

## Does Employee Engagement Moderate Work Values And Intention To Stay Among Millennial and Gen-Z Employees?

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**Abstract** – This study investigates three factors in work values, namely extrinsic work values, intrinsic work values and leisure work values, and the extent of those values in influencing intention to stay on two different groups of millennials and Gen-Z. This research contributes to literature by examining work values in these two generations simultaneously and its effect on their intention to stay in a company. This study also investigates the moderating role of employee engagement between work values and intention to stay. The model is empirically tested using a sample of 203 millennials and Gen-Z workers of various state-owned companies in the Greater Jakarta area (Jabodetabek). We use multiple regression analysis in examining the relationship between each of these three factors on work values in influencing intention to stay. The results reveal interesting findings. Among the three values, only extrinsic work values are found to have positive significant influence on intention to stay on groups of millennials and Gen-Z, while intrinsic and leisure work values do not have significant influence on intention to stay. The result does not support the moderating roles of employee engagement in strengthening the positive relationship between extrinsic work values with intention to stay. We discuss the implications of the results and the suggestion for future research.

**Keywords:** Extrinsic work values, intrinsic work values, leisure work values, employee engagement, intention to stay

### 1. Introduction

Indonesian Central Bureau of Statistics (Badan Pusat Statistik, 2021) reported that Indonesia's population of 270.2 million is dominated by Gen-Z (born in 1997 – 2012) and Gen-Y or millennials (born in 1981 – 1996). The proportion of Gen-Z is 27.94% of the total population and millennial generation is 25.87%. These two generations are included in the productive age which can be an opportunity to accelerate economic growth in Indonesia. The group of millennial generation is about 35.44% of total labor force participation rate in Indonesia while the Gen-Z is about 13.26% (Badan Pusat Statistik, 2021). Therefore, the management of human resources must be able to identify and meet the needs of these new workforce.

There is a stereotype about millennials who change jobs easily. In previous researches it was said that if organizations want to attract and retain millennial workers, it is very important to understand their characteristics and provide a workplace where they can thrive (Stewart et al., as cited in Kim, 2018), because they will quit their jobs immediately if they do not get what they want (Ng et al. & Petroulas et al., as cited in Durocher, Bujaki, & Brouard, 2016).

A recent Gallup report (Gallup I., 2016) confirms the reputation of millennials as a generation that is unattached to organizations/institutions and moves freely from one company to another, far beyond previous generations. It revealed that 21 % of millennials say they have changed jobs within the past year, which is more than triple the number of previous generations who report the same. Millennials show less intention to stay in their current jobs. Only 50% of them plan to work at current company for one year from now. The causes may vary, but the report says that majority (55%) of millennials are not engaged, with another 16% are actively disengaged, and only 29% engaged at work.

Meanwhile, Gen-Z is the latest generation in the workforce that companies have to win

over. However, employers have difficulty managing young employees, perceive their expectations as excessive and question their readiness to face the realities of the workplace (Campione; Ng, et al., as cited in Maloni, Hiatt, & Campbell, 2019).

Turnover increases a company's spending because it is costly to replace departing employees (Brown, Thomas, & Bosselmanc, 2015). Therefore, investigating the work values of millennials and Gen-Z that can strengthen their intention to stay in the company offers several contributions, both for academics and for HR managers. With the significant resignation phenomenon among these two generations, this research becomes very important in the current world of work context.

The question that this research is trying to answer is whether there is relationship between work values and intention to stay among millennials and Gen-Z and whether employee engagement moderates the relationship of the above. Based on this research question, this study aims to analyze the significance of the relationship between extrinsic, intrinsic, and leisure work values (Maloni, Hiatt, & Campbell, 2019) in influencing intention to stay in millennial and Gen-Z workers in the Greater Jakarta area (Jabodetabek). In addition, this paper also aims to understand the significance of each work values in influencing the intention to stay in two generations of workers. This study also examines the role of employee engagement as a moderator between three work values and intention to stay.

Previous studies have explained work values in millennials and Gen-Z separately. In this study, an analysis will be carried out to explain the work values of these two generations simultaneously and its effect on their intention to stay in a company. The study does not separate the analysis of each generation considering both generations in this workforce share the same characteristics as job-hoppers. (Rivers, 2018; Borg, Scott-Young, & Naderpajouh, 2021). The results of this study will provide some recommendations for employers about specific factor that need to be improved to make millennial and Gen-Z employees intend to stay. However, this study has limitations that provide opportunities for the development of similar research in the future. Majority respondents in this study are millennials (73%). This is because the number of millennials in workforce is still higher than Gen-Z. Future research could provide a comparative study between millennials and Gen-Z.

