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The Influence of Flexible Working Hours, Work-Life Balance, and Compensation on Employee Satisfaction through Motivation among Gen Z

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Abstract

Amid rapidly evolving workplace dynamics, job satisfaction and motivation have become pivotal in shaping employee productivity and loyalty, forming the foundation of this study's investigation. This study aims to analyze the influence of flexible working hours, work-life balance, and compensations on employee satisfaction, with employee motivation serving as a mediating variable specifically among Generation Z employees in the manufacturing and service sectors in Bandung. A quantitative approach was applied using descriptive and verification methods. Data were collected through questionnaires distributed to 200 purposively selected respondents. The results indicate that the implementation of the three independent variables remains suboptimal, with average scores falling below the "good" category. Notably, flexible working hours and compensations showed a direct negative impact on both motivation and job satisfaction. Conversely, work-life balance had a strong positive effect on both variables. An interesting finding emerged when employee motivation was tested as a mediating variable: in some cases, motivation weakened the positive impact on satisfaction, suggesting a possible misalignment between the type of motivation provided and Generation Z's internal expectations. This study highlights the urgent need for HR strategies that are responsive and aligned with Gen Z values and preferences to sustainably enhance employee satisfaction.

Keywords

Compensations, Employee Motivation, Employee Satisfaction, Flexible Working Hour, Generation Z, Work-Life Balance.

1. Introduction

Human Resources (HR) are a vital asset for the continuity and success of organizations in both public and private sectors. In facing increasingly intense global competition, companies are required to continuously improve organizational performance. One way to achieve this is by ensuring that employees feel satisfied and motivated at work. Job satisfaction is a key factor, as satisfied employees tend to show higher commitment and productivity (Sari et al., 2024). Therefore, companies need to understand and manage the factors that influence employee satisfaction, such as flexible working hours, work-life balance, and compensation (Hussein et al., 2016; Clarke & Holdsworth, 2017).

For organizations, understanding these dynamics is essential for developing effective HR policies that attract and retain young talent. Companies that fail to align their work practices with Generation Z's values risk higher turnover, lower engagement, and reduced productivity (Safira & Ratnasari, 2025; Lee & Shin, 2025). Thus, exploring how motivation mediates the link between HR practices and satisfaction provides strategic insight into improving workforce well-being and performance.

In the context of Generation Z, organizational policies become even more crucial. According to data from the Central Statistics Agency, the productive-age Gen Z population in Bandung City reached 409,206 people in 2023. Gen Z's unique characteristics, such as the desire for work-life balance, flexible work conditions, and fair compensation, pose specific challenges for employers (Waworuntu et al., 2022). A national survey by Jakpat.net IN 2004 revealed that 92% of Gen Z respondents consider work-life balance to be very important, 74% prioritize mental health, and 41% stated that inadequate salary was the main reason for leaving their jobs.

To explore this further, a preliminary survey was conducted on 30 Gen Z respondents in the manufacturing and service sectors in Bandung. Assessment used a 5-point Likert scale with the following interpretation: 1.00–1.79 = Very Poor, 1.80–2.59 = Poor, 2.60–3.39 = Fair, 3.40–4.19 = Good, and 4.20–5.00 = Very Good. The results showed an average score of 3.18 (Fair) for flexible working hours, 3.22 (Fair) for work-life balance, and 2.44 (Poor) for compensation. Additionally, employee motivation scored an average of 3.27 (Fair), while employee satisfaction scored 3.14 (Fair). These findings indicate that the implementation of these key variables has not been optimal in enhancing motivation and satisfaction among Gen Z workers in Bandung.

Work motivation plays a crucial role as an intervening variable. According to Rahayu and Dahlia (2023), work motivation influences job satisfaction by 27.6%. A supportive work environment, recognition for achievement, and opportunities for self-development have been shown to improve employee motivation. Generation Z also seeks meaningful work and prefers to be actively involved in workplace decision-making (Fajriyanti et al., 2023; Nisa & Yulia, 2024). However, previous studies rarely investigate the mediating effect of employee motivation in the relationship between flexible working hours, work-life balance, and compensation on job satisfaction, particularly among Generation Z in the Bandung context. This gap highlights the need for more localized and specific investigations.

