

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Theory Review**

##### **2.1.1 Management of Human Resources**

Human resource management (HRM) is an individual's purpose to accomplish organizational objectives. Essentially, the managers of organizations get things done through involving others effort and competencies. Accordingly, managers at every level must pay attention to HRM. It had a big role to create corporate culture, how the organizational culture works differs from another defined by shared values, beliefs and habits within the organization that interacts with formal structure and results in behavior norms. However, the company culture may be perceived differently for each other. (Martocchio, 2018)

The consideration of successful HRM practices at then and today are the organizations which are able to recruit, retain, and motivate team members at its finest. This means looking for their interest, and involving them profoundly in decision making in every project; by enabling technology to collaborate is one solution that could help to achieve the team's welfare. Therefore, with the influence of technology, the new HR path has experienced evolution by involving thinking based around internal customers, collaboration, partnership and employee engagement. (Torrington, D., Hall, L., Atkinson, C., & Taylor, S., 2020).

### **2.1.2 Talent Management**

Moczyłowska (2012) has discovered that talent management is treated as a modern and efficient way in applying personnel policies that empower the organizations to achieve their strategic goals through potential and expertise in people inherently. Since the late 1990s, the notion of a "talent war" emerged, which indicated a noticeable increase in the number of skilled and talented employees. Accordingly, by the time, talent management gained its importance to make the company's grow. In the future, talent management will be counted as one of the major influences in organization as globalization and the involvement of technology.

In the era of Industry 4.0 or the present time, there are numerous possibilities that have significant implications for talent management. This is in contrast to the usual assumption that talent management develops gradually and steadily over time. For example, if each individual's skills are lacking following the technology, there must be a better diversification in talent management strategy (followed by intense supervision to internal development rather than external resources recruitment), but the core focus remains on essentially "fighting harder" in the war for talent. Industry 4.0 has created a serious gap between the worker current capabilities and their role that is rapidly evolving through technologies. (Whysall, Z., Owtram, M., & Brittain, S., 2019)

Talent management is one of the major factors from how successful the organization could be. Industry 4.0 has changed the nature of work substantially, it

needs diverse skills, and keeps pace with learning. To empower organizations to perform more effectively and competitively than others in today's era, the technological shifts brought by Industry 4.0 needs a significant change in talent management.

### **2.1.3 Transformational Leadership**

According to Yukl (2006, p. 8) leadership is “the process of influencing others to understand and agree about what needs to be done and how to do it, and the success of facilitating individuals and being considered as an organization that has a huge success (Northouse, 2007). The presence of leaders are functioned to guide the cue for the followers that activates associated prototypes and evaluative judgements. (Sy, T., & Knippenberg, D. 2021; Dinh et al., 2014; Foti & Hauenstein, 2007; Keller, 2000). The determinants of leadership that will affect how business run relies on three variables: apprehend characteristics in leaders itself, followers and situational factors (Yukl, 2016).

Yukl (2016) also states that leaders have their own various leadership approaches to lead the team and the organization. Several approaches are classified to trait, behavior, power influence, situational, and value-based. The approaches determine the leadership styles that are categorized in transactional leadership style, and transformational leadership style that are commonly used in current conditions. Transactional leadership style is focusing on the concept of social exchange theory (Blau 1964; Peng et al., 2020) where the employees are given favor and the

employees feel they must repay the favor for leaders (Bass & Riggio, 2006). Transformational leadership adopting two concepts of psychology such as social exchange theory and social learning effect, that most likely to affect individuals and the organizational systems to be better. This leadership is counted as the most effective leadership in today's (Bass & Riggio, 2006).

Leadership plays a very important role that the team needs in post-pandemic era, because the employees need the decision maker that they trust; there's mutual understanding between the leader and the team. In changing working environments, implementation of the idea in shared leadership has been promoted as an ideal leadership method because it involves the entire team in expressing ideas and working together to achieve project targets, due to job demands that require quick decision making. Maintaining trust in this era is fundamental to preserve the psychological contract, and if it breaks, the results lead to mistrust. (Adekoya et. al., 2022; Rayton & Yaladik 2014).

Peng et al., (2020) states that transformational leadership is needed to face organizational change. The reason for these traits could emanate the employees commitment so that the employees are willing to cooperate in the organization change process. The results are the transformational leadership traits positively correlated with employees commitment to change, openness to change and readiness to change.

#### **2.1.4 Work Life Balance**

Work-Life Balance is a concept where an individual feels able to balance their work-life and personal life by managing external pressures such as a competitive work environment with personal life, and internal pressures such as managing expectations and setting realistic goals. Work-life balance is not defined as the pressure an individual receives from their superior, but rather can stem from self-motivation - which arises from external factors such as societal attitudes, which can influence job performance. (Khallash & Kruse, 2012, 682).

Work-life balance has become one of the aspects considered during remote working, with flexibility being one of the key predictors favored by employees. Remote working can increase work concentration unconsciously. Research conducted by Kelliher and Anderson (2010) states that employees who already feel intense about their work will be willing to work harder as long as it is flexible. According to Morgan (2023) in BBC, in the current workforce, employees are asked to define themselves regarding the concept and implementation of work-life balance rather than the company because the employees' demands are already filled by providing flexible work since the pandemic. However, for employees who are less able to sign off from remote working, they will experience confusion in life because they feel haunted by work every day (Palumbo, 2020, 773).

Wood et al., (2020) discovered the antecedents of work-life balance that affects work engagement and vice versa by conducting meta analysis methods inquiring the theories from COR (Conservation of Resources) and JD-R (Job

Demands- Resources). The main antecedents of work life balance that emanates employee engagement are job resources (support from colleagues and society, work family culture), and personal resources (self efficacy and self esteem). While the main antecedents of work engagement derive work life balance are determined by charismatic leadership, colleagues support and self esteem.

