INPLASY

SLR: Factors Influencing Generation Z Employee Retention

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INTRODUCTION

*R*eview question / Objective The study aims to identify the factors influencing Gen Z retention with the goal of creating a model that assists companies in developing more effective HR practices.

Rationale The growing relevance of Generation Z (Gen Z) in the global labor market necessitates understanding and addressing the challenges related to their retention. The projection that this generation will account for approximately one-fourth of the global workforce makes it imperative for organizations to develop effective strategies to engage and retain these professionals. Concerns over Gen Z's tendency to frequently change jobs, a behavior known as "job hopping," underscore the importance of mitigating high turnover rates, which negatively impact organizational competitiveness. The replacement costs for employees, which can range from 50% to 200% of the annual salary, highlight the significant financial impact of talent loss.

Despite the growing presence of Gen Z, there remains limited knowledge about the factors motivating this generation, particularly regarding retention. A deep understanding of their characteristics, aspirations, and motivations emerges as a strategic imperative to attract, retain, and nurture these emerging talents. Beyond direct costs, the loss of organizational knowledge due to employee turnover represents a significant indirect cost. The need to establish psychological contracts between leadership and employees, as well as focusing on satisfaction and engagement, are proposed solutions that emphasize the importance of addressing this issue comprehensively.

The lack of behavioral data on Gen Z employees also justifies the need for further investigation. Although previous studies have examined attraction and retention attributes, a critical gap in the literature justifies a broader analysis of the

factors that contribute to the retention of these professionals. Expanding the research focus will enable a deeper and more multifaceted understanding of the elements influencing Gen Z's tenure within companies, contributing to the development of more effective and tailored retention strategies suited to this generation's unique attributes in the contemporary work context.

In light of this scenario, the primary objective of this research is to create a retention model for Generation Z employees, aiming to provide insights that help companies enhance employee retention and formulate HR policies and practices that support this goal. Utilizing a Systematic Literature Review (SLR) will allow for the integration and critical analysis of high-quality research, addressing the specific research question: what are the factors that influence the retention of Generation Z employees?

In summary, the justification for this research lies in the increasing importance of Gen Z in the labor market, the high turnover rates associated with this generation, the limited understanding of their motivations, the significant costs of employee turnover, and the need for a more comprehensive model to tackle these challenges.

Condition being studied Retention of Generation Z (Gen Z) presents a significant challenge for organizations, driven by their tendency to frequently change jobs, a phenomenon known as "job hopping." This propensity for turnover incurs substantial direct and indirect costs, including expenses related to recruitment, training, and the loss of valuable organizational knowledge. The challenge is further exacerbated by the lack of behavioral data and limited understanding of the factors that truly motivate this generation, particularly concerning their tenure in a job. To overcome this difficulty, companies must adapt by developing innovative engagement and retention strategies that meet the unique expectations and values of Gen Z, thereby ensuring their long-term competitiveness and success.

METHODS

Search strategy The Systematic Literature Review (SLR) adopted a comprehensive and systematic search strategy to identify the factors influencing Generation Z retention. The research utilized the databases SCOPUS, Web of Science, and EBSCO, employing keywords such as "employee retention," "talent retention," and "worker retention." To refine the search, period filters were applied, restricting articles to those published from 2011 onwards, and limiting results to academic articles in English. The keywords were limited to the title, abstract, and keywords of the articles. The selection process involved the initial identification of articles, removal of duplicates, application of filters, and a methodological analysis to verify the age of participants, ensuring they were members of Generation Z. The remaining articles were fully analyzed for content analysis. The research followed the PRISMA 2020 checklist guidelines, ensuring the quality and transparency of the systematic review.

Participant or population The systematic review focused exclusively on studies involving Generation Z participants, defined as individuals born between 1997 and 2010. To be included, studies needed to provide specific data on the age of participants, confirming that they belonged to this generation and were part of the workforce. Studies that did not mention the age of participants or included other generations without differentiating the results were excluded, ensuring that the analysis focused exclusively on the characteristics and motivations of Generation Z in the work context.

Intervention The intervention being evaluated is Gen Z's retention in the labor market, influenced by a variety of interrelated factors. Gen Z seeks guidance and support from their supervisors, valuing ethical leadership and feedback on their tasks to enhance their skills. It is fundamental for them to perceive that their work contributes to the organization's goals, and a friendly team environment with positive emotions strengthens their sense of belonging. The significance of work, task structure, autonomy, and the impact they can create are vital aspects for Gen Z retention. Furthermore, work-life balance, support for physical and emotional health, and flexibility are highly valued. Both financial and non-financial rewards also play a critical role in Gen Z's decision to remain with an organization.

Comparator The SLR in question does not rely on the application of a direct comparative intervention to Generation Z (Gen Z). Instead, the SLR focuses on identifying and analyzing the retention factors that influence Gen Z's tenure in organizations. The analysis centers on studies that investigate the presence or absence of these factors in the workplace and how they relate to Gen Z's retention, engagement, and satisfaction, without directly comparing different interventions applied to this group.

Study designs to be included To address the objective of this review, which is to identify the

factors influencing Generation Z employee retention, study models offering insights into this generation's experiences and perspectives in the work environment will be included. Specifically, studies using qualitative, quantitative, and mixed approaches will be considered, provided they offer relevant data on the factors contributing to Generation Z retention. Study models such as case studies, cohort studies, cross-sectional studies, and longitudinal studies will be included, provided they meet the inclusion criteria establishe.

