





“The role of transformational leadership, work-life balance, and employee engagement on Gen Z’s organizational commitment in the Indonesian creative industry”

AUTHORS	Janitia Amirah Jasmine  Prio Utomo  
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Janitia Amirah Jasmine, Master,
Graduate Student, Department of
Technology Management, Faculty
of Business, Universitas Multimedia
Nusantara [Multimedia Nusantara
University], Indonesia.

Prio Utomo, Doctor, Associate
Professor, Department of Technology
Management, Faculty of Business,
Universitas Multimedia Nusantara
[Multimedia Nusantara University],
Indonesia. (Corresponding author)



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Janitia Amirah Jasmine (Indonesia), Prio Utomo (Indonesia)

THE ROLE OF TRANSFORMATIONAL LEADERSHIP, WORK-LIFE BALANCE, AND EMPLOYEE ENGAGEMENT ON GEN Z'S ORGANIZATIONAL COMMITMENT IN THE INDONESIAN CREATIVE INDUSTRY

Abstract

Adapting retention strategies is essential to balancing Generation Z's unique work values and preferences so that organizations can reduce turnover, enhance loyalty, and thrive in hybrid work environments. Therefore, this study aimed to investigate the role of transformational leadership, work-life balance, and employee engagement in Generation Z's organizational work commitment. Using a cross-sectional quantitative method, the investigation adopted purposive sampling and partial least square structural equation modeling (PLS-SEM). The quantitative data were collected through an online survey of 130 Jakarta Generation Z employees of creative industry firms. In addition, the qualitative validation interview was conducted to support the quantitative data analysis, including group heads of employees from the creative agencies. The results showed that transformational leadership significantly impacted employee engagement and affective organizational commitment. The work-life balance had only significant relationships with employee engagement without affecting organizational commitment. Employee engagement fully mediated the relationship between work-life balance and affective organizational commitment. Generation Z employees considered engagement a critical factor affecting commitment to exert a more substantial influence than transformational leadership and work-life balance. The results emphasized the need for organizations to focus on enhancing employee engagement to improve commitment among Generation Z employees in the hybrid work environment.

Keywords

Generation Z, transformational leadership, work-life balance, affective organizational commitment, employee engagement, hybrid work

JEL Classification J02, O15

INTRODUCTION

The Great Resignation among Generation Z employees is introducing new challenges for organizations (Rezeki, 2023). Turnover rates have reached unprecedented levels of approximately 40% of employees, and most of the demographic may resign from assigned jobs (Benítez-Márquez et al., 2022). Additionally, rising costs associated with recruitment, training, and lost productivity have compelled organizations to reassess respective retention strategies to engage better and retain generational cohorts. Generation Z, also known as iGeneration, comprises individuals born between 1997 and 2012 (Gabriellova & Buchko, 2021). This set of individuals possesses a distinct set of expectations and values for the workplace after growing up in a highly digitized and technologically advanced world (Lazar et al., 2023). Therefore, the effective management of the new generation is crucial for maintaining organizational commitment and productivity (Sakdiyakorn et al., 2021).

A key factor influencing the commitment of Generation Z to organizations is employee engagement (Meret et al., 2018). Highly engaged employees are more likely to experience a positive work-life balance and show more substantial affective commitment. Generation Z's entrance into the workforce has prompted the reevaluation of respective leadership approaches and employee engagement strategies to enhance practical organizational commitment, particularly in hybrid work environments (Dobrowolski et al., 2022; Doucet et al., 2015). This generational cohort represents a unique group with characteristics, values, and expectations that differ significantly from previous generations. Therefore, correctly understanding their work-related attitudes and preferences is essential for organizations to optimize talent management and retention efforts (Tang, 2019).

Transformational leadership and work-life balance have been identified as critical factors influencing the engagement and commitment of Generation Z employees. Transformational leadership has been observed to possess the potential to impact employee engagement and work-life balance positively. Generation Z prefers leaders who can inspire, empower, and provide a sense of purpose to increase the importance of transformational leadership for the cohort.

Work-life balance is another significant concern for Generation Z, as most people highly value flexibility and the seamless integration of personal and professional lives. Transformational leadership can positively influence employee engagement and work-life balance, leading to increased affective organizational commitment (Wang et al., 2022).