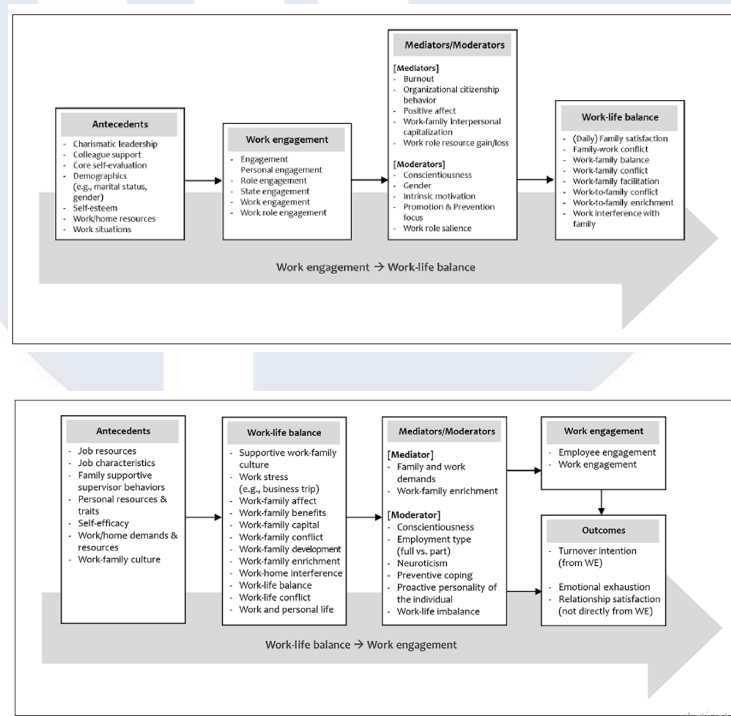


Figure 2.1 Findings the bidirectional between work life balance and work engagement  
Source: (Wood et al., 2023)

### 2.1.5 Employee Engagement

According to Kahn (1990) employee engagement counts as personal engagement and refers to someone utilizing and demonstrating their desired qualities and characteristics while carrying out tasks that help them establish links with their work and colleagues. It also involves actively exhibiting their physical,

cognitive, and emotional presence and performing their role actively and effectively. Engaged employees will arise as a result of the working conditions they are in (Shmailan, A. S. B. , 2017; Shuck and Wollard, 2009).

Currently, organizations place importance on employee engagement, and there is consensus among HR experts and consultancy firms on its positive impact on productivity and efficiency. (Yadav et al., 2022). Employees who are engaged display a strong connection to their work, characterized by vigor; high levels of energy, dedication; shown by self commitment, and absorption; a profound sense of immersion in their tasks. (Wood, J., et al, 2020; Klitzman et al., 1990) The absorption aspect of work engagement pertains to being fully concentrated and absorbed in one's work, often resulting in a subjective experience of time passing quickly and finding it challenging to disengage from work. Vigor aspect refers to having abundant energy, being eager to exert effort in one's job, and demonstrating resilience when encountering obstacles. And dedication is defined as a robust psychological engagement with one's work, marked by enthusiasm and a perception of being stimulated by the job's demands (Wood, J., et al, 2020). Bridger (2018) stated the engaged employee is playing the role of success in the business due to significant effects in productivity, profits, innovations, beneficial discretionary effort, customer satisfaction, and customer retention. Engaged employees will take time to find new ideas and generate them to job initiatives and lead to organizational productivity and benefit (van Zyl et. al., 2019)

There is a shortage of universally accepted definitions and quantifiable metrics for employee engagement (Yadav et al., 2022; Mason, 2008). Work life balance, leadership (Iddagoda & Opatha, 2020), job stress (Olsen et al., 2022,762), and perceived organizational support (Eisenberger et. al, 2019) variables play a critical role in employee engagement. Employee work life balance could be measured by involvement balance, satisfaction balance, and time balance, the leadership aspects could be measured by social exchange theory (SET) or Ten C's of leadership by Seijts and Crim in 2006 there are: (CoConnect, Career, Clarity, Convey, Congratulate, Contribute, Control, Collaborate, Credibility, and Confidence) (Iddagoda & Opatha, 2020). Job stress could be measured by using JD-R (Job Demands-Resources) theory that was conducted by Olsen et., al. (2022), and Perceived Organizational Support could be measured by the Eisenberger's factor loadings but the researcher decided to do modification as Dinh et al., 2020 research.

Employee engagement recently again became a fiery topic because new working places and behavior were constructed after the pandemic. A McKinsey survey claimed 64 percent of employees are planning to quit within three to six months, upheaval career and excessive job demands are the suspect of the main factors (Alexander et. al., 2021 as cited in Mer & Srivastava, 2023). Various industry sectors are gripped by stress because of the job demands, which leads to burnout. (Mer & Srivastava, 2023). Therefore, employee engagement plays a vital role to mitigate intention to quit in organizations, and enhances productivity.



### **2.1.6 Affective Organizational Commitment**

Porter et al., (1974) defines employee commitment as recognition and involvement in an organization by associating three factors in it: a faith and agreement regarding goals and values, enthusiasm taking the effort in work, and ambition to stay in membership. Klein et al., (2012) in Meyer (2016) states the employee commitment is a willingness to bond psychologically with dedication and responsibility for an exact target. There's several targets involved to figure one's commitment in the workplace such as organizations, supervisor and the team (Simon et al., 1950). Although research continues to develop and undergo extension regarding the commitment, based on the events and produce the multiple research framework bases.

The multidimensional research frameworks in commitment aspects keep developing and one of the findings is identifying commitment as a psychological attachment, by proposing its three aspects: compliance, identification, and internalization (O'Reilly and Chatman, 1986, as cited in Meyer, 2016). Followed by Meyer and Allen (1990) formulated the three component model (TCM) as the relationship between three aspects (normative, affective, and continuance) that shaped commitment. However, the affective commitment is frequently used in research to analyze the employee's commitment. Previous research findings in Pangarkar and Kirkwood (2013), Clifton (2014), Alvino (2014), and Davies (2015) have confirmed that the fully committed employees will be productive in work and focus to attain the organization's objectives. Mercurio (2015) proposes the affective

commitment as the core of essence in the organization commitment in a research framework, how strongly the affective commitment affects individual behaviors (tenure, turnover, absenteeism, performance, organizational citizenship) and individual feelings (trust, cohesion, stress), shape the perceptions in the workplace (Perceptions of HR practices, transactions, organizational support), and mediates the transactions or benefit (Benefits, rewards, time, effort, salary). Supported by Grego-Planer (2019) that the affective commitment is the most influential to the organizational citizenship behavior.