## **2. Literature Review**

### *2.1. Intention to Stay*

It is very important for any organizations to take proactive steps to influence employee's intention to stay (Hughes & Rog, as cited in Milliman, Gatling, & Jungsun, 2018). Intention to stay is defined as the conscious and deliberate desire of an individual to remain with his or her present employer on a long-term basis (Milliman, Gatling, & Jungsun, 2018; Steil, de Cuffa, Iwaya, & Pacheco, 2020).

There is literature mentioning that intention to stay is considered to be the opposite of intention to leave (Milliman et al., 2018), but there also other literature explain that it is not the case (Steil et al., 2020). A meta-analysis has found that behavioral intentions, whether intention to stay or intention to leave, are a significant predictor of employee turnover (Steel & Ovalle II, as cited in Caringal-Go & Hechanova, 2018).

Organizations do not desire high turnover rates because it imposes additional cost of repeated recruitment, hiring and then retraining new employees, while the limited and valuable resources can be spent elsewhere by the organizations. The need to build new knowledge, skill and relationships for the new employees may also hinder the organization's internal operations and client interactions. Therefore, to increase employee's intention to stay, it is important for organizations to better understand the various needs of their employees and create effective HR

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program (Caringal-Go & Hechanova, 2018).

## 2.2. *Work values*

Perceived differences in work values, whether accurate or not, may create conflict among generations in the workplace (Perry, Hanvongse, & Casoinic, as cited in Maloni, Hiatt, & Campbell, 2019). Work values are defined as “evaluative standards relating to work or the work environment by which individuals discern what is ‘right’ or assess the importance of preferences” (Dose, as cited in Kim, 2018). This study focuses on three work values, which are extrinsic, intrinsic, and leisure.

### 2.2.1. Extrinsic work values

Extrinsic work values refer to tangible rewards external to the individual, such as compensation, benefits, advancements opportunities, status, and respect (Maloni et al., 2019). These values are considered external to the individual because they are not linked to the content of the individual’s work or to how individual work (Gesthuizen, Kovarek, & Rapp, 2019). Hallman and Müller, as cited in Gesthuizen et al. (2019), even argue that extrinsic values aim to lessen the common unfavorable character of work by giving favorable settings.

One of the main components of extrinsic values is pay or financial compensation. Individuals often see their remuneration package to understand how the organization values them. For millennial employees, pay was found to have a significant positive influence on the job satisfaction, which will then increase employee commitment, and committed employee is likely to stay in the organizations (Frye, Kang, Huh, & Lee, 2020). Gen-Z individuals also expect competitive salaries when they enter the workforce (Tysiac, as cited in Maloni et al., 2019). Financial rewards were also found to reduce turnover intention (Akgunduz, Gök, & Alkan, 2019).

The components of extrinsic work values, such as compensation systems, career advancement, and performance appraisal, were also considered extrinsic aspects of career satisfaction. When these components are satisfactory to employees and reflect the extrinsic aspects of career satisfaction, individuals would then have less turnover intention (Aburumman, Salleh, Omar, & Abadi, 2020). Previous studies reported that extrinsic work values, such as compensation, benefits, and status, tend to be important for millennials (Leuty & Hansen; Lyons & Kuron; Twenge et al., as cited in Maloni et al., 2019). Based on the previous literature, this study proposes the following hypothesis:

**H<sub>1</sub> : Extrinsic work values has positive influence on intention to stay among millennials and Gen-Z employees**

### 2.2.2. Intrinsic work values

While extrinsic work values refer to tangible rewards, intrinsic work values refer to intangible rewards. Intrinsic work values mean intangible rewards reflecting inherent interest in work. Intrinsic values, which components are learning, maintaining skills, see results, and creativity, are also very important to millennials (Maloni et al., 2019). They have a solid confidence that education leads to future success as intrinsic skills enable extrinsic outcomes (Kilber, Barclay, & Ohmer, as cited in Maloni et al., 2019). Individuals that are high on intrinsic work values may, for example, prefer a job that gives them freedom to decide what they do, even though the job gives them less security, which is an extrinsic work value (Gesthuizen et al., 2019).

