

Workplace Bullying as a Barrier to Gen Z Job Performance at Manufacturing Industry in Batam

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Abstract

Purpose: This study examines the effect of ethical leadership on job performance among Generation Z employees in Batam's manufacturing industry, while testing workplace bullying as a mediator and organizational concern as a moderator.

Methodology: A quantitative survey design was employed. Data were collected through online questionnaires (Google Forms) administered to Generation Z employees in the manufacturing sector of Batam. Purposive sampling yielded 263 valid responses. Data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS software.

Results: Ethical leadership significantly and positively affected job performance and workplace bullying (reducing it). Workplace bullying does not exert a significant direct effect on job performance; however, it significantly mediates the relationship between ethical leadership and job performance. Organizational concern did not significantly moderate the relationship between ethical leadership and job performance.

Conclusions: Ethical leadership enhances job performance and reduces workplace bullying among Generation Z employees. Although workplace bullying has no direct impact on job performance, it serves as a significant mediating pathway through which ethical leadership enhances employee performance. Organizational concern was not a significant moderator of this relationship.

Limitations: The study is limited to Generation Z respondents in Batam's manufacturing sector and relies on self-reported survey data, which may limit its external validity and generalizability.

Contributions: The findings provide practical guidance for manufacturing firms to strengthen ethical leadership and reduce workplace bullying, thereby supporting improved performance among the Generation Z workforce.

Keywords: *Ethical Leadership, Generation Z, Job Performance, Organizational Concern, Workplace Bullying*

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1. Introduction

In an era of increasingly rapid globalization, Generation Z is a generation that excels in the workplace ([AlShehhi, Alshurideh, Kurdi, & Salloum, 2021](#)). This makes it crucial for companies to assess Generation Z in their work to maximize productivity by leveraging developments in existing technology ([Schwepker & Dimitriou, 2021](#)). According to [Janjua, Shah, Khan, and Rashid \(2025\)](#) as a

new group of workers, Generation Z is now entering the workforce with different expectations and needs than previous generations ([Adhiati, Palupiningtyas, & Samtono, 2025](#)). They are highly concerned about mental health and a healthy work environment, and expect ethical leadership from their superiors ([Joplin, Greenbaum, Wallace, & Edwards, 2021](#)). However, numerous studies have shown that workplace bullying is a factor inhibiting Gen Z's performance, as they are generally more vulnerable to psychological stress in the workplace ([Saha, Shashi, Cerchione, Singh, & Dahiya, 2020](#)).

This is based on the fact that generation Z creates the expected work environment according to their wishes so that they feel satisfied with the performance that impacts the integrity of the company ([Qing, Asif, Hussain, & Jameel, 2020](#)). Where the company explains that the working environment and conditions include physical and non-physical aspects, such as space and safety of the work environment, adequate facilities, technology and the existence of good relationships between superiors and subordinates ([Ahmad, Sohal, & Wolfram Cox, 2020](#)). According to [Nielsen, Evensen, Parveen, and Finne \(2024\)](#), Generation Z is estimated to have high expectations for the current work environment, such as the existence of work arrangements that have great control, the existence of applied values, higher salaries, and great support for mental health at the company's distun.

Despite the growing attention devoted to Generation Z employees, empirical research examining workplace bullying and its impact on job performance in Indonesia remains limited, particularly in the manufacturing industry ([Freire & Pinto, 2022](#)). Existing studies have primarily investigated workplace bullying as an independent predictor of employee outcomes or examined ethical leadership and job performance separately. ([Georganta, Nikolakopoulos, & Glaveli, 2025](#)). Consequently, there is limited empirical evidence explaining how ethical leadership improves job performance by reducing workplace bullying, especially among Generation Z employees. ([Tiamboonprasert & Charoensukmongkol, 2020](#)). Furthermore, most previous studies have focused on mixed generational workforces or different industrial settings, making their findings difficult to generalize to Generation Z employees, who generally place greater emphasis on ethical leadership, psychological safety, and supportive workplace environments. ([Ahmer, 2020](#)).

In this era of increasingly rapid globalization, Batam has become a center of the manufacturing industry in Indonesia, particularly in the electronics and logistics sectors ([Candy & Quinn, 2023](#)). This rapid growth in the industry is accompanied by high work pressure and tight production targets, which often lead to interpersonal conflict between employees ([Dogbe, Abloranyi, Pomegbe, & Duah, 2024](#)). One of the problems faced is workplace bullying, which is negative or harmful behavior that occurs repeatedly in the workplace ([Ali, Ihsan, & Ahmad, 2021](#)). Despite the strategic importance of Batam's manufacturing sector, empirical evidence explaining how ethical leadership can reduce workplace bullying and improve the job performance of Generation Z employees is scarce. ([Fatyandri, Masnita Siagian, Santosa, & Setyawan, 2023](#)). This limitation highlights the need for further investigation within the context of Indonesian manufacturing and provides an opportunity to extend the existing literature. ([Nguyen, Tuckey, Teo, Le, & Khoi, 2024](#)).