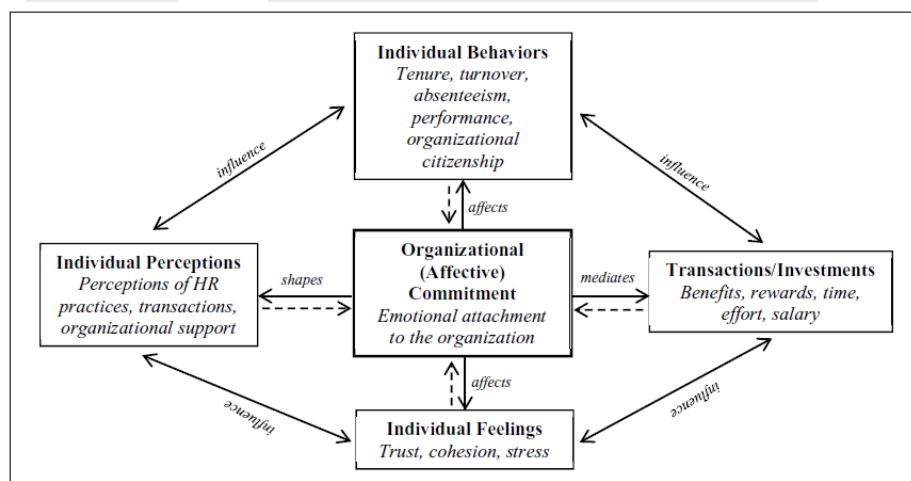


Figure 2.2 Concept map of affective commitment as the core essence of organizational commitment.

Source:: (Mercurio et al., 2015)

Robinson (2003) declares there are 12 antecedents in employee commitments: demographics, recruitment procedures, met expectations between needs and competencies, induction and training process, relationship with managers, relationships with colleagues, group membership involvement, organizational justice and trust, promotion, work life balance, job satisfaction, and

reward/pay. Tufail et al., (2012) findings the antecedents of affective commitment consists of the demographic (age, sex, gender), personal characteristics (affiliation, personal work ethics, and locus of control and life, and interest in work), organizational structure (relation with managers, supervisors and colleagues, and role clarity), and work experience (autonomy, fairness of performance based reward, job scope, opportunity for advancement and participation in decision making).

Research shows and demonstrates the research model that employee engagement has strongly related to affective organizational commitment ( $\beta$ : .60) (Yalabik et al. 2016, as cited in Meyer, 2016). Another research by Park et al., (2021) also indicates the employee engagement has a positive correlation to affective commitment ( $\beta$ : .615,  $p < 0.001$ )

### **2.1.7 Quiet Quitting Behavior**

The idea behind quiet quitting is not entirely new, however the behavior started to be well-known in pandemic due to remote working adaptation. Before the behavior spread all around the world, this all started from the young workers' rebellious act in China who fought against the long and arduous working hours with the 'Tang Ping' movement or 'Lying Flat'. The movement is going to be extremely popular in 2021 (New York Post, 2022).

Mahand and Caldwell (2023) defines the quiet quitting phenomenon as the commitment limitation to the jobs by doing just enough or bare minimum action,

proven by the Wall Street Journal; written by Smith (2022) who says 50% of the world's employees practice quiet quitting. Serenko (2023) states the quiet quitting as the effective practice in work currently declared, due switching to remote work rules during the pandemic. While according to Daugherty & Kvilhaug (2022) quiet quitting behavior is remarked by requirements of one's job and putting in no more time, effort, or enthusiasm than absolutely necessary. Therefore, the quiet quitting definition is about avoiding going beyond in the workplace due to the lack of commitment and it is considered as a disrespectful behavior.

Serenko (2023) extracted big data analysis using 672 TikTok comments and reconciling with previous research regarding work behavior compares various work behavior concepts to the quiet quitting phenomenon. The results are that most of the terms overlap but have a different meaning, some of them are dramatically different. The main causes of the sudden emergence of quiet quitting are the changing nature of employer-employee relationship, work security and future employment opportunities, the unique content regarding quiet quitting; mostly memes, and availability of how the content spread around the internet.

Table 2.1 Quiet Quitting and Related Concept of Work Behavior  
Source: Serenko (2023)

Term	Description	Relating to Quiet Quitting
Anti-work	This questions the very need for paid human labor because it is considered a form of exploitation or slavery which is corruptive to workers' mental state, their personality and the entire society (Alliger, 2021)	Quiet quitting embraces the idea of paid employment and does not routinely consider it a form of exploitation

Cyberloafing or cyberslacking in the workplace	Employees use information technologies to access social media, websites, games, etc., for nonwork-related purposes during paid work hours (Tandon et al., 2022). It is often driven by technology addiction (Serenko and Turel, 2022)	Quiet quitting does not promote engagement in nonwork-related activities during work hours
Clock-watcher	This is an employee who constantly keeps track of the passage of time and works only during formal (paid) working hours (Boyer et al., 1986)	While quiet quitters limit their work to formal business hours, they may not obsess with the passage of time
Employee withdrawal	This is a condition in which workers who have become disenchanted with their organization psychologically withdraw from work and exhibit lateness, absenteeism and turnover (Beehr and Gupta, 1978)	Even though some quiet quitters may have a negative sentiment toward their employer, they do not have to be late, absent or intend to resign
Malicious compliance/obedience	This features employees' willfully blind compliance with the formal rules and supervisors' directives despite their awareness that doing so may result in failure or harm (DuBose and Mayo, 2020)	Quiet quitting does not assume a willfully blind compliance with all directives, especially the damaging ones
Phoning it in	This covers performing work duties without enthusiasm and with poor effort (Merriam-Webster, 2023)	For quiet quitting, the degree of effort should suffice to complete the required tasks
Quitting in place; quit and stay; checking out; quit, but stayed; soft quitting	These are conditions in which employees express little interest in their organization's activities, distrust their leaders, engage in absenteeism, underperform and exhibit low morale (Herndon, 1992) but perform minimal duties merely to avoid being terminated	Quiet quitters may still trust their superiors and refrain from deliberately counterproductive work behavior
Retired in place or retirement in place (RIP)	This is a slang term for a worker who contributes as minimally as possible merely to avoid being fired while waiting for approaching retirement	Even though some quiet quitters leave or are terminated, many do not

	and pension benefits (Farlex Financial Dictionary, 2009)	passively wait for retirement
Retired on active duty (ROAD) Sabotage	Similar to “retired in place,” this term is used in the US military. This includes employees’ intentional actions to disrupt, damage and subvert the functioning of their organization and/or harm other workers, customers and stakeholders for their personal purposes (Crino, 1994)	Same as RIP Causing harm is not an intention of workers engaged in quiet quitting
Shamming or Skating (US Military)	This refers to avoiding boring tasks and exercises without getting caught (military.com, 2023)	Quiet quitters tend to avoid unpaid duties rather than boring activities
Tang Ping (“Lying Flat” in Mandarin)	This is a social protest movement in China to defy proclaimed social values associated with the highly competitive organizational environment in which everyone is expected to work hard for very long hours. Instead, people prioritize their lifestyle and mental well-being over economic materialism. As a result, people leave their jobs to pursue hobbies and personal interests while trying to minimally sustain themselves (Jingyi, 2022; Yuan, 2022)	While quiet quitters also prioritize their well-being over economic benefits, they remain employed and do not pursue a minimalistic lifestyle
Work disengagement	This refers to employees’ physical, cognitive and emotional uncoupling and distancing of themselves from their work roles (Kahn, 1990)	Quiet quitters do not have to distance themselves from work and/or their employer
Work-to-rule	This is an intentional collective disruption of an organization’s operations called by an organized body (e.g. a labor union) when employees come to work but limit their activities to duties that are formally described in their contract and/or collective agreement while exclude all other tasks (e.g. staying overtime) (Johnson, 2011)	Despite quiet quitters’ desire to limit their tasks to formal duties, quiet quitting is not an organized movement with the purpose of disrupting an organization’s functioning

