

## *Original Paper*

# Research on Management Strategies for Generation Z Employees from the Perspective of Two-Factor Theory

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### **Abstract**

*As Generation Z becomes a significant force in the workforce, corporate management faces new challenges. Generation Z employees exhibit strong individuality, autonomy, and a high reliance on digital technology, while also possessing a global perspective and a diverse cultural background. They place greater emphasis on autonomy, career development opportunities, psychological satisfaction, and social recognition in their work. Therefore, when motivating Generation Z employees, companies must not only meet their basic needs for compensation and working conditions (hygiene factors) but also stimulate their intrinsic motivation and work enthusiasm through providing career development opportunities, innovative tasks, and recognition mechanisms. This paper, based on Herzberg's Two-Factor Theory, explores strategies to effectively manage and motivate Generation Z employees by adjusting incentive mechanisms and optimizing team building to enhance corporate competitiveness and employee satisfaction.*

### **Keywords**

*Generation Z employees, personalized management, two-factor theory, career development, incentive mechanism*

## **1. Introduction**

According to data from the National Bureau of Statistics, China's Generation Z population has reached 264 million, forming a massive young labor force. A report from the American consulting firm Oliver Wyman predicts that by 2025, Generation Z will make up more than a quarter of the global workforce, approximately 27%. These young people have already become a driving force in global and Chinese economic development. Their consumption and lifestyle choices are influencing markets and companies, compelling organizations to adjust their management and operations accordingly. However, as Generation Z enters the workplace and occupies important positions, traditional management models

and workflows are facing new challenges. This group's characteristics dictate that they no longer adapt to established corporate cultures and management styles. Their needs and expectations require organizations to reevaluate and optimize management strategies. As Generation Z continues to rise in the workforce, companies must consider their work preferences, values, and cultural backgrounds, adjusting incentive mechanisms and team-building approaches to maintain employee motivation and corporate competitiveness.

## 2. Characteristics of Generation Z Employees

### 2.1 Definition of Generation Z

Narrowly defined, Generation Z refers to those born between 1995 and 2009. However, broadly speaking, Generation Z is not just defined by birth years; they are the generation raised alongside the spread of the internet and the digital revolution. They have been influenced by social, cultural, and economic environments that are entirely different from those of previous generations. Hence, Generation Z is distinguished not only by age but also by lifestyle, values, and thought patterns. Compared to traditional workforce demographics, Generation Z employees exhibit stronger individuality and autonomy, with a natural reliance on and sensitivity to digital technologies. This makes them a key force in driving digital transformation in enterprises. At the same time, their diverse cultural backgrounds and global perspectives present new challenges for cross-cultural management.

### 2.2 Characteristics of Generation Z Employees

- **Strong Sense of Individuality:** Generation Z employees tend to have a pronounced sense of autonomy and self-confidence, and they prefer to have more control and decision-making power at work, rather than conforming to rigid work templates. As a result, companies need to develop diversified and unique management strategies based on the personalized characteristics of Generation Z employees.
- **Digital Workflows:** Growing up in a digital age, Generation Z employees are highly reliant on the internet, familiar with information technology, and accustomed to solving most problems online. Their proficiency with technology surpasses that of previous generations. Companies can leverage Generation Z's digital skills to drive digital transformation, improving operational efficiency.
- **Multicultural Awareness:** Generation Z grew up with globalization, with the internet shrinking distances around the world. As a result, Generation Z employees often hold more diverse values and cultural backgrounds, which makes them more open and inclusive at work. However, it also increases the complexity of communication and collaboration, necessitating a greater focus on managing cultural differences and cross-cultural communication.
- **Work Attitudes and Values:** Generation Z employees generally have a high level of education, and Maslow's hierarchy of needs runs through their lives. Therefore, their work is not only influenced by material rewards but also by psychological satisfaction and social recognition. They desire a sense of professional achievement, social contribution, and opportunities for personal growth.

Additionally, Generation Z employees are highly sensitive to corporate culture, team atmosphere, and leadership style, preferring to work in an environment that offers continuous learning, innovation, and opportunities for self-expression.

