

Reading Generation Z Patterns in the Workplace: The Relationship Between Work-Life Balance, Employee Engagement, and Intent to Resign

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Abstract

This study aims to analyze the influence of Work-Life Balance and Employee Engagement policies on the intention to resign among Generation Z employees. The background of this study is based on the increasing tendency of the younger generation to change jobs, so it is important for organizations to understand the factors that influence this decision. The research approach used is quantitative with a descriptive correlational method to examine the relationship between the variables of work-life balance policies, employee engagement, and intention to resign. Data were collected through questionnaires and analyzed using regression techniques to test the influence between variables. The results show that Work-Life Balance policies have a significant effect on the intention to resign, while Employee Engagement has no significant effect. In general, both variables together contribute to the formation of employee intentions to leave their jobs. This finding confirms that the balance between work and personal life is a key factor in retaining Generation Z in the workplace. Academically, this study contributes to the development of theories and studies of organizational behavior, while practically the results can be a reference for companies in designing flexible work policies oriented towards employee welfare to reduce turnover rates among the younger generation.

Keywords:

Work life balance, Employee Engagement, Intention to Resign

Introduction

Changes in the dynamics of the modern workplace require organizations to adapt to the characteristics of the new workforce, one of which is Generation Z. This generation is known as a group born in the digital era and has a different work orientation compared to previous generations. They place more emphasis on balancing their personal and professional lives and want a flexible and meaningful work environment (Pratama & Andriani, 2022). The phenomenon of increasing turnover rates among Generation Z is a serious concern for many companies, as it can affect operational stability and increase the costs of recruiting and training new employees. Therefore, organizations need to understand the factors that influence Generation Z's decision to stay or resign from their jobs.

Work-life balance (WLB) policy is one of the important components that influence workers' desire to resign (Greenhaus & Allen, 2011). WLB refers to an individual's ability to balance the demands of their job with their personal life needs without compromising either (Greenhaus & Allen, 2011). Since companies can provide social support, flexible working hours, and attention to employee well-being, employees will feel more satisfied and

committed to the company (Anwar & Rahmawati, 2020). Conversely, employees tend to experience stress, fatigue, and may leave their jobs if work-life balance is not achieved. This shows that work-life balance policies are part of HR management strategies to retain employees, especially for Gen Z who highly value freedom and work-life balance.

In addition, employee engagement also plays an important role in influencing resignation intentions. Kahn (1990) defines employee engagement as an individual's emotional, cognitive, and physical involvement in their work and organization. Employees who feel emotionally involved usually show a sense of belonging, loyalty, and high motivation at work. Saks (2006) emphasizes that employee engagement has a negative relationship with turnover intention, where the higher the level of engagement, the lower the likelihood of employees leaving. In the context of Generation Z, engagement can be created through an inclusive work environment, opportunities for self-development, and recognition of individual contributions. Companies that are able to foster this sense of engagement tend to have lower turnover rates and more stable performance.

Based on this background, this study aims to examine how work-life balance policies and employee engagement affect Generation Z employees' desire to leave their jobs. This study is important because it provides empirical insight into organizational policies and psychological elements that contribute to young employee retention. In addition, the results of this study are expected to serve as a practical reference for companies in designing strategies to retain young employees.

Theoretical Framework

In human resource management, research on resignation intentions remains a key focus, especially as Generation Z enters the workforce. This generation is unique in that they value work-life balance, job flexibility, and meaning in their work more than long-term loyalty to a company. The increasing turnover rate among this group is a cause for concern for companies as it can reduce team stability and increase recruitment costs. Previous studies have shown that factors influencing employees' desire to leave their jobs and the balance between their work life and their attachment to the company are very important. However, previous research has focused more on millennials (Anwar & Rahmawati, 2020), so there are still differences in research on Gen Z, who have different values and expectations from work.