Quiet Quitting could be spotted by various attitudes, Jack Bishop as COO in automotion e-commerce company states in Reader's Digests if individuals tend to lessen their participation in daily meetings to front-page meetings, also shows less or zero social interest. one of the forms that employees have started to disengage in the workplace. Lack of initiative acts also shown in quiet quitters, indicated by passive employees that started to speak less when they must be vocal, only doing tasks if asked in a bare minimum, and decreasing involvement in doing projects. The last acts proved by employees who tend to isolate themselves from the team by evading the non-work events or starting to show disinterest to co-workers. (Yuko, 2023)

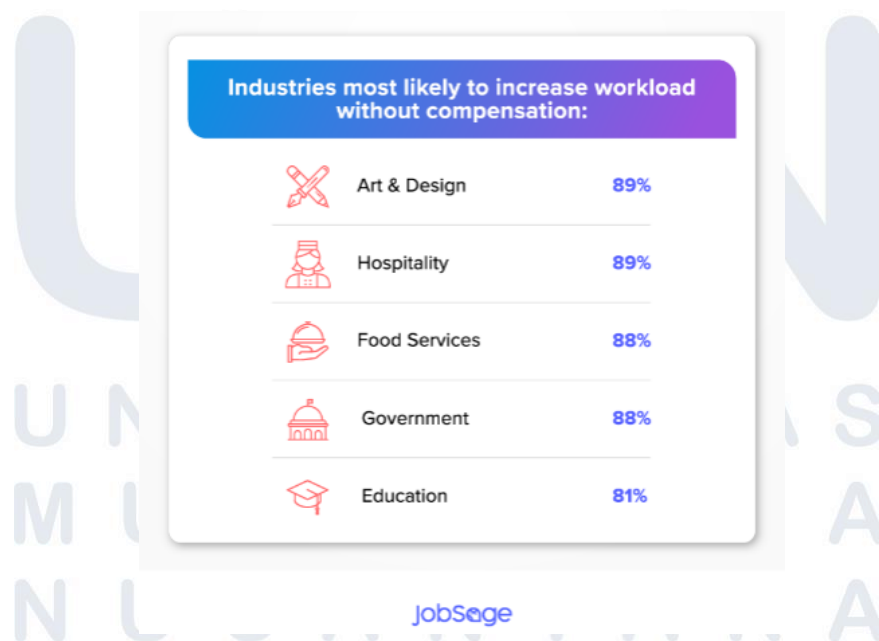
Based on previous studies by Formica and Sfodera (2022), quiet quitting is caused by job dissatisfaction proved by three fundamental characteristics in individual well-being that are needs, values, and purpose. The lack of recognized performance and not feeling cared about is one of the main major causes (Harter,2022), which both factors are considered universal needs in psychology (Formica & Sfodera, 2022). This could be the main reason for dissatisfaction for employees who are not engaged, by the absence of meeting their needs at career. The three fundamental characteristics could be the factors for researcher references for conducting model:

- Needs: Schwartz & Porah in Formica & Sfodera(2022) mentioned that there's a direct correlation between needs satisfaction at work and

employees engagement, retention, stress reduction, life satisfaction, and positive energy at work.

- Value: By aligning employee values at work and their behavior at work, conflict can be avoided and supportive work environment could be created (Formica & Sfodera, 2022; Koorsgard et.al., 1997)
- Purpose: Employees are asked what their life purpose is, and align their life purpose to the organization to synchronize with the company goals, with various steps to do.

Another survey conducted by Mason (2022) and another major cause of quiet quitting behavior is employees receiving the quiet promotion, where 78% American workers admit that they gain responsibilities in task handling. Industry that affects quiet promotion are majority from the creative economy industry, with art and design as the top of the rank.





*Figure 2. 3 Rank of Industry who quiet promotion their employees*

(Source: JobSage)

In Asia region, Singapore has the quiet quitters 4% higher than the global average proven by surveys conducted by human resources agency Randstad which published in *The Straits Times* (2023) that involves 1000 citizens who aged between 18 to 37 years old, 35 percent admitting that they are quiet quit in their job. Improving work-life balance, low compensation and rising cost living, and lack of career growth are the main reason behind the quiet quitting.

If quiet quitting continues, the domino effect will take place by the decreasing company productivity that will influence the company into low performance and affect the company stock market. Low performance could influence the final result and will affect GDP income to declining. Another problem has emerged from recession claimed by *Time Magazine* that companies decided to freeze hiring especially in tech and tech-based companies (Espada, 2022), which led to higher unemployment rates and poverty.

Research by *Deutsche Welle Indonesia* involving two participants who choose to quiet quit because of several reason; first participant who works in creative industry receive an appreciation by asked to do tasks that require more responsibilities but the wage remains same, while the second participant who works at government instance perceive that the organization doesn't appreciate the employees by extending the payday (S, 2022).

Researcher also regulate semi-structured interviews with three managers who lead Generation Z and three Generation Z employees; and all of them work in the creative industry and applied hybrid work. Two of three managers declared that they ever deal with employees who are doing quiet quitting behavior. The first manager; who is new in the office replacing the former manager, handles the quiet quitters by telling them the 'fair play'; For those who quiet quit, will get the consequence such as the freezing appraisal. The employees are agitated at first but then by the time they're understood because the manager tries to adapt with the employees traits, while the former manager does not. The first manager also stated another reason of quiet quitting is employees are less appreciated by the organization.

The second manager works in a multinational company and leads several Gen Z for specified projects. There are Gen Z's who are doing quiet quit but others are dedicated to teamwork. The second manager handles the quiet quitters by arranging one-on-one meetings and asking the reason why they are doing quiet quitting behavior. The meetings did not go well, the quiet quitters are still doing the behavior, until the lead manager reprimands them about the quiet quit behavior in front of the team. The quiet quitters now no longer do the action, but there was a gap created since then, with the lead manager. The second manager concluded that leadership played a big role to prevent quiet quitting behavior, followed by fair-compensation.