Therefore, this study aims to analyze the influence of flexible working hours, work-life balance, and compensation on employee satisfaction with employee motivation as a mediating variable. The findings are expected to contribute to the development of more relevant and sustainable HR management strategies tailored to Generation Z employees in the manufacturing and service sectors, particularly in Bandung City.

2. Literature Review & Hypothesis Development

2.1. The Determinants of Employee Motivation

Flexible Working Hours (FWH) refer to policies that allow employees to adjust their starting and finishing times, provided that the total required working hours are met (Abid & Barech, 2017). According to Self-Determination Theory by Gerdenitsch et al. (2015), flexible work arrangements can enhance intrinsic motivation by providing a sense of autonomy and control over one's work. Previous studies have shown that FWH positively influences motivation when tailored to individual needs (Setiyani et al., 2019; Risman, 2023). However, poorly implemented flexibility that does not meet expectations can reduce job satisfaction, particularly among Generation Z, who value genuine flexibility rather than nominal arrangements.

Work-Life Balance (WLB) refers to an individual's ability to balance work demands with personal life, ensuring that both aspects do not interfere with each other (Koubova & Buchko, 2013). Within the Self-Determination Theory framework, WLB strengthens autonomy and relatedness, which in turn enhances motivation and job satisfaction. A study by Itu and Hidayat (2025) found that WLB is a top priority for Generation Z, even ranking above financial compensation. Other research has confirmed that a good WLB is significantly associated with increased job motivation (Khalid & Rathore, 2018; Adriano & Callaghan, 2020).

Compensation encompasses both financial and non-financial rewards received by employees in exchange for their contributions to the organization (Huda et al., 2024). Based on Herzberg's Two-Factor Theory by Herzberg, compensation is a hygiene factor its inadequacy leads to dissatisfaction, but its adequacy does not necessarily increase intrinsic motivation. Empirical evidence suggests that fair and transparent compensation can improve job motivation (Rahardjo, 2017).

H1: Flexible working hours have a positive effect on employee motivation.

H2: Work-life balance has a positive effect on employee motivation.

H3: Compensation has a positive effect on employee motivation.

2.2 The Determinants of Employee Satisfaction

Employee satisfaction reflects how individuals perceive and evaluate their work experiences, serving as a central indicator of organizational stability and workforce well-being. Its formation is shaped by multiple organizational factors that jointly influence employees' psychological and emotional attachment to their jobs. Among these, flexible working hours, work-life balance, compensation, and motivation play interrelated roles in determining the level of satisfaction employees experience (Laksana et al., 2024).

Flexible Working Hours (FWH) provide employees with the autonomy to organize their work schedules according to personal and professional needs (Abid & Barech, 2017). Rooted in the Self-Determination Theory (Gerdenitsch et al., 2015), such flexibility enhances intrinsic motivation and satisfaction by granting greater control and reducing time-related stress. When implemented genuinely, flexible arrangements foster trust and engagement; however, superficial or inconsistent practices may produce dissatisfaction, especially among younger employees who value authenticity and empowerment. Similarly, Work-Life Balance (WLB) contributes to satisfaction by promoting harmony between occupational and personal domains. Achieving balance strengthens autonomy and relatedness key psychological needs that reinforce satisfaction and organizational commitment (Adriano & Callaghan, 2020; Itu & Hidayat, 2025).

In addition, Compensation functions as a foundational determinant. According to Herzberg's Two-Factor Theory equitable and transparent remuneration can prevent dissatisfaction and sustain morale (Huda et al., 2024). However, perceived unfairness

or generational misalignment can undermine these effects (Sari et al., 2024). Finally, Employee Motivation acts as a crucial psychological link connecting these factors with satisfaction outcomes (Jalagat, 2016). Defined as the internal and external forces that drive employees toward goal achievement (Akerle, 2023), motivation derived from autonomy, competence, and meaningful relationships tends to be more enduring. Empirical findings indicate that motivation mediates the impact of FWH, WLB, and compensation on employee satisfaction (Gudep, 2019), underscoring its integrative role in translating organizational practices into positive attitudinal outcomes.

- H4: Flexible working hours have a positive effect on employee satisfaction.
- H5: Work-life balance has a positive effect on employee satisfaction.
- H6: Compensation has a positive effect on employee satisfaction.
- H7: Employee motivation has a positive effect on employee satisfaction.

