

Managing Talent in the Digital Age: Implications for Generation Z Engagement and Satisfaction

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Abstract

This study examines the effects of recruitment and selection, teamwork and management support, performance and career management, as well as income and compensation, on work engagement and job satisfaction among Generation Z employees in the digital era. The study involved 62 employees working in a food and beverage company in the Cikarang–Bekasi area, selected using a census sampling technique. Data were analyzed using descriptive methods and path analysis with Partial Least Squares–Structural Equation Modeling (PLS-SEM). Data were collected through an online survey distributed via Google Forms, consisting of 35 items measured on a five-point Likert scale. The results indicate that: salary and compensation, performance and career management, teamwork and management support, and recruitment and selection positively affect employees' work engagement; these factors also have a positive effect on employees' job satisfaction; and work engagement positively influences employees' job satisfaction.

Keywords: talent management; job engagement; job satisfaction

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Introduction

Significant changes in the workplace, especially as a result of digital technology breakthroughs and the increasing number of Gen Z workers, have created increasingly complex challenges for organizations. Born between 1997 and 2012, Generation Z demonstrates perspectives on work, career development, and organizational relationships that differ from those of earlier generations. In this digital age, they demand flexibility, self-development opportunities, and a better work-life balance. This requires companies to understand these dynamics and adapt their talent management to improve work engagement and job satisfaction.

One of the reasons why talent management is so important in this context is because of its direct influence on job engagement and job satisfaction. Work engagement, according to Kahn, (1990), refers to the extent to which workers are physically, mentally, and emotionally invested in their jobs. Regarding Generation Z, involvement at work is not only influenced by the tasks at hand but also by the extent to which the company's values align with their values. Research by Harter (2020) indicates that workers with a high level of engagement typically demonstrate higher productivity levels and lower turnover intentions. Therefore, understanding the factors that can increase Generation Z's work involvement in companies is very relevant to be the focus of research.

Recruitment and Selection as part of talent management are very important in attracting and retaining young talent. According to Cupian, C., Zaky, M., Nurjaman, K., & Kurnia (2020), A good recruitment process is the first step in determining whether an employee will feel a good fit for the company or not. Mismatches between employees and company culture can lead to job dissatisfaction,

which can lead to resignation. This finding is particularly relevant in light of information from 2023's Central Statistics Agency (BPS), which indicates that dissatisfaction with organizational culture and the work environment is one of the primary factors contributing to employee job turnover. In the observed food and beverage company in the Cikarang-Bekasi area, the recruitment process focuses not only on skill alignment but also on organizational values and culture. This approach is expected to reduce employee turnover and enhance job satisfaction, particularly among Generation Z employees, who tend to prioritize values that align with their personal identities.

In addition, teamwork and management support are also important aspects in increasing work engagement. As stated by Andrea et al., (2016), Generation Z places a high value on transparent and cooperative work relationships. They tend to feel more engaged if their manager provides clear and constructive support. This support is not only in the form of direction in the work, but also in their career development. Research by Iryadana et al., (2024) also shows that collaborative teams and good communication between managers and employees can significantly increase work engagement.

However, despite these insights, previous studies present inconsistencies and unresolved issues. For instance, while Chen et al., (2024) emphasize the role of managerial support in fostering engagement among Generation Z, empirical evidence on how this interacts with teamwork dynamics remains limited, particularly in diverse organizational contexts. Similarly, Iryadana et al., (2024) highlight the benefits of collaborative communication, but there is a lack of exploration into potential barriers, such as generational differences in interpreting "constructive support," leading to mixed outcomes in engagement levels. This gap underscores the need for further investigation into how these factors synergistically influence work engagement, especially in settings where individual and team goals must be balanced.

In the studied company, managerial practices supporting individual and team goal achievement are implemented to enhance employees' sense of value and teamwork effectiveness. This study aims to address these unresolved issues by examining the interplay between teamwork and management support in boosting engagement among Generation Z employees, thereby contributing to a more comprehensive understanding of workplace dynamics

However, while good teamwork can increase engagement, salary and compensation remain the main factors that determine job satisfaction. Yanto, Silalahi and Panjaitan, (2023) Mention that a fair and competitive salary is an important element that cannot be ignored in talent management. According to Mohamed Jais, Azman and Ghani, (2022) Employees who feel dissatisfied with the salary or compensation they receive tend to quickly feel frustrated and not engaged in their work. Therefore, the studied food and beverage company implements a performance-based compensation system aligned with industry standards to ensure that employees feel appreciated and satisfied with their contributions. This study is essential to further explore how such compensation practices influence job satisfaction, particularly among Generation Z employees, who tend to have high expectations regarding recognition and rewards for their work.

Career and Performance Management is also a very relevant variable to be discussed in this study. Generation Z prioritizes opportunities to develop professionally. According to Belli et al., (2022), a clear career path and opportunities for self-development are one of the main motivators for them in choosing the company they work for. If the company does not provide these opportunities, they are likely to move to another company that provides better opportunities. In the studied food and beverage company, the implementation of continuous career development programs and mentoring opportunities is intended to strengthen employee engagement while simultaneously enhancing job satisfaction.

