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Transforming Education Management with Orange Servant Leadership and Happiness Practices

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ABSTRACT

This study explores the role of Orange Servant Leadership (OSL) and Orange Technology in empowering entrepreneurship and enhancing key happiness dimensions Quality of Work Life (QWL), Happiness at Work (HW), and Work Satisfaction (WS). The aim is to examine how leadership, rooted in care and ethical values, contributes to entrepreneurial success by fostering Subjective Well-Being (SWB), Work Engagement (WE), and Job Performance (JP). By integrating entrepreneurial behaviors within the Orange Technology framework, this **research demonstrates** how OSL can drive innovation, engagement, and performance. Using **SmartPLS-SEM analysis,** the study reveals that OSL significantly impacts entrepreneurial growth through happiness-driven leadership. The **findings** suggest that OSL enhances work engagement, while QWL, HW, and WS improve SWB. Both SWB and WE mediate the relationship between OSL and job performance, confirming their role as key drivers of entrepreneurial success. **This study contributes** to the understanding of how entrepreneurship, supported by ethical leadership and technology, leads to higher organizational performance and employee satisfaction. It provides an evidence-based leadership model aligned with Orange Technology, which integrates innovation, care, and well-being as strategic pillars for fostering sustainable business growth and success.

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1. INTRODUCTION

Orange Technology (OT) merges technological advancement with the humanistic values of health, happiness, and care, aiming to achieve sustainable well-being and organizational resilience [1, 2]. Within this paradigm, OSL represents an ethical and empathy-driven leadership model that stimulates creativity, trust, and emotional sustainability through care-based communication. OSL differs from conventional servant leadership by extending the servant-oriented values of humility, empowerment, and ethical concern into a broader Orange Technology paradigm. While conventional servant leadership primarily emphasizes serving followers and supporting their personal growth, OSL integrates care-based leadership with happiness management, emotional sustainability, and technology-supported well-being. Its incremental theoretical value lies in positioning leadership not only as a relational and ethical practice, but also as a strategic mechanism for creating healthier,

happier, and more adaptive workplaces. In this sense, OSL bridges servant leadership, human-centered technology, and workplace happiness by transforming ethical care into measurable outcomes such as SWB, WE, and JP.

In this study, happiness is conceptualized not as an abstract emotion but as a measurable strategic capability that drives performance. Happiness Management, introduced by [3], emphasizes internal communication, empathy, and participatory leadership as the foundation for well-being and trust, both of which enhance productivity and engagement. In parallel, QWL and WS strengthen emotional stability and job meaning, while SWB and WE translate happiness into proactive behavior, ultimately leading to JP [4–6]. These mechanisms are crucial for promoting SDG 3 (Good Health and Well-Being), as they highlight the importance of mental health and emotional well-being in the workplace, directly contributing to employee health and organizational performance.

Despite being Indonesia's most economically dynamic region, Jabodetabek faces workforce well-being challenges in manufacturing and retail sectors [7]. Manufacturing employment is about 13.83%, and retail contributes 18.73% of the workforce [8]. Long commutes, high living costs, and dense production clusters increase stress and diminish work-life balance in these areas. While businesses focus on productivity, investments in psychological well-being, leadership, and quality of work-life are lacking. This highlights the need for leadership models like OSL, which emphasize empathy, well-being, and adaptability, aligning with SDG 8 for decent work and economic growth. Based on Goal-Setting [9] and Social Exchange Theories [10], this study proposes that leaders who foster purpose clarity and reciprocal care improve employee motivation, emotional balance, and engagement, filling a gap in leadership and well-being research using SmartPLS 4 analysis.

The first gap is the conceptual fragmentation in the literature, where previous studies have separately examined servant leadership, career adaptability, and happiness management, but have not integrated these variables into a single structural model. This study addresses this gap by exploring how OSL, career adaptability, and happiness management interact to influence employee engagement and job performance, which is captured in Hypothesis 1 (H1): OSL significantly impacts WS and WE.

The second gap concerns the empirical scarcity in the Orange Technology context. While Orange Technology has been discussed as a human innovation concept, quantitative studies linking OSL to JP in Asian service industries are limited. This gap is directly addressed by Hypotheses 3 and 4 (H3, H4), which explore how QWL, WS, and HW contribute to SWB and ultimately enhance employee engagement and performance.

The third gap is the lack of exploration regarding the mediation mechanisms linking happiness, flourishing, and well-being to job performance. While prior research has explored the relationships among these constructs, it has not sufficiently addressed how these variables mediate the impact of OSL on JP. This gap is filled by Hypotheses 9 and 10 (H9, H10), which propose that SWB and WE mediate the relationship between OSL and JP, highlighting the sequential processes through which leadership behaviors influence performance. These gaps provide the foundation for the following research questions:

- How does OSL influence WS, QWL, and HW?
- How do happiness dimensions and subjective well-being mediate the relationship between OSL and job performance?
- What is the overall explanatory power of the integrated Orange Leadership Happiness Engagement Performance model?