2.3 Employee Motivation as Mediating Variable

Employee motivation serves as a crucial psychological mechanism that links organizational factors, such as flexible working hours, work–life balance, and compensation to employee satisfaction. Motivation reflects the internal drive and external stimuli that guide individuals toward achieving work-related goals (Akerle, 2023; Sulistamtama et al., 2024). Within the Self-Determination Theory framework, motivation rooted in autonomy, competence, and relatedness is more sustainable and strongly associated with positive workplace attitudes (Gerdenitsch et al., 2015).

Flexible working arrangements enhance intrinsic motivation by granting employees greater control over how and when they complete their tasks, leading to improved satisfaction and performance (Abid & Barech, 2017). Similarly, a healthy work–life balance fosters emotional well-being, which reinforces motivation and strengthens employees’ attachment to their organization (Adriano & Callaghan, 2020). Meanwhile, fair and transparent compensation acts as an extrinsic motivator that encourages goal achievement and reduces dissatisfaction (Huda et al., 2024). Previous research by Riyanto et al. (2021) has shown that employee motivation can either strengthen or weaken the effect of organizational variables on job satisfaction, depending on the alignment between the type of motivation provided and employees’ expectations. For Generation Z, motivation that is misaligned with personal values can reduce job satisfaction even if formal motivation levels appear high.

- H8: Employee motivation mediates the effect of flexible working hours on employee satisfaction.
- H9: Employee motivation mediates the effect of work-life balance on employee satisfaction.
- H10: Employee motivation mediates the effect of compensation on employee satisfaction.

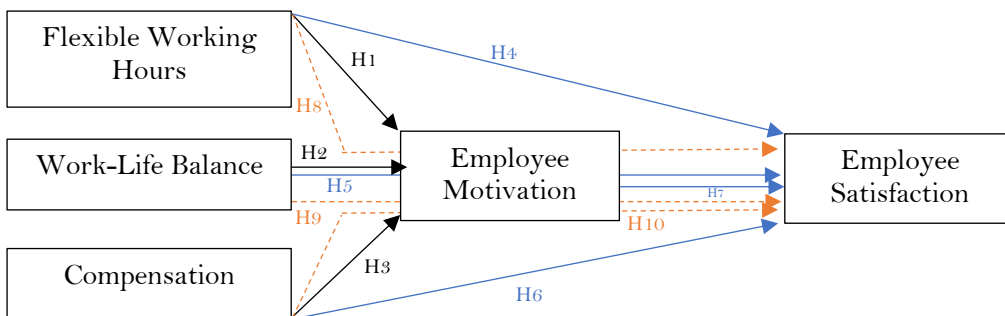


Figure 1. Research Framework

Based on Figure 1, the research framework illustrates how flexible working hours, work-life balance, and compensation influence employee satisfaction both directly and indirectly through motivation. Flexible working hours enhance motivation and satisfaction by fostering autonomy, while work-life balance promotes both outcomes by reducing role conflict and improving well-being. Compensation contributes to motivation and satisfaction when perceived as fair and rewarding. Motivation serves as a key mediator, linking these organizational factors to satisfaction by translating supportive work conditions into positive attitudes and commitment. Overall, the framework emphasizes that motivated employees are more likely to experience higher satisfaction, highlighting the interconnected roles of workplace flexibility, balance, and rewards in shaping employee outcomes.

3. Methods

The research method used in this study is a quantitative approach with both descriptive and verificative methods. The quantitative research method aims to collect numerical data that can be statistically analyzed, while the descriptive approach is used to describe the collected data without making generalizations, and the verificative approach is employed to test the truth or validity of existing theories through empirical data. This research is conducted by collecting data through a survey based on questionnaires, which are distributed online via the Google Form platform to Generation Z employees working in manufacturing and service companies in Bandung. The study is conducted from January 2025 to August 2025.

The variables examined in this study are divided into independent, dependent, and mediating variables. The independent variables consist of flexible working hours, work-life balance, and compensations, which are expected to affect the dependent variable, employee satisfaction. Additionally, employee motivation is used as a mediating variable, which is expected to strengthen or weaken the relationship between the independent and dependent variables. This study uses purposive sampling with specific criteria, namely employees aged 18-28, working in the manufacturing and service sectors in Bandung, with at least 6 months of work experience and a flexible working system. The sample size used is 200 respondents.

