

Gen Z Employees Engagement and Retention Challenges

Anvar Ajeem A (Student)


MBA, Rathinam Technical Campus, Coimbatore

Mr. Thanush N (Assistant Professor)



<https://doi.org/10.55041/ijstmt.v2i5.410>

Cite this Article: A, A. A. (2026). Gen Z Employees Engagement and Retention Challenges. International Journal of Science, Strategic Management and Technology, 02(05). <https://doi.org/10.55041/ijstmt.v2i5.410>

License:  This article is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting use, distribution, and reproduction in any medium, provided the original author(s) and source are properly credited.

ABSTRACT

Employee engagement and retention among Generation Z employees have become major concerns for organizations operating in highly competitive and rapidly changing business environments. Generation Z employees, who are digital natives, expect flexibility, meaningful work, career development opportunities, recognition, technological integration and supportive leadership from employers. Primary data were collected from 100 respondents through structured questionnaires using convenience sampling. The collected data were analyzed using percentage analysis, graphical representation and correlation analysis. The research also provides practical suggestions that can help organizations strengthen employee satisfaction and long-term commitment among Gen Z employees.

Keywords: Generation Z, Employee Engagement, Employee Retention, Work-Life Balance, Organizational Culture, Job Satisfaction, Human Resource Management.

1. INTRODUCTION

The modern workforce has undergone significant transformation with the entry of Generation Z employees into organizations. Generation Z employees are highly technology-oriented, ambitious, and career-driven. They expect flexibility, meaningful work, recognition, and opportunities for growth. Generation Z employees are increasingly becoming an important part of the global workforce and are transforming traditional workplace practices. Unlike previous generations, Gen Z employees have grown up in a digital environment and possess unique expectations related to work culture, flexibility, leadership and career advancement.

2. INDUSTRY AND COMPANY PROFILE

The study is related to the Human Resource Management industry with a specific focus on employee engagement and retention practices among Gen Z employees. The selected company for the study is Corizo, an Indian EdTech organization that provides virtual internships, certification programs, mentorship and skill development initiatives for students and young professionals. However, like many organizations in the EdTech industry, the company experiences challenges related to employee engagement, recognition, work-life balance and career advancement among Gen Z employees. These issues directly influence employee satisfaction and retention levels within the organization.

REVIEW OF LITERATURE

Previous studies have highlighted the importance of employee engagement, organizational culture, leadership support, and work-life balance in improving employee retention. Khan and Ali (2020) concluded that supportive leadership and transparent communication improve employee satisfaction and engagement. Recent studies conducted in 2024 further highlighted the importance of workplace diversity, employee wellness, and work-life balance in retaining young

employees. These studies collectively suggest that organizations must adopt modern HR practices to meet the expectations of Gen Z employees effectively.

RESEARCH METHODOLOGY

Research methodology refers to the systematic and scientific procedure adopted by the researcher to conduct the study effectively and achieve the research objectives. Convenience sampling was used to select respondents due to time and accessibility constraints. A sample size of 100 employees was considered appropriate for the study. Statistical tools such as percentage analysis, graphical representation and correlation analysis were used to interpret the collected data.

1. STATEMENT OF THE PROBLEM Organizations today face major challenges in engaging and retaining Gen Z employees because this generation possesses different workplace expectations compared to previous generations. Therefore, the study attempts to identify the factors influencing employee engagement and retention.

2. OBJECTIVES OF THE STUDY The objectives of the study provide direction to the research process. To understand the factors influencing employee engagement among Gen Z employees. To analyze the relationship between job satisfaction and employee retention. To study the role of workplace diversity in improving employee engagement. To examine the impact of organizational culture on employee retention. To provide suggestions for improving employee engagement and retention strategies.

3. SOURCES OF DATA The study was based on both primary and secondary data sources. Primary data were collected directly from employees using a structured questionnaire. Secondary data were collected from journals, books, research articles, websites, and organizational reports. Using both primary and secondary data improved the reliability and comprehensiveness of the research.

4. SAMPLE SIZE Sample size refers to the total number of respondents selected for the study. The present research used a sample size of 100 respondents. The selected sample size was considered suitable for descriptive and analytical analysis within the available academic timeframe.

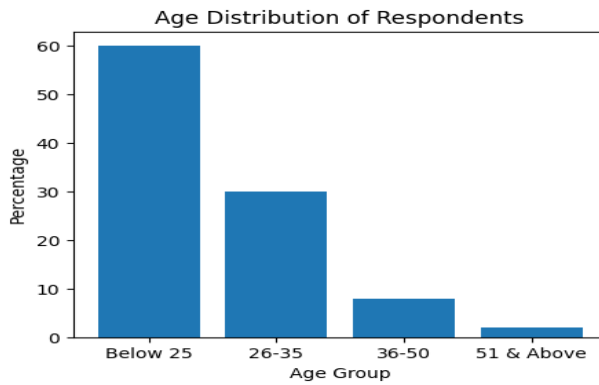
5. TOOLS USED FOR ANALYSIS The collected data were analyzed using percentage analysis, descriptive analysis, correlation analysis, and graphical representation. Percentage analysis simplified raw data into percentage form. Correlation analysis identified relationships between workplace variables and employee retention. Graphical representations such as charts and diagrams improved understanding and interpretation.