### **3. Herzberg's Two-Factor Theory**

Herzberg's Two-Factor Theory, introduced by American psychologist Frederick Herzberg in 1959, is a motivational theory aimed at explaining the sources of job satisfaction. The theory differentiates between two categories of work factors: hygiene factors and motivators. Hygiene factors relate to the work environment and external conditions, such as salary, company policies, work environment, and interpersonal relationships. The presence of these factors does not create job satisfaction, but their absence or mismanagement can lead to dissatisfaction. Motivators, on the other hand, are linked to job content and personal achievements, such as a sense of accomplishment, responsibility, and promotion opportunities. These factors directly influence employees' intrinsic motivation and can increase job enthusiasm and satisfaction. Herzberg emphasized that to truly motivate employees, companies must go beyond hygiene factors and focus on improving motivators that can stimulate employees' inner drive. This theory provides a crucial framework for understanding and optimizing the work motivation of Generation Z employees.

### **4. Application of Two-Factor Theory in Managing Generation Z Employees**

#### *4.1 Identifying Hygiene Factors for Generation Z Employees*

Generation Z employees have high expectations regarding basic aspects such as salary, working conditions, management systems, and relationships with colleagues. These elements form their hygiene factors. For Generation Z, the fulfillment of these hygiene factors lays the foundation for job satisfaction, while poor management or inadequacies in these areas often lead to dissatisfaction. In today's highly transparent information era, salary issues have become a significant reason for many Generation Z employees to resign. Some companies attempt to curb dissatisfaction by prohibiting employees from disclosing their salaries, but this strategy is often ineffective. Therefore, companies managing Generation Z employees need to keenly identify their hygiene factors and ensure these basic conditions are met to avoid employee turnover. Additionally, companies should provide more support in workplace environment and colleague relationships to reduce the impact of negative emotions on job performance.

#### *4.2 Exploring Motivation Factors for Generation Z Employees*

For Generation Z, motivation factors are more complex and personalized. This generation places greater emphasis on career development opportunities, holiday benefits, job appeal, and opportunities for personal growth and recognition. These motivational factors are closely related to their intrinsic motivations, effectively inspiring their enthusiasm and creativity at work. For example, Generation Z employees often seek to realize self-value and contribute to society through their work. Therefore,

companies should offer more career growth opportunities and innovative platforms to help them achieve a sense of accomplishment and personal satisfaction. Additionally, Generation Z employees highly value social recognition and team dynamics in the workplace. Companies can strengthen employee belonging and loyalty by fostering an open, transparent, and inclusive corporate culture.

#### *4.3 Application of Two-Factor Theory in Motivating Generation Z Employees*

According to the two-factor theory, companies managing Generation Z employees must ensure that hygiene factors are adequately addressed while also innovating in motivation factors. Empirical studies suggest that if companies develop effective motivation strategies based on the characteristics of Generation Z, employee engagement and loyalty will significantly improve. For example, companies like Huawei and Apple have successfully stimulated Generation Z's potential by offering flexible work arrangements, creating innovative workplace cultures, and developing feedback-oriented management models. These companies, through continuous employee care and motivation measures, not only improve employee satisfaction but also significantly enhance their competitiveness and operational efficiency. Holiday benefits and additional incentives (such as holiday bonuses and flexible vacation policies) have become essential tools for attracting and retaining Generation Z employees. Therefore, future management practices should balance hygiene and motivation factors based on the two-factor theory to create a work environment where Generation Z employees can realize both personal and corporate goals.

#### *4.4 Application of Personalized Motivation Strategies in Managing Generation Z Employees*

Given the highly personalized needs and expectations of Generation Z, companies should focus on flexibility and personalization when designing motivation strategies. For example, some employees may prioritize career development and learning opportunities, while others may value work-life balance more. Thus, companies can implement flexible motivation systems to meet the needs of different employees. First, companies can provide customized development plans and project assignments based on employees' interests and expertise. This not only increases job satisfaction but also stimulates their creativity and work drive.

Second, companies can offer differentiated benefits tailored to the diverse needs of employees' lives. For instance, some Generation Z employees may prefer remote work or flexible working hours, and companies can grant more freedom in these areas. Additionally, flexible compensation incentive mechanisms, such as performance-based bonuses, can further motivate employees to pursue excellence in their work. Implementing personalized motivation strategies can enhance Generation Z employees' sense of belonging and loyalty, reducing dissatisfaction and turnover due to standardized management.