By addressing these research questions, this study aims to provide a clearer understanding of how OSL influences employee happiness, well-being, engagement, and performance within the digital service sector, while contributing to SDG 3 (Good Health and Well-Being) by improving mental and emotional well-being, and SDG 8 (Decent Work and Economic Growth) by promoting decent work practices and economic growth. The novelty of this study lies in its integrative framework, operational measurement, and contextual validation. This study introduces a single structural model that connects OSL, QWL, WS, HW, subjective well-being, work engagement, and job performance. In addition, this study operationalizes happiness management by transforming happiness-based leadership and communication into measurable constructs. Furthermore, this research provides an empirical assessment of the Orange Technology leadership paradigm in the context of Indonesia's digital service sector.

2. LITERATURE REVIEW

The theoretical positioning of this study is centered on the argument that OSL represents an enriched form of servant leadership within the Orange Technology era. Conventional servant leadership explains how leaders prioritize followers' needs, ethical behavior, empowerment, and long-term development. However, OSL adds a distinctive theoretical layer by incorporating happiness management, emotional care, and human-centered technological adaptation as core leadership functions [11]. This distinction is important because organizations in technology-driven and entrepreneurial environments require leadership that not only serves employees, but also actively manages well-being, engagement, and resilience as strategic performance resources. Therefore, OSL provides an incremental contribution by linking servant leadership principles with happiness-based organizational behavior and digital-era workplace transformation.

2.1. Goal-Setting Theory

According to Goal-Setting Theory (GST) [9], specific and meaningful goals enhance motivation and performance when accompanied by feedback and perceived attainability. Within OSL, leaders clarify expectations, promote autonomy, and ensure alignment between individual and organizational objectives, fostering intrinsic motivation and happiness. This theory underpins the positive linkages between OSL, WS, and WE, all of which are vital in entrepreneurship. For entrepreneurs, the ability to set clear, attainable goals is crucial for driving business growth and enhancing organizational outcomes, particularly when aligned with ethical leadership models [12, 13].

2.2. Social Exchange Theory

Social Exchange Theory [10] posits that workplace relations evolve through reciprocal exchanges of support, recognition, and respect. OSL operationalizes this reciprocity by demonstrating empathy, transparency, and fairness, thereby eliciting trust and discretionary effort from employees. In entrepreneurship, this relational framework is critical for fostering an environment where employees and entrepreneurs engage in mutual collaboration. In the context of Orange Technology and Happiness Management, these exchanges nurture SWB and strengthen the emotional contract between entrepreneurs, employees, and organizations, thus enhancing productivity and fostering long-term business success [3].

Rather than repeating the general assumptions of Goal-Setting Theory and Social Exchange Theory throughout the manuscript, this study uses both theories as complementary explanatory lenses. Goal-Setting Theory explains the motivational mechanism of OSL, in which meaningful direction, role clarity, and participatory goal alignment enhance WE and performance-oriented behavior. Meanwhile, Social Exchange Theory explains the relational mechanism of OSL, in which empathy, fairness, recognition, and care generate trust, psychological safety, and reciprocal commitment. Through these two mechanisms, OSL is theoretically positioned as a human-centered leadership model that converts ethical care and happiness-oriented communication into well-being, engagement, and job performance outcomes.

3. HYPOTHESES DEVELOPMENT

3.1. Orange Servant Leadership (OSL) and Work Satisfaction (WS)

OSL integrates ethical service, humility, and participative communication, fostering trust and motivation. Through Goal-Setting Theory (GST), servant leaders align individual goals with organizational missions, providing direction and purpose. OSL promotes entrepreneurship by empowering employees, enhancing collaboration, and boosting job satisfaction. Social Exchange Theory (SET) supports OSL by building mutual respect and fairness, fostering reciprocal relationships that sustain motivation beyond rewards. This dual approach strengthens WS and engagement, essential for entrepreneurial success in a competitive environment [3].

WS represents employees' positive evaluation of their job experiences and value fulfillment. As described by [14], WS is dynamic, shaped by the interplay of personal expectations, leadership behaviors, and situational context. Leaders who display empathy and ethical care satisfy employees' psychological needs for recognition and belonging, leading to higher satisfaction and engagement. Under the Orange Technology philosophy, WS serves as an emotional link connecting leadership and well-being, transforming servant leadership into sustainable motivation and performance [2].

