Journal of Information Systems Engineering and Management
2025, 10(30s)
e-ISSN: 2468-4376
https://www.jisem-journal.com/

Research Article

A Study on the Internal Motivating Factors and Passion among Gen Z: A Statistical Analysis using Smart PLS

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ARTICLE INFO

Received: 26 Dec 2024

Revised: 14 Feb 2025

Accepted: 22 Feb 2025

ABSTRACT

This digital era demands various skills and knowledge to determine a person's position in any organization. The increasing competition for jobs has made the screening process more difficult, overlooking employee expectations and motivating factors that may lead to turnover if not given attention. This affects the organization's productivity in the long term.To address this issue, the study focuses on the influx of evolving Gen Z employees who has unique behaviours and expectations, challenge the traditional management approaches. It also examines the relationship between internal factors of psychological need satisfaction, passion and self-determination theory. Ultimately, this drives employee performance and retention. The study analyses sample size of 100 Gen Z respondents using Smart PLS and evaluated them for arriving a conclusion. Also, it provides insights into the organizational implications of managing Gen Z employees in the workplace.

Keywords: Turnover, passion, intrinsic factors, psychological need satisfaction, self-determination theory.

INTRODUCTION

The rapid advancement of technology in the digital era has significantly simplified access to information. However, young professionals now face increasing challenges in demonstrating their competence while sustaining their passion. This study examines the youngest segment of the workforce, commonly referred to as digital natives [1], who were born between the mid-1990s and early 2000s [2]. Addressing this generation is crucial for several reasons. Firstly, Gen Z is projected to constitute over 30% of the global workforce by 2025 [3]. Secondly, their workplace expectations differ considerably from previous generations, such as Millennials and Gen X [4]. Gen Z is particularly drawn to organizations that offer engaging and meaningful work opportunities [5]. Additionally, as a generation raised in the digital age, they prefer workplaces that leverage technological advancements to enhance skill development and knowledge acquisition [6]. These factors make them a focal point of research in management and related disciplines.

LITERATURE REVIEW

2.1 Theoretical Framework

Self-determination theory, developed by Edward Deci and Richard Ryan, suggests that all individuals possess an inherent drive for satisfaction, which enhances both motivation and well-being. According to this theory, three fundamental psychological needs influence motivation: autonomy, which refers to the ability to self-direct actions; competence, the desire to be skilled and effective in one's pursuits; and relatedness, the need for meaningful connections and recognition from others [7].

2.2 Passion among Gen Z individuals

Passion is defined as "an individual's developing tendency toward a domain that he/she values, appreciates, and devotes energy to over time" [8]. Passion is further categorized into two types: harmonious passion and obsessive passion [9]. Harmonious passion arises from autonomous internalization, where individuals voluntarily engage in activities, they consider significant without external constraints. In contrast, obsessive passion results from external pressures, compelling individuals to integrate an activity into their identity in an uncontrollable manner [10].

Recent surveys by organizations like Forbes and Deloitte indicate that nearly half of the Gen Z workforce is expected to leave their organizations within the next two years, a trend referred to as 'The Great Resignation' [11]. These studies highlight that Gen Z employees prefer working in organizations that offer a sense of purpose beyond profit. They are inclined to remain loyal to employers who align with their values and contribute positively to

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society. However, many Gen Z employees express skepticism regarding the impact of businesses on social well-being and mental health, leading them to disengage from certain employers early in the hiring process.

2.3 Internal Factors of motivation

Autonomy represents an individual's ability to act independently without external control [12]. Competence reflects the intrinsic drive to improve skills and interact effectively within a given environment [13]. Relatedness refers to a sense of belonging and connection with others, fostering emotional support and a feeling of being valued within a group [14, 15]. Internal motivation stems from engaging in activities for personal satisfaction, whereas extrinsic motivation is driven by external rewards, such as financial incentives or recognition, or by the avoidance of negative outcomes [15].

Research indicates that, unlike previous generations, Gen Z employees prioritize challenging and meaningful work. Their job satisfaction is closely tied to work-value alignment within an organization [16]. They exhibit strong loyalty to employers who recognize their contributions and provide career development opportunities [17]. Furthermore, Gen Z employees seek timely career progression and opportunities to demonstrate their full potential and leadership capabilities [18]. Traditionally, young professionals have been associated with boundaryless careers and flexible employment relationships, a trend that continues to be explored in contemporary research [19].