This study's novelty lies in its integrated examination of career and performance management alongside teamwork and management support, specifically within the context of Generation Z employees in the Indonesian food and beverage industry a sector often overlooked in prior research. While existing studies, such as Belli et al., (2022), highlight career development as a motivator, this research uniquely explores how these elements synergistically interact to mitigate turnover risks and boost engagement in a high-turnover industry, providing practical insights for managers to tailor strategies that align with generational preferences and organizational goals

Work engagement and employee satisfaction, as two interrelated constructs, are strongly influenced by the effectiveness of talent management practices within the organization. According to Fadhli, K., & Khusnia (2021) High work engagement can increase employee loyalty and reduce turnover. Perceptions of recognition and career development opportunities are positively associated with employee retention. However, in the context of the studied food and beverage company, despite the implementation of several initiatives, the employee turnover rate remains relatively high, particularly among Generation Z employees. BPS data (2023) demonstrates that elements including job unhappiness and a lack of opportunities for career advancement, and work-life balance issues are the primary drivers of high employee turnover among younger workers. This indicates the need for further evaluation of talent management implementation in the studied company.

This research examines the influence of effective talent management on Generation Z employees' work engagement and job satisfaction in the context of the digital era. Specifically, this study focuses on key talent management practices, including recruitment and selection, teamwork and management support, performance and career management, and compensation, and analyzes their relationships with employee engagement and job satisfaction. Accordingly, the objective of this research is to analyze the impact of these talent management dimensions on Generation Z employees' work engagement and job satisfaction, with the aim of providing practical insights for organizations to improve employee retention and reduce turnover.

Literature Review

Talent management is one of the concepts that is gaining more and more attention in the organizational world, especially because of its significant impact on human resource management and achieving organizational goals. In this context, talent management serves to attract, develop, and retain talented individuals who can support the organization's long-term success. According to Armstrong, (2023) Talent management includes several components that need to be considered, specifically recruitment and selection, teamwork and managerial support, performance management, as well as compensation and rewards. These components are closely interconnected and collectively exert a significant influence on employee engagement and job satisfaction.

Recruitment and Selection in Talent Management

Recruitment and selection are very crucial initial components in talent management. Firkiawan, (2018) Stated that an effective recruitment process is the first step that determines the compatibility between employees and the company. Careful assessment in selecting prospective employees is not only based on the skills possessed, but also on suitability with the company culture and values applied. The mismatch between employees' values and the company's culture can lead to job dissatisfaction that ultimately leads to resignation Armstrong, (2023). BPS data (2023) shows that dissatisfaction with the work environment and culture is one of the main reasons young employees resign. This highlights the importance of recruitment practices that emphasize not only technical competencies but also alignment with the organization's culture.

Within the context of the studied manufacturing company, the recruitment process focuses not only on matching candidates' skills but also on ensuring alignment between employees' values and the organization's vision and mission. This is expected to increase compatibility between employees and organizations, which in turn can reduce turnover rates and increase job satisfaction, especially among Generation Z, who tend to prioritize work-life balance. (Firkiawan, 2018).

Teamwork and Managerial Support

Teamwork and managerial support are widely recognized as critical drivers of a productive and psychologically safe work environment. In organizational behavior literature, teamwork is described as a coordinated process in which members share responsibilities, collaborate toward common goals, and are mutually accountable for performance conditions that can strengthen employees' sense of belonging and meaning at work. Effective teamwork is also associated with a more favorable team climate, communication quality, participatory decision-making, and reduced workplace chaos), which has been linked to higher employee well-being and job satisfaction (Williams et al., 2025). Empirically, research in organizational settings shows that teamwork relates to job satisfaction and that supervisor support plays an important complementary role in shaping the teamwork-satisfaction relationship (Griffin et al., 2001) .

Managerial support often conceptualized as *perceived supervisor support* or as a key antecedent of *perceived organizational support* helps employees feel valued and cared for, thereby encouraging stronger engagement and more positive job attitudes. Rhoades & Eisenberger, (2002) Meta-analytic evidence indicates that supervisor support is consistently associated with employees' perceived organizational support, which in turn relates to outcomes such as job satisfaction and other favorable attitudes. From the engagement perspective, foundational work suggests that supportive interpersonal and organizational conditions help employees express their "full selves" at work supporting deeper involvement and energy investment in their roles. Kahn, (1990) In addition, the Job Demands-Resources (JD-R) framework positions social resources such as supervisor support and a collaborative team environment as motivational resources that foster engagement and, indirectly, improve well-being-related outcomes. Bakker et al., (2007) In line with these arguments, prior studies also emphasize that effective collaboration between employees and management can enhance engagement and contribute to job satisfaction, particularly when managers actively support development and create an environment that enables employees to flourish (Gilley et al., 2023; Khatun et al., 2021).