1. LITERATURE REVIEW AND HYPOTHESES

Generation Z is known for its distinct characteristics, as it is highly educated and idealistic (Schroth, 2019). The individuals live in an era of advanced technology and are empowered to express and voice opinions for social justice. Social issues such as equity and inclusion are more prominent topics, and these individuals support each other in addressing free speech restrictions. In addition, work values are well-defined, exemplified by a strong willingness to work diligently and relocate to another country in pursuit of higher compensation, job security, and improved career opportunities. Work-life balance has become increasingly significant, as reported in a survey in which 69% of participants stated that the concept is essential (Heriyanto et al., 2024). Generation Z needs more work experience due to living in affluent circumstances and having greater competition with older generations who are unemployed. The lack of work experience could lead to unrealistic expectations in the workplace, causing reduced commitment levels and increased employee turnover.

Generation Z has experienced major global events, such as the economic crisis of 2018 and the recent COVID-19 pandemic (Magano et al., 2020), lead-

ing to substantial losses across all industry sectors. From the Great Resignation to widespread layoffs and the stretching of remaining resources, Generation Z was among the most impacted and initiated the "quiet quitting" movement by limiting work commitment as a form of resistance (Mahand & Caldwell, 2023). This concept resurfaced during the pandemic as an effective practice in the current work environment, specifically with the shift to remote regulations (Serenko, 2024). The cause lies in the fundamental aspects of individual well-being, where needs, values, and a sense of purpose are overlooked, leading to reduced engagement in work (Formica & Sfodera, 2022).

Individuals with strong leadership skills are needed explicitly since the generation tends to favor leaders who offer a sense of meaning and purpose in the workplace (Meret et al., 2018). Leadership is critical in the post-pandemic era, as employees seek decision-makers who are perceived as trustworthy and capable of enhancing mutual understanding in teams. Shared leadership has been reported as an optimal method in dynamic work environments. This emphasizes collective participation, enabling team members to contribute ideas collaboratively and balance efforts toward achieving project objectives, particularly in situations demanding prompt decision-making (Adekoya et al.,

2022). Implementing a transformational leadership style has significantly increased employee engagement by improving a sense of purpose, empowering individuals, and prioritizing organizational objectives over personal interests. Transformational leadership adopts two concepts of psychology, social exchange theory and learning, which affect individuals and organizational systems (Bass & Riggio, 2006). Leaders with transformational traits inspire, intellectually stimulate, and offer personalized support to their followers (Wang et al., 2022).

According to Park et al. (2022) and Mansoor et al. (2022), transformational leadership positively influences affective organizational commitment. Palalic and Mhamed (2020) found that leaders with transformational traits significantly enhanced organizational sustainability by consistently maintaining affective commitment. In addition, Serenko (2024) recommended transformational leadership practices to mitigate quitting behavior in the workplace. The current situation among Generation Z further shows the importance of leadership style.

Generation Z highly values flexibility and integrating personal and professional lives. According to Deloitte (2024), work-life balance is a top priority due to the value of finding meaning. The concept refers to the ability to manage the competing demands of work and personal responsibilities effectively. In this context, work-life balance is not solely defined by pressure but influenced by self-motivation. External factors, including cultural norms and expectations, can affect job performance by influencing priorities and behaviors (Adekoya et al., 2022). Work-life balance has become an aspect considered during remote working, with flexibility as the key predictor employees favor. Remote work could increase work concentration unconsciously (Kelliher & Anderson, 2010). The research strengthens the statement that intense employees will be willing to work harder. The discovered work-life balance could impact employee engagement, as Wood et al. (2020) stated. The main antecedents considered are job resources, support from colleagues and society, work-family culture and personal resources, self-efficacy, and self-esteem. Therefore, employees who perceive substantial organizational support for work-life balance are engaged and committed to assigned tasks.

According to Oyewobi et al. (2019) and Shabir and Gani (2020), work-life balance significantly and positively correlates with affective organizational commitment among female employees and organizational performance. The phenomenon of quiet quitting has further emphasized the critical role since employees have experienced blurred boundaries between work and personal life after the pandemic (Hamouche et al., 2023). The concept's significance is shown based on data and phenomenon research, including work-life balance surrounding Generation Z.

Employee engagement refers to the investment of individual physical, cognitive, and emotional resources into assigned work and is positively associated with affective organizational commitment (Wang et al., 2022). The concept counts as personal engagement and refers to individuals using desired qualities and characteristics to establish links with work and colleagues. Employee engagement includes physical, cognitive, and emotional presence (Kahn, 1990). Engaged employees show psychological attachment, which manifests in productivity and high-quality work as critical traits of organizational commitment.

