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Factors relating to the work engagement of Generation Z members in Cyprus and

implications for Human Resource Management

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Contents

Abstract

A new generation, referred to as Generation Z, is entering the workforce as the business world continues to evolve. At the same time, it is becoming more crucial to identify the elements that keep these individuals motivated in their profession. The present study focuses on examining the factors that affect Generation Z's work engagement in order to offer suggestions for human resource (HR) management professionals on how to deal with these results. Generation Z refers to individuals who were born between 1997 - 2012, but for the purposes of this study, we referred to Gen Zers born between 1997 to 2003. This thesis followed a quantitative method using an online questionnaire that was completed by 81 individuals. Results have shown that the factors affecting Generation Z's work engagement include Career path/ Career growth, Work-life Balance, Training & Development, Recognition, and Diversity and Inclusion. Additionally, Transformational Leadership style is the preferred leadership style of members of generation Z. Results provide some interesting insights on generation Z and what they are looking for in the workplace, providing thus significant implications for HR professionals, as well as for researchers in the field.

Keywords: Generation Z, work engagement, HR, Human Resource Management, Leadership

Introduction

Generation Z has already started entering the workforce and the challenges for most of the companies are beginning to arise. It is believed that this new generation, the future workforce, is different from previous generations. Most of these beliefs came up from observations since not enough time was given in order to start creating a literature for Generation Z in the workplace.

The younger generation is much more demanding than prior generations, making it harder and harder to retain Generation Z personnel (Racolţa-Paina & Irini, 2021). Therefore, it is consensually agreed that nowadays companies should start seeking ways on achieving Generation Z's attraction and retention. It seems that policies and procedures might need restructuring, taking into consideration both the fact that Generation Z is entering the workforce and the fact that this is the first time in the history that five generations coexist in the workplace.

Recruiting Generation Z has opportunities and difficulties that have the potential to influence organizational work for the better forever, just like hiring older generations did (Lanier, 2017). Given that Generation Z employees exhibit greater degrees of commitment, passion, and drive to succeed in a task (WGU, 2019), the generation's influence on the market is favourable. Consequently, there arises the need to find out how can this generation get engaged in the workplace.

Work engagement has a significant impact on employee productivity. Employees are able to perform to the best of their abilities because of the drive and concentration that come with work engagement. This fervent focus raises the standard of their main responsibilities. They are capable of focusing solely on the job at hand and are motivated to do so. Although it is a subjective experience for each employee, work engagement does not happen in a vacuum. A detailed examination of the motivations, experiences, and outcomes of engagement looks

beyond the person to wider institutional dynamics that are influenced by an organization's culture. In conclusion, each employee is concerned about their level of work engagement, not only management. Responding to management initiatives addressing workplace resources or company values is insufficient. Everyone is accountable for creating lively, interesting work environments (Leiter & Bakker, 2010).

Taking all the above into consideration, work engagement is a valuable asset for both employees and employers. It is important for organisations to support their Generation Z employees to feel engaged at work. To do that, we firstly need to identify which are the factors that can lead to Generation Z's work engagement. Therefore, the purpose of this thesis is to firstly identify the factors that lead to Generation Z's work engagement and therefore suggest implications for Human Resource Management.

Research Questions:

Q1. Is Generation Z in Cyprus work engaged?

Q2. Which are the factors that affect Generation Z's Work engagement in Cyprus?

Q3. Does the current work experience affect Generation Z's Work engagement in Cyprus?

Q4. Does the desired work experience affect Generation Z's Work engagement in Cyprus?

Q5. Does the desired work experience affect the current work experience of Cypriot Generation Z?

Q6. Does Transformational Leadership predict Cypriot Generation Z's Work engagement?

Taking everything into consideration, the Literature Review of this study, around Employee Engagement and Generation Z follows in order to identify the gaps in the Literature and the findings behind it.

<center>**Literature Review**</center>

The purpose of this section is to find out what are the findings globally about Generation Z's work engagement. Secondly it is important to identify which are the gaps in order to justify the rationale behind this research. Precisely, the Literature Review contains universal definitions around Work Engagement and Generation Z, deciding finally on which one this study will be based on, characteristics of Generation Z, and specifically the work engagement of Generation Z.

Employee Engagement

The absence of a universal definition of Employee Engagement is one of the literature's initial problems. To be more precise, there are different parameters/factors for each definition that lead to employee engagement which means that it is needed to be measured differently for each case. Engagement refers to a worker's level of enthusiasm and dedication to their job (Smith,2020). In accordance to Kahn (1990), engagement is defined as an attachment of the members of an organization to their role, and to their job; in engagement, people apply effort and express themselves physically, cognitively and emotionally at work. Employees who are engaged to their job, care about their work and the company's performance, and they believe that their efforts have an impact. An engaged worker is motivated by more than just a paycheck and may consider their well-being to be connected to their efficiency and thus instrumental to the success of their firm.

Employee engagement can be divided into three psychological domains: job meaningfulness, availability, and safety. Roles, duties, and work relationships are examples of job meaningfulness (Kahn, 1990). What Kahn (1990, p. 708) defines as safety is "the sense of being able to show and employ self without fear of negative consequences to self-image, status, or career". Lastly, availability refers to the capacity to sustain the physical, emotional, and psychological energies needed to finish a task. Although Kahn (1990) refers to employee

engagement as a multi-faceted construct which has already been accepted by many, there are researchers that define employee engagement just as "passion for work", a psychological situation thought to include all three dimensions discussed by Kahn (Truss et al., 2006; Kular et al., 2008).

According to Schaufeli, et al., (2002), the three Engaging aspects in one's task are: vigor, dedication, and absorption. Firstly, vigor refers to high levels of energy and resilience, the readiness to put out effort, resisting exhaustion readily, and perseverance in the face of challenges. When working, people with high vigor typically have a lot of energy, zest, and stamina, whereas people who have poor vigor typically have less.

When it comes to dedication, it refers to the sense of significance one derives from their work, their enthusiasm and sense of pride in their work, and their sense of inspiration and challenge. Those with high levels of dedication have a deep connection to their work and find it meaningful, challenging, and inspirational. Additionally, they frequently feel inspired and pleased of their job. People who have poor levels are unable to identify with their job because they do not find it to be fulfilling, motivating, or challenging. They also lack enthusiasm and pride for their profession.

Absorption includes being completely and pleasantly involved in one's job and finding it impossible to separate from it, which causes time to pass swiftly and causes one to forget about everything else around them. People who perform well on the absorption scale report that they are frequently enthusiastically absorbed in their job, feel engulfed by it, and find it difficult to disengage from it because it consumes them. As a result, everything else in the area is forgotten, and time passes quickly. Low-absorption individuals do not feel captivated or involved in their job, do not struggle to separate from it, and do not lose track of time or anything else around them.

Coming to a newer definition, Shuck et al. (2014), define employee engagement as a positive psychological state operationalized by the strength and direction of cognitive, emotional, and behavioral energy when it is present and related to work. Precisely, cognitive engagement refers to the amount of mental effort directed toward a successful organizational result. Emotional engagement is the intensity and readiness to devote emotional resources to achieving a successful organizational outcome. Lastly behavioral engagement describes a psychological condition of purpose to act in a way that benefits performance and/or yields favorable organizational results.

This thesis study is based on Schaufeli, et al's., (2002), definition on employee engagement. The reason behind this choice is because they decided to define employee engagement from three different and really specific aspects, capturing real time work experience which means that a wider spectrum around employee engagement is covered by this theory.