From a theoretical perspective, this study is grounded in Social Learning Theory and Social Exchange Theory ([Wu, He, Imran, & Fu, 2020](#)). Social Learning Theory explains that employees learn appropriate workplace behaviors by observing ethical leaders who consistently demonstrate fairness, integrity, and respect. Such ethical role modeling discourages workplace bullying and encourages positive employee behavior ([Edevbie & McWilliams, 2023](#)). Meanwhile, Social Exchange Theory suggests that employees who perceive ethical treatment from their leaders and genuine organizational concern tend to reciprocate through greater commitment and improved job performance ([Chang, Huang, Wang, & Yang, 2025](#)). Therefore, workplace bullying is expected to function as a behavioral mechanism through which ethical leadership influences job performance, while organizational concern strengthens this relationship by fostering a supportive work environment.

Accordingly, this study contributes to the literature in three ways. First, it examines workplace bullying as a mediating mechanism linking ethical leadership and job performance, an issue that has

received limited empirical attention in prior studies. Second, it investigates organizational concerns as a moderating variable that explains when ethical leadership becomes more effective in improving employee performance. ([Muchsinati, Ella, & Sentoso, 2024](#)). Third, it extends ethical leadership research by providing empirical evidence from Generation Z employees in Batam's manufacturing industry, a context that has received limited scholarly attention. By integrating ethical leadership, workplace bullying, and organizational concern into a single conceptual framework, this study provides a more comprehensive understanding of employee job performance than previous studies that examined these variables separately. Therefore, this study aims to examine the effect of ethical leadership on the job performance of Generation Z employees in Batam's manufacturing industry by investigating the mediating role of workplace bullying and the moderating role of Organizational Concern (OC).

2. Literature Review and Hypotheses Development

2.1 Ethical Leadership on Workplace Bullying

Ethical leadership plays a central role in addressing and reducing workplace bullying because it is grounded in moral values and justice ([Ernawati, Kadir, Badrian, Naimah, & Jahra, 2026](#)). According to the Social Learning Theory, employees learn appropriate workplace behavior by observing and imitating the conduct of influential role models, particularly organizational leaders. This guides leaders to set clear behavioral expectations and intervene when harmful conduct emerges in the workplace ([Ahmad et al., 2020](#)). Leaders who are wise and fair in their decision-making tend to establish a safe and respectful environment by modeling civility, discouraging abusive language or exclusionary practices, and ensuring that all employees are treated with dignity, thereby lowering the likelihood that bullying behaviors will be tolerated or normalized in daily interactions ([Freire & Pinto, 2022](#)). Research indicates that ethical leadership can reduce bullying at both the individual and group levels, as employees observe how leaders consistently enforce rules, respond to complaints, and uphold fairness, which shapes shared norms about what is acceptable and what is not in the organization ([Tiamboonprasert & Charoensukmongkol, 2020](#)).

Moreover, ethical leaders are more likely to address conflicts promptly and constructively, provide support to victims, and give corrective feedback to perpetrators, which not only resolves specific incidents but also signals that bullying is incompatible with organizational values, thus weakening the social acceptance of such behaviors ([Ahmer, 2020](#)). Despite this generally consistent pattern, some studies have pointed out that ethical leadership may be constrained by broader structural or cultural factors, such as power imbalances or weak enforcement mechanisms, suggesting that the success of ethical leadership in reducing bullying can depend on how strongly ethical norms are institutionalized within the organization. Therefore, based on Social Learning Theory and supported by previous empirical findings, ethical leadership is expected to reduce workplace bullying because employees imitate ethical behaviors demonstrated by their leaders while avoiding behaviors that violate organizational ethical standards.

H₁: Ethical leadership has a significant effect on workplace bullying

2.2 Ethical Leadership on Job Performance

Ethical leadership, which emphasizes moral norms, honesty, fairness, and responsibility in decision-making, is widely recognized as a leadership style that can foster a more motivated, engaged, and high-performing workforce because employees perceive that organizational decisions are made transparently and in their best interests ([AlShehhi et al., 2021](#); [Jumawan et al., 2025](#)). According to Social Exchange Theory, employees tend to reciprocate fair and ethical treatment received from organizational leaders by demonstrating positive work attitudes and behaviors. When leaders consistently display honesty, integrity, and fairness, employees perceive that they are respected and valued, encouraging them to respond with greater organizational commitment and improved job performance.

