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Analyzing The Impact Of Work Autonomy And Work-Life Balance On Employer Attractiveness For Generation Z Professional

Falih Arif Arrazzaq Putra[1], Ahmad Nizar Yogatama[2]

[1,2] Department of Management, Institut Teknologi & Bisnis Asia, Malang, Indonesia.

Abstract

Generation Z's entry into the labour market has redefined the criteria by which professionals evaluate prospective employers, making autonomy and work-life balance central to organizational appeal. Drawing on Self-Determination Theory, a quantitative, cross-sectional survey was administered through LinkedIn to 124 purposively selected respondents from state-owned enterprises, private firms, academia, and industry; 28 non-working fresh graduates were excluded from the initial 152 responses. Data were analysed using Partial Least Squares Structural Equation Modelling (SmartPLS 4). All retained constructs demonstrated adequate reliability and validity (AVE > 0.50; composite reliability > 0.80), and model fit was acceptable (SRMR = 0.088). Work Autonomy significantly influenced Employer Attractiveness (β = 0.535, p = 0.001) and Work-Life Balance (β = 0.489, p = 0.001), while Work-Life Balance predicted Employer Attractiveness (β = 0.234, p = 0.002) and partially mediated this indirect path (β = 0.115, p = 0.011). The model explained 46.3% of attractiveness variance. Findings suggest that employers should couple decision-making freedom with explicit mental-health and disconnect policies to attract Generation Z talent, particularly within Indonesia's high power-distance context.

Keywords: Work Autonomy, Work-Life Balance, Employer Attractiveness, Generation Z, PLS-SEM.

INTRODUCTION

The modern working world is currently in a massive phase with a large influx of Generation Z workforce (Bencsik et al., 2021). Born and raised in a fast-paced and hyper-connected digital era, this generation brings a set of values, expectations, and socio-cultural preferences that are vastly different compared to previous generations (Chillakuri, 2021). While predecessors tended to view institutional stability and long-term loyalty to a single company as paramount, Generation Z instead views work more as a means of

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self-actualization and the search for meaning (Singh & Dangmei, 2022). This shift in value orientations precisely demands that organizations and Human Resource Management practitioners abandon rigid workforce management methods (Kulikowski et al., 2021). As a result, a deep understanding of the mindset and characteristics of Generation Z workers has become a crucial foundation for companies wishing to maintain competitiveness amid an increasingly competitive labour market (Varshney, 2021).

In the contemporary professional context, Generation Z no longer views financial compensation as the sole primary indicator in choosing or retaining a job (Gaidhani et al., 2022). They place flexibility, a voice, and the opportunity to balance professional and personal life as the primary benchmarks for assessing the quality of a workplace (Varshney, 2021). These new values are driven by psychological awareness regarding the importance of mental health and the need for personal freedom in the workplace (Hanna, 2022). When companies fail to respond to this shift in expectations, organizations often face the problem of high turnover rates and a decline in work engagement levels (Djoko & Saluy, 2023). Therefore, formulating Human Resource Management strategies that align with the characteristics of Generation Z is no longer just an option, but an urgent psychological necessity (Sidorcova, 2022).

Despite the increasing demands for work flexibility among Generation Z, management practices in the field are frequently still trapped in rigid and overly standardized operational approaches. Many conventional companies implement uniform work methods requiring workers to strictly follow standardized procedures without providing room for expression. This sort of micromanagement approach often generates psychological friction, suppresses intrinsic motivation, and hinders the individual innovation potential of Generation Z workers. Consequently, companies often struggle to attract high-quality young talent because they are deemed to have failed in providing freedom for the exploration of Generation Z's best potential. This phenomenon indicates that there is a significant gap between corporate expectations demanding rigid control and the psychological need of young workers for freedom of action.

Empirical findings from practical experience in the managerial world prove that the classification of rigid control through the provision of autonomy actually produces high-performance leaps. When management shifts the approach from strict supervision to an initial training system followed by the freedom for workers to determine independent working methods, operational dynamics change drastically. Generation Z workers who are given space to experiment have proven capable of achieving turnover targets up to three times higher compared to conventional methods. This freedom not only boosts workers' financial and career achievements leading to job promotions but also strengthens their level of loyalty to the company. Thus, the implementation of Work

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Autonomy and Work-Life Balance is proven to strengthen Employer Attractiveness while optimizing organizational productivity.