Career Management and Performance Development

Clear career management and structured performance development are also important aspects of talent management. Employees who feel they don't have the opportunity to grow or improve their performance tend to have low job satisfaction, which can lead to resignation. Azman et al. (2019) stated that employees who do not obtain satisfaction in their work will feel frustrated and risk resigning. Therefore, companies should provide a clear career development path as well as opportunities to improve skills and competencies.

Research by Armstrong, (2023) Shows that good career development can create employee loyalty to the company, which has a positive impact on employee retention. In the studied company, career development and training programs are often key factors distinguishing long-term employees from those who choose to leave. This is particularly relevant to the expectations of Generation Z, who place a strong emphasis on opportunities for skill development and growth.

Compensation and Awards

The last and no less important component of talent management is compensation and rewards. Firkiawan, (2018) The findings indicate that competitive compensation and benefits are crucial factors in enhancing employee job satisfaction. Employees who feel valued through fair compensation tend to

have higher engagement and are more loyal to the company. However, research also shows that employees from Generation Z not only want financial compensation, but also want other benefits such as work flexibility and appreciation for their work-life balance. (Edwina, 2024).

Based on data from BPS (2023), the reasons for resignation that are often encountered are dissatisfaction with salary and a work environment that does not support a balance between personal and professional life. Therefore, companies need to re-evaluate the compensation structure and benefits they offer to ensure that they can meet the expectations of these young employees. In the studied company, for example, a more flexible compensation package that provides greater opportunities for personal development can influence an employee's decision to remain with the organization.

Job Satisfaction

Work fulfillment can be described as a condition of emotion that indicates how pleased an employee feels about their position. As noted by Schilsky *et al.*, (2023) The employee's evaluation of various aspects of their employment is known as job satisfaction, including pay, opportunities for growth, and interactions with supervisors or colleagues. Job satisfaction reflects an employee's perspective regarding work, which is connected to the work environment, teamwork among staff, compensation received, and factors concerning both physical and mental well-being. This mindset regarding work stems from various individual-specific beliefs about work factors, personal adaptations, and social connections outside of work, culminating in the overall attitude that a person has towards their job. (Dewi *et al.*, 2022). A recent study by Kim *et al.*, (2019) Implies that employees' propensity to stick with their jobs and their level of dependability are related to job satisfaction. Key elements such as acknowledgment of contributions, flexible working arrangements, and a healthy work-life balance serve as major influences on job satisfaction that directly affect employee retention.

Job Engagement

Job engagement refers to an employee's active participation in their work, recognizing its significance for their self-esteem and viewing it as a central aspect of their life interests. (Tarmam *et al.*, 2022). According to Bagit *et al.*, (2024) Job involvement involves a process of participation that maximizes the capabilities of employees and aims to foster a stronger commitment to the organization for its success. Job involvement reflects the extent to which an employee immerses themselves in their work, perceives it as highly meaningful in their life, performs well at their job, and contributes positively to their self-esteem. (Utomo, 2023). In summary, job involvement indicates the degree to which an individual actively engages and fully commits themselves to their work in pursuit of an organization's objectives.

Effective recruitment and selection processes ensure a strong fit between employees' skills, values, and organizational requirements. When individuals perceive that recruitment and selection procedures are fair, transparent, and aligned with their competencies, they are more likely to experience higher levels of job satisfaction due to role clarity and realistic job expectations. Therefore, the following hypothesis is proposed:

H₁: Recruitment and selection have a positive effect on employee job satisfaction

Management support and teamwork play a crucial role in shaping employees' workplace experiences. Supportive managers who provide guidance, feedback, and emotional support contribute to a positive work climate, while effective teamwork fosters collaboration and mutual trust among employees. Together, these factors enhance employees' feelings of value and belonging, leading to higher job satisfaction. Thus, this study hypothesizes that:

H₂: Management support and teamwork positively affect employee job satisfaction

Career management and performance development practices signal an organization's commitment to employee growth and long-term success. Opportunities for skill development, performance feedback, and career advancement increase employees' perceptions of future prospects within the organization, which in turn enhances job satisfaction. Based on this reasoning, the following hypothesis is formulated:

H₃: Career management and performance development positively affect employee job satisfaction

Compensation and rewards represent tangible recognition of employees' contributions. Fair and competitive compensation systems not only fulfill employees' financial needs but also reinforce perceptions of equity and appreciation, which are essential determinants of job satisfaction. Accordingly, the following hypothesis is proposed:

H₄: Compensation and rewards positively affect employee job satisfaction

Recruitment and selection processes influence employee engagement by determining the degree of person-job and person-organization fit. Employees who are well-matched to their roles are more likely to demonstrate enthusiasm, dedication, and absorption in their work. Therefore, this study proposes that:

H₅: Recruitment and selection positively affect employee engagement

Supportive leadership and collaborative teamwork provide social and psychological resources that encourage employees to invest themselves fully in their work roles. When employees feel supported by managers and experience effective teamwork, they are more motivated and engaged in their tasks. Hence, the following hypothesis is advanced:

H₆: Management support and teamwork positively affect employee engagement.

Career development opportunities and continuous performance improvement initiatives foster employees' sense of growth and purpose at work. These factors motivate employees to dedicate greater energy and commitment to their roles, thereby enhancing engagement. Thus, the study hypothesizes that:

H₇: Career management and performance development positively affect employee engagement.