#### *4.5 The Role of Digital Tools in Supporting the Two-Factor Theory*

Digital tools play a crucial role in managing and motivating Generation Z employees, especially in the application of the two-factor theory, providing more support for companies. First, companies can efficiently collect and analyze employee feedback through digital platforms, gaining timely insights into their needs regarding hygiene and motivation factors. With data analysis tools, companies can

identify which employees are dissatisfied with aspects like current salaries, working conditions, or career development, and take targeted measures for improvement. Additionally, digital technology enables innovation in motivation strategies. For example, companies can use online learning platforms to offer more training and development opportunities, helping Generation Z employees continuously enhance their skills. Digital platforms can also foster transparent communication and feedback systems, allowing employees to understand their job performance and receive timely recognition. By leveraging these tools, companies can better mobilize the enthusiasm of Generation Z employees and improve their job satisfaction and loyalty.

#### *4.6 Challenges and Coping Strategies in Applying the Two-Factor Theory to Managing Generation Z Employees*

Although applying the two-factor theory in managing Generation Z employees can effectively improve job satisfaction and motivation levels, there are challenges in practical application. First, the personalized needs of Generation Z employees are diverse, making it difficult for companies to implement a one-size-fits-all motivation strategy. To address this challenge, companies must establish more flexible management systems and offer diverse motivational tools to meet the expectations of different employees. Second, Generation Z's standards for hygiene factors continue to rise with changes in time and environment, requiring companies to regularly update and improve their hygiene measures. To maintain employee satisfaction, companies should maintain open communication with employees, adjusting salaries, benefits, and working conditions in a timely manner. Lastly, applying the two-factor theory to motivation must align with corporate culture and long-term strategy. Companies should not only focus on short-term motivation effects but also provide long-term career development opportunities and growth platforms to ensure employees consistently experience a sense of achievement and belonging in their work. By integrating the two-factor theory with digital tools and personalized motivation strategies, companies can better manage and motivate Generation Z employees, achieving a win-win for both the company and employees.

### **5. Management Strategies for Motivating Generation Z Employees**

#### *5.1 Building a Hygiene Environment That Meets the Characteristics of Generation Z*

The hygiene needs of Generation Z employees are directly related to their sense of belonging and satisfaction with the company. Therefore, ensuring a good working environment is a primary task in motivating this generation. Firstly, companies should establish a fair and transparent compensation system that ensures salaries match the employees' abilities and contributions, reducing dissatisfaction. Generation Z values work-life balance, so offering flexible work arrangements such as remote work or flexible hours is crucial to meet their demand for freedom. Additionally, workplace safety is a key concern. A comfortable and healthy work environment can boost their motivation and satisfaction.

In terms of management, Generation Z employees prefer transparent and fair systems. Management should clearly define rules and ensure that all employees have equal opportunities for career

advancement. This can reduce internal conflicts and enhance team cohesion and collaboration. Furthermore, companies should strengthen internal communication mechanisms, particularly by establishing bottom-up communication channels, allowing Generation Z employees to voice their opinions and suggestions, which fosters a greater sense of belonging and recognition.

Positive interpersonal relationships also play an important role in the work environment of Generation Z employees. They value teamwork and hope to work in a respectful and supportive environment. Companies can organize team-building activities or social events to promote interaction and collaboration among colleagues, thereby further enhancing their satisfaction and sense of belonging.

### *5.2 Designing Incentive Mechanisms to Stimulate Intrinsic Motivation in Generation Z*

Generation Z employees' intrinsic motivation often stems from their interest in and recognition of their work. Therefore, companies should focus on stimulating this intrinsic drive when designing incentive mechanisms. The appeal of the work itself is a key factor. Generation Z employees tend to prefer challenging tasks and jobs that offer autonomy. They hope to utilize their talents and achieve personal fulfillment through their work. Companies should provide diverse tasks and empower employees with more decision-making authority and responsibility. This not only enhances their motivation but also stimulates their creative potential.

Generation Z employees also highly value career development opportunities. Companies can offer clear promotion paths to help them achieve personal goals. Additionally, offering learning and training opportunities can help employees continuously enhance their skills and knowledge, further stimulating intrinsic motivation and improving the company's overall competitiveness.