Inconsistencies in findings from various studies regarding the effect of Work Autonomy on Employer Attractiveness leave an empirical gap that is interesting for further research. A number of previous empirical studies confirm that the implementation of Work Autonomy exerts a positive and significant influence in enhancing Employer Attractiveness for young workers (Kulikowski et al., 2021). Similar findings are also reinforced by contemporary research stating that freedom in determining task completion methods becomes a primary predictor of worker loyalty (Gkorezis et al., 2022). However, there are also several different studies that instead find non-significant results or indicate that Work Autonomy does not directly impact Employer Attractiveness without the support of a clear management structure (Sidorcova, 2022). This inconsistency in findings proves that the relationship between autonomy and Employer Attractiveness is not yet conclusive and further research is needed, particularly among Generation Z groups in Indonesia.

A similar dynamic also occurs with the Work-Life Balance variable, where Human Resource management literature still records varying research results over the past few years. The majority of empirical studies confirm that the balance between the professional and personal worlds has a significant and positive influence on enhancing Employer Attractiveness (Chillakuri, 2021). This significant influence is also supported by recent research findings emphasizing that work schedule flexibility can massively curb employee turnover rates (Kossek et al., 2023). Nevertheless, there are also recent empirical studies reporting the opposite result, where the Work-Life Balance variable is proven to have no significant effect on company attractiveness in certain industrial sectors under high operational pressure (Varshney, 2021). The existence of this theoretical gap and the inconsistency of previous research results underline the urgency of re-testing to clarify the role of both variables on the work interest of Generation Z.

Based on various phenomena of shifting work values and inconsistencies in previous research results, the implementation of this research is urgent to carry out immediately. Most existing prior literature generally only examines workforce characteristics in general without specifically distinguishing the unique preferences of Generation Z. This study offers novelty by comprehensively positioning the Self-Determination Theory (SDT) framework (Deci & Ryan, 2000) to dissect the intrinsic motivation of young workers in the modern era. Theoretically, the results of this study are expected to enrich the treasury of Human Resource management science, particularly regarding contemporary organizational behavior dynamics. Therefore, this empirical testing serves as an important bridge to connect workers' self-actualization with adaptive company management strategies.

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Empirically, the urgency of this research lies in its ability to provide strategic guidance for business practitioners and corporate managers. Amidst the intense competition to secure top talent, companies are demanded to understand effective recruitment instruments based on autonomy and work-life balance. The findings of this research are expected to serve as a concrete reference for organizations in reducing turnover rates and building an attractive workplace image. Through a comprehensive understanding of the Work Autonomy and Work-Life Balance variables, companies can formulate sustainable talent retention policies.

Hypothesis Development

Work Autonomy and Employer Attractiveness

Based in Self-Determination Theory (Ryan & Deci, 2017), the fulfilment of basic psychological needs in the form of autonomy serves as the primary driver of an individual's intrinsic motivation (Deci & Ryan, 2000). A number of recent empirical studies confirm that the implementation of Work Autonomy has been proven to exert a positive and significant influence on Employer Attractiveness among young workers (Gkorezis et al., 2022). Nevertheless, several other studies report conflicting results, indicating that Work Autonomy does not directly impact company attractiveness without the support of stable compensation (Bencsik et al., 2021; Varshney, 2021). Despite these varying findings, autonomous flexibility remains a crucial attraction for Generation Z. Based on these theoretical and empirical arguments, the first hypothesis is Work Autonomy has a positive and significant effect on Employer Attractiveness among Generation Z workers (H1).

Work Autonomy and Work-Life Balance

Based on Self-Determination Theory framework, an individual's ability to maintain harmony between professional and personal demands is a manifestation of psychological well-being achievement (Ryan & Deci, 2017). A number of empirical studies confirm that Work-Life Balance policies exert a positive and significant influence in enhancing Employer Attractiveness for Generation Z workers (Gaidhani et al., 2022; Kossek et al., 2023). Conversely there are several studies that dispute this by stating that results are non-significant, where Work-Life Balance sometimes does not directly impact company attractiveness (Beauregard, 2021; Djoko & Saluy, 2023). Despite these varying findings, the need for life balance remains an essential consideration factor for young talent in choosing a workplace. Based on these theoretical and empirical reviews, the second hypothesis is Work Autonomy has a positive and significant effect on Work-Life Balance among Generation Z workers (H2).

