

ANALYZING EMPLOYEE ENGAGEMENT AMONG GENERATION Z: A LITERATURE REVIEW BASED ON JOB DEMANDS-RESOURCES MODEL, SOCIAL EXCHANGE THEORY, AND SELF-DETERMINATION THEORY

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ABSTRACT

This paper presents a systematic literature review on the factors influencing employee engagement among Generation Z based on Job Demand-Resource Model, Social Exchange Theory, and Self Determination Theory. By examining empirical studies focusing exclusively on Generation Z employees, this review identifies key factors: psychological (job stress), leadership style, organizational factors (organizational support, organizational commitment, work meaningfulness, wellbeing, value fit), work life balance, and workplace flexibility. Findings from various studies are combined to formulate strategic recommendations for developing managerial policies and work environments adaptive to the unique characteristics of Generation Z in the lens of Job Demand-Resource Model, Social Exchange Theory, and Self Determination Theory. The results indicate that interventions targeting key factors identified in this review are critical to enhancing employee engagement among Generation Z

Keywords: *Employee Engagement, Generation Z, Job Demand-Resources Model, Social Exchange Theory, Self Determination Theory*

1. INTRODUCTION

Employee engagement has emerged as a crucial concept in organizational behaviour and human resource management, defined as “a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption” (Schaufeli et al., 2002). As organizations navigate an increasingly competitive talent landscape, understanding the drivers of employee engagement becomes essential for maintaining a competitive edge.

The entry of Generation Z (Gen Z)—typically defined as individuals born between 1995 and 2010 (Dimock, 2019)—into the workforce presents unique challenges and opportunities for employee engagement strategies. Unlike previous generations, Gen Z has been shaped by distinct socio-economic conditions, including the global financial crisis, rapid technological advancements, and heightened social awareness. These formative experiences have resulted in a generation characterized by digital proficiency, entrepreneurial mindsets, pragmatic career development approaches, and strong value alignment (Schroth, 2019).

Traditional employee engagement approaches proven effective for prior generations may not resonate with Gen Z employees, necessitating a re-evaluation of engagement strategies. This systematic literature review aims to synthesize current empirical evidence on factors influencing employee engagement among Generation Z and provide evidence-based insights for organizations to refine their engagement practices.

The significance of this review is underscored by several factors. First, Gen Z is projected to constitute approximately 30% of the global workforce by 2030 (Deloitte, 2022), making their engagement critical to organizational sustainability. Second, engaged employees exhibit higher productivity, lower turnover intent, and greater innovation (Harter et al., 2002; Saks, 2006),

directly impacting organizational performance. Finally, Gen Z’s unique characteristics imply that engagement strategies may require substantial adaptation to effectively connect with this generational cohort.

This paper synthesizes empirical findings from studies exclusively examining Generation Z employees, in the frame of Job Demands-Resources Model, Social Exchange Theory, and Self Determination Theory as the basis to analyse factors affecting employee engagement among Generation Z. By systematically analysing and synthesizing empirical findings, this review provides a comprehensive understanding of Gen Z’s employee engagement drivers and offers evidence-based recommendations for organizational practices.

2. LITERATURE REVIEW

2.1 Concept of Employee Engagement

Employee engagement is a multidimensional construct encompassing cognitive, emotional, and behavioural aspects of employees’ relationship with their organization. Kahn (1990) defines engagement as “the harnessing of organizational members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.” Schaufeli et al. (2002) further characterize engagement as “a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption.” Contemporary conceptualizations emphasize the multidimensional nature of employee engagement, integrating cognitive, emotional, and behavioural components (Macey & Schneider, 2008; Schaufeli et al., 2002).

Employee engagement differs from related concepts such as job satisfaction, organizational commitment, and job involvement, though it shares conceptual space with these terms. While satisfaction reflects attitudes toward work, engagement represents an active psychological state. Similarly, engagement differs from motivation by emphasizing absorption and dedication rather than merely goal-directed effort.

Employee engagement is integral to business strategy, as numerous studies demonstrate significant relationships between engagement and organizational outcomes, including productivity, profitability, customer satisfaction, and reduced turnover (Harter et al., 2002). These relationships underscore the importance of understanding and enhancing employee engagement, particularly as workforce demographics shift.