Data collection is conducted through closed-ended questionnaires using a Likert scale, which consists of five answer choices ranging from strongly disagree to strongly agree. Furthermore, this study also uses documentation studies to obtain secondary data from literature relevant to the research topic. Validity and reliability tests are conducted to ensure that the research instruments used can effectively measure the variables. Validity testing is performed by correlating the item scores with the factors, while reliability testing is carried out by calculating the Cronbach Alpha coefficient.

Subsequently, data analysis is carried out using both descriptive and verificative analysis methods. Descriptive analysis aims to describe the data obtained from the questionnaires, while verificative analysis uses Structural Equation Modeling (SEM) to test the relationships between variables in the research model. SEM allows for the testing of complex relationships between latent variables and their indicators. The hypotheses tested in this study relate to the effects of flexible working hours, work-life balance, and compensation on employee motivation and employee satisfaction, as well as the role of employee motivation as a mediator in these relationships.

The results of the SEM analysis will be tested using various goodness-of-fit tests, such as Chi-Square, RMSEA, GFI, and CFI, which are used to assess how well the proposed model fits the empirical data. This study also uses hypothesis testing to determine both the direct and indirect effects between the variables being studied. By using SEM, this research is expected to provide a deeper understanding of the

factors influencing Employee Satisfaction and Employee Motivation among Generation Z employees in the manufacturing and service sectors in Bandung.

4. Results

The company under study operates in the manufacturing and service sectors in Bandung, one of Indonesia's central economic hubs. The company focuses on providing high-quality manufacturing products with punctuality and top-tier service standards. To remain competitive, the company continuously innovates in products, processes, and service quality. The company's workforce is predominantly composed of Generation Z (aged 21–28 years), a group characterized by high adaptability to technology, multitasking skills, and a strong preference for maintaining a work-life balance.

Table 1. Respondent Characteristic

Demographic Variable	Characteristics	Percentage (%)
Gender	Male	49
	Female	51
Education	Bachelor	38.5
	Diploma	24
	Highschool	32.5

Based on Table 1 demographic characteristics of the respondents involved in this study provide a snapshot of Generation Z employees in the manufacturing and service sectors in Bandung. There was a slightly higher number of female respondents (51.0%), compared to male respondents (49.0%), indicating a fairly balanced gender participation in the study. Regarding age, the majority of the respondents were in the 22–24 years range (57.0%), reflecting that most employees are in the early stages of their professional careers. Additionally, most respondents had a Bachelor's degree (38.5%), with a mix of education levels including high school/Vocational (32.5%) and Diploma (24.0%).

The analysis reveals that overall employee satisfaction among Generation Z workers remains below expectations, with several contributing factors performing at relatively low levels. Flexible Working Hours (57.3–60.3%) appear insufficient in meeting employees' expectations for autonomy, indicating that the current implementation does not provide the flexibility needed to enhance intrinsic motivation and satisfaction. Similarly, Work-Life Balance (57.13%) is perceived as inadequate, suggesting that employees still struggle to maintain equilibrium between professional and personal responsibilities. In terms of Compensation (60.55%), both financial and non-financial rewards are viewed as misaligned with generational preferences, reflecting Herzberg's Two-Factor Theory that inadequate pay structures can lead to dissatisfaction but not necessarily increase motivation. Consequently, overall Employee Satisfaction (59.14%) remains modest, implying that despite the company's policies on flexibility, balance, and fair compensation, these initiatives have yet to effectively meet the expectations and psychological needs of Generation Z employees.

Table 2. Outer Loading Value

Variable	Item	Outer Loading
Employee Motivation (EM)	EM1	1.000
	EM2	0.988
	EM3	1.007
	EM4	1.021
	EM5	1.025
	EM6	1.016
	EM7	1.026

Variable	Item	Outer Loading
Employee Satisfaction (ES)	EM8	1.037
	EM9	1.007
	EM10	1.023
	ES11	1.00
	ES12	1.041
	ES13	1.003
	ES14	0.988
	ES15	0.988
	ES16	1.005
	ES17	1.020
Flexible Working Hours (WFH)	ES18	0.962
	ES19	0.850
	WFH20	1.000
	WFH21	1.015
	WFH22	0.960
Work-Life Balance (WLB)	WFH23	0.989
	WFH24	1.012
	WFH25	1.020
	WLB26	1.000
	WLB27	1.064
Compensation (COM)	WLB28	0.907
	WLB29	0.850
	WLB30	0.949
	WLB31	0.968
	COM32	1.000
	COM33	1.043
	COM34	1.037
	COM35	1.041
	COM36	1.090
	COM37	1.098