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Work-Life Balance and Employer Attractiveness

The reviews of Self-Determination Theory states that basic psychological needs wthin the scope of autonomous freedom and life balance will simultaneously strengthen intrinsic motivation and an individual's attachment to the organization (Ryan & Deci, 2017). A number of contemporary empirical studies confirm that the combination of autonomy and life balance exerts a positive and significant simultaneous influence in boosting company attractiveness for young workers (Hanna, 2022; Kulikowski et al., 2021). However, several other studies note non-significant results if companies fail to provide a thoroughly supportive work ecosystem (Varshney, 2021). Nevertheless the integration of these two variables is still believed to be a strong collective attraction for Generation Z in choosing an organization. Based on these theoretical and empirical arguments, the third hypothesis is formulated Work-Life Balance has a positive and significant effect on Employer Attractiveness among Generation Z workers (H3).

The mediation role of Work-life Balance

Based on the Self-Determination Theory framework, the fulfilments of Work Autonomy needs not only exerts a direct impact, but also equips individuals with managerial capabilities to create life balance, which ultimately enhances employer attractiveness (Ryan & Deci, 2017). A number of empirical studies strongly confirm that Work-Life Balance is proven to significantly mediate the positive influence of Work Autonomy on the enhancement of company attractiveness (Chillakuri, 2021; Kossek et al., 2023). Nevertheless, several studies find non-significant results regarding this mediating role when the corporate culture is extremely rigid, thereby causing autonomous freedom to fail in being translated into effective personal time management (Bencsik et al., 2021; Varshney, 2021). Despite this, the mediating function of career choices among life balance remains essential in explain the psychological mechanism of career choices among the young workforces. Based on these theoretical and empirical arguments, the fourth hypothesis is formulated Work-Life Balance significantly mediates the relationship between Work Autonomy and Employer Attractiveness among Generation Z workers (H4).

Research Methodology

This study employs a quantitative approach with an explanatory design aimed at testing and explaining causal relationships and the influence between variables, namely the effects of Work Autonomy and Work-Life Balance, based on hypothesis testing using numerically measured statistical data. The population of this study comprises all

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individuals belonging to the Generation Z cohort (born between 1997 and 2012) in Indonesia. This demographic was selected because they represent the modern workforce dominating the labor market and possess dynamic psychological characteristics and career expectations toward organizations.

Sample determination was conducted using a purposive sampling technique with specific inclusion criteria, namely active workers born between 1997 and 2012. From a total of 152 initial respondents captured through online questionnaires, 28 respondents with the status of fresh graduates were eliminated to ensure that the evaluations provided were truly based on real work experience. This resulted in a final valid sample eligible for PLS-SEM analysis totaling 124 respondents (N=124). To ensure robust statistical testing power, an *a priori* power analysis was conducted using G*Power 3.1 software (Faul et al., 2009). Assuming a medium effect size (f^2 = 0.15), an alpha error probability of 0.05, a statistical power of 0.80, and two predictors in the structural model, the minimum required sample size was calculated at 68 respondents. With a final valid sample of 124 respondents, this study comfortably exceeds the minimum threshold by 56 respondents, ensuring adequate and robust statistical power for the PLS-SEM analysis (Hair et al., 2021).

Data collection was conducted through online questionnaire surveys distributed via digital platforms such as LinkedIn, utilizing a 5-point Likert scale instrument. This method was assessed as the most effective and efficient approach to reach the Generation Z worker population. In addition, to anticipate Common Method Bias (CMB) resulting from single-source data collection, Harman's Single-Factor test was applied in accordance with management literature recommendations (Podsakoff et al., 2003). The results indicated that a single factor accounted for only 32.4% of the total variance, which is well below the 50% threshold, confirming that CMB is not a pervasive issue in this dataset.

Subsequently, the data analysis technique utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS 4 software. This method was chosen because it is highly robust for testing structural models involving mediating variables, flexible regarding data distribution assumptions, and ideal for accurately testing models with medium sample sizes (Hair et al., 2021; Ringle et al., 2022).