2.2 Characteristics of Generation Z in the Workplace

Generation Z, born between 1995 and 2010, possesses unique characteristics distinguishing them from prior generations. Raised in a digital era, they are tech-savvy and hold distinct workplace expectations. Turner (2015) highlights that Gen Z seeks meaning and purpose in work, values work-life balance, and expects flexibility and recognition for their contributions. As the first digital-native generation, Gen Z has never experienced a world without internet connectivity and digital technology. They are the most tech-integrated demographic, with 98% owning smartphones before adulthood. Their proficiency in multitasking aligns with preferences for fast-paced, collaborative, and project-oriented professional environments (Dimock, 2019).

Beyond digital proficiency, Gen Z exhibits traits relevant to workplace engagement. Research indicates that Gen Z is pragmatic, entrepreneurial, and financially conscious, likely influenced by Millennials’ economic struggles during the global financial crisis (Twenge et al., 2010). They also prioritize work-life balance, meaningful work, and organizational value alignment (Kirchmayer & Fratričová, 2020).

Comparative generational studies suggest Gen Z emphasizes career development opportunities, workplace flexibility, and technological integration more than prior generations (Goh & Lee, 2018; Ozkan & Solmaz, 2015). They also prefer regular feedback, collaborative environments, and socially responsible practices (Lanier, 2017).

These distinct characteristics imply that engagement strategies effective for previous generations may require adaptation to resonate with Gen Z. Understanding specific factors driving Gen Z engagement is critical for developing effective organizational practices.

2.3 Job Demands-Resources Model, Social Exchange Theory, and Self Determinant Theory

Several theoretical frameworks provide tools for understanding engagement. The JD-R model (Bakker & Albrecht, 2018) conceptualizes engagement as the outcome of balancing job demands (aspects requiring sustained effort) and job resources (aspects facilitating goal achievement). Engagement increases when resources adequately meet demands.

Social exchange theory offers another perspective, positing that engagement reflects reciprocity for organizational resources and support (Saks, 2006). When employees perceive organizational appreciation and care, they reciprocate through heightened engagement.

Self-determination theory emphasizes intrinsic motivation's role in fostering engagement, suggesting that fulfilling psychological needs for autonomy, competence, and relatedness enhances engagement (Ryan and Deci, 2000). This framework is particularly relevant for Gen Z, given their preference for autonomy and meaningful work. These complementary frameworks inform the analysis of empirical findings and practical recommendations for Gen Z engagement.

Nan Yin examines employee engagement through social exchange theory, emphasizing the mutual benefits between employees and organizations. The paper illustrates that employee engagement is a complex interplay of personal values and organizational rewards, with significant implications for enhancing workplace performance (Nan Yin, 2019).

While Mazzetti et al. (2023) employs a systematic meta-analytic approach to investigate the relationships between work engagement, its antecedents, and outcomes based on the Job Demands-Resources (JD-R) model. The results revealed that personal resources and developmental resources had the strongest correlations with work engagement, while social resources showed weaker associations. The study also found that work engagement was significantly correlated with job satisfaction and job commitment. Additionally, moderation analyses indicated that the relationship between work engagement and turnover intention was weaker among civil servants, educators, and NGO volunteers. The absorption dimension of work engagement consistently exhibited lower correlations with the variables studied compared to vigor and dedication.

Crystal S. Wiedemann employs a computational modelling approach to explore the relationship between Self-Determination Theory (SDT) need satisfaction and employee engagement. The study supports the assertion that satisfying the basic needs of competence, autonomy, and relatedness is crucial for enhancing employee engagement (Wiedemann, C. S. 2016).

3. RESEARCH METHODS

Studies included in this review were selected through literature screening based on the following criteria: Open-access documents, Exclusive focus on Generation Z employees, Examination of internal and external factors influencing employee engagement, Use of

quantitative methods (surveys, regression analysis, structural modeling), Publication between 2020–2025.

