

## THE ROLE OF JOB STRESS ON EMPLOYEE PERFORMANCE THROUGH MENTAL HEALTH AS A MEDIATING VARIABLE AND SERVANT LEADERSHIP AS A MODERATING VARIABLE: A STUDY ON TOYOTA EMPLOYEES IN JAKARTA

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*Performance management is a systematic procedure that enables firms to increase productivity, efficiency, and overall employee performance. This includes setting clear expectations and offering regular feedback on how staff are meeting those standards. Employee performance has a significant impact on an organization's overall success. This study proposes to evaluate the impact of occupational stress on the performance of Toyota dealer employees in Jakarta, utilizing mental health as a mediator and servant leadership as a moderating variable. This study was done to analyze the impact of work stress on employee performance in the face of high competition in the business sector. Partial Least Squares Structural Equation Modeling (PLS-SEM) is used for analysis in this quantitative descriptive study. 137 Toyota dealer employees in Jakarta were polled for this study. The results of the study show that each of the five hypotheses examined was significant. Employee performance has been shown to be significantly impacted negatively by work stress, as evidenced by a path coefficient of -0.374, T-statistic of 2.542 ( $> 1.96$ ), and P-value of 0.011 ( $< 0.05$ ). With a path coefficient of -0.763, a t-statistical value of 14.221 ( $> 1.96$ ), and a p-value of 0.000 ( $< 0.05$ ), workplace stress significantly impairs mental health. Having a healthy mental state has a considerable positive impact on employee performance (path coefficient of 0.199, t-statistic = 2.065 ( $> 1.96$ ), p-value = 0.039 ( $< 0.05$ ). With a t-statistic of 2.081 ( $> 1.96$ ) and a p-value of 0.037 ( $< 0.05$ ), the mental health path coefficient, which is -0.152, mediates the relationship between employee performance and work stress. With a p-value of 0.001 ( $< 0.05$ ), a t-statistic of 3.230 ( $> 1.96$ ), and a moderation coefficient of 0.230, servant leadership balances the relationship between job stress and employee performance. This study is unusual in that it uses an empirical model that includes four variables to examine the role of servant leadership moderation and the impact of mental health mediation on Toyota dealer employees in Jakarta.*

**Key Words:** Job Stress, Employee Performance, Mental Health, Servant Leadership

### Introduction

In an increasingly dynamic and competitive work environment, work stress is one of the main challenges faced by employees. Work stress arises when job demands exceed the individual's ability to cope with them, so it can affect the physical and psychological condition of employees (Robbins & Judge, 2017). Various studies show that stress that is not managed properly can decrease motivation, interfere with concentration, and ultimately negatively impact performance (Luthans, 2011). Employers must first comprehend the connection between job stress and worker performance in order to create a safe and productive workplace.

Employee performance is an important aspect in determining an organization's success because achieving organizational goals is primarily dependent on human contributions. In addition to being able to do tasks quickly and effectively, high-performing workers also contribute to higher productivity and greater organizational competitiveness. Organizations must thus focus on a number of elements that influence performance, including leadership, work environment, job satisfaction, and motivation (Gibson et al., 2012). Without optimal performance from each individual, it is difficult for organizations to thrive and survive in a competitive business environment.

Mental health is a condition of psychological well-being in which individuals are able to realize their potential, cope with the pressures of life normally, work productively, and contribute positively to their social environment. The World Health Organization (WHO, 2018) defines mental health as "a state of well-being in which each individual is aware of his or her own abilities, can cope with the pressures of normal life, can work productively and beneficially, and is able to contribute to his community." Meanwhile, according to Stuart (2013), mental health includes an emotional, social, and intellectual balance that allows individuals to face life's challenges in a constructive way. Good mental health not only means the absence of psychiatric disorders but also includes the ability to function optimally in daily life. As a result, preserving mental health is equally as vital as maintaining physical health, especially in today's hectic and ever-changing work environment.

One important mediating factor in the relationship between employee performance and work stress is mental wellness. High levels of work-related stress can lead to mental health conditions like anxiety, depression, and emotional exhaustion, which can affect one's ability to concentrate, stay motivated, and complete tasks effectively (Leka et al., 2003). Employees who experience mental health disorders tend to show decreased performance because they are unable to make optimal contributions at work. Some empirical research suggests that work stress indirectly affects performance by causing a reduction in mental health, implying that mental health serves as a mediating variable in the connection (Sonnetag & Fritz, 2015). Organizations must thus include the mental health component as a crucial tactic for controlling workplace stress and preserving worker performance over time.