H1: OSL has a positive and significant impact on WS.
H2: OSL has a positive and significant impact on WE.

3.2. Happiness at Work (HW) and Quality of Work Life (QWL)

The Happiness dimension integrates QWL, WS, and HW as core elements of workplace flourishing. Within Goal-Setting Theory, QWL ensures that goal attainment occurs within a safe, meaningful, and balanced work environment, while Social Exchange Theory asserts that humane working conditions and fair leadership generate reciprocal loyalty and trust, both of which are critical for fostering entrepreneurship. Orange Technology enhances this by providing technological tools that support work-life balance and create healthier work environments for entrepreneurial teams [15].

Empirical evidence by [16] confirms that favorable working conditions spanning ergonomic safety, health protection, and developmental opportunities significantly enhance satisfaction, psychological well-being, and performance. A positive QWL amplifies happiness and reduces occupational strain, aligning with [17] and [18] who demonstrated that healthy environments foster engagement and flourishing. Within OSL, QWL forms the ethical foundation for happiness management, ensuring that care-based leadership translates into emotional balance and fulfillment [19, 20].

H3: QWL has a positive and significant impact on SWB.
H4: WS has a positive and significant impact on SWB.
H5: HW has a positive and significant impact on SWB.

3.3. Work Engagement (WE) and Subjective Well-Being (SWB)

WE refers to employees' vigor, dedication, and absorption in their work, acting as a behavioral channel through which happiness and well-being translate into performance. Under Goal-Setting Theory, clear and purposeful goals enhance intrinsic motivation, while Social Exchange Theory highlights how empathy and fairness foster emotional reciprocity and dedication [21, 22].

SWB the perceived balance between positive emotions and life satisfaction acts as a psychological resource that drives engagement. Employees with higher SWB demonstrate resilience and optimism, maintaining motivation under demanding conditions, which is especially important in entrepreneurship. SWB supports entrepreneurial performance by fostering creativity, problem-solving, and resilience in the face of challenges [23]. Happiness-based communication, emphasized in OSL, elevates emotional stability and commitment, reinforcing the entrepreneurial spirit within organizations [24, 25].

Within the OSL paradigm, SWB and WE are mutually reinforcing: well-being energizes engagement, and engagement, in turn, enhances well-being, creating a virtuous cycle of performance and satisfaction, essential for the growth and success of entrepreneurial ventures [26, 27].

H6: SWB has a positive and significant impact on WE.
H7: WE has a positive and significant impact on JP.

3.4. Subjective Well-Being (SWB) and Job Performance (JP)

SWB encompasses employees' sense of life satisfaction and emotional harmony, serving both as an outcome of happiness and a driver of JP. According to Goal-Setting Theory, achieving meaningful goals enhances intrinsic satisfaction, while Social Exchange Theory explains that trust and emotional reciprocity foster higher discretionary effort. Studies by [5] confirm that emotional well-being strengthens perceived work ability, and [28] show that happiness-centered communication increases engagement and loyalty. Consequently, SWB transforms positive emotions into performance-enhancing behaviors, promoting creativity, concentration, and resilience [29–31].

H8: SWB has a positive and significant impact on JP.
H9: SWB mediates the relationship between Happiness Dimensions (HW, QWL, WS) and JP.

3.5. Job Performance (JP)

JP reflects employees' effectiveness, efficiency, and innovation in achieving organizational objectives. Within Orange Technology, JP represents the culmination of happiness, engagement, and ethical leadership. Goal-Setting Theory emphasizes that meaningful, challenging goals inspire intrinsic motivation, while Social Exchange Theory clarifies that empathy and fairness from servant leaders promote reciprocity and trust. In entrepreneurship, JP is the strategic outcome of OSL, where happiness and ethical care are converted into sustainable performance and competitive advantage [32–34].

H10: WE mediates the relationship between SWB and JP.
H11: WE directly mediates the relationship between OSL and JP.
H12: QWL positively influences WE through SWB.

4. RESEARCH FRAMEWORK

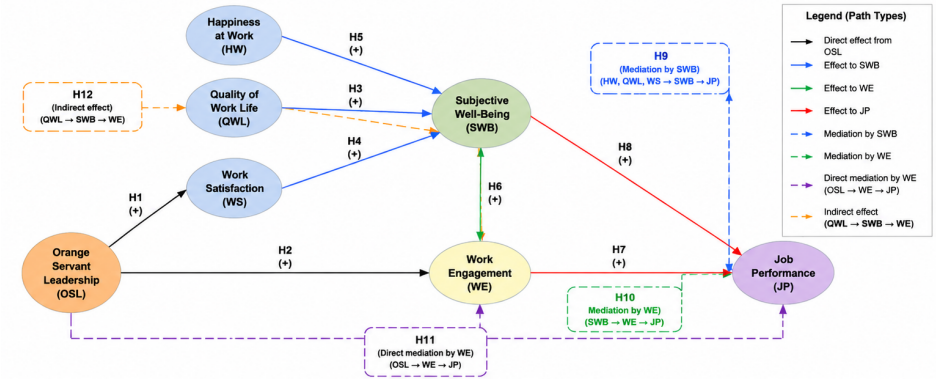

Figure 1. The Research Framework Modification [35].

