


**THE ROLE OF GENERATION ON INTENTION TO STAY DRIVERS WITH EMPLOYEE  
ENGAGEMENT AS MEDIATOR**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b>  <b>Received:</b> January, 22<sup>nd</sup> 2024  <b>Accepted:</b> March, 22<sup>nd</sup> 2024</p>	<p><b>Purpose:</b> The aim of this study is to examine the moderation role of generation in the effect of recognition, work environment, employee engagement on intention to stay. This study also examines the mediating effect of engagement between variables.</p>
<p><b>Keywords:</b>            Intention to Stay;            Work Environment;            Recognition;            Employee Engagement;            Generation.</p> <div data-bbox="172 965 480 1211" style="text-align: center;">  </div>	<p><b>Methodology:</b> Data were collected from survey using existing variable measurements and gathered 200 responses from Indonesian workers. Partial least squares structural equation modeling (PLS-SEM) was employed to examine the study model using SmartPLS 4.</p> <p><b>Findings:</b> Recognition and employee engagement significantly impact intention to stay, while work environment doesn't. Work environment influences intention through engagement, while recognition directly influences it without mediation. Generation only moderates the effects of engagement on intention to stay.</p> <p><b>Originality/Value:</b> The study highlights the complex interaction between recognition, work environment, employee engagement, and generation in influencing intention to stay. It contributes to the understanding of how different generations respond to these factors and the mediating effect of engagement.</p> <p style="text-align: right;">Doi: <a href="https://doi.org/10.26668/businessreview/2024.v9i4.4651">https://doi.org/10.26668/businessreview/2024.v9i4.4651</a></p>

**O PAPEL DA GERAÇÃO NA INTENÇÃO DE PERMANECER COMO MOTORISTA, TENDO O  
ENGAJAMENTO DOS FUNCIONÁRIOS COMO MEDIADOR**

**RESUMO**

**Objetivo:** O objetivo deste estudo é examinar a função de moderação da geração no efeito do reconhecimento, do ambiente de trabalho e do envolvimento dos funcionários na intenção de permanecer na empresa. Este estudo também examina o efeito mediador do envolvimento entre as variáveis.

**Metodologia:** Os dados foram coletados de uma pesquisa usando medidas de variáveis existentes e reunindo 200 respostas de trabalhadores indonésios. A modelagem de equações estruturais por mínimos quadrados parciais (PLS-SEM) foi empregada para examinar o modelo do estudo usando o SmartPLS 4.

**Resultados:** O reconhecimento e o envolvimento do funcionário afetam significativamente a intenção de permanecer na empresa, enquanto o ambiente de trabalho não. O ambiente de trabalho influencia a intenção por meio do envolvimento, enquanto o reconhecimento a influencia diretamente sem mediação. A geração apenas modera os efeitos do envolvimento na intenção de permanecer.

**Originalidade/valor:** O estudo destaca a complexa interação entre reconhecimento, ambiente de trabalho, envolvimento do funcionário e geração na influência da intenção de permanecer. Ele contribui para a compreensão de como as diferentes gerações respondem a esses fatores e o efeito mediador do envolvimento.

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**Palavras-chave:** Intenção de Permanência, Ambiente de Trabalho, Reconhecimento, Envolvimento do Funcionário, Geração.

## EL PAPEL DE LA GENERACIÓN EN LA INTENCIÓN DE PERMANENCIA DE LOS CONDUCTORES CON EL COMPROMISO DE LOS EMPLEADOS COMO MEDIADOR

### RESUMEN

**Objetivo:** El objetivo de este estudio es examinar el papel moderador de la generación en el efecto del reconocimiento, el entorno de trabajo y el compromiso de los empleados sobre la intención de permanecer en la empresa. Este estudio también examina el efecto mediador del compromiso entre las variables.