After applying these criterias, 11 relevant documents were identified. Further, consider to diversity, regional distribution, and population backgrounds aspect, yielded six studies:

1. Dwidienawati, D., Ratnasari, E. D., Nugraha, I. O., Maharani, A., & Arsan, M. F. (2025). The influence of well-being, empowering leadership, and career development on work engagement in Generation Z in Indonesia. *WSEAS Transactions on Business and Economics*, 22, 1-16.
2. Lee, S. H., Chong, C. W., & Ojo, A. O. (2024). Influence of workplace flexibility on employee engagement among young generation. *Cogent Business & Management*, 11(1), 2309705.
3. Malidha, M., Ribhan, Yuningsih, & Mardiana, N. (2024). The effect of job stress on employee engagement with mindfulness as a moderation variable: Study of Gen Z employees in the coffee shop industry, Bandar Lampung. *International Journal of Economics, Management and Accounting*, 1(3), 304-315.
4. Munajah, S., Elu, W. B., & Priyati, R. (2024). The mediation effect of individual value conformity with the organization in the influence of corporate image and organizational culture on employee engagement of Gen Z in Jakarta. *Indonesian Journal of Business Analytics (IJBA)*, 4(5), 1983-1996.
5. Rachmadini, F., & Riyanto, S. (2020). The impact of work-life balance on employee engagement in Generation Z. *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*, 25(5), 62-66.
6. Widodo, T., Wening, N., Nakuloadi, H., Rustiana, E., & Saifuddiin, M. R. (2025). Work engagement in generation Z employees: Organizational commitment, perceived organizational support and work meaningfulness. *SDGsReview*, 5, e02610, 01-26.

The data extraction process was carried out on the six chosen articles, as presented in Table 1. Through deductive process, key themes were identified and compiled, as illustrated in Table 1 based on the data (Xiao et al., 2019). Ultimately, the gathered data and themes were analyzed and synthesized, which included comparing the results with the underlying theories (JD-R Model, Social Exchange Theory, and Self Determination Theory) for understanding employee engagement.

Table 1: Summary of Analysed Studies

File Name	Title	Author	Published Year	Research Purpose	Method
File 4	The Effect of Job Stress on Employees Engagement with Mindfulness as Moderating Variable	Mela Malidha, Ribhan, Yuningsih, Nova Mardiana	2024	to find out how work stress affects employee engagement, with mindfulness as a moderating variable, especially on Generation Z employees in the coffee shop sector in Bandar Lampung.	quantitative approach by collecting data through questionnaires distributed online using Google Forms. This study involved 133 respondents selected through purposive sampling techniques. The data was analyzed using regression analysis.
File 5	Work Engagement in Generation Z Employees: Organizational Support, Work Meaningfulness, and Commitment	Teguh Widodo, Nur Wening, Hening Nakuloadi, Evada Rustiana, Muhammad Rizqi Saifuddin	2025	to test the influence of perceived organizational support and work meaning on Generation Z employee engagement, with organizational commitment as a mediator variable.	quantitative methodology. Data collection was conducted through online questionnaires distributed using the Google Forms platform. Data analysis was conducted using regression-based mediation analysis with the help of SmartPLS software.
File 7	The Influence of Well-being, Empowering Leadership, and Career Development on Employee Engagement	Diena Dwidenawati, Erlina Dwi Ratnasari, Indah Oktavia Nugraha, Alifra Maharani, Muhammad Fhadil Arsan	2025	examines the influence of three important variables— well-being, empowering leadership, and career development— on work engagement among Generation Z employees in Indonesia.	quantitative methodology involving 438 respondents from Generation Z in Indonesia. This study uses a survey technique to collect data, which is carried out through a questionnaire distributed online using Google Forms.
File 8	The Mediation Effect of Individual Value Conformity on Employer Branding, Organizational Culture, and Employee Engagement	Siti Munajah, Wilfridus B. Elu, Rini Yayuk Priyati	2024	analyzing how the mediation of individual value fit with the organization influences the influence of corporate image and organizational culture on Gen Z employee engagement in Jakarta.	menggunakan model kuantitatif dengan menyebarkan kuesioner kepada anggota Gen Z yang telah tinggal dan bekerja di Jakarta selama minimal satu tahun. Data dikumpulkan melalui kuesioner online yang terdiri dari 84 pernyataan dan diisi oleh 110 peserta yang valid. Analisis data dilakukan menggunakan SmartPLS.
File 9	Influence of workplace flexibility on employee engagement	Shi Hao Leea, Chin Wei Chonga and Adedapo Oluwaseyi Ojob	2024	Identify the influence of four forms of workplace flexibility on employee engagement, especially among the younger generation under 30 years old	survey method with an online questionnaire answered by 185 young adults under the age of 30 in 2022. The data collected were analyzed using structural equation modeling (SEM) techniques with a partial least square (PLS) approach.
File 11	The Impact of Work-Life Balance on Employee Engagement	Fernanda Rachmadini, Setyo Riyanto	2020	explores the impact of work-life balance (WLB) on employee engagement among generation Z.	descriptive approach and verification with quantitative methods. Data were analyzed using SPSS for Windows.