RESULTS

Respondent Demographic Profile

This study analyses 124 active Generation Z workers in Indonesia obtained through a purposive sampling technique from a total of 152 initial respondents. The

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detailed demographic profile of the respondents based on gender and job category is presented in Table 1 below:

Table 1. Respondent Demographic Profile (N=124)

Demographic Category	Sub-Category/Job Group	Frequency	Percentage
Gender	Male	58	46.8%
	Female	66	53.2%
Job Category	Private/ SOE Employee/ Industry Practitioner	121	97.6%
	Early-Career Lecturer/ Academician	3	2.4%

Source: Author's Work, 2026.

Based on Table 1 above, the distribution of respondents consists of private sector/SOE workers/non-education (97.6%) and academicians/education (2.4%), which appropriately represents the active Generation Z workers population in the corporate and professional sectors.

Outer Model Evaluation

The outer model evaluation is conducted to test the validity and reliability of the research instruments, encompassing the variables of Work Autonomy, Work-Life Balance, and Employer Attractiveness.

Table 1. Construct Reliability and Convergent Validity Table 2: Cronbach's Alpha, Composite Reliability and AVE

Construct	α	CR	AVE
Employer Attractiveness	0.838	0.892	0.673
Work Autonomy	0.763	0.849	0.586
Work-Life Balance	0.527	0.808	0.678

Source: Author's Work, 2026.

Based on Table 2, the outer model evaluation testing indicates that all research variables have met the criteria for convergent validity and construct reliability. The evaluation of convergent validity (AVE) demonstrates that all constructs possess AVE values above the minimum criterion of 0.50, namely Employer Attractiveness at 0.673, Work Autonomy at 0.586, and Work-Life Balance at 0.678. These achievements indicate that each construct is capable of explaining more than 50% of the variance of its forming indicators.

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Meanwhile, the construct reliability testing (CR) confirms an excellent level of internal consistency across all variables. This is confirmed by the Composite Reliability criterion values being above 0.70. Although Cronbach's Alpha for Work-Life Balance was recorded at 0.527 (< 0.70), this construct is still stated as reliable and acceptable in PLS-SEM analysis. This is because the primary reliability evaluation in the PLS-SEM approach relies on the CR value, which is not influenced by the number of indicators (Hair et al., 2021).

Table 3. Outer Loadings

Indicator	Outer loadings
X1.1 (The company gives me freedom in deciding how to do work)	0.775
X1.2 (I have flexibility in managing my task completion time)	0.717
X1.3 (The company trusts me to make work-related decisions)	0.737
X1.4 (I am free to express my ideas and working methods without micromanagement)	0.827
X2.2 (The company respects my rest periods and working time)	0.792
X2.3 (The work environment supports my mental health and well-being)	0.853
Y1.1 (This company represents a highly appealing work space for me)	0.816
Y1.2 (I am proud to work in a company with this kind of work culture)	0.779
Y1.3 (This company offers an ideal working environment for Generation Z)	0.860
Y1.4 (I would recommend this company as a workplace of choice)	0.822

Source: Author's Work, 2026.

Based on Table 3, the convergent validity testing at the indicator level through outer loading values indicates that the indicators retained in the model have met the established criteria (> 0.70). For the Work Autonomy variable (X1), all indicators recorded outer loading values above 0.70. Meanwhile, for the Work-Life Balance (X2), out of the initial 4 indicators, indicators X2.1 and X2.4 were eliminated due to having outer loading values < 0.70. Contextually, this elimination may reflect the unique work culture in Indonesia, where the boundary between professional and personal time is often blurred by digital communication (e.g., WhatsApp groups). Consequently, Gen Z respondents might have interpreted traditional WLB items differently, making the mental health and explicit rest period indicators (X2.2, X2.3) more salient and valid for this demographic. Following up, the Employer Attractiveness variable (Y) consistently shows high outer loading values > 0.70 ranging from 0.779 to 0.860. Overall, all indicators included prove

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that each item is declared valid in representing its respective construct variable (Hair et al., 2021).

Discriminant Validity

Discriminant validity testing aims to ensure that each construct in the research model is empirically distinct from one another. This testing is evaluated through the Heterotrait-Monotrait ratio aspect with the required threshold criteria of < 0.90 (Franke & Sarstedt, 2019; Henseler et al., 2015).

Table 4. Heterotrait-Monotrait Ratio (HTMT)

Construct	HTMT
Work Autonomy - Employer Attractiveness	0.804
Work-Life Balance - Employer Attractiveness	0.745
Work-Life Balance - Work Autonomy	0.767

Source: Author's Work, 2026.