Previous research by Greenhaus and Allen (2011) defines work-life balance (WLB) as a condition in which individuals are able to fulfill the demands of work and personal life in a balanced manner. A study conducted by Anwar and Rahmawati (2020) found that the better the work-life balance provided by a company, the lower the employee resignation rate. However, this study did not specifically examine the context of Generation Z, who demand greater flexibility in their work, especially in the digital age. Meanwhile, Deloitte's (2023) research revealed that around 40% of Generation Z employees plan to change jobs within two years if the company does not provide adequate work-life balance. This indicates a need for further research on the influence of WLB policies on resignation intentions in the context of today's young generation.

In addition to WLB, employee engagement also plays an important role in explaining retention behavior in organizations. Kahn (1990) states that engagement is when workers put all their physical, cognitive, and emotional potential into their work. According to Saks (2006), employee engagement influences the desire to leave the organization; in other words, the level of employee engagement is lower than the level of desire to leave the organization. Furthermore, studies such as Istamarina and Heriyanti (2025) found a significant

relationship between engagement and employee retention. However, not many studies have examined the role of WLB and engagement simultaneously on the desire to resign among Generation Z, even though the two are interrelated in shaping job satisfaction and commitment.

The two main theories underlying this study are the Theory of Work Adjustment (TWA) and the Theory of Social Exchange (SET). TWA (Dawis & Lofquist, 1984) states that if there is a match between personal needs and working conditions, employees will stay. This is related to the idea of WLB, which focuses on harmony between professional and personal life. The relationship between organizations and employees is also reciprocal, according to SET (Blau, 1964). When organizations provide support, trust, and appreciation, employees will respond with loyalty and emotional attachment. Based on these two theories, it is clear that policies that support life balance and increase engagement will reduce employees' desire to leave their jobs.

Based on the literature review and theories above, the following research hypotheses can be formulated:

Research Hypotheses:

H1: Work-Life Balance has a negative effect on Generation Z employees intention to resign.

H2: Employee Engagement has a negative effect on Generation Z employees' intention to resign.

H3: Work-Life Balance and Employee Engagement simultaneously have a significant effect on Generation Z employees intention to resign.

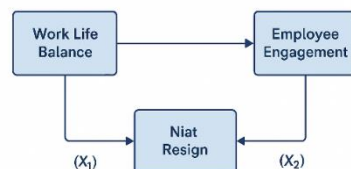


Figure 1. Framework

The above framework shows that work-life balance policies and high levels of employee engagement will reduce the intention to resign among Generation Z employees. This study attempts to fill the gap in the literature by analyzing the combined influence of these two variables in the context of Generation Z in Indonesia, so that the results are expected to contribute theoretically and practically to modern human resource management.

Method

This study uses a quantitative approach with a correlational descriptive design to identify the relationship and influence between variables, which aims to determine the influence of Work-Life Balance and Employee Engagement on Turnover Intention among Generation Z who work while studying. The population in this study are Pamulang University students who belong to Generation Z (aged 20–28 years) and have active jobs, either part-time or full-time. The sampling technique used purposive sampling with the criteria of active students who have been working for at least six months. The number of respondents used in this study was 102 people.

Data were collected through an online questionnaire using a 1–5 Likert scale, covering three main variables, namely Work-Life Balance (Greenhaus & Beutell, 1985; Fisher et al., 2009), Employee Engagement (Kahn, 1990; Schaufeli & Bakker, 2004), and Turnover Intention (Mobley, 1977; Tett & Meyer, 1993). Before use, the research instruments were tested for validity and reliability. The data analysis methods used included multiple linear regression tests, t-tests (partial), F-tests (simultaneous), and correlation coefficient and coefficient of determination (R^2) analyses to measure the strength of the relationship and the magnitude of the influence between variables. The analysis was performed using the latest version of the SPSS program to ensure accurate and objective results.