Each generation has its own set of habits, attitudes, expectations, behaviors, and motivators that lead to work engagement. Therefore, HR professionals have to deal with different generations whose preferences in the workplace are not the same and more specifically the new generation, Generation Z which has now started entering the workforce. For the very first time in the history of the contemporary workforce, generation Z completes the five generations working side by side. Companies face a new challenge from Gen Zers because while they are determined and self-assured, they are the most demanding working generation to date. They are driven by their careers and have high expectations of their companies. However, businesses haven't yet figured out the best strategies for luring these people to the job market and keeping them there. Therefore, it is needed to find out more about Generation Z. Explore this generation deeper, learn more about its characteristics.

Generation Z & its characteristics

Generation Z, also known as iGen, are people born in the late 1990s and early 2000s, following the millennials (Generation Y). For the purpose of this research, the dates were specifically defined between 1997 and 2003. The self-contained generation is Generation Z; they are motivated and upbeat about their own goals, but realistic and conscious of factors outside of their control (Critical, 2016). A generation which has grown in a world where there is internet, laptops, smartphones, digital media, and freely accessible networks, literally everywhere (Singh & Dangmei, 2016). As a result, they are sometimes seen as anti-social, tech-addicted, and even "social justice warriors." As Hakan (2019) mentions, comparatively speaking to generations X and Y, generation Z's individualism is stronger.

A European survey that was conducted within the Czech Republic, Hungary, Cyprus, UK, Poland, Portugal and Spain shows that Generation Z is indeed the most significant generational transformation in the workplace's history due to their different view around work, and because it is the most technologically sophisticated and ethnically diverse generation (Peres & Mesquita, 2018). Generation Z's entry in the labor market indicates applicants with certain characteristics, referring to needs and skills, as well as employer expectations or workplace behavior which differ from previous generations (Racolţa-Paina, & Irini, 2021).

These people are known for their adaptability and independence; they are more open to diversity than earlier generations, learning to tolerate differences based on religion, socioeconomic class, color, or ethnicity (Kapil & Roy, 2014). According to Barnes & Noble college Insights (2018), 91% of Generation Z in the United States believed in equality at the workplace. It is found that they really focus on development and career growth, they are characterized with increased flexibility, autonomy, they have a clear grasp of the organization's values, strategic goals, and vision, but most importantly they really value work-life balance (Chillakuri, 2020b; Mahapatra et al., 2022). All the above are also confirmed through studies

which have shown that this generation values good relationships with colleagues, a vibrant work atmosphere, non – monetary incentives such as professional growth and progress, as well as extra driving aspects such as work – life balance, sense of autonomy at work, job security, and openness in communication (Gandhi, 2018; Sharma & Pandit, 2020; Mahapatra et al., 2022).

According to Perez and Mesquita (2018), compared to Generation Y, also known as millennials, people born from 1981 to 1996, Generation Z is more trustworthy, tolerant, entrepreneurial, and less driven by money Additionally, another study found that Generation Z is the most achievement – oriented of all previous generations (Barna Group, 2018). Adding to the above, they are more highly educated compared to other generations and have a better economic well-being. Moreover, Generation Z members are active listeners, innovative, always focused on learning and used to offering input. They have been dubbed "digital natives," since they indicated preferring a virtual mode of contact on a regular day (Schroth, 2019). However, as Mahapatra et al. (2022) stated, this can have serious consequences since they lack the communication skills essential for a face-to-face interaction and rely too heavily on technology, even when it is improper to do so.

These findings contradict with what Peres and Mesquita (2018) found out while conducting their own research. They concluded that Generation Z in the workplace, universally chooses face to face contact with both coworkers as well as supervisors which contradicts what Generation Z reported at Schroth's (2019) research, saying that they communicate 26% in person and 74% digitally. Furthermore, they believe that communications skills play a crucial role for entering the job market and consequently they always seek to find a working environment with strong and close relationships. Last but not least, employers must accept that this generation will select a job based on own interests rather than a desire to satisfy external pressures. The outcome of this behavior is an innate motivation, a hardy, ambitious spirit, and

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a desire to have an impact on the world (Bencsik et al., 2016). All these characteristics mentioned above play a crucial role on how Generation Z can be attracted and engaged at work.

To sum up, we can derive the conclusion that as all previous generations, so does Generation Z have some positive and negative characteristics that can play a crucial role in the workplace. When it comes to the positive attitudes, we can assume from the characteristics given from the literature that Gen Zers are able to operate autonomously because in this way they can demonstrate their skills and abilities to companies in order to establish their worth (5 Traits of Gen Z in the Workplace, n.d.). They desire a vibrant working environment with less hierarchy, where diversity is valued and accepted (Hakan, 2019). On the other side of the spectrum, when it comes to the negative characteristics that influence the businesses, disloyalty and simple discouragements might be an issue. Additionally, their ongoing anticipation of advancement may make the competition more difficult. Last but not least, their desire to focus on interesting and creative projects might make simple jobs more difficult (Hakan, 2019). Therefore, all these characteristics above-mentioned will definitely have an impact on Generation Z's work engagement and their perception around workplace.

The work engagement of Generation Z

The purpose of this research is to identify the factors that lead to Cypriot Generation Z's work engagement and therefore it is important to find out from the literature what does Generation Z globally, actually seek in the workplace in order to feel engaged with their job. To begin with, recruiters need to be aware that Generation Z is less submissive and more daring than prior generations. This generation doesn't hesitate to dream big or take on responsibility. If they don't obtain what they want, they frequently change jobs—more frequently than their parents—until they achieve their objectives (Puiu, 2017). PwC's Global Workforce Hopes and Fears survey contacted in 2022 showed that there were also substantial generational differences, with Generation Z employees being less content with their jobs and twice as likely

as Baby Boomers (born from 1946 to 1964) to be anxious that technology may replace their function over the next three year (PwC, 2022). In order to achieve the desired level of engagement with an organization, a process of trying out and experiencing different workplaces will occur to finally help find a job that will bring fulfillment and significance (Lev, 2021). They constantly seek out new challenges and urges because they are nimbler and more impatient than their forebears (Bencsik et al., 2016).

According to Robert Half International Inc. (2016), the top three objectives of Generation Z when looking for a full-time work are 64% opportunity for professional development, 44% generous salary, and 40% making a significant difference or having a positive influence on society. Another study shows that the top three reasons why Generation Z wants a certain job are as follows: opportunities for development and promotion - 72.1%, generous salary - 58.6%, and job stability – 55.9% (Puiu, 2017) which indeed differs from the previous one, creating questions on why this difference occurred. Lee et al's., (2021) findings, support and underline the importance of work-life balance, autonomy, and leadership in Generation Z's work engagement. Great attention is given specifically to transformational leadership style which reflects characteristics that are more likely to let work-life balance flexibility, establish trust among workers, and create open communication, which permit autonomy in the workplace. A leadership style known as transformational leadership affects both social systems and individual behavior.

According to Schieltz, (2017), Transformational leadership is based on four main pillars which are as follows: first, Individualized Consideration refers to how well the leader caters to the needs of each follower, serves as a mentor or coach to the follower, and pays attention to the needs and wants of the follower. The leader shows compassion and encouragement, maintains open lines of communication, and presents challenges to the followers. This takes into account the requirement for respect and recognizes the unique

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contribution each follower can give to the group. The followers are internally motivated to do their tasks and have a desire and objectives for personal growth.

Second, Intellectual Stimulation refers to the extent to which the leader questions presumptions, takes calculated risks, and solicits followers' ideas. This type of leader inspires and supports the creative thinking of their followers. They foster and grow individuals with autonomous thought. Such a leader values learning, and unforeseen events are viewed as opportunities to learn. The followers inquire, consider carefully, and come up with more efficient ways to carry out their duties.