**Metodología:** Los datos se recogieron a partir de una encuesta en la que se utilizaron mediciones de variables existentes y se obtuvieron 200 respuestas de trabajadores indonesios. Se empleó el modelo de ecuaciones estructurales por mínimos cuadrados parciales (PLS-SEM) para examinar el modelo de estudio utilizando SmartPLS 4.

**Resultados:** El reconocimiento y el compromiso de los empleados influyen significativamente en la intención de permanecer en la empresa, mientras que el entorno laboral no lo hace. El entorno laboral influye en la intención a través del compromiso, mientras que el reconocimiento influye directamente sin mediación. La generación sólo modera los efectos del compromiso sobre la intención de permanecer.

**Originalidad/Valor:** El estudio pone de relieve la compleja interacción entre el reconocimiento, el entorno laboral, el compromiso de los empleados y la generación a la hora de influir en la intención de permanecer en la empresa. Contribuye a comprender cómo responden las distintas generaciones a estos factores y el efecto mediador del compromiso.

**Palabras clave:** Intención de Permanencia, Entorno Laboral, Reconocimiento, Compromiso de los Empleados, Generación.

## 1 INTRODUCTION

The success of an organization relies heavily on its human capital, which plays a crucial role in accomplishing goals and gaining a competitive edge. Implementing efficient human resource development strategies cultivates employee allegiance and dedication, ultimately amplifying company effectiveness, efficiency, and creative potential. Nevertheless, firms worldwide are facing a concerning pattern of high staff turnover. In Indonesia, the year 2023 saw a significant 48% of individuals changing occupations, while 46% actively pursued new career prospects (Monroe, 2023). The significant rate of employee turnover highlights the importance for enterprises to understand the factors that foster employee intention to stay working in the organization.

Prior studies mostly concentrated on identifying characteristics that drive individuals to depart from firms, such as job dissatisfaction and work-related stress (Ahn & Chaoyu, 2019; Zhao et al., 2021) to prevent employee from leaving their job. This reactive strategy does not provide firms with proactive methods to prevent turnover. Prior research has examined various determinants that impact one willingness to remain in a job, such as contentment with work, dedication, professional growth, and equilibrium between work and

personal life (Achmad et al., 2023; Bello & Steil, 2020; Bender et al., 2019; Juariyah et al., 2020; Silva et al., 2023). However, the topics of recognition and work environment have not been thoroughly investigated.

Today's competitive job market requires more than just high pay to retain employees. Recognizing their contributions boosts job satisfaction and career commitment (Geetha & Muthukumaravel, 2022; Tadia & Singh, 2020), cultivates a feeling of inclusion and fosters employee intention to stay within the organization (Juariyah et al., 2020). Taking the time to acknowledge and appreciate their efforts not only boosts morale, but it also reduces absenteeism and turnover, creates a culture where employees feel valued and motivated to help the company succeed. Recognition is about creating a culture of appreciation that encourages loyalty and commitment, not just giving bonuses or trophies.

## 2 LITERATURE REVIEW

### 2.1 INTENTION TO STAY

Employee retention refers to an organization's efforts to keep its personnel. According to Cascio (2016) retention activities include rewarding employees for doing their jobs well, ensuring harmonious relationships between employees and supervisors, and maintaining a safe and healthy work environment. Furthermore, (Bender et al., 2019) research on German employees discovered that retention-related characteristics had an indirect effect on employees' desire to stay with the firm. Intention to stay refers to employee desire and commitment to stay with their current employer for a long term (Eketu & Edeh, 2015) which is the exact opposite of turnover intention or the desire to leave. According to Eketu & Edeh, Employee's decision to stay with an organization is influenced by personal variables such as job satisfaction and prospects for advancement, as well as social impacts such as positive connections with coworkers and supportive leadership. According to Hewitt (2015), employees will choose to stay with the organization where they work if they feel a strong sense of continuity with it. Several prior studies conducted in various countries have found that various workplace characteristics, such as human behavior, influence employee intention to stay. Valeau et al. (2021) conducted research on auditors in France and discovered that recognition is required to build organizational commitment and intention to continue.