Various academic studies aim to understand Gen Z employees' behavioral patterns and psychological expectations. Researchers continue to explore the key factors that influence their motivation and workplace engagement.

2.4 Research Gap

Findings from Deloitte surveys and existing literature highlight several gaps in current research:

- Limited understanding of the role of internal motivators and passion among Gen Z employees.
- A lack of studies exploring the relationship between internal motivation and intention to stay among Gen Z workers.

2.5 Objectives

- To examine the internal psychological needs of Gen Z employees.
- To identify factors that enhance their passion for work.
- To analyze the impact of internal factors on turnover rates among Gen Z employees.

This study seeks to establish a connection between passion and self-determination theory's motivational factors, identifying how internal motivators influence passion and subsequently impact employee retention.

2.6 Proposed hypothesis

H1- A significant association exists between internal factors (autonomy support, employee competency, and relatedness) and passion.

H2- Internal factors, including autonomy support, employee competency, and relatedness, have a substantial impact on an individual's intention to stay.

H3- Passion plays a crucial role in influencing an employee's intention to remain within an organization.

H4- Passion serves as a mediating factor between internal factors (autonomy support, employee competency, and relatedness) and an employee's intention to stay.

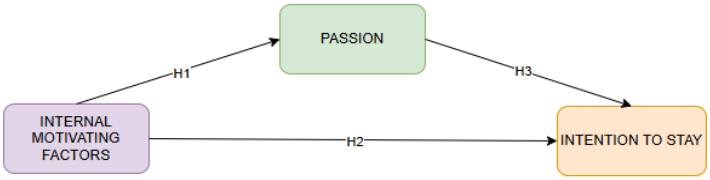

Fig 1 – Conceptual model

Source: Self Determination Theory

RESEARCHMETHODS

For this article, we have constructed a questionnaire set and distributed among Gen Z employees. A sample size of 100 is taken to validate the study. Purposive sampling method is adopted. The intended respondents were employees from Gen Z who possess a minimum of two years of work experience. The list of the service

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sectors incorporated in this study are sectors recognized as service sectors in the National Industrial Classification 2008 include Information and communication, Financial and insurance activities, Transport and storage, Wholesale and retail repair of vehicles and motorcycles, Accommodation and food service activities, Real estate activities, Professional, scientific and technical activities, Administrative and support service, Public administration and defence, social security, Education, Human health and social work activities, Arts, entertainment and recreation, other service activities, and activities of households with an employer, as well as undifferentiated goods and service-producing activities of households for personal use [20].

DATA ANALYSIS AND INTERPRETATION

Data analysis was performed using Smart PLS. The analysis, along with its interpretations, is presented below-

4.1Constructive Reliability

Table 1- Constructive Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
INTENTION TO STAY	0.949	0.953	0.967	0.908
INTERNAL _MOTIVATING _FACTORS	0.895	0.905	0.917	0.615
PASSION	0.824	0.829	0.883	0.654

Source- by author using Smart PLS

Interpretation for table 1- The results indicate strong reliability and validity for the constructs under study. Cronbach's Alpha values range from 0.824 to 0.949, exceeding the 0.7 threshold [21] indicating high internal consistency. Similarly, composite reliability (rho_c) values exceed 0.7 for all constructs, supporting the model's reliability [22]. Furthermore, the Average Variance Extracted (AVE) values range between 0.615 and0.908, surpassing the recommended 0.5 threshold[23], confirming convergent validity. The high AVE value (0.908) for "Intention to Stay" suggests that the construct captures a significant portion of variance from its indicators, further strengthening measurement validity. Given these findings, the measurement model is statistically reliable andvalid, allowing for further structural model evaluation.