Third, Inspirational motivation refers to how effectively a leader communicates a goal that inspires and appeals to followers. Inspirational leaders set high expectations for their followers, express optimism about their long-term objectives, and give the task at hand purpose. If followers are to be inspired to take action, they must have a clear sense of purpose. A group moves forward with the energy that purpose and meaning bring. Communication abilities that make the vision clear, precise, potent, and engaging support the visionary aspects of leadership. The followers are ready to put forth greater effort in their work, they have a positive outlook on the future and confidence in their own abilities. Lastly, Idealized Influence sets an example for morally upright conduct, inspires pride, and wins people's respect and trust.

In order to nurture employee engagement, organizations are urged to create flexible working practices, ensuring autonomy promotion backed by management. Adding to this, it is shown that Generation Z believes that the qualities of their manager play a crucial role to achieve work engagement. In Puiu 's research (2017) Generation Z referred to a number of valuable characteristics which are searching from their manager, such as intelligence, integrity, honesty, mentorship abilities, passion shown at work, humor, creativity, vision, flexibility,

compassion/ empathy. As Lanier (2017) stated, a friend rather than a boss at work is what this generation seeks for.

When it comes to work – life balance, it refers to the concept that stems from an employee's desire to engage in the workforce by giving their all to both their professional and personal lives (Bhalerao, 2013; Lavoie, 2014; Rachmadini & Riyanto, 2020). It is clear from Rachmadini & Riyanto's (2020) study that work – life balance is one of the variables that affect employee participation in Generation Z. Work – life balance in a firm can have an impact on employee engagement. Employee work – life balance levels increase in direct proportion to employee engagement levels (Rachmadini & Riyanto, 2020).

What is additionally important to be mentioned is the fact that Generation Z really enjoys team spirit. The notion of "working with" is more essential to them than "working for." By this, what Ozkan and Solmaz,(2015) found out is that the working social environment plays a critical role for Gen Zers. One might anticipate that Generation Z will like collaborative work and open workplaces more than their fellow employees. After a survey contacted, 56 % of Millennials and Gen Zers feel their professional networks help them do their best work (Knapp et al., 2017). What is really interesting is that, despite their propensity for collaboration, many members of Generation Z struggle to connect with peers and superiors owing to low emotional intelligence, which is the capacity to recognize, control, and comprehend one's own emotions as well as those of others. The largest professional problem for Generation Z may be this "EQ vacuum," a situation of connecting through technology when voice intonation and eye contact are missing (Yesnick, 2016).

Today's managers must grasp not just how to best manage these young, inexperienced personnel, but also the particular traits of the generation molded by their experiences. Even though it has been previously mentioned that Generation Z likes face – to – face interaction

and it is indeed a valuable asset for a desirable organization, many will need to be educated in skills that previous generations take for granted, such as answering phones and sending emails, since we are referring to the generation usually characterized as "technology experts".

Generation Z prefers to communicate through texting, videos or emojis. They enjoy being friendly and connected with everyone, including their employer as well (Gabrielova & Buchko, 2021). This is indeed a challenge for previous generations who are now welcoming Generation Z in the workforce. This is because, Generation Y, X etc., most of the times did not have any further communication with their bosses rather than work-related issues. There has been a great gap between the hierarchy, for many years and because of Millennials and Generation Z this has now began to change.

Generation Z is searching for a work environment where employees' status and age do not affect its importance in the company. They are looking for supervisors to listen to their ideas and respect their views. They also want to work under an honest boss who is upfront and does not withhold information because of their youth or position (Schawbel, 2014; Agarwal & Vaghela, 2018). The challenge is that Generation Z wants to be involved in decisions taken for bettering the organization and not just listening to orders from supervisors. They believe that they can and they should create an impact for the success of their firm.

Generation Z indicates a strong sense of responsibility towards natural resources. They are really concerned about environmental issues, particularly impending and water shortages (Agarwal & Vaghela, 2018). This is indeed also shown in Gabrielova & Buchko's (2021) study, which indicated that the environmental effect of an organization will influence Gen Zers' decision to join or stay at an organization. They really want to have an impact on society. They love to work for a bigger purpose and not only for the paychecks. They are really concerned about social and environmental issues and would definitely do whatever they can to help.

Moreover, compensation works as an exchange provided from the employer, for an employee's time, talents, and efforts in achieving organizational goals. Whereas rewards refer to a package of advantages offered to employees in an effort to recruit, inspire, and retain them. Promotions, bonuses, and wage increases are examples of extrinsic incentives, whereas praise, affirmation, recognition, demanding work, learning/educational opportunities, and job stability are examples of intrinsic rewards (Newman et al., 2016).

60% of Generation Z respondents to the "Built-In" survey from 2020 stated that "money is the predictor of success". The top five types of perks and pay that Gen Zers most want to get are paid time off, bonuses, flexible work schedules, continuing education reimbursements and retirement investment plans. A large base income does not appear to be as important to Gen Zers as it was to earlier generations; just 52.5% of respondents placed base pay among their top five priorities, whereas base salary ranked pretty high on the desired compensation forms for previous generations (Ramsay, 2020).

However, employees in Generation Z seek consistency in their paychecks. They favor performance-based incentives and advancements over tenure-based ones. While pay and perks are vital, being able to progress is also highly valued. They value flexibility and dislike a rigid timetable that doesn't provide time for personal breaks since they strive for work-life balance. In the end, they prefer individualized total incentives packages than universal pay schemes (Faurote, 2017).

Additionally, the lack of acknowledgment and recognition at their working place is the primary source of dissatisfaction among Generation Z. Fifty percent of this generation believes that their greatest job performance is not acknowledged, which consequently demotivates them (Horsley, 2018; Slaven, 2019). According to Mihelich (2013), they need to be independent enough to succeed and gain recognition right away. They are ready to fill their careers with

meaningful experiences since they are highly driven by rewards and prospects for progress (Hope, 2016). Rewards and recognition have a substantial impact on job satisfaction. Job satisfaction works as a mediator for HR Professionals for achieving organizational commitment (Jehanzeb et al., 2015). According to McGaha's (2018) research, Generation Z mostly preferred a constant and regular recognition.

Furthermore, flexibility at work refers to the policies and procedures that allow employees to choose when to work, where to work, and for how long (Hill et al., 2008). Due to the massive technological improvement, flexible working arrangements can be done easily. Flexibility at work acts as an organization's attraction for a youngster due to the autonomy given to the employee to choose where and when can be more productive for work. Additionally, research has shown that autonomy decreases turnover, while keeping a company's human capital motivated and engaged (Aggarwal et al., 2020). Potential young workers (Generation Z) are tempted by organizations that provide flexible workplace rules in order to reach employee engagement in meaningful work (Morgan, 2014; Aggarwal et al., 2020). What Jung and Yoon (2021) found - while conducting research for generation X, Y and Z - is that employee engagement increased the most among Generation Z as a result of job flexibility.

Adding to the above, employee feedback is information – positive or negative - provided regarding a person's activities or achievements at work that is then utilized to drive future development. When it comes to Generation Z, they are accustomed to receiving rapid feedback on a regular basis, canceling the traditional one time a year feedback that most organizations utilize many years now (Aggarwal et al., 2020).

Due to the fact that they are always eager to learn, the youthful workforce wants to hear about their job performance on a frequent basis. Constructive comments can assist Generation

Z personnel in doing better in their assigned roles. The Center for Generational Kinetics published an intriguing poll in 2018. They discovered that over 65% of Generation Z workers require frequent feedback. They preferred to have it at least weekly. Some required input even more frequently than that in order to stay in their existing position – losing work engagement. Given the pace with which work cycles are altering, annual performance assessments are no longer sufficient. This generation recognizes the importance of feedback and actively requires it to achieve job engagement.

Important to mention, one of the primary purposes of HR is to encourage continual learning and assist employees in dealing with ongoing challenges at work (Watkins & Marsick, 2016; Aggarwal et al., 2020). Generation Z is characterized as entrepreneurial generation with career aspirations focusing on creating their own unique identity. Therefore, in order to recruit and retain such a workforce, HR professionals should consider career planning and management. Career advancement through further developmental training is essential to more than half of the generation. Training is not just a productivity booster but a retention tool. When their company invests in them, the technological – savvy generation is inspired to remain longer – employee engagement (McCrindle & Fell, 2019).