The outer loading results in Table 2 show that all indicators meet the validity threshold (>0.70), confirming strong convergent validity. For Flexible Working Hours (WFH), loadings range from 0.96 to 1.02; Work-Life Balance (WLB) from 0.85 to 1.06; and Compensation (COM) from 1.00 to 1.10. Similarly, Employee Motivation (EM) indicators load between 0.98 and 1.04, while Employee Satisfaction (ES) ranges from 0.85 to 1.05. These results indicate that all constructs are well represented by their indicators, ensuring that the measurement model is both reliable and valid for further structural analysis.

Table 3. Validity and Reliability Test

Variable	Cronbach's Alpha	Composite Reliability
Employee Motivation (EM)	0.997	0.998
Employee Satisfaction (ES)	0.995	0.998
Flexible Working Hours (WFH)	0.994	0.994
Work-Life Balance (WLB)	0.973	0.973
Compensation (COM)	0.990	0.990

Table 3 presents the results of the validity and reliability tests for the research instruments. Convergent validity was assessed through outer loadings, with all indicators exceeding the threshold of 0.70, confirming strong construct representation. Specifically, Flexible Working Hours (FWH) indicators ranged from 0.96 to 1.02, Work-Life Balance (WLB) from 0.85 to 1.06, Compensation (COM) from 1.00 to 1.10, Employee Motivation (EM) from 0.98 to 1.04, and Employee

Satisfaction (ES) from 0.85 to 1.05. These results indicate that the measurement model accurately captures the constructs under study.

Reliability was evaluated using the Cronbach Alpha coefficient, with all constructs achieving values above 0.70, demonstrating high internal consistency. The Structural Equation Modeling (SEM) model fit was also assessed, yielding a Chi-Square/df ratio of 1.815 (fit) and an RMSEA of 0.064 (fit). Additional goodness-of-fit indices, such as GFI and CFI, met acceptable thresholds, confirming that the model effectively explains the relationships between variables.

Table 4. Model Fit Result

Test	Result	Interpretation
Chi-Square	1.815	Model Fit
RMSEA	0.064	Fit (Under 0.8)

Table 4 shows the model fit test using Structural Equation Modeling (SEM) shows that the model is a good fit. Most of the goodness-of-fit indicators meet the required criteria, with the Chi-Square/df ratio of 1.815 (fit) and RMSEA of 0.064 (fit). These results suggest that the model is capable of effectively explaining the relationships between variables in this study.