When leaders consistently display ethical behavior and wise judgment, they create a climate of psychological safety that encourages employees to express ideas, take initiative, and commit to their

tasks, which, in turn, enhances job satisfaction and strengthens intrinsic motivation to perform well ([Schwepker & Dimitriou, 2021](#)). Empirical evidence indicates that ethical leadership significantly affects job performance because employees tend to reciprocate fair and principled treatment by increasing their efforts and aligning their behavior with organizational goals, thus improving both individual and collective outcomes ([Joplin et al., 2021](#)). In addition, behavior grounded in leaders' experience and integrity can reinforce employees' trust in the organization, reduce uncertainty and cynicism, and cultivate more cooperative relationships, which ultimately supports sustained improvements in performance over time ([Saha et al., 2020](#)).

Although these findings largely converge on a positive association between ethical leadership and job performance, some studies suggest that the strength of this relationship may vary depending on contextual factors such as organizational culture, task characteristics, and generational differences among employees. Therefore, it is important to reassess this link in different settings and populations ([Qing et al., 2020](#)). Therefore, based on Social Exchange Theory and previous empirical findings, ethical leadership is expected to positively influence employee job performance.

H₂: Ethical leadership has a significant effect on job performance

2.3 Workplace Bullying on Job Performance

The Conservation of Resources (COR) theory explains that individuals strive to preserve valuable psychological and emotional resources. Workplace bullying depletes these resources by creating stress, emotional exhaustion, and psychological insecurity, thereby reducing employees' ability to perform effectively. Consequently, employees who experience bullying are more likely to demonstrate lower levels of job performance. Workplace bullying has been widely documented as a detrimental factor for employee job performance because it undermines both psychological well being and work motivation ([Kekeocha, Anoke, Onuzulike, & Ngozi, 2023](#)), leading to substantial losses for individuals and organizations ([Ali et al., 2021](#)).

Bullying behaviors such as intimidation, humiliation, ridicule, and social exclusion can erode employees' sense of self-worth and belonging, generating heightened stress, anxiety, and emotional exhaustion, which in turn reduce their ability to concentrate and maintain sustained focus on their tasks ([Wu et al., 2020](#)). Victims of bullying often experience decreased work engagement and a weakened sense of commitment, as they may become preoccupied with coping strategies, avoidance behaviors, or thoughts of leaving the organization, thereby diminishing their productivity and increasing the risk of errors or delays in task completion ([Edevbie & McWilliams, 2023](#)). At the relational level, bullying damages trust and cohesion among colleagues, disrupts communication, and creates a hostile climate that discourages collaboration and knowledge sharing, factors that are essential for effective team performance and innovation ([Chang et al., 2025](#)).

Organizations characterized by high levels of bullying also tend to show higher turnover, increased absenteeism, and lower loyalty, which further strains resources and can negatively affect the quality of service or production outcomes. Additionally, when bullying incidents are poorly managed or ignored, the organization's reputation may be tarnished, reducing public confidence and deterring potential employees who might otherwise contribute positively to performance ([Elazzazy, 2023](#)). Therefore, based on the Conservation of Resources Theory, workplace bullying is expected to negatively affect employee job performance.

H₃: Workplace bullying has a significant effect on job performance

2.4 Ethical Leadership on Job Performance Mediated by Workplace Bullying

Social Learning Theory suggests that ethical leaders influence employee behavior by establishing ethical norms and discouraging inappropriate behaviors, including workplace bullying. Reduced bullying creates a healthier work environment that enables employees to perform effectively. Therefore, workplace bullying is expected to be the mechanism through which ethical leadership enhances employee job performance. Ethical leadership is considered a crucial determinant of

employee job performance, and workplace bullying has been proposed as an important mediating mechanism that explains how and why ethical leadership translates into better performance outcomes ([Rabie & Malek, 2020](#)).

Leaders who exhibit ethical behavior by being honest, fair, and supportive create a work environment where bullying is less likely to occur because such conduct conflicts with the values and norms promoted by the leader, and employees understand that deviant behavior will not be tolerated ([Salem, Walumbwa, Babalola, Guo, & Misati, 2021](#)). In a low-bullying environment, employees feel more respected and psychologically safe, which enhances their sense of value and belonging, increases their motivation to invest effort in their work, and ultimately contributes to higher job performance ([Yasir & Khan, 2020](#)).

Conversely, when leaders do not act ethically or are inconsistent in applying rules, bullying can escalate, and the resulting fear, conflict, and distrust lower employees' willingness to engage and perform, undermining both individual outcomes and overall organizational integrity ([Al Halbusi, Williams, Ramayah, Aldieri, & Vinci, 2021](#); [Hechanova & Manaois, 2020](#)). These findings suggest that workplace bullying functions as a critical pathway linking ethical leadership to performance because leadership that effectively reduces bullying helps maintain employees' psychological well-being and supports sustained productivity, whereas leadership that fails in this respect allows conditions that harm performance to persist. Therefore, workplace bullying is expected to mediate the relationship between ethical leadership and job performance.