4. RESULTS AND DISCUSSION

4.1 Psychological Factors

The study titled “The Effect of Job Stress on Employee Engagement with Mindfulness as a Moderating Variable” (Malidha et al., 2024) reveals that psychological factors play a significant role in influencing employee engagement among Generation Z. According to this research, job stress, as perceived by Generation Z employees, has a significant negative impact on employee engagement, while mindfulness acts as a moderator that can mitigate this negative effect.

This research employs a quantitative approach, collecting data through an online questionnaire distributed via Google Forms. A total of 133 respondents were selected using purposive sampling techniques. Findings suggest organizations must address workload and employee needs to enhance engagement.

Table 2: Psychological Factors Influencing Employee Engagement

File Name	Specific Factor	Effect on Employee Engagement	Relevant Theory
File 4	Job Stress	Negative Significant	Job Demands-Resources
File 4	Mindfulness	Positive (Moderator)	Job Demands-Resources

In the context of the JD-R model, job stress is categorized as a job demand that requires sustained effort from employees. High levels of job stress can lead to burnout and disengagement, particularly among Generation Z employees who may be more sensitive to stress due to their unique characteristics and expectations. The study indicates that when job demands, such as stress, exceed the resources available to employees, their engagement levels decline significantly.

Mindfulness serves as a critical job resource in this framework. It equips employees with the tools to manage stress effectively, thereby enhancing their ability to cope with job demands. By fostering mindfulness practices, organizations can provide Generation Z employees with strategies to mitigate the adverse effects of job stress, which aligns with the JD-R model's emphasis on the importance of resources in promoting engagement. The findings suggest that organizations should implement mindfulness programs to support employees in managing their stress levels.

The research demonstrates that mindfulness not only acts as a resource but also moderates the relationship between job stress and employee engagement. When employees engage in mindfulness practices, they are better equipped to handle job demands, leading to improved engagement levels. This interaction is a key aspect of the JD-R model, which posits that the presence of adequate resources can buffer the negative effects of high demands.

findings from Malidha et al. (2024) align well with the JD-R model (Bakker and Demerouti (2008), illustrating how job stress as a demand negatively impacts employee engagement among Generation Z, while mindfulness serves as a valuable resource that can mitigate this effect. Organizations aiming to enhance employee engagement should focus on reducing job stress and promoting mindfulness practices, thereby creating a more supportive work environment that caters to the needs of Generation Z employees

4.2 Leadership Style and Organizational Factors

Based on the review, empowering leadership and various organizational factors such as perceived organizational support, work meaningfulness, and organizational commitment have a significant positive impact on employee engagement. Individual value fit also plays an important mediating role in this relationship. Empowering leadership can be viewed as a job resource that helps employees manage job demands effectively. According to the JD-R model, when employees perceive that they have adequate resources (such as supportive leadership), they are more likely to engage positively with their work. Empowering leadership fosters a supportive environment that enhances well-being, thereby reducing stress and increasing engagement. This aligns with the JD-R model's assertion that resources can buffer the negative effects of demands and promote engagement.

The research titled “The Influence of Well-being, Empowering Leadership, and Career Development on Employee Engagement” (Dwidienawati et al., 2025), which involved 438 respondents from Generation Z in Indonesia, indicates that the leadership style, namely Empowering Leadership, and the organizational factor, Well-being, have a significant positive effect on employee engagement.

Meanwhile, Teguh Widodo et al., in their study titled "Work Engagement in Generation Z Employees: Organizational Support, Work Meaningfulness, and Commitment," found that perceived organizational support, work meaningfulness, and organizational commitment have a direct impact on the work engagement of Generation Z employees. This research involved Generation Z employees working at PT. Y, with age criteria ranging from 18 to 28 years, and surveyed 354 respondents using purposive sampling techniques, where the sample size was determined based on the Slovin method with a 5% margin of error tolerance. Another finding from this study is that organizational commitment acts as a mediator in the influence of work meaningfulness on work engagement, but does not significantly mediate the perceived organizational support's effect on the work engagement of Generation Z employees.