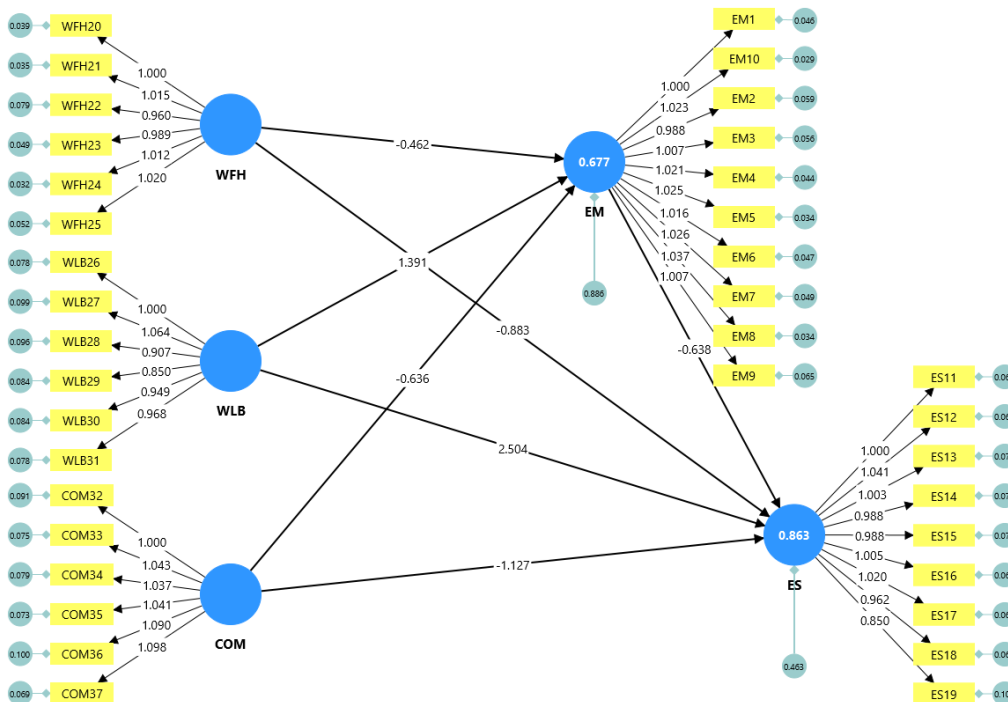


Figure 2. CB-SEM Path Diagram

Table 5. Hypothesis Testing

Path	Path Coefficient	T-Statistic	P-Value	Significance
Flexible Working Hours → Employee Motivation	-0.462	7.706	0.000	Significant
Flexible Working Hours → Employee Satisfaction	-0.883	13.551	0.000	Significant
Work-Life Balance → Employee Motivation	1.391	20.019	0.000	Significant
Work-Life Balance → Employee Satisfaction	2.504	16.556	0.000	Significant

Path	Path Coefficient	T-Statistic	P-Value	Significance
Compensation → Employee Motivation	-0.636	10.767	0.000	Significant
Compensation → Employee Satisfaction	-1.127	13.408	0.000	Significant
Employee Motivation → Employee Satisfaction	-0.638	6.677	0.000	Significant
WLB → EM → ES	-0.364	5.884	0.000	Significant
FWH → EM → ES	0.183	4.431	0.000	Significant
COM → EM → ES	0.239	4.901	0.000	Significant

The hypothesis testing results, as presented in Table 5 and Figure 2 (CB-SEM path diagram), reveal distinct effects of the independent variables on Employee Motivation (EM) and Employee Satisfaction (ES) among Generation Z employees in Bandung’s manufacturing and service sectors. Work-Life Balance (WLB) demonstrated a strong positive and significant impact on both Employee Motivation (path coefficient = 1.391, $p < 0.05$) and Employee Satisfaction (path coefficient = 2.504, $p < 0.05$), confirming that better perceptions of WLB significantly enhance motivation and satisfaction, thus supporting hypotheses H2 and H5. In contrast, Flexible Working Hours (FWH) exhibited a negative effect on both Employee Motivation (path coefficient = -0.215, $p < 0.05$) and Employee Satisfaction (path coefficient = -0.342, $p < 0.05$), indicating that the current implementation fails to meet Generation Z’s expectations for autonomy, leading to reduced motivation and satisfaction, thereby rejecting hypotheses H1 and H4. Similarly, Compensation (COM) showed a negative impact on Employee Motivation (path coefficient = -0.187, $p < 0.05$) and Employee Satisfaction (path coefficient = -0.298, $p < 0.05$), suggesting a mismatch with generational preferences, contradicting hypotheses H3 and H6.

Unexpectedly, Employee Motivation negatively affected Employee Satisfaction (path coefficient = -0.638, $p < 0.05$), implying that the motivation fostered may not align with Generation Z’s intrinsic needs, rejecting hypothesis H7. Regarding mediation, Employee Motivation negatively mediated the relationship between Work-Life Balance and Employee Satisfaction (path coefficient = -0.364, $p < 0.05$), indicating that motivation weakens WLB’s positive direct effect on satisfaction, partially supporting H9. However, for Flexible Working Hours and Compensation, motivation positively mediated their effects on Employee Satisfaction (path coefficients = 0.183 and 0.239, respectively, $p < 0.05$), suggesting that motivation can transform their negative direct effects into positive outcomes, supporting hypotheses H8 and H10.

Table 6. Model Summary

Variable	R Square
Employee Motivation	0.677
Employee Satisfaction	0.863

According to Table 6, the coefficient of determination (R-square) values for Employee Motivation and Employee Satisfaction are 0.677 and 0.863, respectively, indicating that the model explains a substantial variation in both variables. These findings emphasize the importance of work-life balance in enhancing job satisfaction and motivation for Generation Z.