Based on Table 4, the results of HTMT ratio testing between constructs demonstrate an excellent level of discriminant validity. Given that all HTMT ratio values are below the conservative threshold of 0.85 as well as the general criterion of 0.90, all variables in this research model are proven to ideally meet the discriminant validity requirements.

In addition to the HTMT testing, discriminant validity is also evaluated using the Fornell-Larcker Criterion (Fornell & Larcker, 1981).

Table 5. Fornell-Larcker Criterion

Construct	Employer Attractiveness	Work Autonomy	Work-Life Balance
Employer Attractiveness	0.820		
Work Autonomy	0.649	0.765	
Work-Life Balance	0.495	0.489	0.823

Source: Author's Work, 2026.

Based on Table 5, the square root value of AVE for each construct (bolded diagonal values) is greater than the correlation value between that construct and other constructs in the model, confirming discriminant validity.

Multicollinearity Test and Model Fit

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The multicollinearity test is conducted to ensure the absence of very high correlation (collinearity) among indicators. This test is evaluated using VIF values with a threshold criterion of VIF < 5.0 (Hair et al., 2021).

Table 6. Variance Inflation Factor (VIF)

Indicator	VIF
X1.1: The company gives me freedom in deciding how to do work	1.482
X1.2: I have flexibility in managing my task completion time	1.346
X1.3: The company trusts me to make work-related decisions	1.483
X1.4: I am free to express my ideas without micromanagement	1.735
X2.2: The company respects my rest periods and working time	1.146
X2.3: The work environment supports my mental health	1.146
Y1.1: This company represents a highly appealing work space	1.721
Y1.2: I am proud to work in a company with this kind of culture	1.651
Y1.3: This company offers an ideal working environment for Gen Z	2.249
Y1.4: I would recommend this company as a workplace of choice	1.887

Source: Author's Work, 2026.

Based on Table 6, all research indicators have VIF values below the 5.0 threshold (ranging from 1.146 to 2.249), confirming that there are no multicollinearity issues among the indicators in this study.

Table 7. Model Fit

Criteria	Saturated model	Estimated model
SRMR	0.088	0.088
d_ULS	0.424	0.424
d_G	0.164	0.164
Chi-square	128.07	128.07
NFI	0.733	0.733

Source: Author's Work, 2026.

Based on Table 7, the SRMR value obtained for both the Saturated Model and the Estimated Model is 0.088 (≤ 0.10). Therefore, it can be concluded that this research model meets the criteria for a good model fit and is feasible to process for hypothesis testing analysis.

Structural Model (Inner Model)

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The structural model (inner model) evaluation is conducted to examine the coefficient of determination (R^2), Effect Size (f^2), and the significant level of the relationship between variables through the bootstrapping procedure.

Coefficient of Determination (R^2) and Effect Size (f^2)

Table 8. Coefficient of Determination

	R^2	R^2 adjusted
Employer Attractiveness	0.463	0.454
Work-Life Balance	0.239	0.233

Source: Author's Work, 2026.

Based on Table 8, the Employer Attractiveness variable recorded an R^2 value of 0.463. This result indicates that 46.3% of the variance in Employer Attractiveness can be explained simultaneously by the Work Autonomy and Work-Life Balance variables, falling into the moderate category. Meanwhile, the Work-Life Balance variable has an R^2 value of 0.239, implying that 23.9% of the variance can be explained by Work Autonomy.

Table 9. F-Square (Effect Size)

Path	f^2
Work Autonomy → Employer Attractiveness	0.405
Work Autonomy → Work-Life Balance	0.314
Work-Life Balance → Employer Attractiveness	0.078

Source: Author's Work, 2026.

Based on Table 9, the relationship between Work Autonomy and Employer Attractiveness recorded an $f^2 = 0.405$ (large effect). The effect of Work Autonomy on Work-Life Balance obtained an $f^2 = 0.314$ (medium effect approaching large). On the other hand, the effect of Work-Life Balance on Employer Attractiveness is $f^2 = 0.078$ (small effect).

Mediation Hypothesis Testing

Table 10. Direct Effect

Path	O	M	STDEV	T-Statistics	P-Values	Decision
Work Autonomy → Employer Attractiveness	0.535	0.541	0.067	8.007	0.001	Accepted

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Work Autonomy → Work-Life Balance	0.489	0.489	0.095	5.170	0.001	Accepted
Work-Life Balance → Employer Attractiveness	0.234	0.229	0.077	3.043	0.002	Accepted

Source: Author's Work, 2026.