The research framework in Figure 1 illustrates how OSL fosters happiness and performance through interconnected psychological mechanisms. Rooted in Goal-Setting Theory and Social Exchange Theory, OSL promotes ethical communication, empathy, and participative direction that enhance employees' QWL, HW, and WS. These happiness dimensions strengthen SWB, enabling employees to experience balance, optimism, and life satisfaction. In turn, SWB fuels WE expressed through vigor, dedication, and absorption which directly improves JP. This model highlights a sequential mediation where servant leadership nurtures workplace happiness, well-being, and engagement, ultimately transforming human-centered values into measurable organizational excellence within the Orange Technology context [36, 37].

Table 1. Hypotheses and Path Explanations

	Hypothesis	Path	Path Type	Explanation
H1	OSL has a positive and significant impact on WS.	OSL → WS	Direct	OSL increases WS.
H2	OSL has a positive and significant impact on WE.	OSL → WE	Direct	OSL increases WE.
H3	QWL has a positive and significant impact on SWB.	QWL → SWB	Direct	Better QWL enhances SWB.
H4	WS has a positive and significant impact on SWB.	WS → SWB	Direct	Higher WS enhances SWB.
H5	HW has a positive and significant impact on SWB.	HW → SWB	Direct	Higher HW enhances SWB.
H6	SWB has a positive and significant impact on WE.	SWB → WE	Direct	Higher SWB enhances WE.
H7	WE has a positive and significant impact on JP.	WE → JP	Direct	Higher WE improves JP.
H8	SWB has a positive and significant impact on JP.	SWB → JP	Direct	Higher SWB improves JP.
H9	SWB mediates the relationship between Happiness Dimensions (HW, QWL, WS) and JP.	HW/QWL/WS → SWB → JP	Indirect (via SWB)	Happiness dimensions influence JP through SWB.
H10	WE mediates the relationship between SWB and JP.	SWB → WE → JP	Indirect (via WE)	SWB improves JP through increased WE.
H11	WE directly mediates the relationship between OSL and JP.	OSL → WE → JP	Direct Mediation (via WE)	OSL improves JP through increased WE.
H12	QWL positively influences WE through SWB.	QWL → SWB → WE	Indirect (via SWB)	QWL increases WE through improved SWB.

Table 1 presents the hypotheses (H1–H12), their corresponding paths, path types, and detailed explanations within the OSL framework. The structural model explores the relationships among key factors such as WS, WE, SWB, HW, QWL, and JP.

- Direct Effects: Hypotheses H1, H2, H4, H6, H7, and H8 propose direct effects between variables such as OSL, WS, WE, SWB, and JP, emphasizing how each factor contributes directly to improving work experience and job performance.
- Indirect Effects: Hypotheses H9, H10. and H12 highlight how certain variables mediate the relationship between others. For instance, H9 indicates that SWB mediates the link between Happiness Dimensions and JP, while H12 suggests that QWL influences WE through SWB.
- Mediation: Hypothesis H11 demonstrates the mediation effect of WE between OSL and JP, showing how OSL improves job performance by enhancing employee engagement.

The hypotheses outlined in Table 1 serve as a foundation for the research framework, guiding the exploration of how OSL influences various psychological factors and ultimately impacts job performance. By examining these relationships, the framework offers valuable insights into the interplay between leadership, well-being, and engagement, contributing to a better understanding of employee performance within the context of Orange Technology.

5. RESEARCH METHODOLOGY

5.1. Research Design

This study adopts a quantitative explanatory research design, utilizing SmartPLS 4 for structural equation modeling (SEM) to analyze the relationships between OSL, Orange Technology, and various well-being and performance constructs. The inner model analysis in SmartPLS assesses the structural links among latent constructs such as WS, WE, SWB, and JP, as well as the role of entrepreneurship in enhancing these outcomes. Bootstrapping is employed to test the significance of path coefficients, which indicate the strength and direction of proposed correlations. The coefficient of determination (R^2) is used to measure the explanatory power of the model, where values above 0.67 are considered high, above 0.33 moderate, and above 0.19 weak [38, 39]. The reliability and robustness of the structural model are ensured by bootstrapping each structural path, where a p-value below 0.05 indicates statistical significance and supports hypothesis acceptance.