These findings related to the Social Exchange Theory posits employee engagement is influenced by the perceived reciprocity of support from the organization. When employees feel supported and find their work meaningful, they are likely to reciprocate with higher levels of

engagement. The direct impact of perceived organizational support and work meaningfulness on engagement reflects the essence of social exchange, where positive organizational practices lead to increased employee commitment and engagement. Furthermore, the finding that organizational commitment mediates the relationship between work meaningfulness and engagement underscores the reciprocal nature of this exchange.

Another organizational factor, namely the alignment of Generation Z employees' values with the values of their workplace, has been shown to have a significant positive impact on employee engagement. This is evident in the research conducted by Siti Munajah et al., published in the Indonesian Journal of Business Analytics (IJBA) in 2024. The study employed a quantitative model by distributing a questionnaire to Generation Z members who have lived and worked in Jakarta for at least one year. Data was collected through an online questionnaire consisting of 84 statements and completed by 110 valid participants. Data analysis was conducted using Smart PLS.

Self-Determination Theory emphasizes the importance of fulfilling intrinsic psychological needs, such as autonomy, competence, and relatedness, in fostering engagement. When employees' values align with those of their organization, it enhances their sense of relatedness and purpose at work. This alignment satisfies their intrinsic motivation, leading to higher engagement levels. The significance of individual value fit in promoting engagement aligns with the core principles of Self-Determination Theory, which posits that fulfilling psychological needs is crucial for enhancing motivation and engagement.

Findings from the literature review can be effectively linked to the Job Demands-Resources Theory for empowering leadership and well-being, Social Exchange Theory for perceived organizational support and work meaningfulness, and Self-Determination Theory for individual value fit. Each theory provides a comprehensive framework for understanding the factors influencing employee engagement among Generation Z, highlighting the multifaceted nature of engagement in contemporary organizational contexts.

The following is a summary of the findings regarding the influence of leadership and organizational factors on employee engagement.

Table 3: Leadership and Organizational Factors Influencing Engagement

Factor Category	Specific Factor	Impact on Employee Engagement	File Name	Job Demands-Resources
Leadership Style	Empowering Leadership	Positive significant	File 7	Job Demands-Resources
Organizational Factor	Well-being	Positive significant	File 7	Social Exchange Theory
Organizational Factor	Perceived Organizational Support	Positive significant	File 5	Social Exchange Theory
Organizational Factor	Work Meaningfulness	Positive significant	File 5	Social Exchange Theory
Organizational Factor	Organizational Commitment	Positive significant	File 5	Social Exchange Theory
Organizational Factor	Individual Value Fit	Positive significant (Mediator)	File 8	Self Determination Theory

4.3 Workplace Flexibility

In addition to psychological factors, leadership, and organizational aspects, workplace flexibility is another factor that needs to be considered to enhance employee engagement among Generation Z. This is based on the tendency of Generation Z to expect flexibility, as noted by Turner in his research titled "Generation Z: Technology and Social Interest" (Turner, 2015).

According to a study conducted by Shi Hao Lee et al. in 2024, it was shown that workspace flexibility and functional flexibility positively influence employee engagement among Generation Z. This research utilized a survey method with an online questionnaire answered by 185 young adults under the age of 30 in 2022. The collected data were analysed using Structural Equation Modelling (SEM) techniques with a Partial Least Squares (PLS) approach. The survey employed a snowball sampling method, where initial respondents invited other respondents to participate. The questionnaire consisted of 45 questions measured on a 1-5 Likert scale.

According to the JD-R model, employee engagement is enhanced when job resources, such as flexibility, are available to meet job demands. Workspace flexibility allows employees to manage their work environment and schedules, which can reduce stress and increase their ability to engage fully with their work. By providing flexibility, organizations can help employees balance their job demands with their personal needs, leading to higher engagement levels. This aligns with the JD-R model's assertion that adequate resources can buffer the negative effects of job demands and promote engagement.

Meanwhile, another study conducted by Fernanda Rachmadini and Setyo Riyanto on Generation Z employees working in several companies in the Information and Communication Technology (ICT) sector in Jakarta indicated that the balance between work demands and personal life is one of the factors influencing employee engagement among Generation Z. The higher the level of employee engagement, the higher their work-life balance. The reliability test values for employee engagement were 0.983, and for work-life balance, it was 0.942, both exceeding the Cronbach's Alpha value, indicating that the data are reliable. This research provides important information regarding the significance of corporate attention to employee well-being in achieving a balance between work demands and personal life for Generation Z (Rachmadini & Riyanto, 2020).