Results

Partial T-test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.308	5.527		3.856	<.001
	Work Life Balance Policy	.437	.176	.314	2.487	.015
	Employee Engagement	-.098	.172	-.072	-.571	.570

a. Dependent Variable: Intention to Resign

Figure 2. Partial T-test

Based on the results of the t-test analysis, the Work Life Balance Policy variable showed a coefficient value of 0.437 with a t-value of 2.487 and a significance level of 0.015 (<0.05). This result indicates that the work-life balance policy has a positive and significant effect on the intention to resign. This means that the more attention a company pays to work-life balance policies, the greater the tendency for employees to consider resigning, possibly due to increased awareness of an ideal life balance or expectations for better working conditions.

Meanwhile, the Employee Engagement variable has a coefficient value of -0.098 with a t-value of -0.571 and a significance level of 0.570 (>0.05). This indicates that employee engagement has a negative but insignificant effect on intention to resign, so that the level of employee engagement in their work does not have a significant effect on their intention to leave the company.

In conclusion, the results of this study indicate that only the Work-Life Balance Policy has a significant effect on the intention to resign, while Employee Engagement has no significant effect. These findings indicate the importance for companies to review the implementation of work-life balance policies so that they do not only focus on time balance, but also on employee satisfaction and commitment to their work and organization.

Simultaneous F-test

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	764.757	2	382.378	3.992	.022 ^b
	Residual	9483.557	99	95.794		
	Total	10248.314	101			

a. Dependent Variable: Intention to Resign

b. Predictors: (Constant), Employee Engagement , Work Life Balance Policy

Figure 3. Simultaneous F-test

Based on the F test results in the table above, a calculated F value of 3.992 with a significance value of 0.022 (<0.05) was obtained. These results indicate that simultaneously, the Work Life Balance Policy and Employee Engagement variables have a significant effect on the Intention to Resign. This means that work life balance policies and employee engagement levels together have a real influence on employees' intention to resign from the company. Thus, the regression model used in this study is declared feasible (fit) for use in further analysis because both independent variables contribute significantly to the dependent variable.

Coefficient of Determination Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
1	.273 ^a	.075	.056	9.787	.075	3.992	2	99	.022	1.665

a. Predictors: (Constant), Employee Engagement, Work Life Balance Policy

b. Dependent Variable: Intention to Resign

Figure 4. Coefficient of Determination Test

Based on the results of the coefficient of determination test in the table above, an R Square value of 0.075 or 7.5% was obtained. This means that the variables of Work Life Balance Policy and Employee Engagement together can explain the variable of Intention to Resign by 7.5%, while the remaining 92.5% is explained by other factors outside this research model. Thus, the influence of the two independent variables on employees' intention to resign is relatively low, but still shows a significant relationship based on the results of the previous simultaneous test.

Simple Linear Regression Test Of X1 On Y
X1 against Y

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19.921	4.947		4.027	<,001
	Work life balance policy	.372	.134	.268	2.777	.007

a. Dependent Variable: Intention to resign

Figure 5. Simple Linear Regression Test Of X1 On Y

Based on the results of the partial regression test, the Work Life Balance Policy variable (X1) has a t-value of 2.777 and a sig of 0.007 < 0.05, meaning it has a significant effect on Intention to Resign (Y). The B value of 0.372 indicates that the better the work life balance policy, the more it can influence employees' intention to resign, although the direction of the influence needs to be seen from the context of the data.

Simple Linear Regression Test Of X2 on Y

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	26.705	5.213		5.123	<,001
	Employee engagement	.176	.135	.130	1.307	.194

a. Dependent Variable: Intention to resign

Simple Linear Regression Test Of X2 on Y

Meanwhile, the Employee Engagement (X2) variable has a t-value of 1.307 and a sig. 0.194 > 0.05, meaning it does not have a significant effect on Intention to Resign (Y). Thus, only Work Life Balance Policy (X1) is proven to have a significant effect on employee intention to resign, while Employee Engagement (X2) has no effect.