Eligibility criteria The Systematic Literature Review (SLR) was structured around the PICOS criteria, an acronym guiding the formulation of the research question and the definition of inclusion and exclusion criteria. The "P" (Population) refers to Generation Z employees, born between 1997 and 2010, the central focus of the study to understand the factors influencing their retention. The "I" (Intervention) encompasses the presence or absence of retention factors in the work environment. The "C" (Comparison) is implicit, contrasting environments with high and low presence of these factors, without a direct comparative intervention. The "O" (Outcomes) include the retention rate, intention to stay, engagement, and job satisfaction, essential indicators to assess the effectiveness of retention factors. The "S" (Study Design) covers studies with diverse methodologies, including qualitative, quantitative, and mixed approaches.

Additionally, the SLR adopted inclusion and exclusion criteria not directly aligning with PICOS. It was imperative for the studies to focus centrally on Generation Z, providing specific data about this age group, excluding those not segregating generational information. A temporal cut-off starting from 2011 was established, the year when the first members of Generation Z began their activities as apprentices, ensuring the results' contemporaneity. The SLR was also restricted to scientific articles published in English, with full text available, to ensure accessibility and uniformity of analysis. Finally, the studies needed to directly address employee retention factors, emphasizing Generation Z, excluding those that tangentially approached the topic without direct relevance.

Information sources The Systematic Literature Review (SLR) utilized SCOPUS, Web of Science, and EBSCO as the main electronic databases for information sources. These databases were chosen for their multidisciplinary scope and for indexing a wide range of scientific journals, allowing for a comprehensive and systematic search of relevant studies on Generation Z retention.

Main outcome(s) The Systematic Literature Review (SLR) on Generation Z retention identified a set of factors that influence the tenure of these professionals within organizations. The analysis revealed that support and assistance, both from leadership and the organization, play a fundamental role in Generation Z retention. Leadership support is manifested through guidance, feedback, and clear communication, while organizational support involves a friendly team environment and alignment with the company's goals and values. The sense of belonging also emerged as an important factor, with work significance and task design influencing retention. Generation Z values work that is meaningful and offers autonomy and impact. Furthermore, well-being and rewards are essential, with work-life balance, physical and emotional health, flexibility, and both financial and non-financial rewards impacting Gen Z's decision to stay with an organization. The SLR did not focus on specific effect measures or detailed temporal data but rather on identifying and categorizing the most relevant retention factors for this generation.

Additional outcome(s) The Systematic Literature Review (SLR) presented a retention model for Generation Z. To this end, the analysis highlighted the importance of a love for learning, a sense of career advancement, practicing human values, a good work climate, using human capacity for good, seeking happiness, and maintaining a work-life balance. Generation Z values learning and development opportunities, seeks an environment that promotes ethics, justice, and respect, and desires work with purpose that contributes to collective well-being. Happiness and work-life balance are equally important, reflecting the desire for a full and meaningful life. These underscore the need for organizations to create a work environment that meets the needs and expectations of Generation Z, promoting long-term engagement, satisfaction, and retention.

Data management To manage records and data in the Systematic Literature Review (SLR), content analysis was the primary mechanism used. The process involved thorough reading and analysis of 21 articles focused on Generation Z retention, following categorization steps adapted from Flores (1994). Data reduction was applied, selecting parts of the articles directly related to Generation Z and discarding irrelevant information. To facilitate this task and the creation of subject title labels, NVIVO software was used. Data segmentation was done

based on themes as an approach to qualitative analysis. During categorization, selected parts of the articles were highlighted and marked in created categories, allowing easy retrieval and examination of fragments to describe their content or adjust categories, organizing and managing data, assisting in the conceptual classification of topics related to Generation Z employee retention.

Quality assessment / Risk of bias analysis Risk of bias was minimized through the use of the PRISMA method, which ensures transparency, standardization, and rigor in conducting the systematic review, along with the application of well-defined inclusion and exclusion criteria for article selection.

Strategy of data synthesis Data analysis was conducted through a detailed content analysis of the 21 articles selected in the Systematic Literature Review (SLR). Initially, data reduction was performed, focusing on parts of the articles directly related to Generation Z (Gen Z) and discarding non-pertinent information. This step was facilitated by the use of NVIVO software, which assisted in creating subject title labels. Next, data segmentation was done into units of analysis, adopting the thematic criterion, which involved dividing the text into units based on addressed themes. During data categorization, selected parts of the articles were highlighted and marked in created categories, allowing the retrieval and examination of labeled fragments to describe their content or adjust categories. Content analysis went beyond the manifest level by articulating the text with the psychosocial and cultural context to find meanings in the data from pre-existing information. Both manifest contents (directly expressed in articles) and latent contents (interpretations of implicit meanings) were considered, recognizing that every reading of a text constitutes an interpretation.

Subgroup analysis Identified themes were categorized into three main areas: (i) career initiation, (ii) seasonal activities, and (iii) organizational retention. Analysis focused on Generation Z retention factors, structured into a triad consisting of support and assistance, belongingness, and well-being and rewards. Each category was analyzed in detail, with specific subcategories and groupings, to understand essential elements influencing these professionals' tenure in organizations. This process allowed the creation of a Gen Z retention model, visually presented in Figure 3, synthesizing the main factors and their interrelations, offering a comprehensive and multifaceted understanding of elements contributing to Generation Z professionals' tenure within companies.

Sensitivity analysis To address sensitivity analysis, the robustness of results was ensured through rigorous criteria in study selection and content analysis. Additionally, content analysis considered both manifest and latent contents, seeking a comprehensive and multifaceted interpretation of the data.

Language restriction The language restriction was the inclusion of only articles published in English. This means that relevant articles potentially available in other languages were excluded from the analysis.

Country(ies) involved Brazil (Universidade Presbiteriana Mackenzie).

Contributions of each author
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