4.2 Discriminant validity

Table 2

Discriminant validity - Fornell-Larcker criterion			
	INTENTION TO STAY	INTERNAL _MOTIVATING ...	PASSION
INTENTION TO STAY	0.953		
INTERNAL _MOTIVATING _...	-0.726	0.784	
PASSION	-0.504	0.809	0.808

Source- by author using Smart PLS

Table- 3

Discriminant validity - Heterotrait-monotrait ratio (HTMT) - Matrix			
	INTENTION TO STAY	INTERNAL _MOTIVATING ...	PASSION
INTENTION TO STAY			
INTERNAL _MOTIVATING _...	0.766		
PASSION	0.564	0.936	

Source- by author using Smart PLS

Interpretation for table 2 & 3- The Fornell-Larcker criterion confirms discriminant validity as the square root of AVE (diagonalvalues) is higher than the inter-construct correlations [23]. However, the HTMT ratio indicates a potential issue, as the Passion-Internal Motivating Factors value (0.936) exceeds the 0.85threshold [24], suggesting a lack of discriminant validity. Further bootstrapping is recommended to statistically test if HTMT is significantly different from 1, ensuring proper construct distinctiveness.

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4.3 Path coefficient and correlations

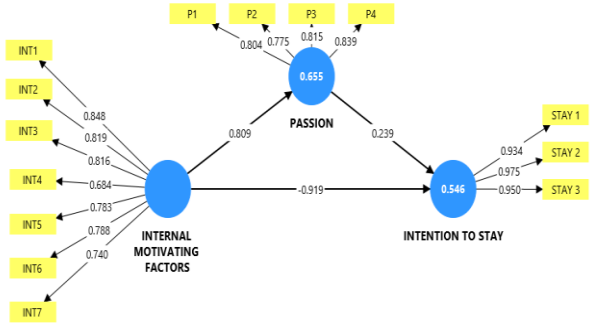

Fig 2- SEM model using Smart PLS (Path coefficient)

Source- by author using Smart PLS

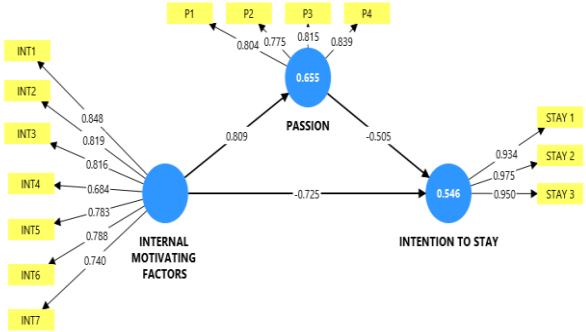

Fig 3- SEM model using Smart PLS (correlation)

Source- by author using Smart PLS

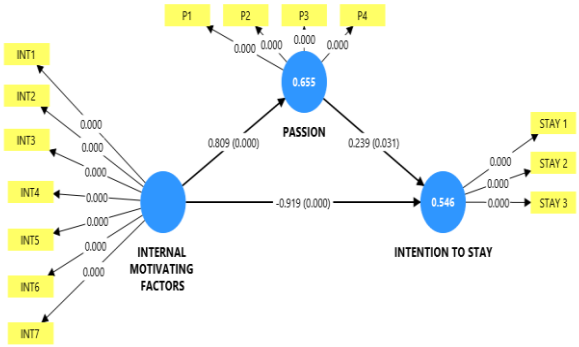

Fig 4- SEM model using Smart PLS (p-value)

Source- by author using Smart PLS

Interpretation for fig 2, 3& 4 - In bothstructural models, internal motivating factors strongly influence passion (0.809), while passion has a weaker impact on intention to stay (0.239 in the first model, -0.505 in the second). The negative direct effect of internal motivating factors on intention to stay (-0.919 and -0.725) suggests a suppression effect, which could indicate mediation [22]. The change in values between models highlights the need for mediation analysis to confirm whether passion mediates this relationship [25], p- value (0.00) indicates the relationships are significant [22].

4.4 Model Fit

Table 4

Model fit		
	Saturated model	Estimated model
SRMR	0.081	0.081
d_ULS	0.682	0.682
d_G	0.474	0.474
Chi-square	230.318	230.318
NFI	0.799	0.799

Source- by author using Smart PLS

Interpretation for table 4- The model fit indices indicate a moderate fit. The SRMR value(0.081) is slightly above the 0.08 threshold, suggesting an acceptable fit[26]. The Normed Fit Index (NFI) of 0.799 is below the 0.90 threshold for good fit [27], indicating room for improvement. The Chi-square value (230.318) suggests model deviation, but since chi-square is sensitive to sample size, other indices should be considered for a more robust evaluation [22].