Organizational commitment is divided into normative, affective, and continuance (Meyer, 2016). Normative commitment is a situational attitude or individual propensity, where remaining in the current workplace is perceived as the socially appropriate choice. In contrast, continuance commitment is driven by personal considerations, with an individual deciding to stay based on the perceived benefits. Affective commitment is perceived as a psychological attachment, which can lead to a sense of belonging. This category holds a strong predictor in developing work-autonomous motivation (Cohen, 2007). The result is supported by Mercurio (2015), where affective organizational commitment is the core of the other categories due to its solid effects on individual behavior in the workplace. Affective commitment substantially influences significant organizational outcomes, such as turnover, absenteeism, and organizational citizenship behaviors, compared to commitment's proposed behavioral or transactional aspects. In the context of Generation Z, this cohort tends to possess characteristics of

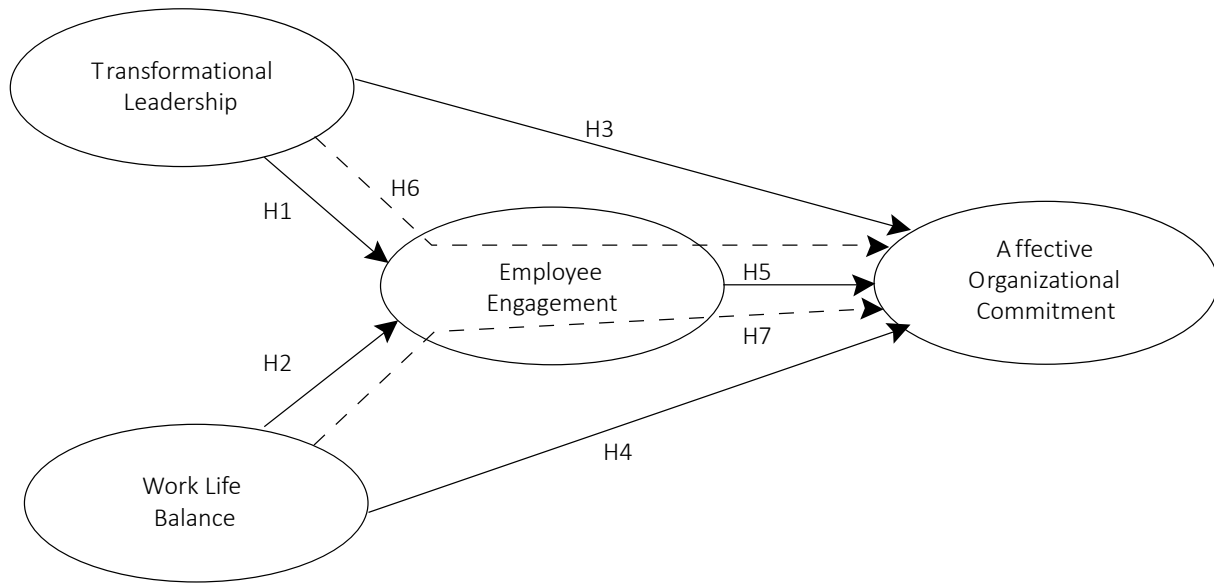


Figure 1. Research framework

honesty and straightforwardness. Leaders show positive attitudes by facilitating communication and counterproductive actions (Schroth, 2019).

According to Park et al. (2022), employee engagement is crucial in mediating between transformational leadership and affective organizational commitment. This form of engagement is a critical mediator supporting the relationship between leaders and employee outcomes. Mansoor et al. (2022) confirmed that employee engagement served as a significant mediator, contributing to the underlying mechanism connecting transformational leaders with the behaviors of subordinates. Generation Z, known for prioritizing social justice and inclusion, expects the values to be reflected in the workplace. Therefore, the relationship between transformational leadership style and employee engagement significantly enhances commitment (Schroth, 2019).

Based on the literature review, this study aims to determine the new workforce generation in affective organizational commitment rate through employee engagement, work-life balance, and transformational leadership. The hypotheses were built following the originality of previous and preliminary results. The investigation included synthesizing existing theories and phenomena to develop the hypotheses, as shown in Figure 1. Considering the literature review, a total of seven hypotheses were produced as follows:

H1: Transformational leadership positively affects employee engagement among Generation Z employees in hybrid work environments.