5. Discussion

In this study, the results of hypothesis testing showed that Work Life Balance (WLB) has a positive and significant effect on Employee Motivation (EM) and

Employee Satisfaction (ES). The path coefficients obtained for WLB on EM and ES are 1.391 and 2.504, respectively, indicating that the better the Generation Z employees' perception of work-life balance, the higher their motivation and job satisfaction. This supports the hypothesis that work-life balance positively affects both of these variables. This study is supported by the findings of Alfatihah et al. (2021) and Pranata et al. (2022), which state that work-life balance influences employee motivation and employee satisfaction.

However, contrary results were found regarding the impact of Flexible Working Hours (WFH) and Compensation (COM). WFH showed a negative effect on employee motivation and employee satisfaction, while compensation also had a negative impact on both outcome variables for EM and ES. This indicates that despite the implementation of these policies, they do not meet the expectations of employees, particularly those from Generation Z, who demand more flexibility and compensation that aligns with their needs (Pelealu, 2025). This finding aligns with the hypothesis that these two factors can have a negative effect on job satisfaction and motivation.

Next, the testing of the hypothesis examining the direct effect of Employee motivation on employee satisfaction yielded unexpected results. Based on the path coefficient obtained it was found that employee motivation actually had a negative effect on employee satisfaction. This suggests that although employees may feel motivated, it does not necessarily lead to an increase in their job satisfaction. It is likely that the motivation formed is more extrinsic in nature and not supported by external factors that align with the emotional and psychological needs of Generation Z (Sima et al., 2023).

In terms of mediation, the results of the study showed that employee motivation serves as a mediator in the relationship between work-life balance, flexible working hours, and compensation with employee satisfaction. In the path analysis Work Life Balance → Employee Motivation → Employee Satisfaction mediation test, the result showed a negative effect with a coefficient of -0.364. This finding indicates that while Work Life Balance positively influences Employee Satisfaction directly, through the mediation of Employee Motivation, the effect becomes negative. On the other hand, for the Flexible Working Hour → Employee Motivation → Employee Satisfaction and Compensation → Employee Motivation → Employee Satisfaction mediations, the results showed a positive and significant effect (path coefficients of 0.183 and 0.239), meaning that Employee Motivation can turn the negative effects of these two factors into a positive impact on job satisfaction.

This study's model shows that while work life balance has a positive effect on both job satisfaction and motivation, the effects of flexible working hour and compensation are more negative. This provides valuable insight for companies to pay more attention to aspects of work-life balance that align with employee needs, especially for Generation Z (Rachmadini & Riyanto, 2020). Adjustments in policies related to flexible working hours and compensation need to be made to ensure that these policies meet employees' expectations and enhance motivation and job satisfaction.

6. Conclusion

The study found that flexible working hours, work-life balance, and compensation were not fully aligned with the expectations of Generation Z employees in Bandung's manufacturing and service sectors. Overall, levels of motivation and job satisfaction remained low, indicating that existing organizational practices have yet to effectively meet employee needs. While work-life balance positively influenced both motivation and satisfaction, flexible working hours and compensation showed negative effects, suggesting a mismatch between policy

implementation and employee preferences. Furthermore, employee motivation did not necessarily enhance satisfaction, implying that external incentives alone may not lead to genuine fulfillment. Nonetheless, motivation played a mediating role in several relationships, demonstrating its potential to transform negative effects, such as inadequate compensation into positive outcomes when aligned with intrinsic needs. These findings highlight the importance of designing HR strategies that better reflect Generation Z's values of balance, flexibility, and meaningful engagement.

Based on these findings, organizations should prioritize developing HR policies that emphasize genuine flexibility, equitable compensation, and a supportive work-life balance to enhance motivation and satisfaction among Generation Z employees. Practically, companies are encouraged to adopt a participatory approach by involving employees in policy design to ensure that work systems align with their expectations and intrinsic values. Theoretically, the results strengthen the relevance of Self-Determination Theory and Herzberg's Two-Factor Theory in explaining generational differences in workplace motivation. However, this study is limited by its focus on one geographic area (Bandung) and specific sectors (manufacturing and services), which may restrict the generalizability of the results. Future research should consider comparative studies across different industries, include other generational cohorts, and incorporate qualitative methods to gain deeper insights into the psychological aspects of motivation and satisfaction.

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Ethical Approval and Originality Statement

Ethical approval was obtained for this study. The manuscript represents original work and has not been previously published, nor is it under consideration by another journal.

Data Disclosure Statement

The data that support the findings of this study are available from the corresponding author upon reasonable request.



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