H₄: Ethical leadership has a significant effect on job performance mediated by workplace bullying

2.5 Ethical Leadership on Job Performance with Organizational Concern as a Moderator

Social Exchange Theory explains that employees tend to reciprocate organizational care with positive attitudes and behaviors. When employees perceive high organizational concern, they feel supported, respected, and valued. Under these conditions, ethical leadership becomes more effective because organizational concerns reinforce employees' trust, motivation, and willingness to reciprocate through higher job performance. Ethical leadership has been shown to encourage responsible, fair, and value oriented behavior that can enhance job performance ([Kamaluddin, Ridwan, M, & Munifa, 2026](#)), yet prior studies indicate that the strength of this effect may depend on employees' level of organizational concern, which reflects how much they care about the organization's well being and long term success ([Saleem, Qadeer, Mahmood, Montes, & Han, 2020](#)).

Employees with high organizational concern are more likely to internalize the ethical values demonstrated by their leaders, interpret these values as aligned with their aspirations for the organization, and respond by exerting greater effort, showing higher persistence, and engaging in discretionary behaviors that support superior job performance ([Men et al., 2018](#)). In this condition, ethical leadership and organizational concern operate synergistically, as the presence of ethical leaders provides direction and moral guidance, while strong concern motivates employees to act on that guidance in ways that benefit both their own performance and the organization as a whole ([Naeem, Weng, Hameed, & Rasheed, 2020](#)).

However, when organizational concern is low, even clearly articulated ethical leadership may have a weaker impact because employees might be less motivated to align their behavior with organizational values, less responsive to leaders' ethical cues, and more focused on personal rather than collective outcomes, thereby limiting the extent to which ethical leadership can translate into higher performance ([Shafique, Ahmad, & Kalyar, 2019](#)). These insights highlight that fostering organizational concern is essential to fully leverage the advantages of ethical leadership, as it creates a context in which employees are more willing to transform ethical guidance into concrete performance-enhancing actions ([Nemr & Liu, 2021](#)). Therefore, organizational concerns are expected to strengthen the positive relationship between ethical leadership and employee job performance.

H₅: Ethical leadership has a significant effect on job performance with organizational concern as a moderator

Based on the proposed hypotheses, the research framework of this study is presented in Figure 1.

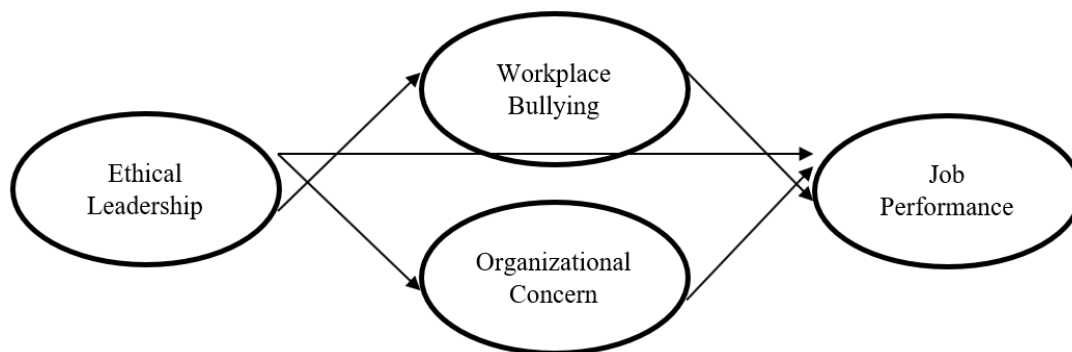


Figure 1. Research framework

3. Research Methodology

This study employs a quantitative research approach using a survey method to examine the relationship between ethical leadership, workplace bullying, organizational concern, and job performance among Gen Z employees in the manufacturing sector in Batam, Indonesia. Data were collected using an online questionnaire distributed using Google Forms from November 2024 to February 2025. The study population consisted of Generation Z employees working in manufacturing companies located in Batam, Riau Islands. The sampling technique used was purposive sampling with the following criteria: Employees working in the manufacturing sector in Batam, born between 1997 and 2012, having a minimum working experience of six months, and willing to participate in the research were included as respondents. A total of 263 valid responses were obtained and used for further analyses.

All measurement items were adapted from previous studies and assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Ethical Leadership (EL) was measured based on indicators related to leaders' fairness, integrity, honesty, and ethical behavior. Workplace Bullying (WB) was measured using indicators reflecting repeated negative behaviors, interpersonal mistreatment, and psychological pressure experienced by employees. Organizational Concern (OC) was measured based on employees' perceptions of organizational support and concern for their well-being, while Job Performance (JP) was measured through indicators related to employees' effectiveness and work achievement. Data analysis was performed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS software. Sample adequacy was determined using the 10-times rule proposed by [Hair et al. \(2021\)](#), which suggests that the minimum sample size should be ten times the maximum number of structural paths directed toward a construct in the research model. The obtained sample of 263 respondents exceeded the minimum requirement, making it appropriate for the SEM-PLS analysis.