H2: Transformational leadership positively relates to affective organizational commitment among Generation Z employees in hybrid work environments.

H3: Work-life balance positively relates to employee engagement among Generation Z employees in hybrid work environments.

H4: Work-life balance positively relates to affective organizational commitment among Generation Z employees in hybrid work environments.

H5: Employee engagement positively relates to affective organizational commitment among Generation Z employees in hybrid work environments.

H6: Employee engagement mediates the relationship between transformational leadership and affective organizational commitment among Generation Z employees in hybrid work environments.

H7: Employee engagement mediates the relationship between work-life balance and af-

fective organizational commitment among Generation Z employees in hybrid work environments.

These hypotheses aim to examine the effects of employee engagement, transformational leadership, and work-life balance on the affective organizational commitment of Generation Z employees in a hybrid work setting.

2. METHODS

The methodological framework includes a quantitative method. A purposive sampling strategy was used, with 130 participants targeting Generation Z employees working in the creative industry. This sample represents employees in the creative industry since the demography is increasingly becoming a significant part of the workforce with unique work-life preferences, engagement levels, and organizational commitment factors. A structured questionnaire was developed and administered to measure the latent variables of affective organizational commitment, employee engagement, work-life balance, and transformational leadership. Subsequently, descriptive statistics were used to analyze participant demographics, including gender, educational background, and work frequency. This present paper investigated causal correlations between the dependent and independent variables. Associative hypotheses were tested using path analysis, with data processed through partial least squares structural equation modeling (PLS-SEM), a method capable of handling complex models (Utomo & Kurniasari, 2023).

The evaluation process in SEM-PLS consisted of two stages, namely reflective and structural measurement. The reflective measurement was assessed through reliability and validity checks. In this context, reliability assessment includes indicator reliability and internal consistency. Meanwhile, validity assessment comprises an evaluation of convergent and discriminant validity. For the structural model analysis, path coefficients and explanatory power were used to evaluate the relationships between variables and determine the respective impacts of the evaluated variables. Mediation analysis examined the PLS model's conversion effects between exogenous and

endogenous constructs by comparing path coefficient results. As the final step of the investigation, a confirmatory interview was conducted to gain insights beyond the quantitative results. The interview comprised the participation of four group heads who had led teams composed of Generation Z members in the creative industry.

Table 1 shows descriptive analysis on the characteristics of participants. Among participants, 44.6% were male and 55.4% were female. The age distribution showed that 15.4% were between 20-22 years old, while the majority, 84.6%, were between 23-25 years old. Regarding educational background, 95.4% held a bachelor's degree, 2.3% were high school graduates, 1.3% held a diploma, and 0.8% had obtained a master's degree. Regarding work frequency, 26.4% and 22.5% worked four and three times a week, while 22.5% had an uncertain schedule.

Table 1. Participant demography

Demography	Amount	Percentage (%)
Gender		
Male	72	44.60%
Female	58	55.40%
Education		
High School/Equivalent	3	2.30%
Diploma III	2	1.50%
Bachelor's Degree	124	95.40%
Master's Degree	1	0.80%
Working from office frequency		
Once a week	16	11.60%
Twice a week	22	17.10%
Three times per week	29	22.50%
Four times a week	34	26.40%
Uncertain times	29	22.50%
Total	130	100%

3. RESULTS

The reflective measurement models for each variable related to the quiet quitting issue, including transformational leadership, work-life balance, employee engagement, and affective organizational commitment, were evaluated using respective indicators. Based on the evaluation, the variables and indicators showed adequate results regarding convergent validity, internal consistency reliability, composite reliability, and discriminant validity, as shown in Table 2.

The factor loadings and average variance extracted (AVE) exceeded the ideal criteria ($n > 0.7$ and $n > 0.5$) due to favorable measurement validity. The internal consistency of the scales was confirmed by Cronbach's alpha and composite reliability values, surpassing the threshold of 0.7. These results suggested that the survey instrument effectively measured the relevant factors concerning the commitment of Generation Z in the workplace. Discriminant validity was assessed using the heterotrait-monotrait ratio (HTMT), and the obtained results showed that each variable had a value below 0.8. Therefore, the validity of the survey instrument was inferred to support the model in effectively identifying several factors influencing the commitment of Generation Z in the workplace.