## 2.2 RECOGNITION

Recognition provides an employee non-financial incentives like interest, approval, and appreciation to boost their efforts and work performance (Montani et al., 2020). Yang et al. (2022) defines the term as a positive assessment of a person's work and personal dedication. Individuals also desire respect and appreciation from managers to motivate them, along with compensation. Recognition can be formal or informal, individual or collective, private or public, monetary or non-monetary, and regular or ad hoc (Brun & Dugas, 2008). Employees who are recognized, supported, and connected work harder and do outstanding work outside of their job duties. This generates positive feedback in terms of recognition, involvement, and organizational performance.

Different recognition sources and forms cause different burnout symptoms (Renger et al., 2017). Managers' recognition reduces emotional fatigue, while colleagues' and superiors' recognition boosts performance. There are six dimensions of recognition, including care, respect, and social esteem, each originating from superiors and coworkers (Honneth, 1996; Renger et al., 2017). Employees feel comfortable and want to stay when the company recognizes and appreciates them. According to the findings of the study, appreciation and recognition are among the factors that influence intention to stay. Supervisors who recognize and support their subordinates boost employee engagement and retention (Steiner et al., 2020). Supervisor recognition increases professional commitment, fair incentives, information sharing, and organizational commitment and intention to stay. Employees' loyalty and desire to stay depend on how much their company values and appreciate them (H. Khan, 2018). Based on the findings mentioned above, the initial hypothesis in this research is as follows:

H<sub>1</sub>. Recognition positively affect intention to stay.

## 2.3 WORK ENVIRONMENT

The work environment has a significant impact on organizational behavior, influencing employees' interactions with coworkers and success within the company. Work environment includes all physical and social factors that affect work conditions (Haeruddin et al., 2022; Taheri et al., 2020). Anjum et al. (2018) divided work environments into two types: collaborative, which promotes teamwork, and toxic, which harms employees' well-being and

productivity. Collaborative environment creates a positive atmosphere, but toxic work environments result from employee reactions to difficult situations or relocations.

Research has shown that a number of factors that influence the work environment also affect how well employees perform, with senior management support being the most significant factor (Lakhiara, 2021; Saidi et al., 2019; Taheri et al., 2020). López-Cabarcos et al. (2022a) classify work environment into two main parameters: (1) Task Significance, which measures how much a task affects people both within and outside the company; and (2) Perceived Supervisor (and Co-Worker) Support, which measures an employee's perception of supportive relationships with their superiors and coworkers.

Job satisfaction, organizational environment, leadership, and positive supervisor-doctor interactions are found to significantly affect employees' motivation to work (Al Yahyaei et al., 2022) while good workplace boosts productivity and satisfaction (Zakirah & Kusuma, 2021). However, Krismonika & Dwiatmadja (2020) found that only 1.6% of work environment simultaneously affect employee motivation.

Based on the findings mentioned above, the second hypothesis in this research is as follows:

H<sub>2</sub>. Work environment positively affect intention to stay.

## 2.4 EMPLOYEE ENGAGEMENT

Employee engagement is an essential aspect of an organization's success, since it entails people fully committing themselves to their work and expressing themselves physically, mentally, and emotionally as referred by Kahn (1990). It is defined by various experts and researchers and can be understood as a positive, motivated state where individuals are psychologically present, aligned with goals, and invest effort and energy towards achieving meaningful and purposeful work, ultimately contributing to the organization's success (Bridger, 2022; Byrne, 2022; Colquitt et al., 2018; Kahn, 1990; Robbins & Judge, 2022; Schaufeli et al., 2002). It encompasses not only attitudes and behaviors but also the outcomes of such involvement.