DATA ANALYSIS AND INTERPRETATION

1. DEMOGRAPHIC ANALYSIS

Demographic analysis helps in understanding the background characteristics of respondents such as age, gender, education, income, and work experience. This analysis provides a clear understanding of the type of workforce involved in the study.

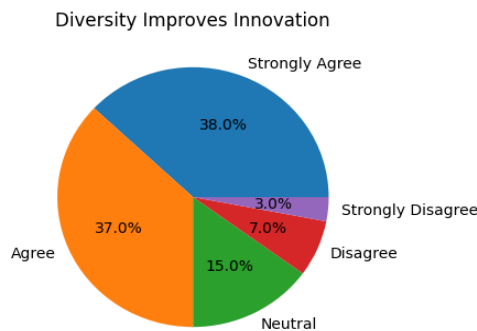
AGE DISTRIBUTION ANALYSIS The majority of respondents (60%) belonged to the below 25 age group, confirming that the study primarily focused on Gen Z employees. Around 30% of respondents belonged to the 26–35 age category, while only a small percentage represented higher age groups. This finding indicates that younger employees form a significant portion of the modern workforce and possess different workplace expectations compared to older generations.



Interpretation: The chart clearly shows that organizations are increasingly dependent on young professionals. Since Gen Z employees dominate the workforce, organizations must redesign HR policies to meet their expectations related to flexibility, learning opportunities, and work-life balance.

2. WORKPLACE DIVERSITY ANALYSIS Workplace diversity analysis examines employee perceptions regarding inclusion, equality, collaboration, and innovation within organizations. Gen Z employees generally value diverse workplaces because diversity encourages creativity, innovation, and better teamwork.

Interpretation: The analysis revealed that 75% of respondents either strongly agreed or agreed that diversity improves innovation in organizations.



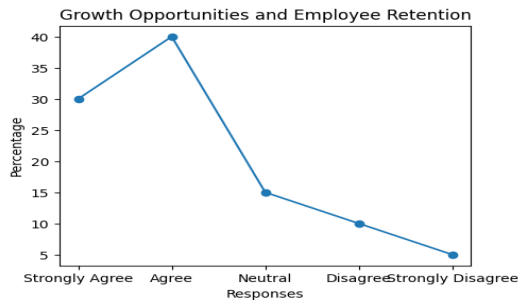
3. JOB SATISFACTION ANALYSIS Job satisfaction refers to the level of contentment employees feel regarding their work roles, organizational environment, leadership, compensation, and career opportunities. Job satisfaction plays a major role in improving employee engagement and retention.



Interpretation: The study found that only 55% of employees expressed satisfaction regarding work-life balance.

4. EMPLOYEE RETENTION ANALYSIS Employee retention analysis focuses on identifying the workplace factors that influence employees' decisions to remain with organizations. Retention is essential because high employee turnover increases recruitment costs and affects organizational productivity.

Interpretation: The findings revealed that 70% of respondents believed that growth opportunities strongly influence employee retention.



FINDINGS AND DISCUSSION

The study identified that career growth opportunities, work-life balance, organizational culture, leadership support, and employee recognition are the major determinants of employee engagement and retention. Employees prefer organizations that provide flexible work arrangements, continuous learning opportunities, and transparent communication systems. The findings indicate that traditional HR practices are insufficient for managing Gen Z employees effectively.

SUGGESTIONS

Organizations should implement structured career development programs and provide continuous learning opportunities for employees. Flexible work arrangements and hybrid work models should be encouraged to improve work-life balance. Leadership development initiatives should be strengthened to promote supportive and participative management styles. Organizations should also provide continuous learning opportunities, transparent communication and performance-based recognition systems. Leadership teams must create inclusive and collaborative work environments where employees feel valued and motivated.

CONCLUSION

The study concludes that employee engagement and employee retention are major organizational challenges in the modern workforce. Gen Z employees possess unique expectations regarding workplace culture, flexibility, leadership, and career growth. Organizations that fail to address these expectations may experience higher attrition and reduced productivity. The study concludes that engagement and retention strategies should not focus only on compensation but also on employee well-being, personal growth and workplace experience. Effective management of Gen Z employees will help organizations build a future-ready, innovative and sustainable workforce in the evolving business environment.

REFERENCES

- Sharma, R. (2019). Employee Engagement and Retention among Gen Z Employees.
- Khan, A., & Ali, S. (2020). Workplace Culture and Employee Engagement among Young Professionals.
- Patel, M. (2021). Organizational Culture and Employee Satisfaction.
- Rao, P., & Singh, K. (2022). Digital Work Environment and Employee Engagement.
- Verma, S. (2023). Job Satisfaction and Employee Retention in Modern Organizations.
- Dessler, G. (2020). Human Resource Management. Pearson Education.