Based on Table 10, the direct hypothesis testing results indicate that all direct hypotheses proposed in this study are accepted. The effect of Work Autonomy → Employer Attractiveness is proven to be positive and significant (T-Statistic = 8.007 > 1.96; P-Value = 0.001 < 0.05). The relationship of Work Autonomy → Work-Life Balance also exhibits a positive and significant effect (T-Statistic = 5.170; P-Value = 0.001). For the hypothesis testing of Work-Life Balance → Employer Attractiveness, it also exerts a positive and significant effect (T-Statistic = 3.043; P-Value = 0.002).

Table 11. Indirect / Mediation Effect

Path	Original (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics	P-Values	Decision
Work Autonomy → Work-Life Balance → Employer Attractiveness	0.115	0.113	0.045	2.546	0.011	Partial Mediation (Accepted)

Source: Author's Wor, 2026.

Based on Table 11, the mediation effect testing demonstrated that Work-Life Balance significantly partially mediates the effect of Work Autonomy on Employer Attractiveness. This is validated by a T-Statistics value of 2.546 (> 1.96) and a P-Value of 0.011 (< 0.05). Accordingly, hypothesis 4 is declared accepted.

DISCUSSION

Direct Effect of Work Autonomy on Employer Attractiveness (H1)

The results of the first hypothesis testing (H1) demonstrate that Work Autonomy has the most dominant and significant positive effect on Employer Attractiveness (β = 0.535, p < 0.001). This high path coefficient value indicates that the greater the autonomy,

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trust, and freedom provided by the company in the work process, the higher the attractiveness of the company to Generation Z.

Theoretically and psychologically, the dominance of this effect is supported by Self-Determination Theory (Ryan & Deci, 2017) and the Job Characteristic Model (Hackman & Oldham Greg R., 1976), where autonomy is a basic psychological need that drives an individual's intrinsic motivation. Generation Z views autonomy as a form of validation of their competence and expertise. From the perspective of the Instrumental-Symbolic Framework (Lievens & Highhouse, 2003), Work Autonomy attributes function as symbolic signals regarding a modern and non-restrictive organizational culture.

Furthermore, in the Indonesian context, which is characterized by a high Power Distance culture where traditional management often leans towards micromanagement and strict hierarchical obedience, granting autonomy is perceived as a "positive deviation." This autonomy serves as a strong psychological shock that boosts intrinsic motivation, making the company regarded as an employer of choice. These findings reinforce previous research (Onken-Menke et al., 2018; Schroth, 2019; Twenge, 2017) and complement prior research findings regarding the importance of employer branding values (Ambler & Barrow, 1996; Backhaus & Tikoo, 2004; Berthon et al., 2005).

Effect of Work Autonomy on Work-Life Balance (H_2)

The results of the second hypothesis testing (H2) demonstrate that Work Autonomy has a positive and significant effect on Work-Life Balance ($\beta = 0.489$, $p < 0.001$). This finding indicates that a high level of autonomy in the actual work environment serves as a primary driver for achieving a balance between the professional and personal lives of workers.

Theoretically, the provision of temporal and operational control facilitates Generation Z workers to flexibly integrate the demands of core tasks with personal needs. Structured autonomy is proven effective in suppressing negative time conflict and providing space for workers to manage their psychological energy, thereby avoiding burnout. The ability of workers to independently manage their working time allows them to respect rest periods and working hours boundaries (Kelliher & Anderson, 2010;Wheatley, 2017).

Effect of Work-Life Balance on Employer Attractiveness (H3)

The result of the third hypothesis testing (H3) indicates that Work-Life Balance has a positive and significant effect on Employer Attractiveness ($\beta = 0.234$, $p = 0.002$). This finding informs that the balance between personal and professional life is a key factor considered by Generation Z when choosing a place to work.

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This positive effect confirms a shift in career priorities among Generation Z post-pandemic, where career success is no longer measured solely by financial compensation, but also by the protection of mental health and personal well-being. Companies that facilitate a balanced work culture are perceived to have a high level of perceived organizational support regarding the importance of Work-Life Balance and person-organization fit, which genuinely enhances corporate reputation and Employer Attractiveness (Deery, 2008; Sirgy & Lee, 2018).

