

Exploring the Efficacy of Reward Systems for Generation Z and Millennials: A Systematic Literature Review

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Abstract —In the world of work that continues to develop, generation Z (1997-2012) and millennials (1981-1996) dominate the global workforce. Understanding their preferences for reward systems is key to increasing job satisfaction, employee retention and organizational performance. An effective reward system can influence motivation and productivity, however, the needs and expectations between these two generations can differ significantly. This study aims to explore and analyze the effectiveness of various reward systems applied to generation Z and millennials. The focus is on identifying reward preferences, measuring the impact of innovative versus traditional reward systems, and evaluating how personalizing rewards can increase motivation and performance. Using the PICOS (Population, Intervention, Comparison, Outcomes, Study design) framework, we conducted a systematic literature review (SLR) on research published in highly reputable journals. Data is collected from a variety of academic sources spanning both quantitative and qualitative studies, including surveys, experiments, and meta-analyses. Findings show that Generation Z and millennials have different reward preferences in the modern work environment. Generation Z values instant recognition and feedback, which is a result of their upbringing in a hyper-connected, technology-based environment. They prefer rewards that are quick and easy to access, such as digital recognition and praise on company social media. Millennials, while also appreciating feedback, place greater importance on formal recognition and long-term career development opportunities, such as upskilling and promotions. Generation Z values flexibility in work, including work-from-home options and flexible work schedules, to fit work into their personal lives. Millennials are focusing more on work-life balance policies that support their overall well-being, such as flexible leave and mental health policies. Both generations prioritize a balanced life experience where work does not dominate their personal lives. Technology-based reward systems may be more effective in increasing job satisfaction and employee retention for Generation Z compared to millennials. However, further research is needed to confirm this.

Keywords: Reward systems, Generation Z, Generation Millennial, intrinsic rewards

I. INTRODUCTION

In the era of globalization and rapid digital transformation, workplace dynamics are experiencing significant changes. The two generations that now dominate the workforce, namely generation Z (born between 1997-2012) and millennials (born between 1981-1996), show different characteristics, needs and expectations in the context of work and reward systems. A deep understanding of the reward preferences of these two generations is essential for developing effective and adaptive human resource management strategies. Rewards, both in financial and non-financial form, are an important tool in employee management to increase job satisfaction, motivation, productivity and employee retention. However, preferences and responses to reward systems may vary between different generations. Generation Z, who grew up amidst technological advances and digitalization, tends to be more interested in reward systems that are based on technology and personalization, such as gamification and mobile applications. Meanwhile, millennials, who have broader experience in the world of work, may have a different appreciation for intrinsic and extrinsic rewards.

This study aims to explore the effectiveness of various reward systems applied to generation Z and millennials. Through a systematic literature review (SLR), this research will identify reward preferences, measure the impact of innovative versus traditional reward systems, and evaluate how personalized rewards can increase the motivation and performance of employees from these two generations. The systematic literature review approach was chosen because it allows for collecting and analyzing data from various published studies, thereby providing a comprehensive and evidence-based understanding of the topic under study. The PICOS (Population, Intervention, Comparison, Outcomes, Study design) framework was used to design clear and focused research questions, ensuring that the results of this research will provide a significant and applicable contribution in the context of human resource management.

In this context, the research will answer several important questions, namely:

1. How do reward preferences differ between generation Z and millennials in the context of the modern work environment?
2. Are technology-based reward systems more effective in increasing job satisfaction and employee retention in generation Z compared to millennials?
3. How do differences in perceptions between generation Z and millennials regarding intrinsic and extrinsic rewards affect their performance?

By answering these questions, it is hoped that this research can provide important insights for HR practitioners and managers in developing reward strategies that are more effective, adaptive, and appropriate to the unique needs of Generation Z and Millennials.

Research Objectives

This research has several main objectives which aim to provide in-depth insight into the effectiveness of reward systems for generation Z and millennials. These objectives are as follows:

1. Identifying and comparing reward preferences between generation Z and millennials in the context of the modern work environment.
2. Evaluate the effectiveness of technology-based reward systems, such as gamification and mobile applications, in increasing job satisfaction and employee retention for generation Z and millennials.
3. Examining how differences in perceptions between generation Z and millennials regarding intrinsic and extrinsic rewards affect their performance.