Employee engagement levels can be influenced by several factors, including a positive organizational culture, job resources, and job demands (Kwon & Kim, 2020; Parent & Lovelace, 2018). When employees are satisfied with their leaders in an organization, it can have a favorable impact on their levels of engagement, loyalty, and their willingness to stay with the organization (Book et al., 2019). The way employees perceive the assistance provided by their

organization has a beneficial impact on their intention to stay with the company, as mediated by a certain level of employee engagement (Nargotra & Sarangal, 2023; Suhendra, 2021). Establishing a conducive working environment can enhance employee engagement, resulting in higher rates of staff retention and dedication. Nevertheless, Ativetin (2021) discovered that employee engagement did not have a direct influence on the intention to stay in the organization. This was due to the fact that performance evaluation and recognition were not solely connected to individual tasks. Efficiency in expansive companies frequently relies on collaborative efforts and incentive structures tailored for groups rather than individuals.

Based on the prior findings above, multiple hypotheses have been put forward about employee engagement,

H<sub>3</sub>. Employee Engagement positively affects Intention to Stay

H<sub>4</sub>. Recognition influences Intention to Stay through Employee Engagement.

H<sub>5</sub>. Work Environment influences Intention to Stay through Employee Engagement.

## 2.5 GENERATION

According to Kupperschmidt (2000), a generation is a cohort of individuals who are born in the same year and have common experiences as they grow up. These experiences are shaped by significant elements such as economic shifts and historical events, which both impact and are influenced by the generation. It is stated that this generation group exhibits comparable traits due to shared similarities in certain parts of life. The BPS (2020) population census report identifies six generational groupings in Indonesia and predominantly composed of Millennials and Generation Z, particularly in the productive age group. BPS further states that currently, the whole Millennial generation is in their productive years, while Generation Z includes both unproductive and productive age groups. According to BPS, the entire generation Z is expected to reach the Productive Age within the next 4 years.

In a broader sense, Millennials and Generation Z exhibit distinct features when observed from multiple perspectives. According to a recent literary analysis undertaken by Gabrielova & Buchko (2021), it was discovered that Millennials and Generation Z have certain similarities in all categories of labor values. Both generations exhibit similar tendencies across all indicators of intrinsic labor value. Both individuals are driven by a strong desire for achievement and possess a strong ambition to advance in their professional professions. The two generations exhibit subtle differences in terms of job security and income indicators. Generation Z exhibits

a reasonable and realistic approach towards securing a secure life beyond their job commitments. Meanwhile, Millennials exhibit a higher tendency on accepting risks and deriving a sense of purpose from their work. Both generations require regular interaction with their superiors or colleagues to receive feedback, making feedback indicators essential for both. Both generations exhibit significant differences in teamwork indicators. Generation Z exhibits a strong drive for competition and ambition within a team setting, often seeking to stand out and shine. Meanwhile, the Millennial generation tends to value collaboration and fostering relationships with colleagues, resulting in a higher level of loyalty towards their firm.

The research has illustrated the distinct disparities between Millennials and Generation Z. Both generations possess certain work-related expectations and will opt to depart if those expectations are not fulfilled. Millennials who prioritize a sense of purpose and value feedback are inclined to seek opportunities elsewhere when they feel disengaged and unrecognized (Keith et al., 2021; Siahaan & Gatari, 2020). Considering the result of prior studies, this study explores several hypotheses concerning the role of generations.

H<sub>6</sub>. Generation moderates the effect of Recognition on Intention to Stay