What also differs from previous generations and HR professionals should take into serious consideration is that Gen Zers rank "People Skills" – which refer to leadership training, collaboration and managing a team - as the most popular area of training rather than "Technical skills". The ability to apply one's talents across many professions is a crucial characteristic this generation will offer to the industry since they bring a variety of transferable skills to the workplace.

Additionally, when it comes to the most preferred learning methods, Gen Zers tend to learn easier with kinesthetic and visual methods and that is why they prefer on-the-job training,

or outsourced courses (McCrindle & Fell, 2019). Last but not least, younger generations are more likely to enjoy using technology as a tool for training, a factor that divides them from older ones (Urick et al., 2017; Cristina, 2021).

Taking everything into consideration, all these have created significant obstacles in HRM practices. Based on the literature analysis, it is discovered that these elements influenced the goal of the HRM system, resulting in better strategic management and innovative HRM policies and procedures. A key difficulty that organizations face today is the generational diversity, which implies that as the years go by, more and more generations have started entering the labor market and many organizations.

Both the characteristics of Generation Z as well as the objectives that this generation is trying to find at a desirable job in order to achieve employee engagement, are factors that each and every HR professional should take into serious consideration in order to make proper adjustments in policies and procedures for achieving recruitment and retention, as well as minimization of turnovers. A study contacted by Deloitte US, showed that Generation Z's primary reason for leaving their companies in the past two years has been pay (Deloitte, 2022). However, when it comes to the factors that influence their decision to join a new company, a healthy work-life balance and prospects for professional growth rank highly. HR Professionals are trying to amend their company's HR processes and regulations in order to create a more engaging and motivating culture for the corporation and its employees. The advantages of empowering your employees through increasing job satisfaction and job engagement are critical factors to take into account, in each and every organization (Aggarwal et al., 2020).

Literature has shown that employees' work engagement is both a personal and a group effort, between the company and the employee. To be more precise, there are many policies

and procedures that HR Professionals should take into serious consideration in order to attract and achieve Generation Z's work engagement.

Literature gap

After searching the literature for Generation Z, it is quite obvious that there is a great literature gap in accordance with Generation Z in Cypriot workplace. Most research has been done in the United States, leaving a gap in knowledge regarding the characteristics and work behaviors of Generation Z in different contexts. Therefore, the purpose of this dissertation is to examine the factors which lead to Generation Z's work engagement, in Cyprus and consequently how can HR Professionals deal with these factors.

First and foremost, what needs to be searched is whether or not Generation Z in Cyprus really matches the characteristics described above from the existing literature. If yes, then it is important to find out how and what needs to be changed by HR Professionals to achieve attraction and retention of Generation Z in the workplace and consequently employee engagement.

As Generation Z globally, also and Generation Z in Cyprus indeed values technology as an integral part of life. They prefer to use technology to manage their work and stay current on topics they find interesting or are linked to their line of work. For them, technology also appears to be beneficial for disseminating information (Peres & Mesquita, 2018). Additionally, Generation Z has started entering the workforce few years ago, but it does not seem that many differences have been made due to their entry. Even though they might have different work values from previous generations, not many changes have been made to organizations in order to adjust. Even when it comes to work flexibility, work from home was first initiated in most of the companies in Cyprus due to COVID-19 and not because of giving their employees the flexibility to choose from where and how they want to work in order to be more productive.

Additionally, it has shown that Cypriot Gen Zers can also be characterized as entrepreneurs due to the fact that more and more small businesses are starting to arise from youngsters who are willing and brave enough to pursue their career dreams whatever the cost. According to Polyviou (2019), the perception of entrepreneurship as a suitable career choice has increased in 2019/2020 (from 69.9% in 2018/2019 to 73% in 2019/2020), and successful entrepreneurs are linked with high status (up from 67.6% in 2018/2019 to 76.7% in 2019/2020). The perceived ability to start an entrepreneurial activity has also increased (from 45.9% in 2018–19 to 58.2% in 2019–2020) According to the statistics of this year, in 2022 more than 65 small businesses have pursued their creative startup in Cyprus.

Last but not least, what Kalli (2021) found during contacting her research is that half of Gen Zers in Cyprus believe that work-life balance is a significant employment advantage or future career objective that can help them be more satisfied at work. This indeed confirms the findings in existing global literature which show that work-life balance is a valuable benefit that becomes a necessity for Generation Z.

To sum everything up, Generation Z is the youngest generation and less researched generation entering the workforce. The purpose of this study is to find out which are the factors that play the most important role in achieving Generation Z's work engagement in Cyprus. Therefore, HR Professionals can be well-prepared and able to act proactively in order to achieve this engagement.

Methodology

Research Design

In the specific study the research method which was followed was the quantitative one. The rationale behind choosing to follow quantitative research is the fact that you can collect data quickly and efficiently and given the short period of time to complete this thesis, quantitative research was indeed the case. Given the purpose of this research, quantitative methods will help to test causal relationships and generalize results to wider populations (Williams, 2021).

Additionally, it is important to mention the fact that through sampled surveys, you have the opportunity to collect a larger sample size of the group you are referring to (in this case Generation Z in Cyprus), which most probably, if done correctly, will help to execute more accurate results that indeed capture the population you are referring to. A large population's characteristics can be described through surveys. No other research methodology can offer such a wide range of capabilities, which guarantees a more accurate sample to collect focused results from which to draw conclusions and make significant judgments.

This survey was focusing on collecting as much responses as possible in order to identify how the general population of Generation Z here in Cyprus can become work engaged and close the literature gap. This research method attempted to assess the extent of the relationship between the variables presented on Table 2 and work engagement. This research aims to explain which are the factors that lead to Generation Z's work engagement in Cyprus and consequently how can HR Professionals deal with this.

Data Collection

An online questionnaire was created based on existing ones, in order to find out which factors lead to Generation Z's work engagement in Cyprus. The questionnaire was self-

administered meaning that all questions were standardized so that the same questions would be received by all respondents. The reason behind choosing questionnaires is because they are anonymous and suitable for sensitive topics (in this case, identifying how one observes his/her job and his/her boss) and they are self-paced (Bhandari, 2022). Online questionnaire was chosen as the process of data collection because in this way it is easier and faster to reach a wider audience and collect your results in real-time. Additionally, they are easy to use for participants.

The web-based structured questionnaire (see Appendix A) that was made public on social media platforms (e.g., Facebook, Instagram, LinkedIn etc.) on the 20th of October 2022 was targeting individuals who belong to the ages between 18-25 (born between 1997 to 2003), have one year of working experience, and live in Cyprus. The results were able to be monitored in real-time by Google Forms. When the questionnaire was closed on the 26th of November 2022, all the results were easily transferred to SPPS statistical analysis software, in order to be analysed.

Measures

The remaining questions—aside from the demographic ones—were divided into four sections and focused on the themes surrounding Generation Z's employment in Cyprus. There were eight demographic questions, nine questions measuring the current work engagement, 20 questions regarding transformational leadership, 13 questions measuring the importance of specific factors at the workplace, and 13 questions referring to how often they experience these factors. In total, there were 55 items in the questionnaire from two different existing scales and two created through conclusions executed from existing literature on which factors have been detected all around the world which led to Generation Z's work engagement.

Specifically, 9 – items were used from Schaufeli and Bakker (2003) "Utrecht Work Engagement Scale (UWES-9)" as shown below in Table 1. It is a 7 – point Likert scale with 0 meaning "Never" to 6 meaning "Always / Everyday". A sample item is "When I get up in the morning, I feel like going to work". Because this specific scale is translated in many languages, Cronbach's a of this instrument including the 9-items is between .89 and .97 (Schaufeli & Bakker, 2004).