In addition to the use of bootstrapping for significance testing, we also conducted a power analysis to confirm that the sample size of 110 responses was adequate for detecting significant relationships in the model, based on G*Power calculations for a medium effect size ($f^2 = 0.15$). To further evaluate model fit, we report additional fit indices beyond the R^2 values, such as the Goodness of Fit (GoF) index, which measures the overall quality of the model fit by combining the individual reliability and variance explanations of the constructs. The GoF index value of 0.441 indicates a good fit for the structural model. To mitigate concerns about common method bias, the research employed Harman's single-factor test and confirmed that no single factor accounted for the majority of the variance, suggesting that common method bias does not significantly affect the findings. This approach allows the study to demonstrate how entrepreneurial leadership, facilitated by OSL and Orange Technology, can drive performance and enhance employee well-being.

5.2. Population, Sample, and Data Collection

The study focuses on professionals working in the entrepreneurship-driven retail and manufacturing sectors across Jakarta and surrounding areas, including Bogor, Depok, Tangerang, and Bekasi. These regions represent the dynamic entrepreneurial environment in Indonesia's Jabodetabek industrial corridor. Using purposive sampling, a total of 110 valid responses were collected, surpassing the G*Power sample calculation, which required 92 respondents. The participants were selected from mid-level leadership roles, with 65% Millennials and 35% Gen Z employees. These respondents represent the growing entrepreneurial mindset among younger cohorts in managerial and strategic roles. The study utilized established measurement scales: OSL is measured using the SL-7 scale [40], modified to align with the Orange Technology paradigm. Additionally, WE was assessed using the Utrecht Work Engagement Scale (UWES-9) [41], while SWB, QWL, and WS were assessed using established scales by [42], respectively. These measurements provide a comprehensive assessment of how entrepreneurial leadership and technology influence employee well-being and job performance [43].

5.3. Data Analysis Procedures

The data were processed using SmartPLS 4, ensuring model reliability and validity. Indicator loadings, Cronbach's Alpha, and Composite Reliability (CR) values were all above 0.70, confirming construct reliability. Convergent validity was confirmed with Average Variance Extracted (AVE) values above 0.50, and discriminant validity was assessed using the HTMT ratio, with values below 0.90 [44, 45]. The structural relationships were evaluated using bootstrapping with 5,000 samples, a one-tailed test at a 5% significance level (α = 0.05). This approach measures the impact of OSL and Orange Technology on entrepreneurship, engagement, and performance, confirming the model's accuracy and theoretical coherence.

6. RESULT AND DISCUSSION

6.1. Respondent Profiles

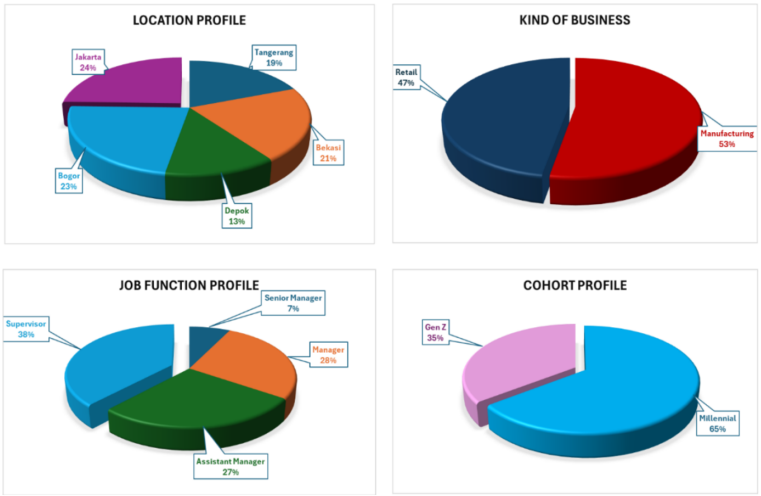

Figure 2. Respondent Profile (Location, Kind of Business, Job Function and Cohort) Chart
Source: Respondent data, 2025.

The respondents' demographic profile in Figure 2 shows a diverse managerial workforce from major urban areas around Jakarta. The majority are from Jakarta (24%), followed by Bogor (23%), Bekasi (21%), Tangerang (19%), and Depok (13%), representing the Jabodetabek industrial corridor. Participants are evenly split between manufacturing (53%) and retail (47%), reflecting a dynamic, entrepreneurial region. In terms of job function, supervisors make up 38%, with assistant managers (27%), managers (28%), and senior managers (7%) in mid-level roles. Millennials dominate the sample (65%), with Gen Z comprising 35%, indicating a shift toward younger leadership in modern organizations, particularly in entrepreneurial roles.