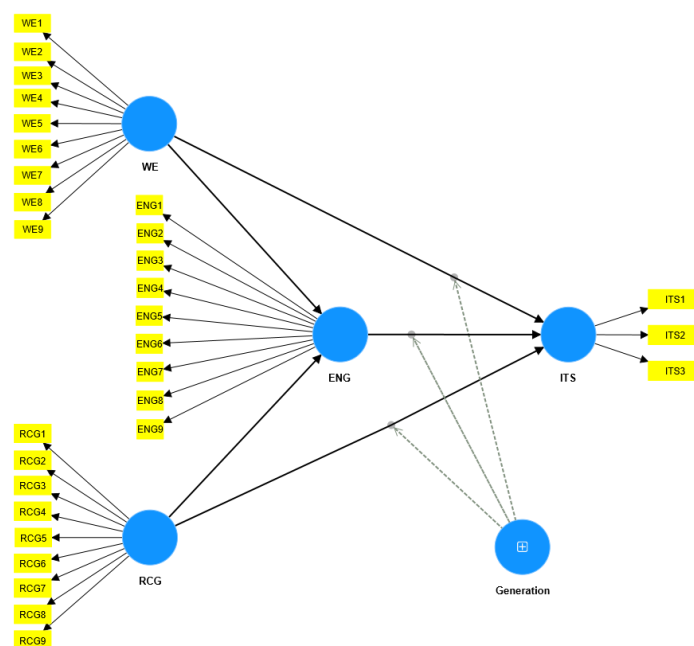
H<sub>7</sub>. Generation moderates the effect of Work Environment on Intention to Stay

H<sub>8</sub>. Generation moderates the effect of Employee Engagement on Intention to Stay

Given all that mentioned so far, the following research model is proposed.

**Figure 1**

*Proposed Research Model*



Source: Generated output by SmartPLS 4 (2024)

### 3 METHODOLOGY

#### 3.1 MEASURES

We have employed a six-point Likert scale with anchors ranging from 1 = strongly disagree to 6= strongly agree in the current study. In total, there were 30 items divided into four sub-sections: Work Environment (WE), Recognition (RCG), Employee Engagement (ENG), and Intention to Stay (ITS). All instruments used for this study were adapted from existing studies.

Work Environment (WE): The measurement was adapted from López-Cabarcos et al. (2022) with nine-items scale. An example of the items is “I consider tasks in my job important”.

Recognition (RCG): The measurement was adapted from Fall (2015) with nine-items scale. An example of the items is “My company gave me opportunities to grow”

Employee Engagement (ENG): The measurement was conducted using UWES nine-items scale developed by Schaufeli et al. (2002). An example of the items is “At my work, I feel bursting with energy”.

Intention to Stay (ITS): The measurement was adapted from Hewitt (2015) with three-items scale. An example of the items is “I plan to stay in this job for at least two to three years”.

#### 3.2 DATA COLLECTION

The survey gathered a total 200 respondents, Millennials and Gen Z in Indonesia, that were considered valid for analysis, achieving 99% of response rate. The majority of responses, at 67% of the total, were women. The vast majority of participants were Millennials, comprising 85% of the total responses while the rest are Gen Zs. As much as 56% of the respondents have a tenure of 3-6 years in the current job. The research shows that most of the Millennials (49%) have a tenure ranging from 3 to 6 years, while 25% have 7 to 10 years tenure. Only 26% of Millennials have over the ten-year mark in their job. As of 2024, the oldest members of the Millennial generation are approaching 43 years old, while the youngest members approaching 28 years old.



## 4 RESULTS

This study was analysed by applying partial least squares structural equation modeling (PLS-SEM) using SmartPLS 4.1.0. There were two fundamental reasons for employing PLS-SEM in this work. First, the structural model is complicated and has numerous constructs, indicators, and/or model linkages. Secondly, the analysis focuses on evaluating a theoretical framework from a prediction standpoint. The study adhered to a two-step analytical approach, as recommended by Hair et al. (2022), which involved testing the measurement model and evaluating the structural model.

### 4.1 MEASUREMENT MODEL

Assessing the measurement model includes examining indicator reliability (IR), internal consistency reliability (ICR), convergent (CV) and discriminant validity (DV). IR was examined by measuring the factor loading for each instrument indicator. The minimum criteria for factor loading is 0.708 (Hair et al., 2022). The result showed loading factor above 0.708 for 28 items. Two items have a value  $<0.7$  (WE3: 0.65, ENG8: 0.682), not passing the minimum criteria. However, Hair et al. (2022) noted that indicators do not need to be removed if the ICR and CV results have met the criteria.