The third manager also has several Gen Z employees and experienced none of the employees are doing the quiet quit, because the third manager is trying to adapt to the employees in order to engage with them first before work. But the manager friend who works in another office, is dealing with the quiet quitter who is still in the internship position and the reason is the lack of fair compensation.

Results of interviews with three employees in Generation Z are one from the three samples experiencing quiet quitting behavior along with his co-workers because they perceived the lack of fair compensation, but the workloads are excessive and nonstop. So they are decide to not taking initiatives to do more work. The second employee is not sure if they are experiencing quiet quitting, but they are willing to quit if there's a job that offers a more work-life balance concept. The third employee perceived that they are not experiencing quiet quitting but not taking initiatives to do extra work instead maximizing the current project to be a great output. However, they feel job insecurity in the workplace because of the contract matters. The third employee feels engaged with the team shown by their high initiatives in the teamwork. Although they can't find work-life balance aspects in their life and sometimes they feel anxious when the team and clients are not using their work.

U N I V E R S I T A S  
M U L T I M E D I A  
N U S A N T A R A

### 2.1.8 Generation Z In Work

Each era will have an impact on new behavior and new perspectives, and today's era is showing socio-economic development involving the elements such as shared actions, beliefs, politics, values, thoughts and experiences (Mannheim K, 2017 as cited in Magano et al., 2020). Each birth era and life experiences play a significant role in shaping our culture and identity, creating a strong connection among members of a generation. Referring to Maloni et. al.,(2019) identifies various generational cohorts, including Baby Boomers (1946-1964), Generation X (1965-1979), Generation Y (also known as Millennials or the "Me Generation") (1980-1994), and Generation Z (1995-2012). Gen Z globally are facing major events such as global terrorism, economic crisis, COVID-19, social networks, mobility and multiple realities, digital natives, same-sex marriage, and emergence of China (China's economic rise) which shaped their motivation and common traits as depicted in Figure 2.10 (Magano et. al., 2020).

Table 2.2 Gen Z Characteristics Summary  
Source: Magano et al., (2020) edited by Author

<b>Major Event</b>	<b>Traits</b>	<b>Motivation</b>
Global terrorism	Value more soft skills	Find their dream job
Economic crisis 2008	Adaptable to the global world	Entrepreneurial initiative
Covid-19 pandemic	Realistic	Creativity and innovation
Social networks	Even greater multitaskers	Opportunities to expand skills
Mobility and multiple realities	Responsible	Career-minded
Digital natives	Self-reliable	Build a fun, entrepreneurial career
Same-sex marriage	Entrepreneurial	
Emergence of China	Flexible	

We-centric  
Ethical  
Not spontaneous  
Compassionate and  
thoughtful  
Less interpersonal and  
social skills  
Addicted to technology  
and speed

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Gen Z is the newest generation in the workforce that is first experiencing technology use in daily life including at work (Janssen & Carradini, 2021). Their characteristics defined as FOMO or fear of missing out, social behavior that changed by internet adoption and social media (Utomo et al., 2021) in addition it leads them to be able to multitask in the cause of their ability to access all the information quickly or called *fast-learner* (Janssen & Carradini, 2021), but in the adverse effect is Gen Z could be easily overwhelmed and get stressed because their habit to overlap between personal and professional activities in tech-devices. They want boundaries in their lives, and supporting practical efforts towards work-life balance by companies can benefit from potential goodwill from employees.

Schroth (2023) declared that Gen Z are raised by economically-settled parents therefore they rather take extra education classes than work. Aside, starting to work specifically, the entry-level job could advise the new generation to learn regarding the expectation in the workplace and how to communicate with others. Without work experience, the new entrants could have unrealistic expectations in the workplace that will result in lower commitment and higher turnover. Based on surveys, 63% worldwide Generation Z defined themselves as highly achievement oriented and yearned for career advancement. They perceive the ideal situation in a

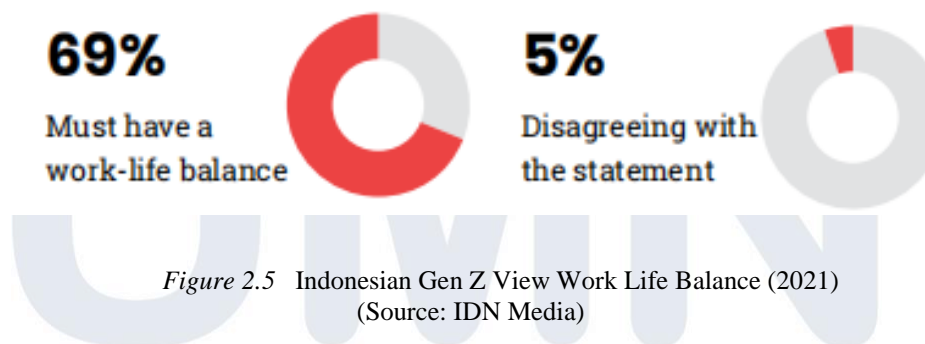
workplace is where they feel respected by managers. Respecting them is listening and being thoughtful to their ideas.

The various global major events that have occurred have had an impact on Gen Z in Indonesia, including their work habits. Proven by Hinduan, Z.R et. al., (2020), Indonesian Gen Z work expectation has been set into a more realistic goal due to economic crisis events. This is also supported by a survey conducted by IDN Media (2022) which found that Gen Z prefers to work for multinational companies because they offer job security and stability. They also shaped work values such as a strong will to work harder for relocation to another country in order to get higher compensation, job security, and better work opportunities. Work life balance concepts counted increasing in Gen Z work behavior as mentioned in survey conducted by TirtoID. Supported by IDN Media (2022) that 69 percent said work life balance is important.





Figure 2.4 Survey results Gen Z preferences in ideal career.  
Source: Tirto.id (2020)



The researcher also conducted interviews as secondary data with three managers who has Generation Z as their employees in the creative industry. All three samples expressed that they see Generation Z as a distinct generation from their own. They are aware that Generation Z has a high level of sensitivity due to their exposure to borderless information, and therefore these three samples provided

indirect or non-blunt directions. The three samples also acknowledged that transformational leadership is one important aspect in ensuring that Generation Z in Indonesia will be satisfied with working in a team.

### 2.1.9 Hybrid Work

According to Microsoft (n.d.) hybrid working is a combination where employees could work at home or at the office. The hybrid work is flexible due to calibrating the organization needs; employees could choose to do remote work regarding self work effectiveness in a quiet atmosphere, and the next day work at the office to attend the meeting. Research conducted by McKinsey regarding employee preferences in future work, the results are that 52 percent of employees want a flexible working model when the pandemic is over (Alexander et al., 2021).