One component of intrinsic work values is learning opportunities. There are three types

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of learning in the organizations, which are experiential, social and formal. Individuals received experiential learning through challenging work-based assignments as an integral part of any complex job, social learning through peer and management support, mentoring and feedback, and formal learning through structured training and development programs carried out by the organization to improve the level of knowledge and skills of its workforce (Johnson et al., as cited in Steil et al., 2020).

Non-financial rewards were found to reduce turnover intention (Akgunduz et al., 2019). A study from Steil et al. (2020) found that perceived learning opportunities have medium and significant positive correlations with intention to stay in the organization, which means that the greater the perception of learning opportunities, the greater the intention to stay in the organization will be (Steil et al., 2020). Based on the previous literature, this study proposes the following hypothesis:

**H<sub>2</sub> : Intrinsic work values has positive influence on intention to stay among millennials and Gen-Z employees**

### 2.2.3. Leisure work values

The third work values that will be studied in this research is leisure. Leisure work values refer to opportunity for time outside work. It is important for millennials because they consider work as less dominant in their lives compared to the older generations. Millennials focus on work-life balance as they seek flexibility and freedom, and try to avoid extreme work hours and irregular schedules (Maloni et al., 2019).

Millennials put a higher importance on leisure (i.e., they work to live instead of live to work) and work-life balance (Cennamo & Gardner, as cited in Kim, 2018); hence, they are more likely to seek for jobs that provide more vacation time and favor flexible work arrangements like flextime, telecommuting, and compressed work weeks (Kim, 2018).

A study by PWC (2013) found that one of the most important drivers of employee retention is work/life balance. Work life balance is also the primary reason for millennials to choose a nontraditional professional career track. Based on the study from PWC (2013), majority of millennials do not want to exclusively prioritize their work lives, even there is considerable amount of compensation promised by the organizations. Based on the previous literature, this study proposes the following hypothesis:

**H<sub>3</sub> : Leisure work values has positive influence on intention to stay among millennials and Gen-Z employees**

### 2.3. *Moderating role of Employee Engagement*

Employee engagement has been subject to a number of definitions. The construct was first defined by Kahn (1990) as involving one's "preferred self" and as "...the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (p. 694). Gallup defines employee engagement as the involvement and enthusiasm of employees in their work and workplace (Gallup, 2022) where individuals are emotionally connected to others at work and are cognitively vigilant (Mollen & Wilson as cited in Havenga, Brand, & Visagie, 2017).

Engagement has also been viewed by (Schaufeli, Marisa Salanova, & Bakker, 2002) as involving an individual's full identification with his or her work, encompassing aspects such as (1) vigor (high levels of energy, enthusiasm, and resilience), (2) dedication (in-depth association with one's job involving significance, motivation, and challenge), and (3) absorption

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(being fully involved with one's work tasks). Engaged employees are seen as providing their full effort toward both their (1) main job tasks and responsibilities and (2) extra-role behaviors. Engagement is seen as a distinct construct in relation to other organizational behavior variables, in part because it involves one's full self in the experience of work and it impacts the performance of actual work tasks directly, rather than just work attitudes related to performance (Saks, as cited in Milliman et al., 2018)

**H<sub>4</sub> : Employee engagement moderates the effect of extrinsic work values on intention to stay; that is, positive relationship between extrinsic work values and intention to stay will be stronger for engaged employee than disengaged employee.**

**H<sub>5</sub> : Employee engagement moderates the effect of intrinsic work values on intention to stay; that is positive relationship between intrinsic work values and intention to stay will be stronger for engaged employee than disengaged employee.**

**H<sub>6</sub> : Employee engagement moderates the effect of leisure work values on intention to stay; that is positive relationship between leisure work values and intention to stay will be stronger for engaged employee than disengaged employee.**