Table 1

Utrecht Work Engagement Scale (UWES-9)

	M	SD
At my work, I feel bursting with energy	3.95	1.368
At my job, I feel strong and vigorous	3.74	1.430
I am enthusiastic about my job	4.01	1.401
My job inspires me	4.00	1.458
When I get up in the morning, I feel like going to work	3.69	1.497
I feel happy when I am working intensely	3.75	1.521
I am proud of the work that I do	4.22	1.525
I am immersed in my job	3.89	1.351
I get carried away when I am working	3.64	1.576

In accordance to the second questionnaire used, Multifactor Leadership Questionnaire – Form 5X (MLQ) was developed by Avolio et al., (1999). Only 20 of the 45 items on the MLQ scale, which measured leadership, were taken into account since they were connected to the study's primary predictor, transformational leadership (See Appendix 1). In order to measure the appearance of transformational leadership at each employee's work environment, a 5-point Frequency scale was used ranging from 0 – Not at All to 4 – Frequently, if not always. Four subscales evaluating the fundamental elements of transformational leadership were separated into the total scale: idealized influence (behavior and attribution), inspiring

motivation, intellectual stimulation, and individualized concern. There were four items total for each of the four subscales of transformational leadership. Here is an example of an idealized influence item: "Considers the moral and ethical consequences of decisions.". intellectual stimulation item is "Suggests new ways of looking at how to complete assignments, inspirational motivation is "Expresses confidence that goals will be achieved, and individualized consideration is "Considers me as having different needs, abilities, and aspirations from others."

When it comes to the last two parts of the questionnaire, a great focus was given on a number of factors provided to the respondents in order to answer how important their presence at work is for them and the second part was asking if indeed those factors are part of their current work. The point of those two parts was to find out if indeed the factors that influence Generation Z's work engagement all over the world, also play a crucial role and for Cypriot Generation Z. The factors that were provided consisted of Autonomy, Feedback, Career growth, Teamwork, Recognition, Communication, Work – life Balance, Diversity and Inclusion, Training and Development, and Fair Pay (see Table 2). All ten factors were provided to the respondents with a short sentence which reflected them and firstly respondents were asked to rate through a 5-point Likert scale, (with 1 meaning Not at All Important and 5 meaning Very Important), the importance of each statement for themselves. Afterwards, they were asked to think about their current job and rate using a 7-point Frequency scale (0 – Never, 6 – Always/Everyday), how often do they experience those factors.

Table 2

Factors affecting work engagement

	Measured	*M*	*SD*
Autonomy	I am given the freedom to choose how to manage my time and where to apply my expertise	4.27	1.037
Feedback	I receive feedback on whether or not I'm meeting expectations, where I'm having the most success, and how I can improve	4.43	.961
Career Path/ Career Growth	I set career goals with my supervisor, and I see progress towards them	4.12	1.133
Collaboration & Teamwork	I have trust in my team and feel that I am part of the team	4.48	.838
Workload	My responsibilities are manageable, and work is fair and equally distributed across my team	4.33	1.000
Recognition	My organization finds ways to show its appreciation for my contribution	4.25	1.079
Communication	My organization endorses an effect and unambiguous communication channel	4.26	.972
Work – life Balance	I am able to balance out between work and personal commitments effectively	4.32	1.010
Diversity & Inclusion	My workplace is characterized by diversity and inclusion which fosters better teamwork, healthier collaborations, and lesser bias	4.26	.932
Training & Development	My employer provides learning & training initiatives for me and invests both time and money in my development	4.25	.956
Corporate Social Responsibility (CSR)	My company's values are important to me since I look for a workplace that shares my beliefs and acts in ways, I can be proud of	4.33	.894

Pay & Benefits	My pay feels fair and is tied to my performance	4.16	1.089
Leadership	My leader serves as an example that everyone wants to follow	4.30	.968

Through this questionnaire, it can be found out what does Generation Z seek for at their workplace, and what are the gaps in organizations at the moment. Through this process it can be identified what needs to be done by HR professional in order to fill those gaps.

Description of sample

According to World Population Prospects 2022, United Nations stated that in 2021 in Cyprus there was a total of 71 thousand people between the ages 20 to 24 and 63 thousand between the ages 15 to 19. However, it is not noted down which is the percentage of the people working from this age groups.

81 employees from various educational backgrounds and urban and rural locations of Cyprus made up the sample of this study. In more specific terms, 84% of the sample reside in urban areas, whilst 16% do so in rural ones. The employees (Generation Z) were between the ages of 18 and 25, with an average age of 24 years (SD = 1.247), and 38.3% of them were male and 61.7% were female.

Data Analysis

The questions of the research were as shown below:

Q1. Is Generation Z in Cyprus work engaged?

Q2. Which are the factors that affect Generation Z's Work engagement in Cyprus?

Q3. Does the current work experience affect Generation Z's Work engagement in Cyprus?

Q4. Does the desired work experience affect Generation Z's Work engagement in Cyprus?

Q5. Does the desired work experience affect the current work experience of Cypriot Generation Z?

Q6. Does Transformational Leadership predict Cypriot Generation Z's Work engagement?

It was decided to use Descriptive Statistics, Linear Regressions and Correlations to analyse the data that they have been obtained from the respondents using the statistical program SPSS in order to evaluate these assumptions.

Ethical Concerns

The participants were told of the study's goals as soon as they began the questionnaire, and they were then requested to consent to participate. It is crucial to note that this research study used ethical standards including informed permission from the respondents and they were completed anonymously (Panter & Sterba, 2011). Additionally, participants were made aware that their participation was optional and that they might leave the survey at any time without incurring any consequences.

Results

The sample consisted of 81 participants, 50 of them were Females and 31 Males. From those, 16 were born in 1997, 19 in 1998, 32 in 1999, seven in 2000, five in 2001, one in 2002, and one in 2003. 68 were born in an urban area and 13 in a rural area. When it comes to Social Class, 10 included themselves in Lower Class, 63 in Middle Class, and eight in Upper Class. There was a great variety of Educational Level, eight had a Diploma, 24 a Postgraduate Degree, 31 an Undergraduate Degree, one finished Primary Education, and 17 finished Secondary Education. 31 studied in Cyprus, one in Cyprus and Spain, one in Cyprus and UK, 13 in UK, one in USA, 15 in Greece and 19 did not finish any studies. The main area of studies for 25 participants was Economics and Management, Humanities for 11, Medical School for six, Pure and Applied Sciences for seven, Social Sciences and Education for 15, and 17 did not have any studies. Last but not least, 38 have been working for one to two years, 28 for three to four years, and 15 for four and more years.

To begin with, the purpose of this study was to detect the factors which affect Generation Z's Work Engagement. Therefore, it is firstly important to measure if the sample is indeed work engaged.

In order to test Generation Z's work engagement, Descriptive Statistics were contacted firstly for the general sample and later on partially for each demographic characteristic. As it is shown in Table 3, the sample of this research shows that Cypriot Generation Z is indeed work engaged (*M*= 3.88, *SD*=1.24), answering the research question 1 (Is Generation Z in Cyprus work engaged?). Additionally, Descriptives show that there are no big differences between different groups of categories. However, it can be observed that as the years of working experience are adding up, the work engagement is higher.