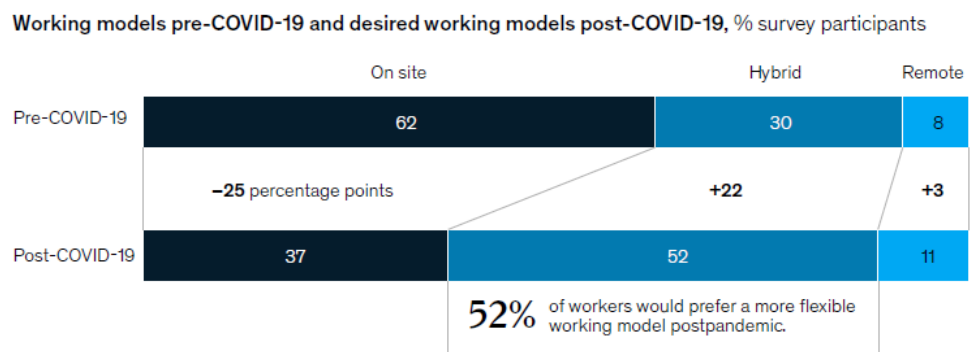


Figure 2.6 McKinsey&Company: What employees saying about the future of the remote work?  
(Source: Alexander et al., 2021)

Followed by study in Harvard Business Review declares that international companies have arranged strategies to handle employee preferences in hybrid work.



There are Four Types International Organizations based on the resources' location and project importance. There are Large Hubs; projects that need high engagement between employees and creativity and some employees are in different countries, Hubs and Satellites; Office-centric work culture but there are many resources that live in different countries, Distributed; Amount of projects but could be solved by digital devices, and Global Virtual; has amount of task and resources are lived in various countries and physical office may not be needed (Tippman et al., 2021).

### Four Models for International Organizations

To determine how virtual- or office-centric your company should be, consider the context in which tasks are performed and how important international talent is to your success.

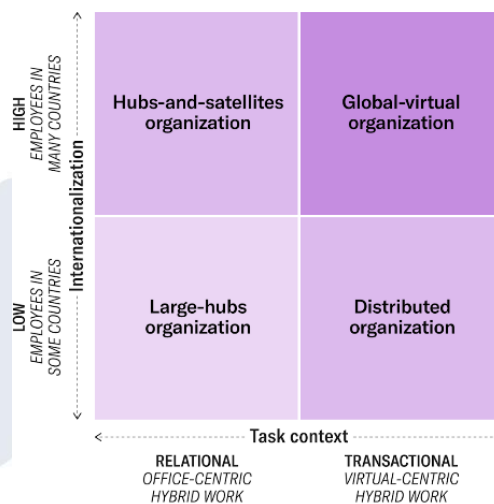


Figure 2.7 Four Models for International Organizations by Harvard Business Review (Source: Harvard Business Review)

Based on previous study by Adikoya et al., (2022) that involving hybrid-workers samples, remote working has main factors, and will be provided in points down below:

a. **Flexibility of work:** the study showed that employers prefer hybrid work to maintain power and see the employees productivity, and increase the remote working schedule if it's filled. The 65% employees also prefer flexibility by hybrid work to gain efficiency at work.

b. **The utilization of smart working practices :** the study showed that employees are used to multitasking and applying their own work-method since pandemic due to attain work efficiency and effectiveness. The result is they can feel their work-life balance is fulfilled.

c. **Scheduling breaks and the critical role of self-discipline :** Most samples agreed that taking a break between a second and several minutes will increase productivity, although they are facing some challenges to self-discipline to limit the break time. It is also proven by previous study from Jackowska and Luring (2021), taking a break will reduce stress from sitting in front of the desk all the time. Micro-boundaries are also mentioned in this section by not replying after office hours also dealing with intrusion of work to private lives and vice versa.

d. **Leadership roles and expectations:** Leaders are expected to build trust to employees due to flexibility of work, there's needed mutual understanding between employees and employers. Trust plays a critical role in psychological contract and will attain mistrust if it is not maintained by the right way.

## 2.2 Previous Research

Table 2.3 Previous Research

No	Author	Article	Journal	Research Methods and Findings
1	Park et al., (2021)	Structural relationship among transformational leadership, affective organizational commitment, and job performance: the mediating role of employee engagement	European Journal of Training and Development	<p>Quantitative study was conducted by the researchers on 600 full time employees working on Korean private organizations, to examine the structural relationship of the variables by analysis and bootstrapping.</p> <p><u>Research findings:</u> The findings of this research are proven that transformational leadership has a significantly positive relationship to both employee engagement, affective organizational commitment (AOC) directly. The role of employee engagement as mediator is proven that transformational leadership has an indirect effect on AOC and job performance.</p>
2	Mansoor et al., (2022)	Boosting Employees' Performance through the Affective Commitment and Transformational Leadership: The Role of Employee Engagement as a Mediator	<u>Vision: The Journal of Business Perspective</u>	<p>Quantitative methods were conducted by researchers on 223 employees who work in the telecom sector as customer service representatives (CSR).</p> <p><u>Research findings:</u> The findings revealed that both transformational leadership and affective commitment have a positive impact on employee performance. Moreover, EE was found to be positively</p>

				associated with work performance. The study also confirmed that EE acts as a mediator in this relationship.
3	Mas-Machuca, Marta et al., (2016)	Work-life balance and its relationship with organizational pride and job satisfaction	Journal of Managerial Psychology	<p>This quantitative study involves 374 respondents who work as pharmacist in Spain. The objectives is to exploring work-life balance antecedents from two factors: autonomy job and supportive manager, and link it to organizational pride and job satisfaction,</p> <p><u>Research findings:</u> The results regarding the work life balance, both antecedents found positively related to employees work life balance extent.</p>
4	Yadav et al., (2022)	Work-life integration, job contentment, employee engagement and its impact on organizational effectiveness: a systematic literature review.	Industrial and Commercial Training	<p>This study employed a systematic literature review approach, examining papers sourced from various databases such as Scopus, Emerald, EBSCO, and Google Scholar. The search included specific keywords such as WLB, work-life integration, job satisfaction, job contentment, and organizational effectiveness. The focus of the literature review was to investigate work-life integration, employee engagement, and organizational effectiveness.</p> <p><u>Research findings:</u> Supportive work-life balance (WLB) policies facilitate higher productivity,</p>

				dedication, and commitment among employees, leading to improved employee engagement. This, in turn, benefits the company's overall effectiveness in the long term. WLB policies serve to mitigate the negative effects of a demanding work-life balance on employee productivity and engagement.
5	Wood et al., (2020)	The Relationship Between Work Engagement and Work-Life Balance in Organizations: A Review of the Empirical Research	Human Resource Development Review	<p>The study focuses on qualitative methods by conducting systematic literatures that consist of 37 articles regarding the correlation of work engagement and work-life balance vice versa.</p> <p><u>Research finding:</u> Work engagement and work-life balance has a bidirectional relationship with different predictors. The predictors of the relationship between work life balance to work engagement are: job resources, job characteristics, self-efficacy, work-family culture, personal resources and traits, work/home demands and resources.</p>
6	Iddagoda, Y & Opatha (2020)	Relationships and Mediating Effects of Employee Engagement: An Empirical Study of Managerial Employees of Sri Lankan Listed Companies	SAGE Open	<p>Quantitative study applied in listed companies in Sri Lanka involving 272 executives and managers by surveys. Theoretical and empirical are applied in this research method.</p> <p><u>Research finding:</u></p>