6.2. Measurement Model

Table 2. Outer Model Analysis

Construct	Cronbach's alpha	Composite Reliability (ρ_c)	Average Variance Extracted (AVE)
HW	0.917	0.918	0.752
JP	0.903	0.905	0.720
OSL	0.956	0.958	0.791
QWL	0.937	0.939	0.798
SWB	0.934	0.936	0.791
WE	0.937	0.937	0.725
WS	0.941	0.946	0.808

Source: Analysis result by SmartPLS 4 in 2025

Table 2 presents the reliability and validity statistics for the constructs used in this study. The values for Cronbach's Alpha range from 0.903 to 0.956, exceeding the recommended threshold of 0.70, which indicates

excellent internal consistency for each construct [46]. Similarly, the composite reliability (ρ_c) values, ranging from 0.905 to 0.958, confirm the stability and reliability of each construct. The Average Variance Extracted (AVE) values, which indicate the proportion of variance captured by each latent variable, fall between 0.720 and 0.808. Values above 0.720 demonstrate strong convergent validity, as they show that more than 50% of the variance in each indicator is accounted for by its corresponding latent variable. This validates that the constructs are robust and their indicators are highly correlated, ensuring a solid foundation for further structural analysis [47, 48].

6.3. Discriminate Validity Assessment

Table 3. Discriminant Validity Heterotrait-Monotrait Ratio (HTMT)

	HW	JP	OSL	QWL	SWB	WE	WS
HW	-	-	-	-	-	-	-
JP	0.218	-	-	-	-	-	-
OSL	0.306	0.266	-	-	-	-	-
QWL	0.537	0.293	0.325	-	-	-	-
SWB	0.556	0.324	0.271	0.675	-	-	-
WE	0.107	0.450	0.611	0.203	0.159	-	-
WS	0.499	0.164	0.349	0.522	0.612	0.173	-

Source: Analysis Result SmartPLS 4 in 2025

Table 3 shows that all HTMT values are below the 0.90 threshold, supporting discriminant validity, though some values, like the 0.675 between SWB and WS, approach this limit. While still within acceptable range, this proximity suggests the need for further attention, as values closer to 0.90 could indicate insufficient distinctiveness between constructs. Ensuring HTMT values remain well below 0.90 confirms that constructs such as OSL, HW, QWL, SWB, WE, and WS are empirically distinct, crucial for validating the measurement model and assessing the relationships between leadership, happiness, well-being, and performance outcomes.

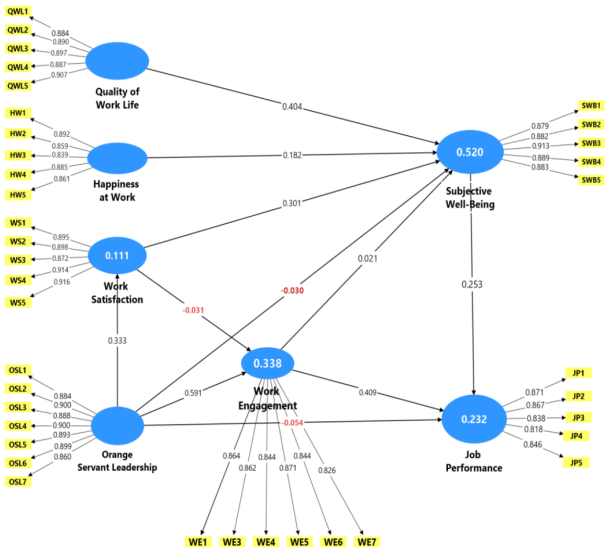

Figure 3. Outer Model Analysis Result
Source: Analysis Result of SmartPLS 4 in 2025.

Figure 3 presents the structural model generated through SmartPLS 4, illustrating the relationships among latent constructs. OSL demonstrates a strong direct effect on WE (β = 0.591), indicating that servant-oriented behaviors such as ethical conduct, empathy, and empowerment significantly elevate employees' enthusiasm and involvement in their work. In entrepreneurship, OSL enhances leadership effectiveness by creating a motivating environment that encourages employee creativity and productivity. In turn, WE exerts a meaningful positive influence on JP (β = 0.409), confirming that employees who experience higher levels of vigor

and dedication translate this psychological energy into improved performance outcomes, which is critical for entrepreneurial success.