The coefficient of determination for affective organizational commitment was 0.35 since transformational leadership and work-life balance collectively accounted for 35% of the variance categorized as weak. The coefficient of determination for employee engagement was 0.351, which is classified as weak. Even though the model was acceptable and reasonable, there might be an exclusion of additional factors capable of impacting commitment.

The subsequent stage includes assessing the structural model and determining the prominence of the hypotheses. The significance and relevance of the relationships between observed constructs were evaluated using a bootstrapping method with a 5% significance level, as reported in Table 3. The relationship between transformational leadership and employee engagement had a path coefficient of 0.346, a T -statistic of 4.481, and a P -value of 0.00, leading to the acceptance of H1. Meanwhile, the relationship between transformational leadership and affective organizational commitment showed a path coefficient of 0.239, a T -statistic of 2.392, and a P -value of 0.008, leading to the acceptance of H2. For the relationship between work-life balance and employee engagement, the path coefficient was 0.319, the T -statistic was 3.731, and the P -value was 0.00, supporting H3. Work-life balance did not show a significant relationship with affective organizational commitment at a T -statistic of 1.637 and P -value of 0.051, resulting in the rejection of H4. Finally, the relationship between employee engagement and affective organizational commitment had a path coefficient of 0.300, a T -statistic of 3.445, and a P -value of 0.00, validating H5. Even though the direct relationships between variables were tested,

Table 2. Measurement model analysis

Latent Variable	Indicator	Convergent Validity		Internal Consistency and Reliability		Discriminant Validity
		Loading Factor	AVE (>0.50)	Cronbach Alpha ($\alpha > 0.6$)	Composite Reliability	HTMT confidence interval ($n < 0.8$)
Transformational Leadership (TL)	TL1	0.805	0.691	0.91	0.930	Yes
	TL2	0.89				
	TL3	0.802				
	TL4	0.811				
	TL5	0.834				
	TL6	0.841				
Work-Life Balance (WLB)	WLB1	0.83	0.634	0.903	0.923	Yes
	WLB2	0.791				
	WLB3	0.685				
	WLB4	0.86				
	WLB5	0.854				
	WLB6	0.856				
	WLB7	0.674				
Employee Engagement (EE)	EE1	0.776	0.605	0.785	0.859	Yes
	EE2	0.786				
	EE3	0.83				
	EE4	0.714				
Affective Organizational Commitment (AOC)	AOC1	0.841	0.651	0.732	0.848	Yes
	AOC2	0.822				
	AOC3	0.756				

Table 3. Structural model evaluation

Hypothesis	Path Coefficient	T-Statistic (n > 1.96)	P-Value (<0.05)	Ninety-five percent Confidence Interval Direct Effect	Significance Status
H1: TL → EE	0.346	4.481	0		Accepted
H2: TL → AOC	0.239	2.392	0.008	(0.504, 0.193)	Accepted
H3: WLB → EE	0.316	3.731	0		Accepted
H4: WLB → AOC	0.166	1.637	0.051	(-0.004, 0.331)	Rejected
H5: EE → AOC	0.300	3.445	0		Accepted

Note: TL = Transformational Leadership; WLB = Work-Life Balance; EE = Employee Engagement; AOC = Affective Organizational Commitment.

Table 4. Mediation test

Hypothesis	Direct Effect Relationship Test Results			Indirect Effect Test Results		
	T-Statistic (n > 1.96) direct effect	Ninety-five percent Confidence Interval direct effect	Sig Level	T-Statistic (n > 1.96) through EE	Ninety-five percent Confidence Interval through EE	Sig Level
H6: TL → AOC	2.392	(0.504, 0.193)	Accepted	2.774	(0.049, 0.171)	Accepted
H7: WLB → AOC	1.637	(-0.004, 0.331)	Rejected	2.318	(0.039, 0.174)	Accepted

Note: TL = Transformational Leadership; WLB = Work-Life Balance; AOC = Affective Organizational Commitment.

the impact of work-life balance on affective organizational commitment was insignificant, and H4 was rejected.

The last two hypotheses were evaluated by assessing the effects of mediation, as presented in Table 4. H6 was accepted, where employee engagement behavior was posited to effectively mediate the relationship between transformational leadership and affective organizational commitment. This was supported by a *T*-statistic of 2.774 and a *P*-value of 0.003. Similarly, H7 was accepted, where employee engagement behavior mediated the relationship between work-life balance and affective organizational commitment. This conclusion was supported by an increase in *T*-statistic and *P*-value that surpassed the standard threshold.