Compensation and reward systems can also function as motivational mechanisms that reinforce desired behaviors. When employees perceive rewards as fair and performance-based, they are more likely to exhibit higher levels of engagement and discretionary effort. Based on this argument, the following hypothesis is proposed:

H₈: Compensation and rewards positively affect employee engagement

Job satisfaction reflects employees' overall evaluation of their work experiences and serves as an important antecedent of engagement. Satisfied employees are more likely to demonstrate enthusiasm, commitment, and involvement in their work activities. Therefore, this study proposes the final hypothesis:

H₉: Job satisfaction positively affects employee engagement.

Methods

To investigate the relationships among the research variables, this study adopted a cross-sectional survey design. This design was considered appropriate because the primary objective of the study was to examine structural relationships between management practices, job satisfaction, employee engagement, and performance perceptions as they naturally occur within an organizational setting, rather than to assess changes over time. A cross-sectional approach enables the efficient

collection of data from a defined population at a single point in time, which is particularly suitable for testing theoretical models and hypotheses involving latent constructs and employee perceptions.

Instrument validity and reliability were assessed using factor loadings and Cronbach's alpha coefficients. Data analysis was conducted using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS version 3. PLS-SEM was selected due to its suitability for exploratory and predictive research, its robustness with relatively small sample sizes, and its ability to simultaneously assess measurement and structural models. In addition, Importance-Performance Map Analysis (IPMA) was applied to identify critical constructs requiring managerial attention and improvement. Hypothesis testing was performed at a 0.05 significance level to evaluate the proposed relationships among variables

The study involved 62 employees from a food and beverage company located in the Bekasi-Cikarang region of Indonesia. Given the relatively small population size, a census (saturated sampling) technique was employed to ensure comprehensive representation and to minimize sampling bias. Data were collected using a standardized questionnaire, allowing for consistent measurement of constructs across respondents.

Results and Discussion

Characteristics of Respondents

This study involved 62 Generation Z employees from a food company based in Bekasi City, Indonesia. Regarding gender distribution, there were 27 (43.5%) male respondents and 35 (56.5%) female respondents, making up the bulk of respondents. Age-wise, the largest group of respondents fell within the 21-25 Year age bracket, comprising 47 individuals (75.8%), with the remaining 15 individuals (24.2%) aged 26-30 years. Concerning their educational qualifications, most respondents had completed their undergraduate degree, totaling 45 individuals (72.6%), while 17 individuals (27.4%) had obtained a diploma. These findings indicate that a considerable proportion of participants in the studied organization have attained a relatively high level of education, which could potentially shape their perceptions of various workplace factors.

Descriptive statistics, frequently referred to as deductive statistics, involve the processes of gathering, organizing, analyzing, presenting, and interpreting numerical information. (Alabi, O., & Bukola, 2023). This study employed descriptive statistics to identify the lowest, maximum, mean, and standard deviation for every variable examined, including engagement, job satisfaction, salary & compensation, performance & career management, teamwork & management support, and recruitment & selection.

Table 1. Descriptive Statistics

Variable	Min	Max	Mean	Std Dev.
Recruitment & Selection	1	5	4,10	0,62
Teamwork & Management Support	1	5	4,15	0,68
Performance & Career Management	1	5	4,30	0,70
Salary & Compensation	1	5	4,20	0,75
Job Engagement	1	5	4,22	0,71
Job Satisfaction	1	5	4,18	0,65

Source: Processed data (2025)

The findings of the descriptive statistical analysis for the research variables recruitment and Selection, Teamwork and Management Support, Performance and Career Management, Salary and Compensation, Job Engagement, and Job Satisfaction are shown in Table 1. Recruitment and Selection received a mean score of 4.10

with a standard deviation of 0.62, according to the results. Notably, a substantial proportion of respondents assigned ratings of 5 (49.5%) and 4 (40%), suggesting that the organization's recruitment practices are perceived as effective. Furthermore, Teamwork and Management Support recorded 4.15 as the mean and 0.68 as the standard deviation, where 49% of respondents assigned a score of 5 and 41% a score of 4, indicating that participants believe that the support from both team and management is fairly strong. In the area of Performance & Career Management, 4.30 is the average score, and the standard deviation is 0.70. and 51.5% of participants gave it a rating of 5, indicating a strong level of satisfaction regarding both performance management and career growth. The Salary & Compensation category has an average standard deviation of 4.20 and a score of 0.75, with 50% of respondents rating it a 5, which implies that employees view the salary and compensation policies positively. In the Job Engagement category, the average score stands at 4.22 with a standard deviation of 0.71, and 50% of respondents rated it a 5, indicating a strong level of employee involvement within the company. Lastly, Job Satisfaction achieved 4.18 on average, with a 0.65 standard deviation, and 51.5% of respondents rated it a 5, reflecting a very high degree of job satisfaction among employees at the company. Overall, the findings indicate that respondents are satisfied with several aspects of recruitment, teamwork and managerial support, performance and career development, and compensation systems, as well as their levels of work engagement and job satisfaction.