#### 2.4. Research model

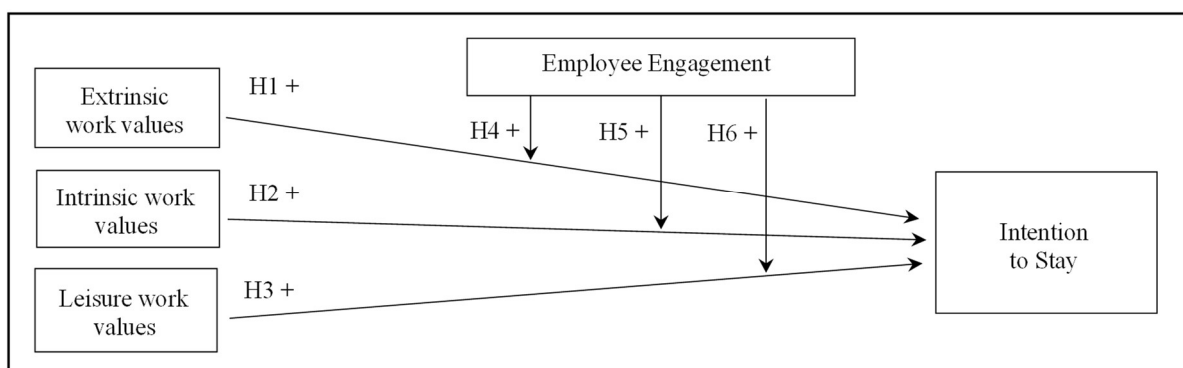


Figure 1. Conceptual model

### 3. Method

In this study, the structural model posited in Figure 1 is empirically tested with a quantitative study using google form online questionnaire. Probability sampling is used to generalize the research findings to the population. Population taken is Indonesian millennials and Gen-Z employees in various state-owned companies. Area sampling is used, targeting to receive minimum respondents of 200 consumers (Malhotra, Nunan, & Birks, 2017) of millennials and Gen-Z that are currently working in Greater Jakarta (Jabodetabek) area. The respondents are reached through WhatsApp Group (WAG) community.

**Table 1. Operationalization of Variables**

<b>Variables</b>	<b>Indicator</b>	<b>Code</b>	<b>Source</b>
<b>Intention to Stay</b> is defined as an individual's intention to remain with his or her present employer on a long-term basis (Milliman et al., 2018)	1. I plan to work at my present job for as long as possible	IS1	(Milliman et al., 2018)
	2. Most certainly, I will not look for a new job in the near future.	IS2	
	3. I plan to stay in this job for at least two to three years.	IS3	
<b>Extrinsic Work Values</b> is tangible rewards external to the individual (Maloni et al., 2019)	1. Ideal job is the job which provides you/ them with a chance to earn a good deal of money	EX1	(Maloni et al., 2019)
	2. Ideal job is the job where the chances for advancement and promotion are good	EX2	
	3. Ideal job is the job that has high status and prestige	EX3	
<b>Intrinsic Work Values</b> is intangible rewards reflecting inherent interest in work (Maloni et al., 2019)	1. Where you/they can learn new things, learn new skills	IN1	(Maloni et al., 2019)
	2. Where the skills you/they learn will not go out of date	IN2	
	3. Where you/they can see the results of what you/they do	IN3	
	4. Where you/they have the chance to be creative	IN4	
<b>Leisure Work Values</b> is opportunity for time outside work (Maloni et al., 2019)	1. Where you/they have more than two weeks' vacation	LE1	(Maloni et al., 2019)
	2. Which leaves a lot of time for other things in your/their life	LE2	
<b>Employee Engagement</b> is the involvement and enthusiasm of employees in their work and workplace (Gallup, 2022)	1. I know what is expected of me at work	EE1	Gallup Q12 Survey (Gallup, 2022)
	2. I have the materials and equipment I need to do my work right	EE2	
	3. At work, I have the opportunity to do what I do best every day	EE3	
	4. In the last 7 days, I have received recognition or praise for doing good work	EE4	
	5. My supervisor, or someone at work, seems to care about me as a person	EE5	
	6. There is someone at work who encourages my development	EE6	
	7. At work, my opinion seems to count	EE7	
	8. The mission or purpose of my company makes me feel my job is important	EE8	
	9. My associates or fellow employees are committed to doing quality work	EE9	
	10. I have a best friend at work	EE10	
	11. In the last 6 months, someone at work has talked to me about my progress	EE11	
	12. This last year, I have had opportunities at work to learn and grow	EE12	

The questionnaire begins with an introduction to the purpose of the research and stating that the respondents and their responses will be kept anonymous. The questionnaire will be divided into two parts. In the first part, we request for detail information about the respondents to get the summary of respondent profile. In the second part, the questionnaire presents statements related to the indicators (in Table 1) and the respondents asked to respond to 5-point Likert scales (1 is strongly disagree and 5 is strongly agree). Employee Engagement uses Gallup's Q12, which consists of 12 copyrighted questions which may not be changed, and that is why it contains more indicators than the other variables.