4. Results and Discussions

A total of 263 respondents were successfully recruited. The population used in the study was Generation Z working in manufacturing in Batam City, which served as the primary data. The obtained data were then processed using SEM PLS. Based on the results of the questionnaire distribution, it can be concluded that most respondents were female. In this study, Generation Z who completed the questionnaire had an average education level of high school, vocational school, or senior high school.

Table 1. Demographic characteristics of respondents

Characteristics	Description	Frequency	(%)
Gender	Male	116	44.1
	Female	147	55.9
Education Level	High School	126	47.9
	Diploma	52	19.8
	Bachelor	85	32.3
Work Experience	1 Years	69	26.2
	2-5 Years	93	35.4
	5 Years	101	38.4
Income	< 5.000.000	110	41.8
	5.000.000 – 10.000.000	148	56.3
	> 10.000.000	5	1.9

Table 1 shows the majority of the respondents in this survey were female. The table shows that female characteristics are more dominant than male characteristics, although the difference was not significant. Most respondents had a high school equivalent education. However, there were also quite a few respondents who had completed their education up to the bachelor's level. Meanwhile, those with diplomas were the smallest group. Most respondents had considerable work experience of approximately five years. This was followed by those with two to five years of work experience. Furthermore, respondents with one year of work experience were the smallest group. Most respondents had mid-range income. Respondents with low incomes were also numerous, although slightly fewer than the previous group. Respondents with high incomes were the smallest group.

Table 2. Common method variance

Variables	VIF
Ethical Leadership → Workplace Bullying	1.000
Ethical Leadership → Job Performance	1.630
Workplace Bullying → Job Performance	1.124
Ethical Leadership → Workplace Bullying → Job Performance	2.027
Organizational Concern × Ethical Leadership → Job Performance	1.714

Table 2 shows the VIF values, all the variables in the model showed no multicollinearity issues. This is based on the VIF values being below five, indicating that each independent variable does not have a high correlation with each other (Hair et al., 2021). Therefore, the regression model used in this study is considered stable and valid for testing the influence of Ethical Leadership, Organizational Concern, Workplace Bullying, and Job Performance, including the interaction effect between Organizational Concern and Ethical Leadership.

Table 3. Validity and reability

Variables	Loading Factor	Composite Reliability	Cronbach Alpha	AVE	Result
Ethical Leadership					
EL 1	0.816	0.904	0.902	0.671	Reliable
EL 2	0.801	0.904	0.902	0.671	Reliable
EL 3	0.817	0.904	0.902	0.671	Reliable
EL 4	0.830	0.904	0.902	0.671	Reliable
EL 5	0.821	0.904	0.902	0.671	Reliable
EL 6	0.829	0.904	0.902	0.671	Reliable
Job Performance					
JP 1	0.724	0.774	0.763	0.512	Reliable
JP 2	0.628	0.774	0.763	0.512	Reliable

Variables	Loading Factor	Composite Reliability	Cronbach Alpha	AVE	Result
JP 3	0.754	0.774	0.763	0.512	Reliable
JP 4	0.750	0.774	0.763	0.512	Reliable
JP 5	0.716	0.774	0.763	0.512	Reliable
Organisation Concern					
OC 1	0.626	0.884	0.881	0.515	Reliable
OC 2	0.771	0.884	0.881	0.515	Reliable
OC 3	0.777	0.884	0.881	0.515	Reliable
OC 4	0.780	0.884	0.881	0.515	Reliable
OC 5	0.774	0.884	0.881	0.515	Reliable
OC 6	0.643	0.884	0.881	0.515	Reliable
OC 8	0.673	0.884	0.881	0.515	Reliable
OC 9	0.662	0.884	0.881	0.515	Reliable
OC 10	0.734	0.884	0.881	0.515	Reliable
Workplace Bullying					
WB 1	0.960	0.967	0.944	0.898	Reliable
WB 2	0.959	0.967	0.944	0.898	Reliable
WB 3	0.924	0.967	0.944	0.898	Reliable

The minimum loading factor value was 0.6, composite reliability was 0.7, Cronbach's alpha was 0.70, and AVE was 0.50 (Hair et al., 2021). Table 3 the analysis results indicate that all variables in this study were valid and reliable. The questionnaire items can be trusted to measure each variable. For the leadership ethics variable, all statements showed excellent results and demonstrated interconnectivity. The employee performance variable also performed well, although one statement was less robust, but overall it was still acceptable. Regarding the organizational variable, some statements did not have particularly high scores, but overall, it was still strong enough to be used. Meanwhile, the workplace bullying variable showed strong and consistent results. Overall, the measurement tool used in this study was quite good and reliable.