Meanwhile, QWL emerges as the strongest antecedent of SWB (β = 0.404), demonstrating that supportive working conditions and balanced workloads substantially enhance employees' perceived happiness and life satisfaction. In entrepreneurship, creating a positive QWL is vital for retaining talent and fostering an engaged workforce that drives innovation and business growth. Furthermore, WS positively influences SWB (β = 0.301), reinforcing the notion that contentment with job conditions and role alignment contributes significantly to psychological well-being. Although HW shows a comparatively weaker path to SWB (β = 0.182), it still indicates that positive affect and meaningful workplace interactions contribute to overall well-being, albeit to a lesser extent within this context.

The model's explanatory power is reflected in the R^2 values 0.520 for SWB, 0.338 for WE, and 0.232 for JP indicating moderate predictive accuracy consistent with PLS-SEM guidelines [49]. The mediation effects of SWB and WE were found to be significant and pivotal in the relationships between OSL and JP. Specifically, SWB mediates the relationship between Happiness Dimensions (HW, QWL, WS) and JP, while WE mediates the connection between SWB and JP. These findings demonstrate that while direct effects of OSL on JP were not significant, its influence is channeled through the mediating pathways of SWB and WE. The results confirm the importance of fostering a work environment that promotes well-being and engagement, which in turn drives performance.

Collectively, these results affirm that SWB and WE act as critical mediators, translating leadership behaviors and workplace experiences into enhanced employee performance, which is a crucial driver of entrepreneurial success. The structural model demonstrates how key constructs interact based on SmartPLS analysis. OSL shows a strong, significant effect on WS (H1: β = 0.333, p $<$ 0.001) and WE (H2: β = 0.591, p $<$ 0.001), confirming that empathy-driven, ethical, and participatory leadership enhances both emotional and behavioral work attitudes. These results align with recent evidence that happiness-oriented leadership fosters trust, vigor, and psychological energy, which are critical for entrepreneurial leadership [50]. Conversely, OSL does not directly predict SWB (H3: β = –0.030, p = 0.376) or JP (H5: β = –0.054, p = 0.280), indicating that its influence operates indirectly through mediating psychological mechanisms consistent with Orange Technology's emphasis on multi-stage well-being effects [51].

Regarding well-being antecedents, WS significantly enhances SWB (H6: β = 0.301, p $<$ 0.001), supporting research showing that emotional fulfillment and job meaning improve happiness, which are foundational to entrepreneurship. HW also positively influences SWB (H7: β = 0.182, p = 0.008), reflecting findings that daily positive affect contributes to life satisfaction in workplace settings. QWL is the strongest predictor of SWB (H8: β = 0.404, p $<$ 0.001), aligning with evidence that safe, supportive, and humane work environments elevate psychological well-being. Additionally, WS $\rightarrow$ SWB (H9: β = 0.301, p $<$ 0.001) remains significant, reinforcing the centrality of happiness dimensions in affective well-being.

Downstream relationships also hold strong, WE significantly enhances JP (H10: β = 0.409, p $<$ 0.001), confirming that engaged employees exhibit higher commitment, energy, and productivity consistent with flourishing-based performance models. Likewise, SWB significantly predicts JP (H11: β = 0.253, p $<$ 0.001), reinforcing findings that emotionally healthy employees demonstrate stronger resilience and improved performance, which is crucial in entrepreneurial settings [5]. Two paths are non-significant WS $\rightarrow$ WE (H4: β = –0.031, p = 0.360) and WE $\rightarrow$ SWB (β = 0.021, p = 0.389) suggesting that satisfaction alone does not elevate engagement without supportive leadership, and engagement does not directly raise overall life well-being.

Together, the R^2 values (SWB = 0.520; WE = 0.338; JP = 0.232) demonstrate moderate predictive accuracy [46]. These results validate that SWB and WE function as sequential mediators, translating happiness-centered leadership into measurable performance, consistent with Orange Technology's human-centered innovation framework, which plays a crucial role in entrepreneurial success and organizational performance.

6.4. Theoretical Implications

The findings extend the theoretical foundation of well-being, combining emotional, cognitive, and behavioral aspects that interact with leadership and engagement constructs in contemporary workplaces. This integration underscores the centrality of health, happiness, and care in shaping organizational behavior. The strong OSL–WE–JP relationship aligns with Goal-Setting Theory, highlighting that meaningful direction and empathetic guidance enhance motivation and engagement, leading to superior performance outcomes. Simultaneously, the mediating role of SWB reflects Social Exchange Theory, showing that reciprocal trust, emotional

support, and fairness from servant leaders cultivate psychological well-being, enhancing employee commitment critical factors in entrepreneurial success. The significant influence of QWL, WS, and HW on SWB deepens the understanding of positive organizational behavior, illustrating how well-being acts as a strategic resource that enhances engagement and performance, particularly in entrepreneurial settings. Overall, the results validate a multidimensional conception of happiness integrating emotional, cognitive, and behavioral elements as a pivotal mechanism linking ethical leadership, well-being, and sustainable job performance in contemporary workplaces, driving entrepreneurial innovation and business growth.