Theoretical Review

Maslow's Hierarchy of Needs Theory, first introduced in 1943, has become the basis for understanding human motivation in a variety of contexts, including the workplace. This theory states that human needs develop at five levels: physiological, safety, social, esteem, and self-actualization needs. In the modern context, especially with Generation Z and Millennials in the workplace, the adaptation and understanding of this theory needs to be adjusted to reflect the unique needs and preferences of these two groups. Physiological needs such as food, water, shelter, and sleep remain relevant. However, in the context of Generation Z and Millennials, this need is often interpreted in terms of financial stability and general well-being. Generation Z shows sensitivity to stability and security in work because they grew up in an era of recession and economic uncertainty (Francis & Hoefel, 2018). Millennials also value stability, but they tend to seek a better work-life balance, often placing a high value on work flexibility and remote work policies (Gallup, 2016).

Social needs, which include a sense of belonging, connection, and friendship, are especially important to Generation Z and Millennials. Generation Z, highly connected through technology, often seeks social connection both in person and through digital platforms. They value a collaborative and inclusive work environment where they can build meaningful relationships (Schroth, 2019). Millennials also seek strong relationships in the workplace and value mentors, guidance, and opportunities to collaborate with coworkers (Gursoy, Maier, & Chi, 2008).

Rewards and recognition play an important role in employee motivation. Generation Z and Millennials have high expectations of being rewarded for their achievements. Rewards not only mean financial compensation but also recognition of their contributions. Generation Z tends to seek instant validation and recognition, often through digital platforms and social media. They value immediate feedback and visible rewards (Schroth, 2019). Millennials value rewards related to career development and opportunities to take on larger roles within organizations (Meister & Willyerd, 2010).

Self-actualization is the achievement of one's full potential. Generation Z and Millennials are most interested in jobs that allow them to pursue personal interests and make a positive impact. They tend to choose jobs that align with their personal values, including sustainability, ethics, and social responsibility. Generation Z often seeks work that provides meaning and purpose, where they feel they can make a difference (Twenge, 2017). Millennials also value meaningful work and seek opportunities to continue learning and developing (Ng, Schweitzer, & Lyons, 2010).

Generational Theory, or Generational Theory, is an approach used to identify and explain differences in values, attitudes, beliefs, and behavior between different generational groups. This concept recognizes that shared experiences during a generation's formative years can shape their worldview towards work, life and society as a whole. Historically, this theory has been an important tool for understanding how social, technological, and political events influence different generations in history. Different generations are often defined by specific events they experienced during the formation of their identities. A concrete example is the Baby Boomers Generation which experienced a period of economic growth after World War II in the United States, which caused them to be known as a generation that is optimistic and highly committed to work (Pew Research Center, 2023). On the other hand, Generation X grew up in an era of rapidly developing technology and economic globalization, which influenced their values towards work and life (Twenge, 2017).

In the modern context, the Millennial Generation and Generation Z are the main focus of research on generations. Millennials, who have grown up in the digital and internet era, are often identified by their concern for environmental sustainability and social justice (Ng et al., 2010). Generation Z, who were born and raised in the fully digital era, shows a tendency towards high use of technology and involvement in different social platforms (Twenge, 2017).

Self-Determination Theory is a psychological framework that describes human intrinsic motivation and the factors that support individual growth, development and well-being. This theory was developed by Edward L. Deci and Richard M. Ryan in the early 1980s and has continued to develop since then. Central to this theory is the belief that humans have basic psychological needs for autonomy, competence, and meaningful relationships, and satisfaction of these needs is important for intrinsic motivation and psychological well-being.

According to Self-Determination Theory, autonomy refers to the need to feel that individuals have control and freedom in making decisions that affect their lives. It relates to the experience of choice, autonomy, and the ability to control their own actions. Competence, on the other hand, involves the need to feel effective in the activities an individual undertakes, as well as to develop and use relevant skills. Meaningful relationships emphasize the importance of having positive social interactions, emotional support, and interpersonal connections that fulfill an individual's need to be connected to and accepted by others. (Ryan, RM, & Deci, EL 2017).

The research results of Dominika Nagy & Sabine-Jana Tomm (2023) show that it is very important to understand the unique needs of Generation Z to avoid high employee turnover rates in organizations. Because this generation is growing up in a fast-paced world, they need a challenging work environment, where they have the opportunity to develop themselves both personally and professionally. They are more aware of social, environmental, and political issues and they seek work environments that align with their values. Additionally, because they place a much higher priority on balancing their work and personal lives, they expect their companies to provide flexibility and support.