According to the Social Exchange Theory posits that employee engagement is influenced by the perceived reciprocity of support from the organization. When organizations provide support for work-life balance, employees are likely to feel valued and appreciated, leading to increased engagement. The balance between work demands and personal life reflects a reciprocal relationship where employees are more engaged when they perceive that their organization cares for their well-being. This reciprocal exchange fosters a positive work environment, enhancing overall engagement.

While the previous two points focus on flexibility and balance, the findings can also be related to Self-Determination Theory, particularly in the context of how flexibility and work-life balance fulfil intrinsic psychological needs. Self-Determination Theory emphasizes the importance of fulfilling psychological needs for autonomy, competence, and relatedness in fostering engagement. Workplace flexibility allows Generation Z employees to exercise autonomy in how they manage their work and personal lives, which is crucial for their engagement. Additionally, achieving a work-life balance satisfies their need for relatedness and well-being, further enhancing their intrinsic motivation to engage with their work. This theory underscores the significance of creating an environment that supports these psychological needs to boost engagement levels.

In summary, the findings regarding workplace flexibility and work-life balance among Generation Z can be effectively linked to the Job Demands-Resources Theory for workspace flexibility, Social Exchange Theory for work-life balance, and Self-Determination Theory for the fulfilment of psychological needs. Each theory provides valuable insights into how these factors contribute to enhancing employee engagement in this generational cohort, highlighting the multifaceted nature of engagement in contemporary organizational contexts.

Table 4: Workplace Flexibility Dimensions and Their Impact on Employee Engagement

Dimensi Fleksibilitas	Definisi	Pengaruh terhadap Employee Engagement	Sumber	Relevant Theory/Model
Fleksibilitas Waktu Kerja	Kemampuan karyawan untuk mengatur jadwal kerja mereka sendiri	Tidak Signifikan	File 9	Job Demands-Resources & Self Determinant Theory
Fleksibilitas Ruang Kerja	Kemampuan karyawan untuk bekerja dari lokasi yang berbeda	Positif Signifikan	File 9	Job Demands-Resources & Self Determinant Theory
Fleksibilitas Fungsional	Kemampuan karyawan untuk beralih antara tugas dan peran yang berbeda	Positif Signifikan	File 9	Job Demands-Resources & Self Determinant Theory
Fleksibilitas Operasional	Kemampuan organisasi untuk menyesuaikan jumlah karyawan sesuai kebutuhan	Tidak Signifikan	File 9	Job Demands-Resources & Self Determinant Theory
Work-Life Balance	Keseimbangan antara tuntutan pekerjaan dan kehidupan pribadi	Positif Signifikan	File 11	Social Exchange Theory & Self Determinant Theory

4.4 Relevancies of Review Findings and Employee Engagement Theories

The literature review identifies that employee engagement is strongly affected by the balancing act between job demands and available resources. For instance, the review notes that engagement increases when there is sufficient training, supportive supervision, and access to necessary tools—key job resources that help employees manage high workloads and other stressors. According to the JD-R model, as highlighted by Bakker and Demerouti (2008) and Bakker & Albrecht (2018), employees who work in environments where their job resources meet or exceed their demands are better equipped to handle pressure, leading to increased engagement. This finding is particularly important for Gen Z, who value the availability of resources that serve as both protective buffers against high demands and as opportunities for personal and professional growth.

Social Exchange Theory explains engagement as a reciprocal process between employees and the organization. The literature review reinforces this by revealing that initiatives such as regular feedback, recognition programs, and personal development opportunities significantly influence employees' perceptions of organizational support. Saks (2006) emphasizes that when employees perceive that the organization values them—through explicit acts of appreciation and investment in their growth—they are more likely to reciprocate with higher engagement. The review also indicates that when Gen Z employees experience such tailored support, they respond with a strong sense of loyalty and commitment. This mutual exchange, as demonstrated in the literature, is critical for fostering an engaged workforce where employees feel both acknowledged and motivated to contribute to organizational success.