The AVE value for all variables shows a result  $>0.5$  (ranging from 0.582 to 0.727), passing the CV test. Following that, Cronbach's Alpha and Composite Reliability results show value  $>0.7$  for all variables, also passing the ICR test. It is concluded that WE3 and ENG8 do not need to be removed. Lastly, the instrument also passes the DV test since the HTMT value for every variable also shows  $<0.9$ . Thus, it can be said that SEM analysis can go on.

Prior to assessing a structural model, it is essential to check multicollinearity issue. To pass the multicollinearity test, a VIF value of less than 5 is required. According to the statistical collinearity results, the VIF values for all variables are  $<5$ . This indicates that there is a low degree of multicollinearity between the variables (Hair et al., 2022).

### 4.2 STRUCTURAL MODEL

A structural model evaluates the causal relationship between the constructs. Hair et al. (2022) proposed employing the bootstrapping method, to estimate the statistical significance of

the hypothesized model. The findings of the structural model evaluation are presented in Table 1 and Figure 2.

**Table 1**

*Hypotheses Testing Result: Bootstrap Analysis*

Hypotheses	Path Coefficient	p-values	Results
H <sub>1</sub> . RCG → ITS	0.3**	0.005	H1 Supported
H <sub>2</sub> . WE → ITS	-0.107	0.395	H2 Rejected
H <sub>3</sub> . ENG → ITS	0.421**	0.000	H3 Supported
H <sub>4</sub> . WE → ENG → ITS	0.123**	0.04	H4 Supported
H <sub>5</sub> . RCG → ENG → ITS	0.069	0.192	H5 Rejected
H <sub>6</sub> . Generation x RCG → ITS	0.033	0.746	H6 Rejected
H <sub>7</sub> . Generation x WE → ITS	-0.176	0.143	H7 Rejected
H <sub>8</sub> . Generation x ENG → ITS	0.171**	0.031	H8 Supported

Source: SmartPLS generated output (2024)

Note: \*\*Significant at 0.05 (2-tailed)