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4.5 Mediation analysis

Table 5- Specific indirect effect (Mediation analysis)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
INTERNAL _MOTIVATING _FACTORS -> PASSION -> INTENTION TO STAY	0.196	0.200	0.092	2.139	0.033

Source- by author using Smart PLS

Interpretation for table 5- The mediation analysis shows that Internal Motivating Factors influenceIntention to Stay through Passion, with a positive indirect effect (0.196)**.** The T-statistic(2.139)and p-value (0.033) indicate statistical significance at the 5% level, supporting partial mediation [28]. The effect size suggests that Passion plays a significant role in translating motivation into retention among employees [29].

RESULT AND DISCUSSION

The results of this study provide empirical support for all four hypothesized relationships. H1, which suggests a significant relationship between internal factors (autonomy support, employee competency, and relatedness) and passion, is confirmed. The strong positive path coefficient indicates that employees who perceive higher internal motivation factors are more likely to develop passion for their work, aligning with Self-Determination Theory [13].Similarly, H2 is supported, demonstrating a significant relationship between internal factors and intention to stay. This finding suggests that when employees experience autonomy, feel competent, and have strong workplace relationships, they are more likely to remain committed to their organizations, consistent with previous research on job satisfaction and retention [30].Moreover, H3 confirms a significant relationship between passion and intention to stay, highlighting the role of passion in fostering long-term employee commitment [31]. Finally, H4 is supported, as the mediation analysis indicates that passion significantly mediates the relationship between internal factors and intention to stay. This suggests that while internal factors directly influence retention, their effect is also partially transmitted through passion, reinforcing the importance of fostering a supportive and motivating work environment [28].

Overall, these findings underscore the crucial role of internal motivational factors in shaping employee passion and retention, with important implications for organizational strategies aimed at enhancing workplace engagement and reducing turnover.

CONCLUSION

The findings highlight the crucial role of autonomy, competence, and relatedness in fostering a balanced and harmonious passion among Gen Z employees. When employees perceive autonomy in their roles, they are more likely to engage in work that aligns with their true interests, leading to self-driven motivation and long-term commitment. Self-Determination Theory (SDT) suggests that individuals who feel competent in their tasks are more inclined to develop passion, as mastery fuels motivation and willingness to excel. Additionally, a sense of relatedness, working collaboratively and feeling connected to others—further strengthens passion and engagement. The acceptance of hypotheses H1, H2, H3 and H4 through statistical analysis reinforces the argument that internal motivators significantly influence passion and retention, although further statistical testing may solidify these claims. Ultimately, by fostering autonomy, competence, and relatedness in the workplace, organizations can enhance employee motivation, engagement, and retention, reducing turnover and creating a committed workforce. These insights offer valuable guidance for organizations aiming to cultivate a passionate and loyal Gen Z workforce.

This study is also limited to literary evidence due to time constraints, with data collection still in progress, making generalization of Gen Z as a whole a concern. Future research can focus on a more generalized Gen Z population, explore gender-based differences, and examine the impact of extrinsic factors on passion, opening new avenues for study.

Practical Implications

- Enhancing autonomy, competence, and relatedness in the workplace can significantly boost employee engagement and job satisfaction, ultimately improving overall performance.
- Recognizing the interplay between intrinsic and extrinsic motivators enables organizations to develop tailored motivation strategies that align with both employee aspirations and business objectives.
- Establishing a work environment that emphasizes intrinsic motivators, such as purposeful tasks and strong interpersonal connections, can help lower turnover rates, particularly among Gen Z employees.
- Supporting competence through continuous skill development and knowledge exchange fosters a culture of lifelong learning, driving both innovation and adaptability within teams.
- Strengthening relatedness by fostering a sense of belonging and teamwork enhances collaboration, leading to improved organizational cohesion and effectiveness.

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ACKNOWLEDGMENT

We gratefully acknowledge the students, staffs and authority of school of management department for their corporation in this research.

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