The findings of this study align with the United Nations Sustainable Development Goals (SDGs), particularly SDG 3 and SDG 8. By emphasizing OSL and its impact on employee well-being, engagement, and performance, this research contributes to SDG 3, which focuses on improving health and well-being. OSL, by fostering a supportive and ethical work environment, significantly enhances SWB, creating a healthier workforce. Moreover, the strong relationship between WE and JP supports SDG 8, which aims to promote decent work and economic growth. The study suggests that ethical leadership not only improves employee well-being but also enhances organizational productivity and performance, key components of sustainable economic growth. By linking OSL with QWL and WS, the findings highlight the importance of creating work environments conducive to mental health and economic success, aligning with SDG 8. This research provides a practical pathway for organizations to contribute to both health and economic development goals outlined by the United Nations, ensuring that employee well-being is considered alongside organizational growth and sustainability.

7. MANAGERIAL IMPLICATIONS

For managerial implications, this study provides actionable insights supported by empirical evidence, emphasizing the critical role of OSL in enhancing employee engagement and performance. The findings show that OSL positively influences WS (β = 0.333, p $<$ 0.001) and WE (β = 0.591, p $<$ 0.001), suggesting that ethical, empathy-driven leadership can significantly boost employee satisfaction and involvement. Managers should foster an OSL-based culture focused on mentorship, empowerment, and ethical behavior, while improving QWL (β = 0.404, p $<$ 0.001) through flexible work arrangements and career development to enhance SWB (β = 0.520, p $<$ 0.001). These actions will ultimately drive WE (β = 0.338, p $<$ 0.001) and JP (β = 0.232, p $<$ 0.001). Additionally, SWB and WE directly mediate the relationship between OSL and JP, making it essential for organizations to implement well-being programs, such as mental health support and satisfaction assessments, to enhance performance. These efforts align with Sustainable Development Goal (SDG) 8, promoting decent work and economic growth, and enable organizations to build a resilient, human-centered workforce that drives innovation and performance, ultimately fostering sustainable growth and competitive advantage.

8. CONCLUSION

This study examined how OSL and the core dimensions of happiness, namely QWL, HW, and WS, influence SWB, WE, and JP among Millennial and Gen Z employees in the manufacturing and retail sectors in Greater Jakarta. The findings show that the proposed model has strong measurement quality, as indicated by excellent reliability and convergent validity values. The results confirm that OSL plays an important role in strengthening employee engagement, particularly through ethical, caring, and empowerment-based leadership practices. This indicates that leadership grounded in empathy and service can create a more positive work climate, where employees feel supported, valued, and motivated to contribute to organizational goals.

The structural model also demonstrates that QWL, WS, and HW significantly contribute to SWB. This finding emphasizes that employee well-being is not only shaped by emotional happiness, but also by supportive working conditions, satisfaction with work roles, and a balanced work environment. In this context, organizations that provide fair treatment, meaningful work, career development opportunities, and a healthy workplace are more likely to foster positive psychological conditions among employees. Furthermore, SWB and WE were found to significantly improve JP, suggesting that employees who experience stronger emotional well-being and higher engagement are more capable of producing better work outcomes. These results highlight the importance of positioning happiness and well-being as strategic resources for improving organizational performance, especially in entrepreneurship-oriented workplaces.

However, several direct relationships were not significant, including the direct effects of OSL on SWB and JP, as well as the effect of WS on WE. These findings suggest that leadership and satisfaction do not

automatically improve well-being and performance without the presence of mediating mechanisms. Instead, the influence of OSL becomes more meaningful when it is translated through employee engagement and well-being. Overall, this study concludes that OSL, happiness dimensions, SWB, and WE form an interconnected mechanism that supports sustainable job performance. The findings reinforce the relevance of the Orange Technology paradigm, which places health, happiness, and care as essential foundations for building human-centered, productive, and sustainable organizations.

9. DECLARATIONS

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9.2. Author Contributions

Conceptualization: HH; Methodology: UR; Software: MM; Validation: AV and HH; Formal Analysis: UR and MM; Investigation: AV; Resources: HH; Data Curation: UR; Writing Original Draft Preparation: MM and AV; Writing Review and Editing: HH and UR; Visualization: HH and UR; All authors, HH, UR, MM, and AV, have read and agreed to the published version of the manuscript.

9.3. Data Availability Statement

The data presented in this study are available on request from the corresponding author.

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9.5. Declaration of Conflicting Interest

The authors declare that they have no conflicts of interest, known competing financial interests, or personal relationships that could have influenced the work reported in this paper.

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