Table 4. Fornell Larcker criterion

Variables	Ethical Leadership	Job Performance	Organizational Concern	Workplace Bullying
Ethical Leadership	0.638			
Job Performance	0.524	0.724		
Organizational Concern	0.572	0.520	0.549	
Workplace Bullying	0.326	0.265	0.180	0.706

The minimum square root of the AVE must be greater than the correlation between the variables to meet the requirements for discriminant validity (Hair et al., 2021). Table 4 the results of this study demonstrate good discriminant validity. The square root of the AVE value on the diagonal of the table is higher than the correlation values between the other constructs. This indicates that each construct in this model can clearly differentiate itself from the other constructs, meaning that each variable measures a unique and non-overlapping concept. Therefore, the instrument used in this study can be considered to have discriminant validity.

Table 5. Heterotrait Monotrait Ratio

Variables	EL	JP	OC	WB	OC X EL
Ethical Leadership					
Job Performance	0.691				
Organizational Concern	0.797	0.664			
Workplace Bullying	0.469	0.362	0.276		
Organizational Concern x Ethical Leadership	0.537	0.450	0.704	0.227	

The HTMT value is considered satisfactory if it is less than 0.90 (Hair et al., 2021). Table 5 the results of the correlation analysis between variables demonstrated a significant relationship between most of the constructs studied. The Ethical Leadership variable has a fairly strong correlation with Job Performance and Organizational Concern, indicating that ethical leadership plays a role in improving employee performance and fostering concern for the organization. The positive relationship between Organizational Concern and Job Performance also supports the assumption that employees who care about their organization tend to demonstrate better work performance.

In contrast, Workplace Bullying showed a relatively low correlation with other variables. This indicates that although workplace bullying is a significant issue, in the context of this study, its influence on ethical leadership, organizational concern, and employee performance is not dominant. Furthermore, the interaction variable Organizational Concern $\times$ Ethical Leadership showed a fairly strong correlation with Organizational Concern and moderate correlations with other variables. This indicates that when ethical leadership is combined with a high level of organizational concern, the potential for a positive influence on employee performance increases. Thus, the moderation of Ethical Leadership on the influence of Organizational Concern on other variables can make an important contribution in the context of human resource development and the creation of a healthy workplace environment. Structural model analysis was conducted using the bootstrapping method in SmartPLS. The analysis examined the direct, indirect, and moderating effects among the constructs. The significance of each relationship was evaluated using the path coefficients, t-statistics, and p-values. The direct and indirect effects are presented in Table 6.

Table 6. Direct and indirect effect

Relationships	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
EL -> WB	0.290	0.295	0.062	4.663	0.000
EL -> JP	0.316	0.303	0.105	3.022	0.003
WB -> JP	0.078	0.078	0.052	1.493	0.136
EL -> WB -> JP	0.481	0.492	0.100	4.808	0.000
OC -> EL -> JP	0.059	0.050	0.077	0.777	0.437

A relationship is considered significant if the t-statistic is greater than 1.96, and the p-value is less than 0.05 (Hair et al., 2021). This corresponds to the 5% significance level that is commonly used in quantitative research. The following is an explanation of the direct and indirect effect tests:

4.1 The Influence of Ethical Leadership on Workplace Bullying

The findings indicate that Ethical Leadership has a positive and statistically significant effect on Workplace Bullying ($\beta = 0.290$, $t = 4.663$, $p < 0.001$). These findings suggest that ethical leadership plays an important role in reducing workplace bullying by promoting fairness, integrity, and respect within the workplace. Research has shown that ethical leadership can significantly reduce the likelihood of workplace bullying (Ahmer, 2020). When leaders demonstrate ethical behavior, such as respecting others, rejecting discriminatory actions, and upholding fairness, the work atmosphere becomes healthier and more conducive (Chang et al., 2025). In such an environment, employees feel psychologically safe, and the likelihood of bullying, whether verbal, social, or psychological, is reduced (Wu et al., 2020). This influence is supported by research conducted by Nguyen et al. (2024). This makes it clear that leaders are fair and respectful of others.

4.2 The Influence of Ethical Leadership on Job Performance

The direct effect of Ethical Leadership on Job Performance was positive and significant ($\beta = 0.316$, $t = 3.022$, $p = 0.003$). This result indicates that ethical leaders contribute to better employee performance by encouraging responsibility, motivation, and commitment to the organization. Research has shown that ethical leadership significantly impacts employee performance. This means that when a leader demonstrates fairness, honesty, and responsibility and upholds moral values in leadership (Ali et al., 2021), this can strengthen the motivation and work spirit of subordinates (Saha et al., 2020). Employees feel more valued, treated fairly, and have good role models in their workplace actions (Elazzazy, 2023). Consequently, they tend to demonstrate higher work performance. This

finding is aligned with the research conducted by [Edevbie and McWilliams \(2023\)](#), thus concluding that ethics in leadership plays a crucial role in creating productive and high-performing employees.

4.3 The Impact of Workplace Bullying on Job Performance

This finding differs from that of several previous studies that reported that workplace bullying reduces employee performance. One possible explanation is that Generation Z employees may possess greater adaptability and resilience in coping with workplace stress than their older counterparts. Additionally, organizational support, peer relationships, and leadership practices may reduce the immediate impact of bullying on work performance. The direct effect analysis indicates that Workplace Bullying does not have a statistically significant effect on Job Performance ($\beta = 0.078$, $t = 1.493$, $p = 0.136$). Therefore, Hypothesis 3 is not supported.