A leader who practices servant leadership places a high priority on helping others. This concept was first articulated by Robert K. Greenleaf (1977), who argued that a true leader begins as a servant and then consciously decides to lead. Servant leadership focuses on employee empowerment, personal development, empathy, and growth, with the goal of creating a more humane and sustainable organization. Spears (1995) listed eleven essential characteristics of servant leadership, such as self-awareness, empathy, active listening, and dedication to the betterment of others. This leadership style has been shown to improve job satisfaction, employee engagement, and organizational performance because it fosters a high sense of belonging and loyalty. Therefore, servant leadership is considered a relevant leadership model in the context of modern organizations that demand a balance between results and individual well-being.

An important mitigating factor in the relationship between employee performance and workplace stress is servant leadership. When employees are under intense job pressure, leaders who value service, empathy, and emotional support can help lessen the detrimental impact of stress on performance. Servant-style leaders prioritize their subordinates' well-being, fostering a friendly and inclusive work atmosphere in which job stress does not immediately affect performance since employees feel appreciated and supported (Eva et al., 2019). Previous study has demonstrated that in the setting of strong, service-oriented leadership, the negative impacts of stress on performance are reduced or even eliminated, indicating the moderating influence of servant leadership (Jit, Sharma, & Kawatra, 2017). Thus, organizations that implement this leadership style have the potential to maintain and even improve employee performance in the midst of work pressure.

### Conceptual Framework and Research Hypotheses

This study aims to analyze how work stress, mental health, and servant leadership factors affect the performance of Toyota dealer employees in Jakarta. Identify problems in the form of high levels of work stress in the Toyota dealer environment, namely the pressure to achieve sales targets, customer service. The decline in employee performance is suspected to be related to stress levels, namely fluctuations in productivity, increased absenteeism, and interpersonal conflicts in the work environment. The mental health of employees who are vulnerable to work stress in the form of emotional disorders, such as anxiety, mild depression, and mental fatigue, is often affected. The idea that work stress does not necessarily immediately impair performance but rather first lowers mental health conditions is known as the mediating role of mental health. The servant leadership style is not optimal, in the form of superior leadership at dealerships, tends to be conventional and instructional, and has low practices of listening, empathy, and subordinate empowerment.

H1: Stress at work has a detrimental impact on Jakartan Toyota dealer employees' performance.

Work stress has a negative effect on employee performance (Chen et al., 2022), work stress has a negative and significant effect on employee performance (Pradoto et al., 2022), and Work stress has a considerable detrimental impact on employee performance (Putri & Damayanti, 2019; Putri & Hamsal, 2024).

H2: Work stress has a significant effect on the mental health of Toyota dealership personnel in Jakarta.

Workplace stress has a significant impact on mental health (Shi et al., 2022), and it is a significant negative predictor of mental health issues (Azemi et al., 2022). The impact of long-term and short-term work stress on depression and anxiety is significant (Wang et al., 2023).

H3: Toyota dealer personnel in Jakarta perform better when they are in good mental health.

According to the findings of numerous studies, there is a favorable and strong correlation between performance and mental health (Amanda et al., 2023). Performance is positively and significantly impacted by mental wellbeing (Rose & Scholastica, 2024). Because mental health, which encompasses both mental and intellectual health, can help people focus better at work, it can also have a significant impact on job performance and develop wonderful connections (Erwanto et al., 2024).

H4: The negative relationship between work stress and the performance of Jakartan Toyota dealership employees can be mitigated by mental wellness.

High demands without control cause physiological and psychological stress responses. Poor mental health impairs focus, creativity, and productivity. Employees in good mental health can better manage job

responsibilities. Chen et al. (2022) claim that the relationship between work stress and employee performance might be completely mediated by mental health. Recent studies have shown that mental health can control the relationship between employee performance and work stress (Yi et al., 2022).

H5: Servant leadership can attenuate the unfavorable association between work stress and the performance of Toyota dealership employees in Jakarta.

