee needs.

In addition, it is important to improve communication and feedback between leaders and employees so that training programs can be tailored to the expectations and challenges faced. By optimizing soft skills development, AGD Government Institutions will not only increase job satisfaction, but also strengthen employee performance and productivity, which will support the achievement of organizational goals more effectively and sustainably.

Limitations and future direction

The limitation in this research is carried out to avoid deviation or widening of the subject matter. In this research, limitation of the problem consists of several aspects. First, this research only includes millennial employees who work at the AGD Government Institution. Second, this study only looks at the effect of transformational leadership on job satisfaction of millennial employees. Third, this research only focuses on developing millennial employee soft skills as a mediating variable. Fourth, this study only uses primary data obtained through questionnaires and interviews. Fifth, this study did not see the effect of millennial employee job satisfaction on organizational performance. organization. Thus, this research can be more focused and directed in finding answers to the formulation of the problems stated. in finding answers to the formulation of the problems raised.

Future research can be carried out with a wider scope of study by involving other sectors such as the private sector or non-profit organizations, to understand in depth the relationship

between Transformational Leadership, Soft Skill Development, and Job Satisfaction in millennial employees. The research should also consider additional variables such as organizational culture, individual characteristics, and work experience, which may moderate the relationship between variables.

5. CONCLUSION

Based on the results of research and discussion that have been carried out, it can be concluded that the implementation of Transformational Leadership and Soft skill development given to millennial employees to increase job satisfaction in carrying out the duties and functions of millennial employees at AGD Government Institutions has a positive and significant influence. Based on this, the conclusions of this study are as follows:

1. Transformational Leadership has a direct effect on Job Satisfaction.
2. Transformational Leadership has a direct effect on Soft Skill Development.
3. Soft skill development has a direct effect on Job Satisfaction
4. The mediating role of Soft Skill Development variables partially affects Transformational leadership variables and Job Satisfaction.

Implementing a transformational leadership training program can help leaders develop the ability to inspire, motivate and provide individual support to employees, especially millennials. In addition, designing a structured soft skills development program, including training in communication, teamwork, conflict management, and critical thinking, is essential. These programs should be integrated into ongoing training to enhance interpersonal skills that support productivity and job satisfaction.

It is also important for AGD Government Institutions to create a collaborative and innovative work culture, in line with the characteristics of the millennial generation, to maximize their potential in facing job challenges. In addition, continuous monitoring and evaluation of the effectiveness of transformational leadership styles and soft skills development should be conducted to ensure optimal results and support organizational goals in providing better services to the community.

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