Table 3

Descriptives compared to Respondents' Current Work Engagement

	Frequencies	Work Engagement	
	N	*M*	*SD*
Sample	81	3.88	1.24
Sex			
Male	31	3.9	1.17
Female	50	3.8	1.3
Rural or Urban Area			
Rural Area	13	3.4	1.31
Urban Area	68	4	1.22
Birth Year			
1997	16	4.17	1.03
1998	19	3.58	1.03
1999	32	3.95	1.37
2000	7	4.52	1.27
2001	5	2.73	1
2002	1	NA	NA
2003	1	NA	NA
Social Class			
Lower Class	10	3.58	1.36
Middle Class	63	3.8	1.22
Upper Class	8	4.82	0.93
Educational Level			

Diploma	8	3.54	1.32
Primary	1	NA	NA
Secondary	17	4.12	1.09
Undergraduate Degree	31	3.65	1.26
Postgraduate Degree	24	4.1	1.32
Country of Studies			
Cyprus	31	3.52	1.13
Cyprus and Spain	1	NA	NA
Greece	15	3.89	1.28
No studies	19	4.3	1.15
United Kingdom	13	3.84	1.49
United Kingdom and Cyprus	1	NA	NA
USA	1	NA	NA
Area of Studies			
Economics and Management	25	4.03	1.15
Humanities	11	3.2	1.47
Medical School	6	3.57	1.4
No studies	17	4.12	1.09
Pure and Applied Sciences	7	4.32	1.07
Social Sciences and Education	15	3.76	1.36
Years of Working			
1-2 years	38	3.64	1.18
3-4 years	28	3.98	1.18

	M	SD
4 and more years 15	4.27	1.45

After confirming that Generation Z in Cyprus is indeed work engaged, it was important to identify the factors which lead to this engagement. Taking into consideration the 5-point Importance Scale which measured how important the factors presented in Table 4 are for each respondent, after conducting Descriptive Statistics for all factors, we can conclude that these 13 play a crucial role for Generation Z's work engagement. Showing that the most important is Collaboration & Teamwork (*M*=4.48, *SD*=.84) and the least important Career Path/Career Growth (*M*=4.12, *SD*=1.13), however with very high means.

Table 4

Factors affecting work engagement

	M	SD
Autonomy	4.27	1.04
Feedback	4.43	.96
Career Path/ Career Growth	4.12	1.13
Collaboration & Teamwork	4.48	.84
Workload	4.33	1
Recognition	4.25	1.08
Communication	4.26	.97
Work – life Balance	4.32	1.01
Diversity & Inclusion	4.26	.93
Training & Development	4.25	.96
Corporate Social Responsibility (CSR)	4.33	.89
Pay & Benefits	4.16	1.09

Leadership	4.30	.97

After identifying the factors and their importance for Generation Z, the correlation between work engagement and factors describing the Current work experience was examined. All 13 factors showed to be positively correlated with Generation Z's work engagement with statistical significance <.001 (see Table 5). Leadership shows to be strongly positively correlated with work engagement r (79) = .628, p<001, defining it as the strongest relationship among all factors.

Table 5

Correlation between Work Engagement and Factors describing Current Work Experience

	Work Engagement	
	Pearson Correlation	*Sig. (2-tailed)*
Autonomy	.440	<.001
Feedback	.595	<.001
Career path/Career growth	.563	<.001
Collaboration & Teamwork	.463	<.001
Workload	.613	<.001
Recognition	.523	<.001
Communication	.584	<.001
Work-life Balance	.503	<.001
Diversity & Inclusion	.584	<.001
Training & Development	.570	<.001
Corporate Social Responsibility (CSR)	.451	<.001

Pay & Benefits	.521	<.001
Leadership	.628	<.001

Finding out that Leadership is so highly correlated with work engagement, it would be beneficial to find out more specifically, if Transformational Leadership plays such a crucial role for Generation Z's work engagement in Cyprus. Therefore, a correlation between transformational leadership and work engagement was conducted showing that they are indeed strongly positively correlated, r (79) = .778, p<001. (See Table 6)

Table 6

Pearson Correlation between Work Engagement and Transformational Leadership

	Work Engagement	Transformational Leadership
Work Engagement	1	.778**
Transformational Leadership	.778**	1

**Correlation is significant at the 0.01 level (2-tailed)

Following the factors describing the current work experience, it is vital to measure the correlation between work engagement and the factors describing the desired work experience for Generation Z in Cyprus. After conducting Pearson Correlation, results showed that there was no significant correlation between work engagement and desired work-life balance, as well as work engagement and desired pay & benefits as it is shown in Table 7. Additionally, compared to current work experience it is noted that the rest correlations which are statistically significant are not as strong.

Table 7

Correlation between Work Engagement and Factors describing Desired Work Experience

	Work Engagement	
	Pearson Correlation	*Sig. (2-tailed)*
Autonomy	.358	.001
Feedback	.444	<.001
Career path/Career growth	.345	.002
Collaboration & Teamwork	.304	.006
Workload	.296	.007
Recognition	.313	.004
Communication	.346	.002
Work-life Balance	.147	.191
Diversity & Inclusion	.254	.022
Training & Development	.331	.003
Corporate Social Responsibility (CSR)	.357	.001
Pay & Benefits	.170	.130
Leadership	.375	<.001

Furthermore, a correlation between the factors describing the current work experience and the factors describing the desired work experienced was assessed. Results showed that they indeed positively correlate, but moderately r (79) = .364, p<001. (See Table 8)

Table 8

Pearson Correlation between Current Work Experience and Desired Work Experience

	Current Work Experience	Desired Work Experience
Current Work Experience	1	.364**
Desired Work Experience	.364**	1

**Correlation is significant at the 0.01 level (2-tailed)

Last but not least, simple linear regression was conducted in order to find out if current work experience and/or desired work experience, can predict the work engagement of Generation Z in Cyprus. Analysis showed that the overall regression was statistically significant (R^2 = .458, F (2, 78) = 33.008, p<.001). The current work experience (β= .621, p= <.001) is statistically significant and plays a role in predicting Cypriot Generation Z's work engagement. However, the desired work experience (β= .224, p= .100) is not statistically significant and cannot be considered as a predictor for Generation Z's work engagement (see Table 9).

Table 9

Regression Analysis between Work Engagement, Current Work Experience and Desired Work Experience

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.677	.458	.556	.926

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.644	2	28.322	33.008	<.001
	Residual	66.926	78	.868		

	Total	123.570	80			

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients			
	B	SE	Beta		t	p
Intercept	.641	.561			1.142	.257
Current Work Experience	.621	.091	.608		6.801	<.001
Desired Work Experience	.224	.135	.149		1.666	.100

<center>**Discussion**</center>

Generation Z is indeed a generation that has brought many concerns in the working life. There are many beliefs and perspectives around Generation Z. Previous generations are trying to find ways on how to deal with Generation Z, what motivates Generation Z, what engages Generation Z. It is believed that this generation has gone through circumstances such as Covid-19, that played a crucial role on how they see the world around them.

A study on Understanding Generation Z in the workplace by Deloitte US, showed that many could assume that this generation has evolved as a practical, risk-averse, non-entrepreneurial group driven by job stability given their upbringing in the wake of the Great Recession. Instead, as they investigated their job objectives, career development, working methods, core beliefs, behavior, and character, education, and attitude on diversity, a more nuanced picture began to take shape (Deloitte, 2022). Although compensation is the most significant consideration when choosing a job, Generation Z values pay less than any other generation. When given the option to choose between a job that paid more but was dull and one that was more fascinating but paid less, Generation Z was fairly evenly divided. This is also shown in our case, where results show that the desired Pay & Benefits were not even statistically significant with work engagement.

Deloitte US also states that companies and employers must emphasize their efforts to be decent global citizens if they want to win over Generation Z. And since deeds speak louder than words, businesses must show their dedication to a wider range of social issues like sustainability, climate change, and hunger. We can assume that companies have already started taking into consideration the fact that Generation Z focuses more on how their company can have an impact on Social Issues, since it is found in our results that most of the respondents and specifically 18 out of the 81, replied that Corporate Social Responsibility (CSR) appears

in their organization Always/ Every day, and 22 out of the 81 Often/Once a week which is indeed a positive sign.