4. DISCUSSION

Park et al. (2022) showed that the affective organizational commitment of Generation Z was predominantly influenced by factors such as employee engagement, transformational leadership, and work-life balance. However, work-life balance had no significant relationship with affective commitment. Employee engagement was observed to play an essential role as a mediator in shaping the commitment of Generation Z in the workplace. This present study clarifies the significant components of each variable impacting the workplace commitment of selected demographics.

Transformational leadership has a significant relationship with employee engagement, as reported by Hajjami and Crocco (2024) and Park et al. (2022). The highest indicators were TL2 and TL6, but the statistical results of the effect size were weak.

The interviews showed additional factors influencing the engagement of Generation Z employees, such as trust in the workplace. All four participants perceived that employees preferred practical approaches and were more idealistic in line with the TL6 indicator. Therefore, emphasizing new rules such as rewards and punishments was considered the most effective method to enhance engagement and show the consequences of work. Building trust among the team makes employees feel valued, which aligns with the TL2 indicator. This elucidation is consistent with previous investigations suggesting that high trust, dignity, and respect promote engagement and willingness (Mahand & Caldwell, 2023).

Transformational leadership is recognized as a critical determinant of employee satisfaction in enhancing commitment to work (Meyer, 2016; Park et al., 2022). However, the statistical results show that the impact of the variable on affective organizational commitment is weak.

Teams in organizations tend to have higher commitment levels when employees with strong resilience are recruited. In some cases, firm guidance and effective two-way communication are needed

for employees with a reduced commitment to work. Other participants also mentioned that new employees frequently assess the traits of team leaders to adapt. A mismatch between leadership traits and expectations reduced commitment and increased turnover. In a balance, commitment is sustained for 2-3 years, reflecting complex dynamics. This shows the significant impact of leadership style on affective commitment.

Work-life balance has been shown to relate to employee engagement (Iddagoda & Opatha, 2020; Yadav et al., 2022). The observation is supported by various indicators based on factor loading values, with the highest being WLB6 (employee work-life balance; "I appreciate the social benefits that my company provides") and WLB4 (employee work-life balance; "I still have quality time for myself"). Therefore, Generation Z values organizations' social benefits and prioritizes maintaining personal quality time by setting boundaries between work and personal life.

Participants in the qualitative validation interview agreed that the younger generation requires work-life balance, but the implementation could vary. Beyond supportive management, implementing work autonomy, peer group dynamics, and personal self-interest in maintaining work-life balance also enhance engagement. According to participants, Generation Z employees feel valued when given support regarding work-life balance.

The results showed that work-life balance was not significantly related to affective organizational commitment. Oyewobi et al. (2019) and Shabir and Gani (2020) argued that work-life balance could enhance affective commitment at work. In this context, the discrepancy with previous investigations may be attributed to differences in sample characteristics because earlier research focused on female employees facing different challenges in balancing work and personal life. Typically, Generation Z, characterized by a more critical nature and the ability to set boundaries, may be less inclined to commit to the workplace. Organizations could permit the demographic to pursue personal hobbies and interests, which may contribute to their inherent creativity and effectiveness in brainstorming sessions.

Generation Z has been observed to value experiences and flexibility in fulfilling personal needs

outside of work, leading to rapidly evolving characteristics. Based on this understanding, an inference was made that implementing work-life balance policies may not guarantee immediate commitment. Subsequently, employee engagement was found to be significantly and positively related to affective organizational commitment. This is in line with Park et al. (2022) and Aggarwal et al. (2022). Despite a statistically weak effect, employee engagement remained a crucial predictor of affective organizational commitment. The highest indicators based on factor loading were EE3 (affective; "Experiencing a solid attachment to work") and EE1 (alignment; "Being highly focused on achieving planned outcomes"). In this context, Generation Z employees engaged with assigned jobs through a strong sense of work passion and a high focus on task outcomes.

Affective organizational commitment can be achieved when employees are engaged in the workplace. The creation of a work environment facilitates engagement and commitment among teams. The ideal work environment is expected to provide moral and mental support, an external factor. Flexibility and opportunities can enhance employee engagement in line with the EE1 indicator while improving loyalty. This resonates with the preference for new experiences and propensity for rapid growth. Based on the observations, work environment and organizational culture are essential in promoting greater loyalty in the workplace.