This study uses quantitative studies. Multiple regression analysis is used to test the relationship between work values and intention to stay, and employee engagement as

moderating role. The data collected from millennial and Gen-Z employees will be analyzed as a single unit using the SmartPLS statistical analysis software for Windows. The analysis does not differentiate millennials and Gen-Z employees considering both generations share the same characteristics as job-hoppers (Rivers, 2018; Borg et al., 2021).

#### 4. Results and Discussions

##### *Descriptive statistics*

We have obtained a total of 203 respondents that are working in Greater Jakarta (Jabodetabek) area as the sample, which 148 respondents (73%) are millennials while 55 respondents (27%) are Gen-Z. The respondents are 55% male (111 respondents) and 45% female (92 respondents). Most of the respondents (96%) are working in non-State-Owned Enterprise or non-SOE, both listed and private companies. The duration of working in the current company are spread across tenor of less than 1 year (13%), 1-3 years (28%), 3-6 years (22%), 6-9 years (14%), and more than 9 years (22%). This sample profile is identified on Table 2.

**Table 2. Sample profile**

	Total		Millennials		Gen-Z	
	Freq.	%	Freq.	%	Freq.	%
<b>Gender</b>						
Male	111	55	89	60	22	40
Female	92	45	59	40	33	60
	Total		Millennials		Gen-Z	
	Freq.	%	Freq.	%	Freq.	%
<b>Occupation</b>						
Employees in State-Owned Enterprise (SOE)	4	2	2	1	2	4
Civil Servant	4	2	1	1	3	5
Employees in non-SOE companies	195	96	145	98	50	91
<b>Duration of working in current company, to date</b>						
Less than 1 year	27	13	7	5	20	36
1 year - 3 years	57	28	31	21	26	47
3 years - 6 years	45	22	38	26	7	13
6 years - 9 years	29	14	27	18	2	4
More than 9 years	45	22	45	30	0	0
<b>Number of Respondents</b>	<b>203</b>		<b>148 73</b>		<b>55 27</b>	

##### *Evaluation of the measurement model*

Factor item loadings and AVE (average variance extracted) were used to test convergent validity, which are presented in Table 3. Factor item loadings of all variables were above minimum threshold of 0.60 (Afthanorhan, Awang, & Aimran, 2020), and AVE values of all variables were higher than 0.50 (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). These results confirmed the convergent validity, and the measurement items are well representing all respective variable.

Cronbach's alpha and composite reliability (CR) were used to test the internal consistency reliability. Table 3 presents that all variables, except leisure work values, had Cronbach's alpha values higher than 0.70 which indicates high internal consistency reliability.

CR values of all variables equal or below 0.95 which indicates high levels of reliability. CR values between 0.70 and 0.90 is considered satisfactory whilst CR values above 0.95 is not desirable (Sarstedt, Ringle, & Hair, 2021).

**Table 3. Results for reflective measurement models.**

Variables	Items	Convergent Validity		Internal Consistency Reliability	
		Loadings	AVE	Cronbach's alpha	Composite Reliability
		> 0.60	> 0.50	> 0.70	0.7 < CR < 0.95
Intention to Stay	IS1	0.911	0.758	0.840	0.904
	IS2	0.858			
	IS3	0.842			
Extrinsic Work Values	EX1	0.860	0.621	0.703	0.831
	EX2	0.738			
	EX3	0.762			
Intrinsic Work Values	IN1	0.783	0.639	0.817	0.876
	IN2	0.726			
	IN3	0.801			
	IN4	0.882			
Leisure Work Values	LE1	0.899	0.741	0.656	0.851
	LE2	0.821			
Employee Engagement	EE1	0.699	0.510	0.912	0.926
	EE2	0.664			
	EE3	0.757			
	EE4	0.660			
	EE5	0.774			
	EE6	0.711			
	EE7	0.815			
	EE8	0.756			
	EE9	0.716			
	EE10	0.618			
	EE11	0.681			
	EE12	0.696			

HTMT criterion results were used to test discriminant validity. All HTMT value are below 0.90, as shown in Table 4, which confirms that discriminant validity has been established between two reflective constructs (Sarstedt et al., 2021).