Self-Determination Theory (SDT) underscores the importance of intrinsic motivational factors that fulfill the psychological needs of autonomy, competence, and relatedness. The literature review presents findings that align with SDT by showing that when employees—especially those from Gen Z—experience work environments that support independence, offer opportunities to master new skills, and foster a sense of connection with their colleagues and supervisors, their engagement levels soar. Ryan and Deci (2000) argue that fulfilling these

psychological needs fuels intrinsic motivation, and the review confirms that practices such as flexible work arrangements, targeted professional development programs, and collaborative team structures are effective strategies. The evidence suggests that employees become more self-driven and engaged when they are allowed to take ownership of their work, feel competent in their roles, and enjoy meaningful interpersonal relations at work.

Combining these theoretical insights with the literature review findings paints a comprehensive picture:

- The JD-R Model emphasizes that providing adequate job resources (such as training and supportive supervision) can help buffer the impact of high job demands, particularly important in environments frequented by Gen Z.
- Social Exchange Theory reveals that reciprocal relationships built on visible organizational support (like feedback and recognition initiatives) are fundamental to driving employee engagement.
- Self-Determination Theory demonstrates that nurturing intrinsic motivators (autonomy, competence, relatedness) through modern work practices such as flexible policies and collaborative settings can significantly elevate engagement levels.

5. CONCLUSION

5.1 Key Findings

This literature review identifies various factors influencing employee engagement among Generation Z, including psychological aspects, leadership & organizational culture, and work flexibility. The findings suggest that a holistic approach, which integrates stress reduction, enhanced mindfulness, the implementation of empowering leadership, improved well-being, organizational support, meaningful work, organizational commitment, alignment of individual values with company values, the development of workplace flexibility, and work-life balance, is key to enhancing employee engagement for Generation Z employees. By integrating these findings, organizations can better design strategies that meet the unique expectations of Gen Z, creating a work culture that not only manages workload effectively but also fosters intrinsic motivation and a strong sense of mutual respect and value.

5.2 Theoretical and Managerial Implications

This literature review highlights how the characteristics of Generation Z interact with established factors in the literature on employee engagement. It indicates that the unique traits of Generation Z can influence how they respond to factors typically considered as drivers of engagement. The findings support the relevance of existing theoretical frameworks, such as the Job Demands-Resources (JD-R) model, Social Exchange Theory, and Self-Determination Theory.

However, this review also suggests that the significance of certain factors may vary across generational cohorts. For instance, Generation Z may place a higher value on meaningful work flexibility compared to previous generations, which may have focused more on stability and financial rewards.

Recommendations for future research include:

1. A deeper exploration of the role of other factors, such as technology, in facilitating engagement among Generation Z.
2. Longitudinal studies on the same variables to understand the changes in factors influencing engagement as career development progresses.
3. Comparative research between Generation Z and previous generations to identify differences and similarities in the factors affecting employee engagement.

Practical recommendations for organizations based on the findings of this literature review are:

1. Development of stress management and mindfulness programs tailored to the characteristics of Generation Z.
2. Leadership training focused on empowerment and support.
3. Enhancement of employee well-being and support to improve competencies and performance.
4. Fair recognition for all employees and involvement of employees in decision-making processes.
5. Implementation of workplace flexibility policies that support work-life balance.
6. Development of strategies to align individual values with organizational values.

5.3 Limitations

There are several limitations to the literature review that has been conducted. The first limitation is the cross-sectional design of the research. Many studies utilize a cross-sectional design, meaning that data is collected at a single point in time. This restricts the ability to draw causal conclusions regarding the factors influencing employee engagement. In this context, it is challenging to determine whether specific factors lead to an increase or decrease in employee engagement, as there is no longitudinal data to demonstrate changes over time.

The second limitation pertains to the variation in sample sizes. The sample sizes in existing studies vary significantly. Some studies may use relatively small or homogeneous samples, which can limit the generalizability of the findings. If the sample is too small or not representative of a broader population, the research results may not be applicable to a wider context or to different employee groups.

Next, there are differences in the operationalization of employee engagement and its predictors. The ways in which employee engagement and the influencing factors are operationalized differ among the existing studies. These discrepancies complicate direct comparisons between research outcomes.

Overall, these limitations highlight the need for further research with stronger designs, more representative sample sizes, and consistent approaches in measuring engagement and its influencing factors to gain a better understanding of the dynamics of employee engagement.

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May this literature review contribute positively to the development of effective human resource management strategies that enhance employee engagement for Generation Z in various organizations.

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