Mediating Effect of Work-Life Balance (H_4)

The result of indirect path testing (H4) proves that Work-Life Balance significantly acts as a mediating variable in the relationship between Work Autonomy and Employer Attractiveness ($\beta = 0.115$, $p = 0.011$). Since the direct effect remains significant ($\beta = 0.535$, $p < 0.001$), the mediation role is categorized as a partial mediation. The mediation effect testing was conducted using a percentile bootstrapping approach with 5000 resamples (Preacher & Hayes, 2008; Zhao et al., 2010).

This finding explains a dual mechanism: Work Autonomy directly attracts Generation Z through trust, while simultaneously indirectly creating balanced working conditions first. The novelty contribution of this study asserts that Employer Attractiveness cannot be built solely by providing freedom such freedom must genuinely materialize in the balanced quality of life of workers. Focusing exclusively on Generation Z holding active worker status, this study successfully captures real-world experience-based evaluations rather than mere pre-employment idealistic expectations.

For the Work Autonomy variable, the indicator of freedom to express ideas and work methods without micromanagement (X1.4) recorded the highest Outer Loading (0.827). This empirically proves that the most crucial aspect for Generation Z is the avoidance of excessive work control.

Meanwhile, in the Work-Life Balance variable, the indicator of a work environment supporting mental health (X2.3) became the most important contributor at 0.853. This finding underlines the importance of mental health protection in measuring Work-Life Balance in the eyes of active Generation Z workers, such as company policies that respect personal time boundaries outside of working hours.

Practical and Managerial Implications

The empirical findings of this study provide concrete strategic guidance for Human Resource management practitioners and employer branding practitioners in formulating Generation Z talent acquisition strategies.

Organizations are advised to establish structured autonomy by transforming leadership styles from directive management to outcome-based management, namely by

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granting full trust in the working methods chosen by Generation Z as long as performance targets remain achieved.

The importance of institutionalizing a mental health well-being culture through the establishment of clear work communication boundaries (e.g., implementing a Right to Disconnect policy where employees are not expected to reply to messages after working hours) to mitigate burnout.

The utilization of Employee Value Proposition (EVP) communication messages that must explicitly demonstrate the aspect of Work-Life Balance, convincing prospective young talent that the freedom and work flexibility provided by the company have a direct, tangible impact on the creation of a balanced quality of life.

Research Limitation and Future Research Directions

This study has several limitations that need to be considered for the development of future research. First, although the sample size of respondents has met the statistical adequacy standards of PLS-SEM, the demographic coverage of this study focuses on active Generation Z workers in the urban corporate/professional sector in Indonesia. Therefore, the generalizability of the results to cross-cultural contexts, other countries, as well as manual industry sectors (such as factory workers) must be done with caution. Second, this study utilizes a cross-sectional design, which captures data at a single point in time; thus, it cannot definitively prove absolute causality. Future research is recommended to employ longitudinal designs to track changes in employer attractiveness over time. Third, this study focuses on two main predictor variables. Future research is recommended to expand the conceptual model by integrating other predictor variables relevant to Generation Z, such as Organizational Culture, Digital Leadership, or Career Development Opportunities, as well as testing potential moderating variables such as industry type or company scale.

Conclusion

This study has successfully proven empirically that Work Autonomy and Work-Life Balance are significant determinant factors in shaping Employer Attractiveness in the eyes of Generation Z holding active worker status in Indonesia. The PLS-SEM analysis results confirm that Work Autonomy has the most dominant direct effect on Employer Attractiveness ($\beta = 0.535$, $p < 0.001$), while also exerting a positive effect on Work-Life Balance ($\beta = 0.489$, $p < 0.001$). Furthermore, Work-Life Balance is proven to have a significant effect on Employer Attractiveness ($\beta = 0.234$, $p = 0.002$) and successfully plays a role as a partial mediating variable ($\beta = 0.115$, $p = 0.011$) connecting Work Autonomy and Employer Attractiveness. Simultaneously, the combination of Work Autonomy and Work-Life Balance is able to explain 46.3% of the variance in Employer Attractiveness.

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The novelty of this study asserts that for Generation Z who have entered the workforce directly, an organization's attractiveness is determined by the extent to which the company provides freedom and Work Autonomy that genuinely safeguards their life balance and mental health, especially in a cultural context that traditionally favours rigid management.

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