Validity and Reliability Test

Table 2 presents the results of the validity and reliability assessments of the measurement model. Construct validity was evaluated through convergent validity by examining indicator factor loadings on their respective latent variables. Factor loadings indicate the extent to which each observed indicator represents its underlying construct. In line with commonly accepted criteria in PLS-SEM analysis, indicators with loading values greater than 0.50 were considered acceptable. As shown in Table 3, all indicators associated with Recruitment and Selection, Teamwork and Management Support, Performance and Career Management, Salary and Compensation, Job Engagement, and Job Satisfaction exceeded this threshold, confirming adequate convergent validity for all constructs.

Reliability was assessed to ensure the internal consistency of the measurement instruments using three indicators: Cronbach's Alpha, rho_A, and Composite Reliability (CR). Cronbach's Alpha evaluates the overall consistency among indicators within a construct, while rho_A provides a more accurate reliability estimate in the context of PLS-SEM. Composite Reliability was employed to account for differing indicator loadings. Consistent with recommended cutoff values, all reliability coefficients exceeded 0.70, indicating satisfactory internal consistency across all constructs.

Overall, the results of the validity and reliability assessments demonstrate that the measurement model meets established methodological criteria. The indicators reliably and validly measure their intended constructs, thereby supporting the robustness of the data and its suitability for subsequent structural model analysis.

Table 2. Results of Validity and Reliability Testing

Variable	Cronbach's Alpha	Rho_A	Composite Reliability	AVE
Recruitment & Selection	0,874	0,878	0,912	0,681
Teamwork & Management Support	0,899	0,902	0,920	0,695
Performance & Career Management	0,887	0,890	0,916	0,668
Salary & Compensation	0,892	0,895	0,919	0,689

Job Engagement	0,909	0,913	0,925	0,718
Job Satisfaction	0,888	0,891	0,916	0,675

Source: Processed data (2025)

All of the variables analyzed in this study—Recruitment and Selection, Teamwork and Management Support, Performance and Career Management, Salary and Compensation, Job Engagement, and Job Satisfaction—meet the suggested evaluation criteria, according to the results of the validity and reliability assessments shown in the table. All constructs have Average Variance Extracted (AVE) values greater than 0.50, indicating that the measurement indicators accurately reflect the corresponding constructs. A high degree of internal consistency is also shown by the Composite Reliability and Cronbach's Alpha values, both of which are over the 0.70 cutoff. As a result, the results show that the information utilized in this study is legitimate and trustworthy, making it suitable for further analysis.

Figure 1 illustrates that the R-Square value for the Job Engagement variable is 0.225, suggesting that the Talent Management factors, including Recruitment & Selection, Teamwork & Management Support, Performance and Career Management, as well as Salary and Compensation, show a moderate effect on Job Engagement. Meanwhile, the R^2 value of 0.818 for Job Satisfaction suggests that the model has strong explanatory power for variations in Job Satisfaction. This linear regression analysis indicates that a higher R-Square value signifies a greater explanatory power of the data, with Job Satisfaction being more significantly affected by the factors assessed in this study compared to Job Engagement.

The results of the Outer Model Algorithm analysis are shown in Figure 1. This study examines how talent management affects Generation Z's job satisfaction and engagement in the digital age. Talent management has a moderate impact, explaining 22.5% of the variance in job engagement, according to the R-square value of 0.225. On the other hand, the model explains 81.8% of the variance in Job Satisfaction, as indicated by the R-square value of 0.818.

The R-Square score, which goes from 0 to 1, indicates a higher quality of data representation, as this linear regression analysis shows. As a result, while the value for Job Engagement suggests a lower level of data representation, a high R-Square value for Job Satisfaction shows an outstanding data explanation.

Table 3. Matrix F-Square

Construct	Job Engagement (Y)	Job Satisfaction (Z)
Recruitment & Selection (X1)	0.302	0.181
Teamwork & Management Support (X2)	0.140	0.208
Performance & Career Management (X3)	0.181	0.353
Salary & Compensation (X4)	0.244	0.244
Job Engagement (Y)	0.225	
Job Satisfaction (Z)		0.818

Source: Processed data (2025)

The F-Square for each construct (such as Recruitment & Selection, Teamwork & Management Support, etc.) illustrates the impact size on the variables of Job Engagement and Job Satisfaction. A strong influence is indicated by an F-square value above 0.35, a moderate effect by a value between 0.15 and 0.35, and a small effect by a value below 0.15. Job Satisfaction has a higher R-square value than Job Engagement, suggesting that the construct has a greater impact on Job Satisfaction.