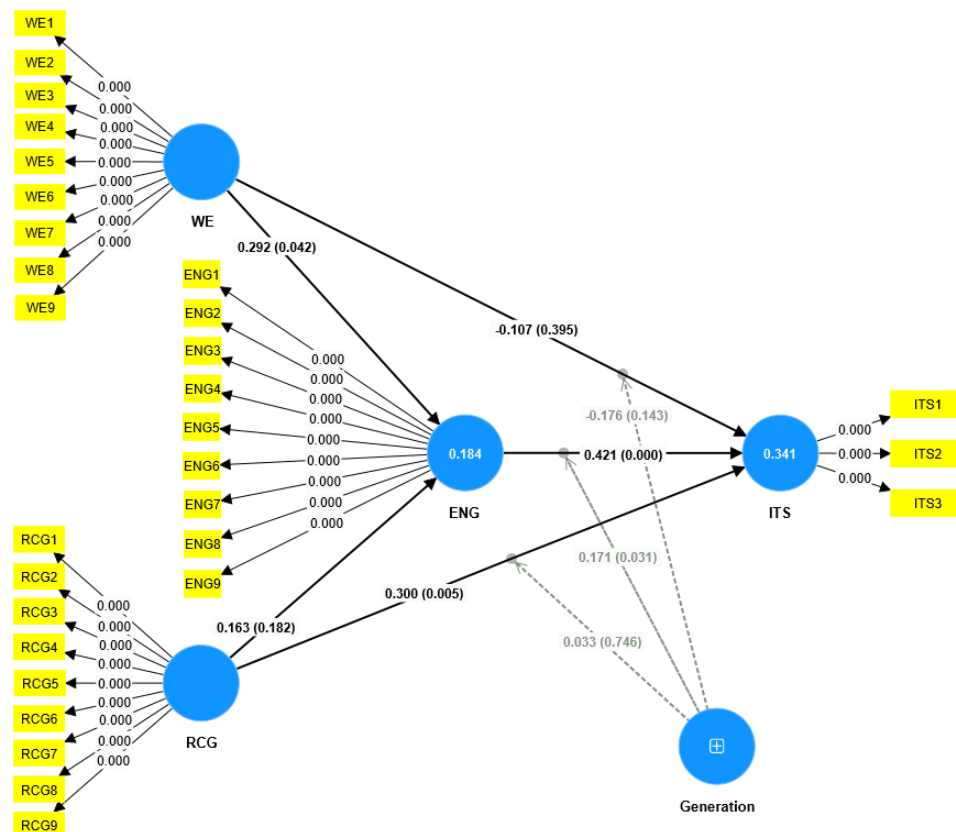
According to the bootstrapping analysis, the findings indicate that Recognition has a statistically significant and positive impact on the intention to stay. The path coefficient value is 0.3, and the p-value is 0.005, which is lower than the significance level of 0.05. The findings suggest that as every recognition is provided to the employee, their motivation to stay with the company will increase. Therefore, it can be inferred that hypothesis H1 is supported. However, the findings indicate that the work environment does not exert a substantial influence on the intention to stay, as evidenced by the p-value ( $0.395 > 0.05$ ). Thus, the result showed that H2 is rejected. The result demonstrates that Employee Engagement has a substantial and positive impact on Intention to Stay, with path coefficient values of 0.421 and a p-value  $< 0.05$ . Therefore, it can be inferred that the hypothesis H3 of this study is supported.

The following presents the outcomes of the mediation analysis, which are demonstrated by the indirect effects discovered during the bootstrapping procedure. The analysis revealed that the work environment had a statistically significant and positive effect on the intention to stay, as indicated by the path coefficient value of 0.123 ( $p < 0.05$ ). The findings suggest that employee engagement serves as a full mediator between the work environment and intention to stay. Thus, it can be inferred that H4 of this study is supported. Meanwhile, the p-value ( $0.192 > 0.05$ ) indicates that recognition has no effect on intention to stay through employee engagement. Based on the findings, it is known that recognition only has a direct influence on the intention to stay without mediation, and it is possible to draw the conclusion that H5 of this study is rejected.

The analysis and discussion of the results should characterize the context of the research, either through the description of the environment, conjuncture or economic sector. Present the development of the research. Structuring subsections in the sense of “responding” to the objectives to which the work proposes. It can be structured in subsections in order to respond to the objectives to which the work proposes.

**Figure 2**

*Structured Model Result*



Source: Generated output by SmartPLS 4 (2024)

The following findings related to how the generation of employees alters the effect of work environment, recognition, and employee engagement on their intention to stay in the company. The findings from this analysis reveal that generation does not play a moderating role in the influence of recognition and work environment on intention to stay, as evidenced by the p-values of 0.746 and 0.143, both of which are more than the significance level of 0.05. Only the influence of employee engagement on intention to stay is moderated by the generation variable, with a p-value of (0.031<0.05). These findings indicate that the presence of the younger generation amplifies the impact of employee engagement on the intention to stay in

the organization. Therefore, it may be inferred that the hypotheses H6 and H7 are rejected in this investigation, however, H8 is supported.

In addition, the analysis revealed that the coefficient of determination ( $R^2$ ) for employee engagement was 0.184, while for intention to stay it was 0.341. The findings indicate that work environment and recognition account for 18.4% of the variation in employee engagement in the research model, whilst the remaining 81.6% is attributed to other variables. The research model indicates that work environment, recognition, and employee engagement account for 34.1% of the variance in intention to stay. The remaining 65.9% of the variance is attributed to additional variables not addressed in this study.