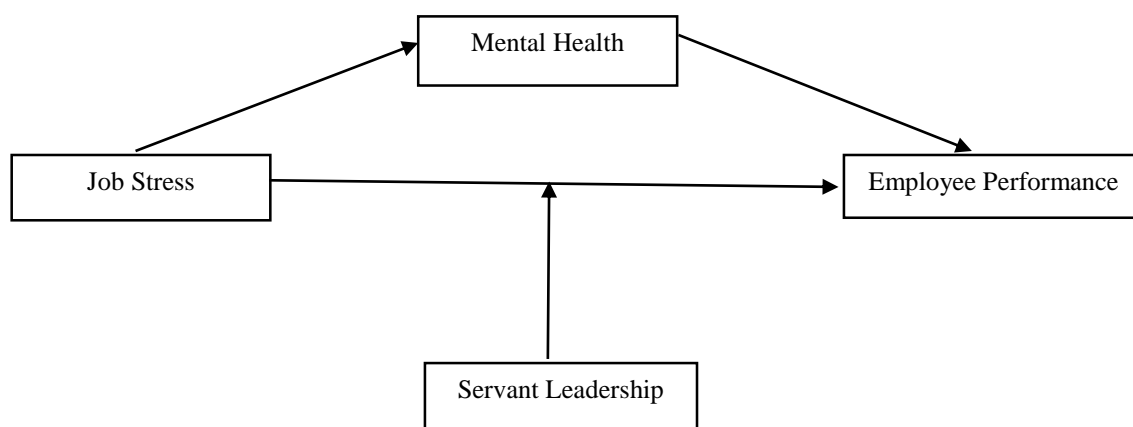
The results of the study (Rasheed et al., 2023) show that servant leadership has total control over the relationship between employee performance and job stress. In keeping with Naseem et al.'s (2025) findings, servant leadership might mitigate the harmful impacts of knowledge concealment on staff productivity, particularly in the setting of work stress at Pakistani higher education institutions. The relationship between job stress and employee performance may be moderated and influenced by servant leadership, according to a number of studies.

## Methodology

### Survey Design and Data Sources

137 Toyota dealer employees in Jakarta were given a questionnaire as part of this study's quantitative methodology. Respondents who had worked at a Toyota dealership for at least a year and were between the ages of 18 and 55 were selected using a basic random sample procedure. A 5-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree," was used to rate each topic in the survey, which was conducted using Google Forms. To avoid the possibility of linguistic and common technique bias, the questionnaire was developed through an expert validation process, and a trial was confined to responders from similar backgrounds before being broadly distributed.

This study's conceptual framework can be described as follows:



**Figure 1**  
**Frame of Mind**

## Result

The study's findings indicate that all five hypotheses evaluated were significant. With a path coefficient of -0.374, T-statistic of 2.542 ( $> 1.96$ ), and P-value of 0.011 ( $< 0.05$ ), work stress has a detrimental effect on employee performance. This indicates that employees' performance decreases with increasing levels of work-related stress.

Workplace stress has a substantial negative impact on mental health. Work stress significantly harmed mental health, according to PLS-SEM data analysis, with a path coefficient of -0.763, a t-statistical value of 14.221 ( $> 1.96$ ), and a p-value of 0.000 ( $< 0.05$ ). This suggests that employees' mental health deteriorates with increasing levels of work-related stress.

Employee performance is significantly improved by maintaining good mental health. The PLS-SEM technique of data analysis showed that employee performance was significantly improved by mental health (path coefficient = 0.199, t-statistic = 2.065 ( $> 1.96$ ), p-value = 0.039 ( $< 0.05$ )). This indicates that when workers' mental health improves, so does their performance.

The association between employee performance and work stress was mediated by mental health. The indirect pathway analysis showed that the impact of work-related stress on employee performance was significantly mediated by mental health. The t-statistic was 2.081 ( $>1.96$ ), the p-value was 0.037 ( $<0.05$ ), and the mediating effect coefficient was -0.152. This implies that stress at work impairs mental health, which in turn causes subpar performance from employees. As a result, the link is partially mediated by mental health.

The relationship between employee performance and work stress is balanced by servant leadership. PLS-SEM analysis showed that, with a moderation coefficient of 0.230, t-statistic of 3.230 ( $>1.96$ ), and p-value of 0.001 ( $<0.05$ ), servant leadership significantly influenced the relationship between work stress and employee performance. This suggests that service-based leadership may act as a buffer or protector against the detrimental effects of work stress by showing that when servant leadership is strong, the detrimental effects of job stress on employee performance decrease.

### Practical Contribution

In an attempt to enhance staff performance through better work-related stress management, Toyota dealer management can benefit greatly from the study's practical conclusions. The findings demonstrated that stress at work has a detrimental effect on worker performance, but that this effect can be mitigated by using mental health as a mediating factor. This highlights the significance of providing support for workers' psychological well-being. A service-oriented leadership style coupled with empathy for employee needs can be a beneficial managerial strategy for creating a healthy workplace, as evidenced by the fact that servant leadership has also been shown to enhance the relationship between job stress and mental health. Therefore, the implementation of mental health programs and service-based leadership development is a strategic step that can be adopted by management to increase productivity and create a supportive and sustainable work climate.

### Conclusion

According to the study's analytical findings, job stress negatively affects Toyota dealership employees' performance, showing that increasing stress levels typically result in people performing worse when performing their responsibilities. However, mental health has been shown to play a significant mediating role, where well-managed work stress through stable mental health conditions can reduce negative impacts on performance. Additionally, the association between job stress and mental health is strengthened by servant leadership, which indicates that leadership that prioritizes empathy, service, and employee empowerment can lessen the psychological strain that workers endure.

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