Although the path coefficient was positive, the relationship was statistically insignificant, suggesting that workplace bullying did not directly influence the job performance of Generation Z employees in this study. ([Yasir & Khan, 2020](#)). Workplace bullying results in decreased employee motivation, causing employees to feel stressed by bullying ([Al Halbusi et al., 2021](#)). This is based on several factors, such as low bullying rates among respondents, employees' ability to manage work pressure, and the insignificant impact of bullying on productivity ([AlShehhi et al., 2021](#)). [Nguyen et al. \(2024\)](#) state that factors such as individual resilience and social support can mitigate the negative impact on employee performance.

4.4 Indirect Effect of Ethical Leadership on Job Performance through Workplace Bullying

The indirect effect analysis showed that Workplace Bullying significantly mediated the relationship between Ethical Leadership and Job Performance ($\beta = 0.481$, $t = 4.808$, $p < 0.001$). The results indicate that ethical leadership has a positive and significant effect on employee performance, with workplace bullying as a mediating variable. Leaders who are wise in decision-making, act fairly, and respect others can create a positive work environment ([Wu et al., 2020](#)). These conditions reduce workplace bullying, allowing employees to perform their duties without detrimental social or psychological pressure ([Hechanova & Manaois, 2020](#)). The lack of distractions or demeaning conflicts allows employees to be more focused, productive, and motivated to deliver their best performance ([Edevbie & McWilliams, 2023](#)). This explains why ethical leadership indirectly improves employee performance by suppressing workplace bullying ([Joplin et al., 2021](#)). This influence is supported by [Elazzazy \(2023\)](#), further strengthening the belief that ethical leadership not only shapes a positive work culture but is also key to creating working conditions that support optimal performance.

4.5 The Influence of Ethical Leadership on Job Performance with Organizational Concern as a Moderator Effect

The moderation analysis examined whether Organizational Concern strengthens the relationship between Ethical Leadership and Job Performance. The interaction effect (Organizational Concern $\times$ Ethical Leadership $\rightarrow$ Job Performance) was not statistically significant ($\beta = 0.059$, $t = 0.777$, $p = 0.437$). Therefore, Organizational Concern does not significantly moderate the relationship between Ethical Leadership and Job Performance. ([Rabie & Malek, 2020](#)). A sense of ownership and responsibility towards the organization motivates employees to study harder, maintain work quality, and remain loyal ([Freire & Pinto, 2022](#)). This explains why employees who demonstrate concern perform better ([Schwepker & Dimitriou, 2021](#)). [Joplin et al. \(2021\)](#) reinforce the fact that ethical leadership is more effective in improving performance based on employee engagement and concern for the company.

Table 7. R-square

Variables	R-Square	R-Square Adjusted
Job Performance	0.359	0.349
Workplace Bullying	0.106	0.103

Table 7 shows the R-squared value for Job Performance was 0.359, and the adjusted R-squared was 0.349, indicating that the model could explain 34.9% of the variability in job performance. Meanwhile, for workplace bullying, the R-squared was only 0.106, and the adjusted R-squared was 0.103, indicating a very low predictive power of the model for this variable. Low R-squared values indicate that other factors outside the model influence workplace bullying (Hair et al., 2021).

Building on these findings, the relatively modest R-squared values, particularly for Workplace Bullying, suggest that the current model captures only a limited portion of the underlying behavioral dynamics among Generation Z employees in manufacturing settings. This implies that workplace bullying in this context may be influenced more strongly by other variables not included in the model, such as broader organizational culture, specific supervisory styles beyond ethical leadership, peer group dynamics, and perceived psychological safety in the workplace. Additionally, situational characteristics typical of manufacturing environments, such as production pressure, rotating shift systems, and rigid hierarchical communication patterns, may also play an important role in shaping bullying behavior and should be considered in future research.

From a theoretical perspective, these results highlight the complexity of workplace bullying as a multidimensional construct that cannot be fully explained by leadership-related variables alone. Although Ethical Leadership demonstrates a statistically significant influence, its explanatory power remains limited, indicating the need to integrate broader theoretical frameworks, such as social exchange theory or conservation of resources theory, to better understand how employees respond to stressors and relational dynamics at work. Incorporating these frameworks could help clarify why some individuals are more vulnerable to bullying or are more severely affected by it, even under similar leadership conditions.

Furthermore, the moderate explanatory power for Job Performance ($R^2 = 0.359$) indicates that although Ethical Leadership, Workplace Bullying, and Organizational Concern contribute meaningfully to performance outcomes, a substantial proportion (approximately 65.1%) of performance variance is still driven by other determinants. Potential additional factors include individual competencies and skills, intrinsic motivation, job design and task characteristics, perceived organizational support, and the availability of learning and development opportunities. This aligns with previous studies that emphasize employee performance as a multifactorial outcome influenced simultaneously by personal attributes, work environment characteristics, and the organization's structural aspects.