Studies have found that the main cause of discontent among Generation Z is a lack of acknowledgement and appreciation in their place of employment. 50% of this generation thinks that their best work is not appreciated, which results in high levels of dissatisfaction (Miller, 2019). This fact was also reflected in our findings which showed that Recognition is a factor that appears in their organisation very rarely to never.

It is suggested that the younger workforce wants to hear about their work performance frequently since they are constantly motivated to learn. They came up with the conclusion that positive criticism can help Generation Z employees perform better in their allocated tasks (Miller, 2019). In our study and from our results, feedback seems to play a crucial role for employee engagement confirming again and strengthening what has been already found in the current literature.

Additionally, what is really important to be noted down and always kept in mind when companies start thinking on how to deal with Generation Z is the fact that this generation sets high expectations for their workplace. What the research shows is that their desired working experience, these high expectations, are indeed correlated with how they perceive their current working experience. Consequently, here comes the need for HR Departments to be ready and well informed on what needs to be done in order to attract and retain Generation Z and meet their desired expectations.

What is also confirmed in Cypriot Generation Z and needs to be taken into consideration is that employees from Generation Z value having a work-life balance, trust, flexibility, innovation, new ideas, engagement, amusement, and a global working environment (McCrindle, 2015). They value being acknowledged for their efforts, which is understandable

given their years that children spend in support and safety at home, in public, and throughout their education. They think help will still be available because of this, even at the workplace. Having a range of requirements satisfied at work is essential for today's workers; however, Generation Z places a higher value on social connections, knowledge, experience, education, and even environmental sustainability. This generation is motivated more by other benefits than money, according to McCrindle (2015).

Literature shows that Generation Z employees, for the most part, have short-term goals and do not anticipate working in a single firm, they are prepared to depart in quest of greater chances, novelty and innovation. Generation Z's lack of allegiance to their current company and their often-shifting priorities demand ongoing connection with them, continual modification to their requirements and values, and swift response to change and ongoing innovation inside the businesses. These short-term goals might be also confirmed from our results which showed that Career Growth/Path indeed correlates with Generation Z's work engagement but this aspect had the lower mean in comparison to all 13 factors affecting work engagement. If their goals at a current company are short-term, then Career Growth is not such a big issue for them compared to Leadership style since they would have in mind that they will soon find another job for another company.

Talking about Career Growth, according to Glint's 2021 Employee Well-being Report, having opportunity to learn and grow has surpassed all other characteristics as what employees believe makes a great workplace. All employee generations, including Generation Z, can gain from the implementation of training and reskilling initiatives, which will also boost overall retention. In order to prioritize human connection and meet Generation Z where they are, businesses that want to draw in, keep, and engage young workers must extend across generations. Employers must continue to enhance their career progression chances in order to

suit the interests of these empowered and bright young people as Generation Z workers continue to have an impact on traditional working methods.

Future employees are those who develop new skills. Generation Z is prepared to grow quickly and advance respectively their skills and careers by keeping an eye on career growth another on their online school. "Much is defined around careers, so define career possibilities early on for new Generation Z hires, including job movement," advises Sophie Wade in her course, Attracting, Hiring, and Working with Generation Z. "Clarity gives them comfort about the company's interests in their ongoing employment and professional development. Involving them in the discussion engages them through increased ownership of their career path. Exploring different roles also helps keep them engaged by allowing them to discover what really interests them, understand more about the business, and build new skills."

Adding to the above, what really stands out Generation Z from previous generations is their sustainability concern. The environmental, social, and governance (ESG) commitments of a firm are extremely important to Generation Z. 1 in 3 people said they would decline employment offers, and 54% said they would be willing to accept a pay drop in order to address ESG issues. Compared to previous age groups, 68% of Gen Z are more environmentally aware. Examining a company's sustainability efforts is a habit that is more popular in the job-hunting process, so companies need to take this issue seriously. This was indeed another factor in the survey which came up to be really important for Generation Z in Cyprus.

When talking about Generation Z, according to Salahuddin (2010), they value sincerity and integrity, thoughtfulness, deftness, and self-control. According to the same author, Generation Z does not place as much value on leadership qualities like inspiration and innovation as other generations did. Instead, numerous studies demonstrate that they anticipate a solemn work environment where leaders will respect them despite their youth and

inexperience, pay attention to their thoughts, and weigh in on their opinions (Schawbel, 2014). Generation Z would be most content at work if their leaders had a positive outlook and made an effort to give staff members opportunity for internal growth (Adecco, 2016). They place a high priority on soft skills and look for leaders that are emotionally intelligent, have excellent communication skills, support an inclusive and positive workplace culture, and are able to provide the required mentorship at workplace (McGaha, 2018). All these characteristics sum up the prototype of transformational leadership. As it has been shown in our results, transformational leadership is the preferable leadership style for Generation Z which indeed strongly correlates with work engagement.

<center>**Conclusions**</center>

Taking into consideration the fact that generally Generation Z has not been researched a lot when it comes to their workplace behavior, attitudes, needs, engagement etc., and almost never been researched in Cyprus, this thesis focused on identifying what are the factors that affect Generation Z's engagement at work. These factors can eventually help organizations in general and specifically HR Professionals to deal with this generation.

As this generation enters businesses, it will bring its own distinct needs to the workplace. In order to attract top talent from Generation Z, an organization must first understand what matters to them. This will help them create a corporate culture and workplace that will give them a distinct advantage in the competition for their services. This will support their continued growth and ensure that they are a successful business (Gaidhani, et al., 2019).

To begin with, according to the research, Generation Z is searching for employers who can acknowledge contributions, create a balance between work and personal life, and provide possibilities for ongoing training and development. They anticipate that their leaders will guide them, and they view this as a crucial consideration when selecting an organization (Iorgulescu,2016). Additionally, the current study has demonstrated that Gen Zers favor teamwork.

The culture of their organization is essential to them since they are drawn to businesses that uphold moral principles and adopt ethical practices in addition to having a positive social impact (Deloitte, 2019). They greatly value an open work environment that is founded on respect and trust, is devoid of gender discrimination, and is characterized by gender equality. This is why, in contrast to other generations, they are known for being more accepting of variety and inclusiveness (Kapil & Roy, 2014).

Most of the factors provided in the research seemed to be crucially important to Cypriot Generation Z with a few outliers who did not find specific factors important at all. To sum up these factors: Autonomy, Feedback, Career Path/ Career Growth, Collaboration & Teamwork, Fair Workload, Recognition, Communication, Work-life balance, Diversity & Inclusion, Training & Development, Corporate Social Responsibility (CSR), Pay & Benefits, Leadership Style. Therefore, firms must think about what they can provide to Gen Zers to encourage a healthy lifestyle and higher well-being while trying to recruit and keep talent. This study confirms that businesses should start considering alternatives to the standard employee benefits, be able to promote a culture that takes into account a person's abilities outside of their eight – hour workday.

It is not even that companies have not been working on most of these policies and procedures all these years, but there is something different with this Generation that needs to be further examined. What they demand at work and what they won't accept is probably going to have long-lasting effects (How will Gen Z change the workplace?, 2022). Study has shown that Generation Z values Recognition more than Pay and Benefits, prefers Transformational Leadership in comparison to other leadership styles. Taking all these outcomes into consideration, companies should find the rationale behind all those preferences and therefore it would be easier for them to find ways to fulfill them.