**Table 4. Heterotrait-Monotrait Ratio (HTMT)**

	Intention to Stay	Extrinsic Work Values	Intrinsic Work Values	Leisure Work Values
<b>Extrinsic Work Values</b>	0.472			
<b>Intrinsic Work Values</b>	0.226	0.600		
<b>Leisure Work Values</b>	0.141	0.442	0.389	



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<b>Employee Engagement</b>	0.531	0.505	0.585	0.196
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### *Evaluation of the structural model*

Coefficient of determination, R<sup>2</sup>, was used to test the goodness of fit of the regression model. R<sup>2</sup> value is 0.332, which means around 33.2% of the variation in intention to stay is explained by variation in extrinsic work values, intrinsic work values, leisure work values and moderated by employee engagement.

The strength of each variable to explain endogenous variables was tested using f<sup>2</sup> (effect size). Value of effect size below 0.02 is considered weak or no effect, above or equal to 0.02 is considered small, above or equal to 0.15 is considered medium, and above or equal to 0.35 is considered large (Cohen, as cited in Hair et al., 2014). Table 5 shows that f<sup>2</sup> of leisure work values and employee engagement in moderating relationship between intrinsic work values and intention to stay, and employee engagement in moderating relationship between leisure work values and intention to stay are below 0.02 which indicates that there is no effect. The f<sup>2</sup> of extrinsic work values, intrinsic work values and employee engagement in moderating relationship between extrinsic work values and intention to stay are above 0.02 but below 0.15 which indicates that the effect size is small.

**Table 5. f-Square**

	<b>Intention to Stay</b>
Extrinsic Work Values	0.049
Intrinsic Work Values	0.026
Leisure Work Values	0.000
Engagement * Extrinsic	0.028
Engagement * Intrinsic	0.002
Engagement * Leisure	0.018

### *Hypotheses testing results*

Table 6 and Figure 2 show the result of the hypothesis testing. Based on the path coefficients, significant positive influence of extrinsic work values does exist on a 5 percent level on intention to stay for value 0.215 ( $p = 0.004$ ). Thus, H1 is supported. The second hypothesis assumed intrinsic work values has positive influence on intention to stay. The standardized path coefficient is -0.177 ( $p = 0.058$ ), rejecting H2. Furthermore, significant positive influence of leisure work values does not exist on intention to stay for value -0.005 ( $p = 0.944$ ). Thus, H3 is rejected.

The fourth to sixth hypothesis assumed the role of employee engagement in moderating the influence between each of the work values with intention to stay. H4, H5, and H6 are rejected with the standardized path coefficient is 0.138 ( $p = 0.343$ ), -0.038 ( $p = 0.861$ ), and 0.119 ( $p = 0.270$ ) respectively.

**Table 6. The result of hypothesis testing**

<b>Hypotheses</b>	<b>Path Coefficient</b>	<b>P Values</b>	<b>Results</b>
H1: Extrinsic Work Values -> Intention to Stay	0.215	0.004	Supported
H2: Intrinsic Work Values -> Intention to Stay	-0.177	0.058	Rejected
H3: Leisure Work Values -> Intention to Stay	-0.005	0.944	Rejected
H4: Engagement * Extrinsic -> Intention to Stay	0.138	0.343	Rejected
H5: Engagement * Intrinsic -> Intention to Stay	-0.038	0.861	Rejected

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H<sub>5</sub>: Engagement \* Leisure -> Intention to Stay

0.119

0.270

Rejected

### Discussions

The first hypothesis in this study assumes that extrinsic work values have positive significant influence on intention to stay among millennials and Gen-Z employees. Our analysis supports the hypothesis. This result is in line with previous studies (Frye et al., 2020; Akgunduz et al., 2019; Aburumman et al., 2020). Our analysis also reveals that extrinsic work values (compensation, promotion, and job status) are the only significant factor in influencing intention to stay among millennials and Gen-Z while intrinsic and leisure work values do not show significant positive relationship.

The second hypothesis in this study is that intrinsic work values have positive significant influence on intention to stay among millennials and Gen-Z employees. The results of our analysis do not support the hypothesis. The result is contrary to the prior research that intrinsic work values, such as learning opportunities and other non-financial rewards, are important factors in influencing intention to stay (Akgunduz et al., 2019; Steil et al., 2020). We posit that this finding is related to the descriptive statistics showing that most respondents (58%) have been working in the current company for more than three years. Remaining in the same job for a long time may reduce creativity of the employees, since they have few new incentives in their job environments (Ng & Feldman, 2013).