Multiple Linear Regression

		Coefficients ^a										
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics		
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	21.308	5.527		3.856	<.001						
	Work Life Balance Policy	.437	.176	.314	2.487	.015	.268	.243		.240	.587	1.703
	Employee Engagement	-.098	.172	-.072	-5.71	.570	.130	-.057		-.055	.587	1.703

a. Dependent Variable: Intention to Resign

Figure 7. Multiple Linear Regression

Based on the results of multiple regression, a constant of 21.308 was obtained, meaning that if the work-life balance policy and employee engagement variables are zero, then the employees' intention to resign is at 21.308. The Work-Life Balance Policy variable has a value of $B = 0.437$ with $Sig = 0.015$ (< 0.05), which means it has a positive and significant effect on resignation intention. This shows that the better the work-life balance policy, the lower the employees' resignation intention, because this policy helps employees balance their work and personal lives. Meanwhile, the Employee Engagement variable has a $B = -0.098$ with $Sig = 0.570$ (> 0.05), meaning it has a negative but insignificant effect on resignation intention. This indicates that employee engagement is not yet strong enough to influence the decision to stay or leave a job. The VIF value of 1.703 indicates that there is no multicollinearity problem between the independent variables.

Discussion

The results of the study indicate that Work-Life Balance (WLB) policies have a significant effect on Intention to Resign among Generation Z employees, while Employee Engagement has no significant effect. This means that the balance between work and personal life is the main factor influencing Generation Z's decision to stay or leave their jobs. This aligns with the research objective of determining the extent to which WLB and employee engagement influence the intention to resign among the younger generation, and illustrates that Generation Z places greater emphasis on work-life balance and flexibility over long-term loyalty.

Based on the Theory of Work Adjustment (Dawis & Lofquist, 1984), the fit between personal needs and working conditions determines satisfaction and the desire to stay. Good WLB creates this fit, thereby reducing turnover intentions. This finding is also in line with Social Exchange Theory (Blau, 1964), where support and flexibility from the organization are reciprocated with employee commitment. These results support the research of Park et al. (2020) and Nair et al. (2021), but differ from Saks (2006) and Istamarina & Heriyanti (2025), who found an effect of Employee Engagement on resignation intentions. This difference may be due to the respondents' youth and lack of strong emotional attachment to their jobs.

Scientifically, the results of this study enrich the literature on organizational behavior by emphasizing the importance of WLB in retaining Generation Z employees and expanding the application of Work Adjustment Theory and Social Exchange Theory in the Indonesian context. Practically, companies are advised to implement flexible work policies, mental health support, and self-development for the younger generation to reduce turnover rates.

This study also contributes by simultaneously examining the influence of WLB and Employee Engagement on Generation Z in Indonesia. However, limitations lie in the limited number of respondents and the fact that they came from a single institution, making the results less generalizable. Future research is recommended to involve respondents from

various sectors and include other variables such as job satisfaction and organizational culture for more comprehensive results.

Conclusion

The results of this study indicate that the commitment of Generation Z employees does not have a significant influence on their intention to quit, but Work-Life Balance policies do. The results indicate that the main factor influencing the younger generation's decision to stay in or leave their jobs is the balance between their personal and work lives. Academically, this study is very helpful in developing the literature on organizational behavior and HR management, specifically regarding how Gen Z's values, preferences, and expectations influence their intention to stay in the workforce. These results also confirm that job change theory and social exchange theory are very important in explaining the relationship between organizational policies and the retention of younger generation employees in the modern workplace.

With a limited sample size and a context focused on one group of respondents, the findings of this study can be useful as a reference for businesses in developing more flexible employee management strategies that focus on employee well-being, such as flexible working hours, mental health services, and career development programs for Gen Z. Therefore, future research should involve a more diverse population from various industries and include additional variables such as job satisfaction, organizational culture, and social support. The purpose of this study is to gain a better understanding of what influences the intention to leave the job in the younger generation.

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