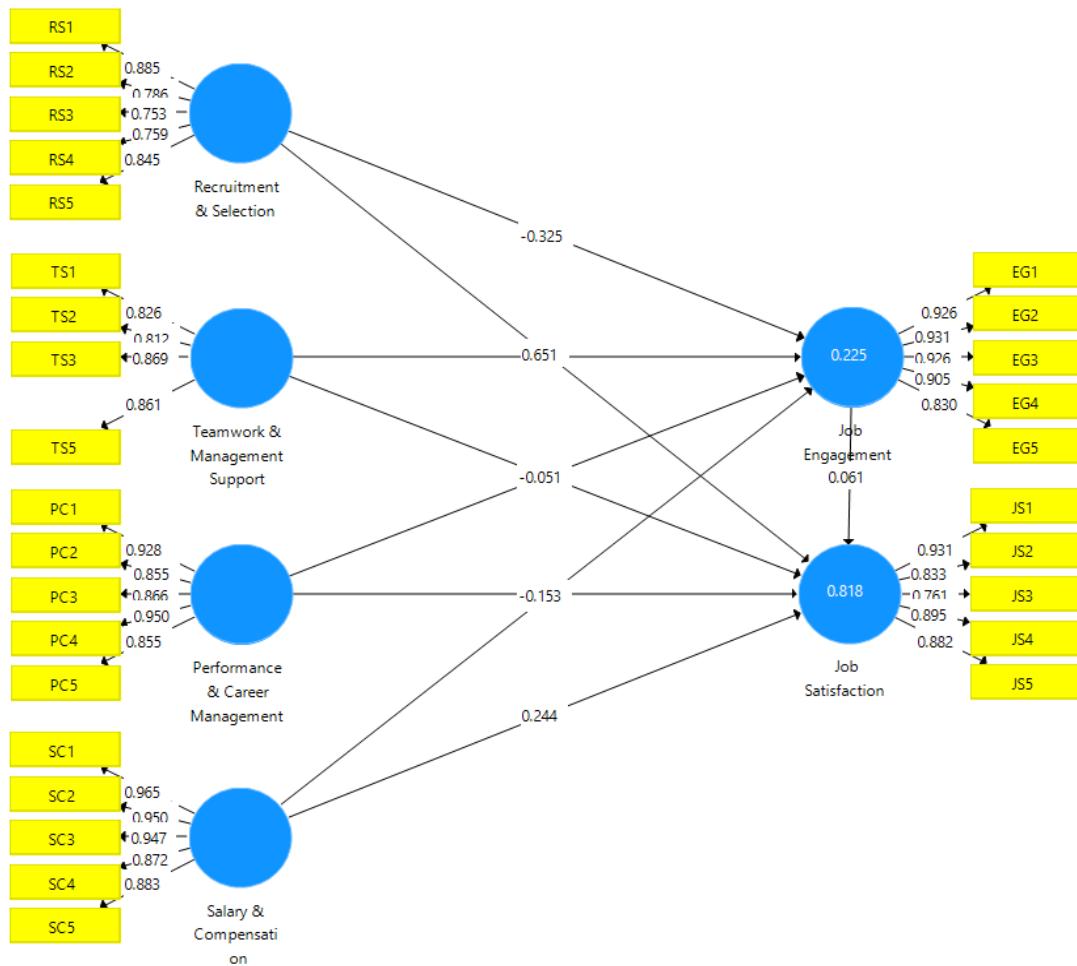


Figure 1. Outer Model Algorithm Results

According to the image above, a higher value of the path coefficient correlates with a stronger effect of the talent management dimension on the dependent variable within this conceptual framework. The significance of the hypothesized relationships is evaluated through path coefficient values. The strong positive correlations with Teamwork & Management Support (0.651) and Salary & Compensation (0.818) indicate that these two elements significantly impact the Job Satisfaction and Job Engagement of Generation Z. Conversely, Performance & Career Management (0.244) and Recruitment & Selection (-0.325) show a weaker influence, with Recruitment & Selection even reflecting a negative relationship with Job Engagement. The Job Engagement dimension functions as the primary mediator, significantly impacting Job Satisfaction (0.818). This supports the notion that increased work involvement directly enhances job satisfaction among Generation Z. Thus, it may be inferred from these results that the research model exhibits a moderate to strong explanatory ability in explaining the variables being studied.

Table 5. Measurement Model Test Result

Variable	R-Square	Adjusted R-Square
Job Engagement	0,225	0,171
Job Satisfaction	0,818	0,802

Source: Processed data (2025)

Higher values indicate greater explanatory accuracy, and the R-squared (R^2) number shows how predictive the model is. According to the findings, 81.8% of the variation in job satisfaction can be explained by job engagement ($R^2 = 0.818$), with the remaining 18.2% coming from variables not taken into account by the model. Additionally, the corrected R-squared value for Job Satisfaction is 0.802, which indicates that the model explains a significant amount of the variance, even though it is slightly lower. Overall, these results show that the model has a high degree of explanatory power and that job satisfaction is significantly predicted by job engagement.