In the final analysis, the predictive potential of the model was determined through a comparison of the LM (Linear Regression Model) value and the RMSE (Root Mean Square Error) value using PLS-SEM. The analysis results indicate that all RMSE values above the LM value, suggesting that this research model possesses a strong predictive capability (Hair et al., 2022).

## 5 DISCUSSION

In this study, millennials and members of Generation Z in Indonesia were surveyed about the variables that influence their intention to remain in their current job. The result indicates that there is a complex interaction between recognition, the work environment, employee engagement, and generation. A favorable impact of recognition on intention to stay was confirmed. Consistent with prior studies, this emphasize the significance of recognizing the contributions made by employees, particularly for generations that are accustomed to receiving social validation and feedback. Additionally, recognition not only improves relationships with the organization but also inspires individuals to develop their careers.

Work environment had a positive influence on the intention to stay, was unexpectedly rejected. The result indicates that the work environment had an evolving impact. This could be related to the growth of freelance work and the gig economy, which provide more freedom and a wider range of work conditions that may affect how employees view their employers. Furthermore, engagement is found to have the biggest effect on intention to stay. Strong evidence was discovered, which placed an emphasis on the critical role that employee engagement plays. Employees who are engaged in their work have a sense of belonging to their work, positive attitudes, and are less likely to look for new opportunities. This is consistent with those reported in previous studies and highlight the significance of encouraging employee

engagement through meaningful work, opportunities for professional development, and the fulfillment of employee needs.

This study also confirmed that employee engagement is influenced by the work environment and affects intention to stay. Employee engagement serves as an amplifier that fortifies the favorable elements of the work environment, boosting their desire to stay. Both generations place great importance on opportunities for growth and meaningful work, as well as on an environment at work that supports involvement and is consistent with their beliefs. However, the influence of recognition towards intention to stay through employee engagement is not confirmed. Providing recognition may satisfy employees' need for validation, hence enhancing their self-assurance and passion towards work. Despite that, it does not alter their level of engagement.

The role of generation in moderating the influence of recognition and the work environment on intention to stay are rejected, however the study confirmed that generation does moderate the influence of employee engagement on intention to stay. This discovery aligns with the attributes commonly found in both generations, as they place great importance on having a clear purpose, advancing their careers, and engaging in work that is in line with their own values. Employee engagement is regarded as a catalyst for fulfilling their requirements, whereas recognition and the work environment are perceived as factors beyond their control.

The study emphasizes the need of generational-specific strategies in employee retention efforts, highlighting how Millennials and Generation Z react differently to aspects such as recognition and work environment. It also underlines the importance of employee engagement in determining intention to stay, highlighting activities such as meaningful work, professional growth, and meeting employee needs. Recognition indirectly influences intention to stay, implying that programs should emphasize motivation and passion.

Organizations should consider formulating retention strategies customized to the distinct requirements and inclinations of several generations, notably Millennials and Gen Z. It is essential to prioritize measures that promote employee engagement, such as creating a meaningful work, providing professional development opportunities, and giving support whenever needed in order to effectively retain talent across different generations. Recognition programs should be created to surpass mere validation and concentrate on cultivating feeling of being valued and supportive environment to eventually increasing their intention to stay.

## 6 CONCLUSION

This study contributes valuable insights into the factors influencing employee intention to stay, particularly for millennial and Gen Z generations in Indonesia. While recognition remains important, employee engagement emerges as the most critical driver, highlighting the need for organizations to prioritize in giving meaningful work, building supportive environment, providing development opportunities, and creating recognition programs to retain talent in this evolving workforce landscape.

This study exclusively examines four indicator variables that affect the intention to stay in particular circumstances. Further investigation is recommended to refine the set of variables examined or modify the study framework. The research only focuses on the moderating role of generation in the research model, excluding any other aspects of generation. To see statistical variations in the effects between generations, multigroup analysis approaches could be used as suggestions for future research.

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