The third hypothesis in the study is that leisure work values have positive significant influence on intention to stay among millennials and Gen-Z employees. Our analysis does not support the hypothesis. This result is in contrary to the previous studies that found that work-life balance is one of the most important drivers of employee retention (PwC; University of Southern California; London Business School, 2013; Kim, 2018). We posit that leisure is no longer important for millennials and Gen-Z because the study was conducted during COVID19 pandemic where most of employees are forced to work-from-home. Working-from-home is positively related to work-life balance (Irawanto, Novianti, & Roz, 2021). In addition, travel restrictions were relatively higher during the period of study; hence, it was more difficult for employees to travel for vacation.

The fourth, fifth, and sixth hypothesis in this study assumes role of employee engagement in moderating the influence of each of the work values to intention to stay. The results of our analysis reject the hypothesis. The moderating role of employee engagement was not significant. Positive relationship between each of the work values and intention to stay is not necessarily stronger for engaged employee than disengaged employee. In other words, even though the employees are engaged, they will still move to other companies when they offer better opportunities. We posit that this finding is related to the characteristics of both millennials and Gen-Z employees that like to job hopping. Millennials are job-hopping twice as fast as the baby boomers (Rivers, 2018) while Gen-Z expected to tenant up to seven job changes by their late 20s (Borg et al., 2021).

## 5. Conclusions and Recommendations

### 5.1. Conclusions

Organizations have been focusing on employee retention since it is costly to replace departing employees. The purpose of this research is to investigate the influence of each of the work values (extrinsic, intrinsic, and leisure) and the significance on intention to stay among millennials and Gen-Z with employee engagement as a moderating variable. The findings from our analysis have important implications for academics and organization.

This study concludes that extrinsic work values significantly influence intention to stay among millennials and Gen-Z, while intrinsic and leisure work values do not show significant

positive relationship. However, we found that the influence was not stronger for engaged employees compared to disengaged employees.

### 5.2. *Managerial Implications*

We intend to help human capital managers need to take proactive actions to retain employees in the organizations. In this sense, our findings will be able to help human capital managers in focusing on fulfilling which of the work values of their employees.

Our findings suggest that human capital managers need to focus on fulfilling extrinsic work values to increase or maintain millennials and Gen-Z's intention to stay. Organizations need to focus to offer good compensation to retain millennials and Gen-Z employees. The compensation can take many forms, such as sign-on bonus agreement to legally bind employees for at least 1-year, providing vehicle facilities (a car or motorbike), giving company shares as an additional bonus for employees who have worked for at least 2 years. Organizations should also ensure that there are opportunities for advancement and promotion. In addition, since the job status is important for these generations, organizations should be able to offer prestigious job.

Since extrinsic work values are the only important values compared to intrinsic and leisure work values, human capital managers need to ensure the competitiveness of compensation offered and promotion opportunities compared to organizations' competitors since it will be easier for millennials and Gen-Z to move to other organizations if they were offered better extrinsic rewards.

### 5.3. *Theoretical Contributions*

This study advances to the literature of employee retention by focusing on millennials and Gen-Z employees, which result can be applied for any organizations. Our findings contribute to the previous research not only by confirming that extrinsic work values contribute positively to millennials and Gen-Z's intention to stay, but also by revealing that intrinsic and leisure work values do not significantly influence millennials and Gen-Z's intention to stay.

Intrinsic work values may not be significant for employees that have been working in the same company for a while. Remaining in the same job for a long time may reduce creativity of the employees. Leisure work values may no longer be important for millennials and Gen-Z's compared to few years ago especially during the time of the study when many employees are working-from-home (WFH), which has positive relationship with work-life balance. Moreover, this study adds to previous literature by revealing that employee engagement does not moderate the relationship between the work values and intention to stay. This may be related to the characteristics of millennials and Gen-Z that like to job-hopping.

### 5.4. *Limitation and future research directions*

The limitations of this study provide an opportunity for the development of similar research in the future. The respondents of this study are mostly millennials. Future studies could examine respondents focusing on Gen-Z only, as these generations started to fill in positions in companies, or to provide a comparative study between millennials and Gen-Z. Future research can also be focused on specific industries such as startup companies, which may have different work values contributing to intention to stay.

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