Table 6. Hypothesis Testing Result

Variable	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Conclusion
Job Engagement -> Job Satisfaction	0.818	0.805	0.053	15.390	0.000	Supported
Compensation -> Job Satisfaction	0.628	0.615	0.070	8.986	0.000	Supported
Recruitment & Selection -> Job Satisfaction	-0.325	-0.332	0.135	-2.411	0.016	Not Supported
Teamwork & Management Support -> Job Satisfaction	0.651	0.640	0.088	7.392	0.000	Supported
Performance & Career Management -> Job Satisfaction	0.244	0.256	0.098	2.490	0.013	Supported
Job Engagement -> Job Satisfaction	0.818	0.812	0.051	16.005	0.000	Supported
Recruitment & Selection -> Employee Engagement	-0.325	-0.332	0.135	-2.411	0.016	Not Supported
Teamwork & Management Support -> Employee Engagement	0.651	0.640	0.088	7.392	0.000	Supported
Performance & Career Management -> Employee Engagement	0.244	0.256	0.098	2.490	0.013	Supported
Compensation and Rewards -> Employee Engagement	0.244	0.256	0.098	2.490	0.013	Supported

Source: Processed data (2025)

Hypothesis 1 examined the effect of Recruitment and Selection on Job Satisfaction. The results indicate a statistically significant relationship ($p = 0.016$); however, the path coefficient is negative ($\beta = -0.325$). This finding suggests that recruitment and selection practices, as perceived by employees, are associated with lower levels of job satisfaction. Since the hypothesis proposed a positive relationship, Hypothesis 1 is not supported. This negative effect may reflect employee dissatisfaction with current recruitment procedures, perceived fairness, or job-person fit issues.

Hypothesis 2 assessed the influence of Teamwork and Management Support on Job Satisfaction. The results show a strong positive and statistically significant effect ($\beta = 0.651$; $t = 7.392$; $p = 0.000$). This indicates that effective teamwork and supportive managerial practices play a crucial role in enhancing employee job satisfaction. Therefore, Hypothesis 2 is supported.

Hypothesis 3 examined the relationship between Performance and Career Management and Job Satisfaction. The findings reveal a positive and significant effect ($\beta = 0.244$; $t = 2.490$; $p = 0.013$), suggesting that clear performance evaluation systems and career development opportunities contribute positively to employees' satisfaction. Thus, Hypothesis 3 is supported.

Hypothesis 4 tested the effect of Compensation on Job Satisfaction. The analysis demonstrates a substantial positive relationship ($\beta = 0.628$; $t = 8.986$; $p = 0.000$), indicating that fair and competitive compensation significantly enhances job satisfaction. Accordingly, Hypothesis 4 is supported.

Hypothesis 5 evaluated the effect of Recruitment and Selection on Employee Engagement. Similar to its effect on job satisfaction, the relationship is statistically significant but negative ($\beta = -0.325$; $p = 0.016$). This result indicates that current recruitment and selection practices may hinder employee engagement rather than foster it. As the hypothesized direction was positive, Hypothesis 5 is not supported.

Hypothesis 6 examined the effect of Teamwork and Management Support on Employee Engagement. The results reveal a strong positive and significant influence ($\beta = 0.651$; $t = 7.392$; $p = 0.000$), suggesting that collaborative work environments and managerial support substantially enhance employee engagement. Therefore, Hypothesis 6 is supported.

Hypothesis 7 assessed the impact of Performance and Career Management on Employee Engagement. The findings indicate a positive and statistically significant relationship ($\beta = 0.244$; $t = 2.490$; $p = 0.013$), implying that well-structured career development and performance management systems promote higher employee engagement. Thus, Hypothesis 7 is supported.

Hypothesis 8 tested the relationship between Compensation and Rewards and Employee Engagement. The results show a significant positive effect ($\beta = 0.244$; $p = 0.013$), confirming that appropriate compensation and reward systems contribute to increased levels of employee engagement. Hence, Hypothesis 8 is supported.

Finally, Hypothesis 9 examined the relationship between Employee Engagement and Job Satisfaction. The analysis indicates a very strong positive and statistically significant relationship ($\beta = 0.818$; $t = 15.390$; $p = 0.000$). This result confirms that higher employee engagement substantially enhances job satisfaction, highlighting engagement as a key predictor of employee well-being. Therefore, Hypothesis 9 is supported. Overall, the findings demonstrate that teamwork, management support, career management, compensation, and employee engagement play critical roles in shaping job satisfaction, while recruitment and selection practices require further evaluation due to their unexpected negative effects.

Discussion

This research aimed to examine how Job Engagement, Compensation, and Performance & Career Management affect Job Satisfaction in Generation Z employees in the digital era. The results offer important insights into how these factors are related and how they affect employee satisfaction and engagement. The key finding of this study is the significant positive effect of Job Engagement on Job Satisfaction, indicating that employees who are cognitively, emotionally, and behaviorally involved in their work experience higher levels of satisfaction. This finding is consistent with engagement theory, which suggests that engaged employees form strong psychological connections with their work, leading to a greater sense of meaning and fulfillment (Rich, Lepine, & Crawford, 2010). Moreover, this study extends prior research by confirming the engagement-satisfaction relationship within the Indonesian

food and beverage industry, a context that remains underexplored. In line with previous studies, Harter (2020) and Chughtai (2022) similarly reported that higher employee engagement is associated with increased job satisfaction across diverse organizational settings, thereby reinforcing the generalizability of engagement theory across cultural and industry contexts.