Recognition and reward mechanisms are also important means of motivating Generation Z employees. They seek not only material rewards but also spiritual recognition. Companies should encourage employees through timely feedback, reward systems, and public acknowledgment of their efforts and contributions, enhancing their enthusiasm and loyalty. For instance, companies can establish innovation rewards or employee of the month programs to encourage employees to pursue excellence continuously.

### *5.3 Strategies to Promote Personal Growth and Career Development for Generation Z Employees*

The growth and career development of Generation Z employees are closely tied to the company's future. Therefore, companies should prioritize their personal growth and career planning. Firstly, companies should create systematic training and development programs to help employees continuously improve their professional abilities and career skills. Through regular training sessions, guest lectures from industry experts, or offering external learning opportunities, companies can provide a platform for employees to engage in continuous learning.

Transparency in career development is another key concern for Generation Z employees. Companies should clarify promotion paths, ensuring that every employee can see their future within the organization. Establishing clear promotion criteria and evaluation mechanisms can encourage employees to improve their abilities continuously, ultimately achieving career breakthroughs.

Furthermore, companies should offer opportunities for cross-departmental or cross-functional work, helping employees broaden their horizons and gain experience, thus laying the groundwork for future career growth.

Additionally, company culture plays a crucial role in the personal growth and development of Generation Z employees. A culture that is open, inclusive, and encourages innovation can provide a better environment for employees to grow. In such an atmosphere, employees can freely express their creativity and improve their overall skills through teamwork. While promoting personal growth, companies should also focus on employees' mental health by offering counseling and support to ensure a balanced development between work and life.

#### *5.4 Enhancing Organizational Culture to Attract Generation Z Employees*

Organizational culture is often a key factor for Generation Z when choosing a job. Companies should strive to create a culture that attracts this generation. First, companies should promote inclusivity and diversity. In a globalized context, Generation Z employees are more open and diverse, and they wish to work in an environment that respects differences and encourages innovation. Hence, companies should focus on diverse backgrounds when recruiting and managing employees, respecting and embracing different cultures and viewpoints.

Innovation is another significant factor for Generation Z employees. Companies should encourage employees to propose new ideas boldly and provide them with the space and resources to innovate. For example, setting up innovation task forces or brainstorming sessions can spark creativity and participation among employees. At the same time, companies can also implement reward mechanisms for innovation, motivating employees to continuously explore new methods and solutions.

To strengthen the sense of belonging and cohesion among employees, companies can organize various social and team-building activities. This enhances interaction and cooperation among employees and increases organizational vitality and cohesion. Furthermore, the company's core values should align with the personal values of Generation Z employees. By clearly communicating the company's values, demonstrating them through leadership actions, and involving employees in this process, companies can strengthen employees' sense of belonging and identification with the organization.

#### *5.5 Enhancing Engagement through Digital Technology*

Generation Z employees have grown up in a digital age, and technology significantly influences their work and life. Therefore, companies should leverage digital tools to enhance the engagement and efficiency of Generation Z employees. Companies can implement digital office platforms to provide more convenient and efficient communication channels, facilitating seamless collaboration among employees. For instance, using online project management tools and instant communication software can increase transparency and reduce misunderstandings, improving collaborative efficiency.

Additionally, companies can use data analytics to track and evaluate employee performance in real-time, providing personalized feedback and support promptly. This transparent and digital management approach can increase the engagement of Generation Z employees and help companies

better identify and solve problems, thereby improving overall work efficiency. By using technology to offer training and development opportunities, companies can also help Generation Z employees continue learning on the job, fostering their career growth and development.

#### *5.6 Enhancing Generation Z Employees' Sense of Belonging through Social Responsibility*

When choosing employers, Generation Z employees increasingly value companies' social responsibility and sustainable development commitments. Companies can enhance their sense of belonging and loyalty by strengthening social responsibility practices. Firstly, companies should actively participate in public welfare activities, advocate for environmental protection and social responsibility, and convey their commitment to societal development to employees. By involving employees in these activities, companies can increase their sense of mission and help them feel connected to the company's broader social goals.

Additionally, companies can integrate sustainable development practices into their daily operations, such as reducing carbon emissions in supply chain management or promoting environmentally friendly office practices. These actions can strengthen Generation Z employees' identification with the company, increasing their job satisfaction and sense of belonging. Moreover, companies should promote fair, just, and transparent management systems, creating a socially responsible corporate culture that allows employees to contribute to society while achieving their professional goals.