				The dynamics of employee engagement understanding was found in this research due to involving advanced variables such as High Performance Work Practices (HPWP), Work Life Balance (WLB), Leadership, and Religiosity. Employee engagement plays a big role in job performance.
7	Oyewobi et al., (2019)	Influence of organizational commitment on work–life balance and organizational performance of female construction professionals	Engineering, Construction and Architectural Management	<p>The study focused on a quantitative method involving 120 Nigerian female workers in the construction industry as a sample</p> <p><u>Research findings:</u> The study's results indicated a favorable association between work-life balance (WLB) and organizational commitment, with organizational commitment acting as a mediator in the relationship between WLB and organizational performance.</p>
8	Shabir & Gani (2020)	Impact of work–life balance on organizational commitment of women health-care workers.	International Journal of Organizational Analysis	<p>The study focused on quantitative methods and involved 580 health-care workers in India.</p> <p><u>Research findings:</u> The results of the study showed a noteworthy and positive correlation between work-life balance (WLB) and organizational commitment (OC). Further analysis at the component level revealed a positive</p>

				connection between WLB and affective and normative commitment. However, WLB demonstrated a negative association with continuance commitment.
9	Adekoya et al., (2022)	Going forward: remote working in the post-COVID-19 era	Employee Relations: The International Journal	<p>Qualitative study was conducted from a semi-structured interview of 31 participants. (employees and employers)</p> <p><u>Research finding:</u> The predictor of effectiveness in remote working obtained that may be applicable in future conditions such as: flexible working preferences, smart working practices, self-discipline, and leadership roles and expectations emerge as enablers of remote working among the participants.</p>
10	Hajjaimi, O & Crocco O (2023)	Evolving approaches to employee engagement: comparing antecedents in remote work and traditional workplaces	European Journal of Training and Development	<p>Integrative literature study on 27 empirical and conceptual peer-reviewed journal from academic databases and analyzed by matrix and grouped into individual and organization antecedent of employee engagement</p> <p><u>Research finding:</u> 18 antecedents of employee engagement in remote work attained. Individual's remote work engagement antecedents are: perceived organizational</p>

				<p>support, social support, mindfulness, self-leadership, perceived motivating job potential digital literacy, and personal traits</p> <p>Organization's remote work engagement antecedents are: high performance work systems, virtual teamwork collab., job autonomy, virtual training, organizational leadership, mental health support,</p>
11	Aggarwal et al., (2022)	Effect of organizational justice and support on organizational commitment and employee turnover intentions: the mediating role of employee engagement	International Journal of Quality and Service Sciences	<p>The study wants to develop and test the framework of the consequence and antecedents with employee engagement as a mediator. This study involves 432 IT workers found in India.</p> <p><u>Research finding:</u> The findings of this research demonstrate that perceived procedural justice, perceived distributive justice, and perceived organizational support have a beneficial impact on employee engagement. Additionally, the study reveals that employee engagement positively influences employees' organizational commitment (OC) while negatively affecting their turnover intentions.</p>
12	Serenko, A (2023)	The human capital management perspective on quiet quitting: recommendations for	Journal of Knowledge Management	Because the phenomenon emerges in social media, qualitative methods are used in this research by extracting big data analysis via 672



		employees, managers, and national policymakers		<p>TikTok comments regarding quiet quitting and comparing them to the other related concepts.</p> <p><u>Research finding:</u>          Quiet quitting counted as limitation in work because of unmet expectations, never volunteering for additional tasks for surviving the employment status while prioritizing self well being. Quiet quitting is considered a double-edged sword that could help employees avoid burnout but also endangered the professional career status.</p>
13	Hamouche et al., (2023)	Quiet quitting: relationship with other concepts and implications for tourism and hospitality	International Journal of Contemporary Hospitality Management	<p>Qualitative methods are used in this research by adopting gray literature review to analyze the relationship between quiet quitting to other related concepts due to no published research regarding aforementioned new behavior.</p> <p><u>Research findings:</u>          Quiet quitting closely resembles industrial action such as work-to-rule and acting's one wage, but involves more psychological dimension which produce outcomes such as withdrawal, employee silence and cynicism. Multiple future research projects are proposed by involving variables such organizational citizenship</p>

				behavior, employer-employee relationship, work-life balance, motivation equity theory.
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### 2.3 Conceptual Framework

The conceptual framework that researchers built is based on academic research and semi-structured interviews with Gen Z employees and employers to strengthen the factors' between transformational leadership, work life balance, employee engagement as a mediator and affective organizational commitment as dependent variable (DV). Researchers adopt 1 framework that represents affective organizational factors that could be applied in today's hybrid working regulation. The potential research framework is from Jiwon Park, Soo Jeung Han, Jiyoung Kim and Woocheol Kim in 2021. The research is about how transformational leadership has significantly positive effects related to employee engagement ( $\gamma_{11} = 0.586, p < 0.001$ ) and affect organizational commitment ( $\gamma_{21} = 0.327, p < 0.001$ ) and indirectly affect job performance ( $ab = 0.360, 99\% \text{ CI } [0.269, 0.467]$ ) and affective organizational commitment ( $ab = 0.324, 99\% \text{ CI } [0.235, 0.415]$ ). The research involved 600 samples of Korean workers who work in private organizations. Employee engagement has a significant mediating role between the transformational leadership variable to measure the affective organizational commitment and job performance.