In practical terms, these findings suggest that organizations, particularly manufacturing companies in Batam that employ Generation Z workers, should not rely solely on efforts to strengthen ethical leadership to improve performance and reduce workplace bullying. While promoting ethical leadership is an important foundation, it needs to be complemented by broader interventions, such as building an inclusive and respectful organizational culture, implementing clear anti-bullying policies, improving grievance and reporting mechanisms, and enhancing employee well-being and support programs. For Generation Z employees, who tend to value fairness, inclusivity, autonomy, and psychological safety, such a holistic human resource management approach is likely to generate more substantial improvements in reducing workplace bullying and enhancing job performance.

Finally, the empirical pattern revealed in this study opens opportunities for future research to explore additional mediating and moderating variables that could enrich the model and increase its predictive ability. Variables such as organizational justice, trust in leadership, employee engagement, psychological empowerment, and emotional intelligence may help explain more precisely how and under what conditions ethical leadership translates into better performance and lower bullying. Future studies could also adopt longitudinal designs or multi-source data (for example, combining self-reports with supervisor ratings) to reduce common method bias and capture dynamic changes over time. By expanding the scope of variables and using more diverse methods, subsequent research will be better positioned to provide a more comprehensive understanding of the behavioral patterns of

Generation Z in contemporary organizational settings and formulate more targeted and effective managerial interventions.

5. Conclusions

5.1 Conclusion

This study examined the relationships among Ethical Leadership, Workplace Bullying, Organizational Concern, and Job Performance among Generation Z employees in manufacturing companies in Batam. The findings indicate that Ethical Leadership has a significant positive effect on Job Performance and a significant effect on Workplace Bullying. However, Workplace Bullying did not have a statistically significant direct effect on Job Performance. In addition, Workplace Bullying significantly mediated the relationship between Ethical Leadership and Job Performance, whereas Organizational Concern did not significantly moderate the relationship between Ethical Leadership and Job Performance. From a theoretical perspective, this study extends the ethical leadership literature by demonstrating that ethical leadership influences employee performance both directly and indirectly through Workplace Bullying.

The insignificant direct relationship between Workplace Bullying and Job Performance also suggests that the performance of Generation Z employees may be influenced by additional organizational and psychological factors beyond workplace bullying alone. These findings provide a basis for future studies to incorporate broader theoretical perspectives and additional mediating or moderating variables into their research designs. From a practical perspective, manufacturing companies should strengthen ethical leadership through fair management practices, transparent communication, anti-bullying policies, and employee support programs. Although workplace bullying does not directly reduce employee performance, preventing it is crucial for creating a healthy organizational climate that supports employee well-being and long-term organizational effectiveness.

5.2 Research Limitations

This study had several limitations that should be acknowledged. First, the research was conducted exclusively within the manufacturing industry in Batam, which restricts the generalizability of the findings to other sectors or geographic regions in Indonesia. Second, the use of a cross-sectional survey design means that causal relationships between variables cannot be definitively established because the data were collected at a single point in time. Third, self-reported data may be subject to social desirability bias, particularly regarding sensitive topics such as bullying. Finally, the study focused solely on Generation Z employees; therefore, the extent to which these findings apply to other generational cohorts within the same organizational context remains unexplored.

5.3 Suggestions and Directions for Future Research

Based on the findings and limitations of this study, several directions for future research are suggested. Future studies are encouraged to expand the sample to include employees from other industries, such as services, retail, or the public sector, and from different regions in Indonesia to improve generalizability. Longitudinal research designs would allow stronger causal inferences. Future studies should investigate the mechanisms through which ethical leadership influences employee performance, including additional mediating and moderating variables that may explain why workplace bullying did not show a significant direct effect on job performance in this study. over time. Researchers should also consider incorporating additional moderating or mediating variables, such as psychological resilience, peer support, or organizational justice, which were not examined in this study. Furthermore, comparative studies between Generation Z and other generational cohorts, such as Millennials or Generation X, could yield valuable insights into whether the effects of bullying and ethical leadership are generation-specific. Mixed-method approaches that combine quantitative surveys with qualitative interviews would also help provide a richer and more nuanced understanding of the lived experiences of Gen Z employees in the workplace.

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Author Contributions

DHA reviewed the theoretical foundations used in the study, analyzed the alignment between the theory and the research findings, and reviewed the references utilized. RN collected relevant references, gathered and processed the research data, and prepared the format and template for the publication. RA developed the research concept and model, formulated the background framework, analyzed the research findings, finalized the article for publication, and conducted a comprehensive review of the analysis results by connecting them to the applied theories and empirical conditions at the manufacturing company.

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