#### *5.7 Building an Employee-Centered Corporate Culture*

Generation Z employees prefer working in a corporate culture that is centered around the employees, where they feel respected, understood, and supported. Companies should focus on creating such a culture to further motivate and retain Generation Z talent. First, companies need to listen to their employees, respect their opinions and suggestions, and understand their needs and expectations through employee surveys and regular communication.

Additionally, companies should create a work environment that maximizes employee potential by implementing flexible work policies, open communication culture, and diverse career development paths. Companies should also focus on employees' mental health by providing counseling and support to ensure a balanced development between work and life. Through such corporate culture development, companies can enhance the sense of belonging and satisfaction of Generation Z employees, stimulating their passion and creativity at work.

Finally, leadership plays a crucial role in shaping this culture. Leaders should demonstrate care and support for employees through their actions, creating a culture of mutual respect and collective growth.

## **6. Conclusion and Recommendations**

### *6.1 Research Summary*

This study, through the lens of Herzberg's Two-Factor Theory, systematically explores incentive management strategies targeting Generation Z employees. The research results show that Generation Z employees' work expectations differ significantly from those of previous generations. They place

greater emphasis on the meaning of work, opportunities for personal growth and career development, as well as work-life balance. Compared to focusing solely on material rewards, Generation Z employees place more value on self-actualization and the stimulation of intrinsic motivation. Based on the Two-Factor Theory, this study identifies the core role of hygiene factors and motivators in maintaining Generation Z employees' job satisfaction and engagement. Hygiene factors, such as fair and reasonable compensation systems, safe working environments, and sound management policies, provide a stable foundation, while motivators, through challenging and meaningful work, growth opportunities, and recognition mechanisms, promote Generation Z employees' intrinsic motivation and work involvement. This study emphasizes that companies need to pay more attention to the individual needs of Generation Z employees when designing hygiene and motivator factors to improve their job satisfaction, loyalty, and overall performance.

### *6.2 Recommendations for Corporate Management Practice*

Based on the above findings, companies should take note of the following points when managing Generation Z employees. First, ensure that hygiene factors are adequately addressed, as this is a prerequisite for the effective functioning of motivation mechanisms. For example, companies should establish a fair and transparent compensation system, provide a safe and healthy work environment, and ensure that employees' basic needs are met to prevent dissatisfaction due to insufficient hygiene factors. Second, the design of motivators should focus on meeting Generation Z employees' intrinsic motivations, including offering more challenging and meaningful tasks, granting employees autonomy and a sense of responsibility, and creating clear career development paths and growth opportunities. Additionally, recognition and reward mechanisms should be linked to employees' personal achievements and contributions, providing both material and spiritual incentives to enhance employees' sense of belonging and loyalty to the company. Third, companies should actively invest in employee training and development, helping Generation Z employees improve their skills and knowledge levels, and providing platforms and opportunities for their growth. Finally, fostering an organizational culture that aligns with Generation Z employees' values, advocating for diversity, inclusion, and innovation, will help enhance the company's attractiveness and retention rate for these employees. It is important to note that while implementing these management strategies, companies should balance the needs of different generational employees to avoid overlooking others, thereby achieving overall cohesion and collaborative development across the employee group.

### *6.3 Limitations and Future Outlook*

Although this study provides an initial framework for incentive management of Generation Z employees through theoretical analysis and practical suggestions, it has some limitations. First, the sample for this study mainly focused on certain industries and companies, with a relatively limited scope. Future studies could attempt to expand the coverage of research subjects to include more industries, countries, and cultural backgrounds to derive more universally applicable conclusions. Moreover, this study primarily examines the short-term effects of incentive strategies on Generation Z

employees, while the effects and sustainability of long-term incentive mechanisms have not yet been thoroughly explored. Future research could evaluate the sustained effectiveness of different incentive strategies and their contribution to overall corporate development through field studies or longitudinal research. Finally, as society and technology rapidly evolve, Generation Z employees' needs and expectations are constantly changing, meaning incentive management strategies need to be dynamically adjusted and optimized based on external environmental changes and internal employee demands. Companies should maintain a continuous learning mindset, flexibly respond to emerging challenges, and ensure their incentive mechanisms remain aligned with the actual needs of Generation Z employees, thereby achieving mutual growth for both employees and the company.

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