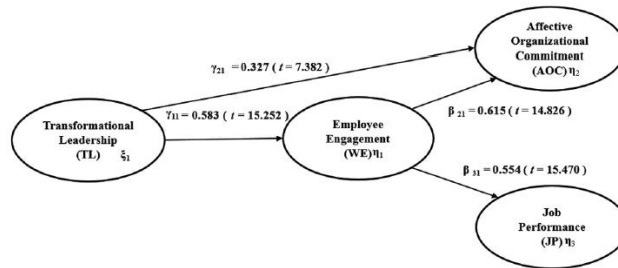


Figure 2.8 Framework by previous research Park et al., (2021)  
(Source: Park et al., 2020)

In this framework, researchers experience the replication process, and make adjustments (modifications) of variables and their measurements (indicators) by rebuilding the framework, according to the context or situation faced by researchers in conducting this research. Adjustments or modifications that researchers make are replacing factors that occur in the current phenomenon. Another element that researchers would like to add is the work life balance variable that will affect employee engagement and affective organizational commitment directly and indirectly. The reasons for this are based on the quiet quitting predictors such the employer and employee relationship and lack of work life balance (Hamouche, 2023) and cause such low commitment (Mahand & Caldwell, 2023).

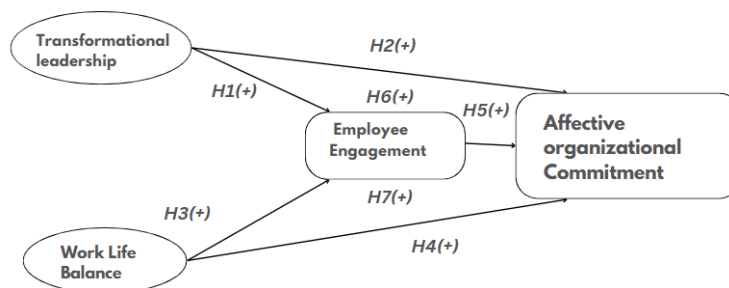


Figure 2.9 Framework created by researcher

(Source : Researcher, 2022)

## 2.4 Hypothesis Proposal

### 2.4.1 The Relationship Between Transformational Leadership and Employee Engagement

Transformational leadership proven has a positive correlation with employee engagement outlined by employee's cognitive, behavioral and emotional state to organization reaction (Shuck and Wollard, 2010 as cited in Park et al., 2021). Park et al., (2021) also proved transformational leadership has significant relationship to employee engagement with  $\beta=0.586$ ,  $p<1$ , by adopting theories from Junker and Van Dick (2015) that transformational leadership consist of leadership and followership aspects and social exchange theory by Chun et al., (2016). Another research by Balwant et al., (2019) in involving Trinidad's service sector workers also proved that transformational leadership has a significant relationship with employee engagement with job resources as moderator.

Iddagoda & Opatha (2020) in their research shown that leadership plays an important role in the workplace, adopting Shuck et al., (2011) theory. Hajjaimi, O & Crocco O (2023) also finds that one of the antecedents of remote working is the leadership role. This also aligned with one of research findings by Hamouche (2023) that references employer-employee relationship as future research regarding the quiet quitting phenomenon.

**H1:** Transformational leadership will have a significantly positive relationship to Employee Engagement.

## **2.4.2 The Relationship Between Transformational Leadership and Affective Organizational Commitment**

Based on previous research conducted by Park et al. (2021) transformational leadership has significant positive effect on affective organizational commitment. Mansoor et al., (2022) on the previous research also states the relationship between transformational leadership and affective organizational commitment are significantly positive. Research by Palalic & Eit Sidi (2020) that transformational leadership has a correlation with organizational commitment involving 256 employees who work at MultiNational Company (MNC).

Serenko (2023) in his research declared that one of recommendations for employers to apply transformational leadership behavior to reduce quiet quitting behavior in the workplace. Promoting interactional justice between employer and employee and promoting investing knowledge in sharing activities.

**H2:** Transformational leadership will have a significantly positive relationship to affective organizational commitment.

## **2.4.3 The Relationship Between Work Life Balance and Employee Engagement**

Previous study by Kwon & Kim (2019) measured employee engagement with the JD-R (job demands - resources) model due to shifting workplace behavior in order to attain economic success. This is proven by Wood et al., (2020) discovered that work life balance has a correlation to employee engagement.

Iddagoda & Opatha (2020) also declares work life balance has a significantly positive relationship with employee engagement. The Employee Engagement variable plays a crucial role in shaping the relationship, unlocking the benefits of work-life balance, and ultimately increasing overall employee engagement. Therefore, based on previous research, researcher build hypotheses 3 which is:

**H3:** Work Life Balance will have a significantly positive relationship to Employee Engagement

#### **2.4.4 The Relationship Between Work Life Balance and Affective Organizational Commitment**

Based on previous research by Oyewobi (2019) that work life balance has significantly positively correlated to affective organizational commitment in female workers construction industry and positively indirectly correlated to organizational performance. While Shabir & Gani (2022) finds the component level reveals a positive connection between WLB and affective commitment. This aligned with one of research recommendation refer to the quiet quitting phenomenon involving work life balance variable as the employee today's experiencing blurred lines between work and personal life (Hamouche, 2023)

**H4:** Work Life Balance will have a significantly positive relationship to Affective Organizational Behavior

#### **2.4.5 The Relationship Between Employee Engagement and Affective Organizational Commitment**

Based on Park et al (2021), employee engagement has positively correlated to affective organizational commitment and is considered to play a strong role between them. Another research conducted by Aggarwal (2022), shows that engaged employees are more committed to organization. This aligned with one of research findings by Serenko (2023) that the quiet quitting phenomenon was noticed by low commitment in the workplace, and fills the empirical gap about this phenomenon in Indonesia.

**H5:** Employee Engagement will have a significantly relationship to Affective Organizational Commitment

#### **2.4.6 The Mediating Role of Employee Engagement Between Transformational Leadership and Affective Organizational Commitment**

Park et al., (2021) has proven that employee engagement has a critical role mediating between transformational leadership and affective organizational commitment. Another research conducted by Mansoor et al (2022), also proved that employee engagement acts as a mediator, playing a crucial role in the underlying mechanism that links transformational leaders and the behavior of their subordinates.

**H6:** Employee engagement will mediate the relationship between Transformational Leadership and Affective Organizational Commitment.

#### **2.4.7 The Mediating Role of Employee Engagement Between Work Life Balance and Affective Organizational Commitment**

Previous studies proven by Oyewobi et al., (2019) and Shabir & Gani (2022) that work life balance implementation could enhance the affective organizational commitment. Hamouche (2023) also recommends measuring the work life balance variable as a further research regarding the quiet quitting phenomenon. The hypothesis also be the originality of this research based on the previous research and preliminary research.

**H7:** Employee engagement will mediate the relationship between Work life balance and Affective Organizational Commitment.