The results of the data analysis supported the hypothesis that employee engagement mediates the relationship between transformational leadership and affective organizational commitment. The *T*-values for the indirect and direct effects rejected the null hypothesis, with the indirect impact showing a higher result. This was consistent with Park et al. (2022), who showed the critical role of employee engagement in mediating between transformational leadership and affective organizational commitment. According to Hair et al. (2022), employee engagement partially mediated the relationship between these variables.

Participants agreed that Generation Z employees needed to feel engaged before committing to organizations. Implementing transformational leadership in the workplace can enhance work enthusiasm, pro-

ductivity, and commitment. Several strategies were suggested to increase employee engagement based on transformational leadership, including providing recognition and rewards, enhancing openness, allowing employees to explore ideas, and guiding workflow due to limited experience in the actual workplace.

Leaders are expected to develop skills focused on effective communication with Generation Z, build on their respective strengths, and find innovative methods or “hacks” to complete tasks. By understanding the individual work performances of assigned team members and allocating responsibilities,

leaders can enhance a sense of accomplishment in the workplace.

Employee engagement is significantly related to affective organizational commitment. This result is consistent with previous investigations showing that engaged employees are more committed to organizations (Aggarwal et al., 2022). Park et al. (2021) also emphasized the critical role of the variable, particularly as a mediator between transformational leadership and work-life balance concerning affective organizational commitment. The results confirm that commitment can only be achieved when Generation Z employees are engaged.

CONCLUSION

This study aimed to examine the effects of employee engagement, transformational leadership, and work-life balance on the affective organizational commitment of Generation Z employees in a hybrid work setting. The exploration was centered on Generation Z, the latest cohort to enter the workforce, and emphasized the crucial role of the demographic in driving productivity and development. During the investigation, quantitative research consisting of seven hypotheses was selected.

Transformational leadership significantly and positively influenced employee engagement and affective organizational commitment. The results showed that Generation Z accepted two-way communication to help develop strength and suggested an effective method to finish the tasks. In this context, affective commitment was shown when the traits remained. The work-life balance variables played an important role in Generation Z's integration of personal and professional life. Engagement was perceived when the workplace implemented the work-life balance knowledge and rules. A strong attachment to work and a high focus on planned goals were the highest indicators of employee engagement in the creative industry. From all the results, Generation Z creative employees put engagement first in the workplace.

A confirmatory interview included four managers working with Generation Z employees. Implementing transformational leadership traits such as enhancing trust and creating an approachable work environment could raise the engagement rate through the willingness to work. The excitement of working from engagement could lead to practical organizational commitment and increased productivity. Work-life balance was regarded as a critical value, and providing support outside of work could significantly enhance engagement levels. However, commitment took time since work-life balance was considered an essential need. Individuals prioritized maintaining control over professional and personal lives with a strong sense of autonomy. In this context, creating a work environment would make Generation Z stay in the workplace longer.

This study provided valuable insights for organizations aiming to understand Generation Z employees better and stressing the need to adapt to an evolving workforce. A significant contribution was made by examining transformational leadership and work-life balance in promoting engagement and commitment. The practical implications suggested that companies could implement leadership strategies focused on individualized support and intellectual stimulation to enhance employee engagement. Even though work-life balance was recognized as essential for addressing the needs of Generation Z, more was needed to ensure long-term commitment. Therefore, organizations could offer additional incentives to convert employee satisfaction into sustained loyalty and dedication.

AUTHOR CONTRIBUTIONS

Conceptualization: Janitia Amirah Jasmine.
 Data curation: Janitia Amirah Jasmine.
 Formal analysis: Janitia Amirah Jasmine.
 Funding acquisition: Prio Utomo.
 Investigation: Janitia Amirah Jasmine, Prio Utomo.
 Methodology: Janitia Amirah Jasmine, Prio Utomo.
 Project administration: Janitia Amirah Jasmine.
 Resources: Janitia Amirah Jasmine.
 Software: Janitia Amirah Jasmine, Prio Utomo.
 Supervision: Prio Utomo.
 Validation: Prio Utomo.
 Visualization: Janitia Amirah Jasmine, Prio Utomo.
 Writing – original draft: Janitia Amirah Jasmine.
 Writing – review & editing: Prio Utomo.

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