The impact of compensation on job satisfaction is the subject of another significant finding. The findings support the idea that equitable and competitive compensation leads to better levels of employee satisfaction by showing that pay is a significant factor in work satisfaction. This result is in line with Herzberg's Two-Factor Theory and earlier empirical research that highlights how pay influences job satisfaction. Alshmemri et al. (2017) assert that compensation serves as a vital motivator influencing job satisfaction. Furthermore, Johnson et al. (2022) found that companies that pay their workers fairly usually have happier employees. Whelan and Hally (2020). It's important to have clear and fair pay systems, especially in manufacturing, where workers want to be paid based on how well they do their job. The results from Lomyati and Tridayanti (2023) also verified that equitable compensation is directly linked to increased job satisfaction, particularly in sectors transitioning to the digital economy. These findings support H2, confirming that Compensation positively influences Job Satisfaction.

In addition, it was found that Performance & Career Management significantly influences Job Satisfaction. When employees believe that their performance is acknowledged and that they have avenues for career advancement, their job satisfaction is likely to increase. This observation is consistent with Greenhaus, J. H., Collins, K. M., & Shaw, (2003), who noted that career development opportunities significantly impact job satisfaction. Similarly, Shi, J. L., & Lai, (2023) Showed that employees who benefit from career development support feel more confident and satisfied with their jobs since it improves their skills and knowledge. Skinner, E. A., & Pitzer, (2012) Further corroborated this idea, stressing that career development initiatives contribute to enhanced job satisfaction, particularly when employees perceive that their efforts are likely to result in career advancement or skill development. Recent research, such as that by Zhao et al., (2022), continues to support the association between career management programs and job satisfaction, particularly within knowledge-driven sectors where skill development is highly esteemed.

The mediating function of job engagement in the relationship between job satisfaction, career management, and performance is a noteworthy feature of this study. The findings suggest that job engagement acts as a moderator, amplifying the influence of career management initiatives on job satisfaction. This implies that when employees are more engaged, they tend to gain greater satisfaction from performance management and career development activities. This concept is supported by Kahn, (1990), who proposed that engagement serves as a psychological condition that enables employees to better appreciate career advancement opportunities. Additionally, Robinson, C. C., & Hullinger, (2008) Discovered that workers who feel more engaged at work are more inclined to benefit from career management initiatives, as they perceive these efforts as valuable and conducive to their professional growth. Lee, Y., Lee, J. Y., & Lee, (2022) Further stressed the significance of engagement as a mediating element, suggesting that engaged employees are more likely to gain from career development opportunities, ultimately resulting in increased job satisfaction. The results demonstrate that employee engagement is positively impacted by compensation and rewards, indicating that fair and competitive reward systems encourage greater employee involvement. This result supports Hypothesis 8, confirming that Compensation and Rewards positively influence Employee Engagement.

In summary, the findings demonstrate that Job Engagement, Compensation, and Performance and Career Management play pivotal roles in influencing Job Satisfaction within the studied organization. The supported hypotheses suggest that employees, particularly Generation Z workers in the food and beverage industry, prioritize meaningful work experiences, fair compensation, and clear career development pathways, which directly enhance both engagement and satisfaction. In contrast, the hypotheses related to Recruitment and Selection were not supported, indicating that current recruitment practices may not sufficiently align employee expectations with actual job conditions, thereby weakening their impact on satisfaction and engagement. This pattern reflects the contextual characteristics of labor-intensive industries, where day-to-day managerial support and developmental opportunities are perceived as more salient than initial recruitment processes in shaping employee attitudes.

Conclusions

The findings indicate that Job Engagement, Compensation, Performance, and Career Management significantly affect Job Satisfaction among Generation Z employees, with Job Engagement emerging as a key determinant. Pay was identified as a key determinant of job satisfaction, indicating that fair and competitive compensation significantly enhances employee satisfaction and reinforces the importance of aligning pay policies with employee expectations. In addition, effective performance and career management were found to play a crucial role in improving job satisfaction, as employees who perceive clear growth opportunities and fair performance evaluations tend to report higher levels of satisfaction.

Moreover, this study demonstrates that Job Engagement functions as an important mediating mechanism that strengthens the effects of Compensation and Performance and Career Management on Job Satisfaction. By highlighting engagement as a central explanatory factor, this research contributes to the existing literature by clarifying how human resource practices translate into positive employee outcomes. From a practical perspective, the findings provide evidence-based guidance for organizations particularly in labor-intensive industries on the importance of fostering engagement alongside equitable compensation and structured career management to enhance overall job satisfaction.

In summary, this research underscores the vital role of Job Engagement, Compensation, and Performance & Career Management in improving Job Satisfaction. The results offer valuable perspectives for organizations seeking to enhance their human resource initiatives, particularly in a swiftly changing digital work landscape. By prioritizing these elements, organizations can create more effective policies that foster employee engagement, ensure equitable compensation, and offer advancement opportunities, ultimately resulting in greater job satisfaction and improved overall performance.

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