Generation Z is the future workforce and we shall take them into serious consideration. Older generations think that Generation Z is the generation which wants everything for themselves. This is not the case. As Beth Kennedy mentions, Gen Zers are "thoughtful, compassionate and hardworking" and they'll call out policies and behaviors they disagree with. That is what stands them out! The values of Generation Z are distinctive and enduring and they act by them. This can also be confirmed from this study which showed that Cypriot Generation Z's preferred work environment (the factors which are looking for in their workplace), indeed

influence their work engagement. Companies which have started to understand this generation's preferences and needs will assist in developing a company culture that capitalizes on their talents and makes their business a desirable alternative for Generation Z.

Implications

Literature has indeed proven that Generation Z is different from all previous generations in the workplace and the same goes here in Cyprus. New characteristics, new demands, new needs, new challenges for organizations. This survey also confirms what has been found in the existing literature and adds on what really Generation Z is looking for in the workplace.

HR professionals should take serious action and make significant amendments on policies and procedures if they are really looking forward to achieving Generation Z's retention in the workplace. These factors extracted from the research should be taken into serious consideration.

Further research should be done in companies in order to find out what their workforce is asking from them. These factors could be considered as a map to taking the necessary actions. It is important to find out why some factors are needed more often than others and what are the practical actions to reach those factors, who should be involved, who should take those decisions, how the workforce in the company is generally affected. Because a company does not only consist of Generation Z. Take it a step further and reflect on how any actions will affect other Generations in the company. It should be a slow process to change, and employees must be fully informed and willing to follow this change, or else it would definitely lead to a disaster.

Limitations

This study's purpose was to examine the factors that affect Generation Z's work engagement in Cyprus. The sample was Cypriot population, but the number of the sample was not big enough to be able to generalize the results for all the population. What additionally might have been a limitation was the language of the survey. English is not the first language of the sample which participated in this survey and this might have affected the understanding and answering of some questions. Most of the sample were born in 1999, not being able to cover the whole spectrum of Generation Z. What if this specific year has different characteristics from all the other years that consist of Generation Z.

When it comes to practical limitations, due to the fact that this is a thesis that should have been done in a semester, limited time, and tighter deadlines might have affected the whole process. Last but not least, the most important limitation faced in this research was the limited literature available for Generation Z. Because of the fact that, Generation Z has just started entering the workforce, there were not many resources examining how Generation Z acts in the workplace, and all available literature was focused on the US. Almost nothing available for Cypriot Generation Z.

Recommendations for further research

When it comes to further research there are many things that could be further examined. For example, we managed to identify which are the most important factors for Generation Z's work engagement in Cyprus, but it would be really interesting to take it a step further and find out what are the exact practices they are looking for from their company in order to satisfy those factors.

Additionally, it has been found that some might prefer to change careers in a short period of time. It would have been really important to find out how you can change this and retain those employees for your organization.

Furthermore, when it comes to the time needed to complete this survey, if more time was available, it would have been interesting to continue with a small sample of people who completed the survey and contact interviews. Interviews would have helped us to dig further into the results and find out the rationale behind them. Listen to specific examples and create a bigger picture on why these are the factors that Generation Z is looking for in their workplace.

What can also be assessed is, if and how does the country of studies affect the perspective of Cypriot Generation Z in accordance with their work engagement. What can also play a crucial role is what type of job they are doing. Is this indeed what they would like to do or is that why they cannot engage in their current workplace?

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Appendix 1

Demographic Information

Sex

Male, Female, Other

Birth Year

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004

I grew up in

An urban area, A rural area

At which Social Class would you consider yourself in?

Lower Class, Middle Class, Upper Class

The highest education level I have completed is

Primary, Secondary, Diploma, Undergraduate Degree, Postgraduate Degree, Doctorate

Country of Studies

No Studies, Other

Main area of studies

Humanities, Medical School, Pure and Applied Sciences, Social Sciences and Education, Economic and Management, No studies

Years of working Experience

1-2 years, 3-4 year, 4 and more years

Think about your current job. Using the scale provided, indicate how often you experience each of the following.

0: Never, 1: Almost never/ A few times a year or less, 2: Rarely/ Once a month or less, 3: Sometimes/ A few times a month, 4: Often/ Once a week, 5: Very often/ A few times a week, 6: Always/ Everyday

1. At my work, I feel bursting with energy
2. At my job, I feel strong and vigorous
3. I am enthusiastic about my job

4. My job inspires me
5. When I get up in the morning, I feel like going to work
6. I feel happy when I am working intensely
7. I am proud of the work that I do
8. I am immersed in my job
9. I get carried away when I am working

This section is to describe the leadership style of your manager as you have perceived it during the past year. Please use the following response options when answering the statements.

0: Not at all, 1: Once in a while, 2: Sometimes, 3: Fairly often, 4: Frequently, if not always

1. My manager re-examines critical assumptions to question whether they are appropriate
2. My manager talks about their most important values and beliefs
3. My manager seeks differing perspectives when solving problems
4. My manager talks optimistically about the future
5. My manager instils pride in others for being associated with him/her
6. My manager talks enthusiastically about what need to be accomplished
7. My manager specifies the importance of having a strong sense of purpose
8. My manager spends time teaching and coaching
9. My manager goes beyond self-interest for the good of the group
10. My manager treats me as an individual rather than just as a member of a group
11. My manager acts in ways that builds my respect
12. My manager considers the moral and ethical consequences of decisions
13. My manager displays a sense of powers and confidence
14. My manager articulates a compelling vision of the future
15. My manager considers me as having different needs, abilities, and aspirations from others
16. My manager gets me to look at problems from many different angles
17. My manager helps me to develop my strengths
18. My manager suggests new ways of looking at how to complete assignments
19. My manager emphasizes the importance of having a collective sense of mission
20. My manager expresses confidence that goals will be achieved

Using the scale provided, rate the importance of each statement to be part of your everyday work life.

1: Not Important at all, 2: Somewhat Important, 3: Important, 4: Very Important, 5: Extremely Important

1. I am given the freedom to choose how to manage my time and where to apply my expertise
2. I receive feedback on whether or not I'm meeting expectations, where I'm having the most success, and how I can improve

3. I set career goals with my supervisor, and I see progress towards them
4. I have trust in my team and feel that I am part of the team
5. My responsibilities are manageable, and work is fair and equally distributed across my team
6. My organization finds ways to show its appreciation for my contribution
7. My organization endorses an effect and unambiguous communication channel
8. I am able to balance out between work and personal commitments effectively
9. My workplace is characterized by diversity and inclusion which fosters better teamwork, healthier collaborations, and lesser bias
10. My employer provides learning & training initiatives for me and invests both time and money in my development
11. My company's values are important to me since I look for a workplace that shares my beliefs and acts in way, I can be proud of
12. My pay feels fair and is tied to my performance
13. My leader serves as an example that everyone wants to follow

Think about your current job. Using the scale provided, indicate how often you experience each of the following.

0: Never, 1: Almost never/ A few times a year or less, 2: Rarely/ Once a month or less, 3: Sometimes/ A few times a month, 4: Often/ Once a week, 5: Very often/ A few times a week, 6: Always/ Everyday

1. I am given the freedom to work in a way that suits me (i.e., pace of work, order of task completion, control over job tasks)
2. I receive feedback (formally or informally) regarding my performance, skills, or ability to work within a team
3. My career offers ways to progress along a career path
4. Me and my team communicate clear and share knowledge effectively
5. The number of tasks and obligations that we have to perform are manageable, fair and equally distributed across my team
6. My organization finds ways to show its appreciation for my contribution
7. Employees share ideas and businesses communicate strategies and goals through communication, both formal and informal
8. I am able to balance out between work and personal commitments effectively
9. My workplace is characterized by diversity and inclusion which fosters better teamwork, healthier collaborations, and lesser bias
10. My employer provides learning & training initiatives for me and invests both time and money in my development
11. My company has a positive impact on society, the environment, and the economy
12. My pay feels fair and is tied to my performance
13. My leader serves as an example that everyone want to follow