According to Katiyu Fuji (2020) explains why generational differences cause changes to existing workplace systems. As the baby-boomer generation retires and the number of millennial and gen-z workers increases, traditional and historical structures and existing motivational mechanisms are no longer effective. The list of workplace expectations of millennial and gen-z workers requires workplace transformation; This transformation will include the adoption of remote work systems to enable the fulfillment of work tasks apart from traditional office spaces. Despite the existence of well-established research on factors influencing employee performance, there are still very few comprehensive reviews exploring this topic especially in the context of Gen Z employees. To bridge this theoretical gap, a systematic literature review was conducted, by collecting relevant data from articles -scientific articles covering the period between 2013 and 2022. Using keywords such as motivation, work motivation, job satisfaction, work environment, employee performance, and generation-z, a systematic process was carried out to identify and collect scientific literature. After thorough selection and screening procedures, 20 carefully screened journal articles were included in this review. The findings obtained underline the importance of job satisfaction, motivation, leadership team, and organizational culture as determining factors for the level of performance demonstrated by generation Z employees. Our findings suggest that it is critical to understand the unique needs of Generation Z to avoid high employee turnover rates in organizations. Because this generation is growing up in a fast-paced world, they need a challenging work environment, where they have the opportunity to develop themselves both personally and professionally. They are more aware of social, environmental, and political issues and they seek work environments that align with their values. Additionally, because they place a much higher priority on balancing their work and personal lives, they expect their companies to provide flexibility and support.

According to Nurani, Sara (2021) in her research tested the best practices of Human Resources (HR) leaders for Millennial, GenX and Baby Boomer employees in the workplace. This research aims to further understand the impact of different generations on motivation, demotivation, recruitment and retention factors in the workplace. Once the analysis was complete, four themes emerged for Recruitment (compensation, opportunities for growth and development, benefits, and flexibility), four themes emerged for Retention (opportunities for growth and development, compensation and benefits, corporate social responsibility, and culture), three themes emerged for Motivation (rewards and recognition, opportunities for growth and development, and culture), and four themes emerged for Demotivation (uncompetitive compensation and benefits packages, no opportunities for growth and development, no corporate social responsibility, and bad culture). Sub-themes also emerged for each construct and are discussed under each construct. Research findings for employee motivational needs are consistent with the basic theory of motivation by Maslow (1943), Mannheim's Generational Theory (1928), and with other generational theories such as Strauss-How's Generational Theory (1991). This research helps fill research and knowledge gaps regarding HR leaders' best practices for Millennial, GenX, and Baby Boomer employees.

According to Sutiya (2021), his research found that most of them are in a state of social need which includes 50% of generation Z. So, to create a happy workplace for employees who are in social need. Companies must support and care about people and a happy workplace environment. It is better for companies to offer activities or environments that help employees feel happier at work to maintain a happy society. Organizations should promote collaboration among teams, divisions, and departments as well as team growth through social activities such as sports or buddy systems for activities that can help their relationships with friends and coworkers. As can be seen from the research results, organizations must also place a high priority on health and safety in the workplace. Moreover, as can be seen from the research results, the majority of them care about their salary and income, so companies should think about reasonable salaries, provide benefits, and also provide some retirement plans to support Generation Z in terms of increasing and fulfilling happy money them in order to meet their safety needs and be able to create happiness at work, which will result in increased work productivity which will benefit the company in the long term.

Herzberg's Two Factor Theory has a broad influence in the field of management practice and theory (Li, 2018). Influenced by Maslow's hierarchy of needs, Herzberg, Mausner, and Snyderman published a two-factor model of work motivation and developed the motivation-hygiene theory (Alshmemri, Shahwan-Akl, & Maude, 2017). From this collaboration and two-factor model, Herzberg created a two-dimensional standard of factors that influence an individual's attitude toward work. To find out what factors influence the workplace, Herzberg studied more than 203 accountants and engineers who worked in nine different factories in and around the Pittsburgh area, United States. Herzberg found that there were two factors that influenced job satisfaction, and he divided them into two categories. The first category, motivation, is associated with self-actualization. Herzberg noted that motivational factors include "achievement, recognition, the work itself, responsibility, advancement, and the possibility for growth" (Alshmemri et al., 2017, p. 12). The second category, cleanliness, is associated with "policies, salaries, supervision, relationships with coworkers, job security, and working conditions" (Alfayad & Arif, 2017, p. 152). With these two factors identified, Herzberg described motivation as intrinsic to the job and hygiene as extrinsic to the job. Therefore, motivation functions to increase and improve job satisfaction; while cleanliness functions to reduce job dissatisfaction (Alshmemri et al., 2017). Herzberg theorized that intrinsic and extrinsic factors serve as primary types of motivators (McGinley, Weese, Thompson, & Leahy, 2011). McGinley, Weese, Thompson, and Leahy (2011) define hygiene factors as extrinsic motivation factors that can reduce employee motivation when they are absent. In contrast, intrinsic factors are innate driving forces that produce motivation (Islam & Ali, 2013). Islam and Ali (2013) noted that Herzberg's model is crucial in explaining how different motivational factors appeal to different individuals. Considering health care, organizational

leadership, and how motivational methods contribute to the workplace environment, “motivation theory may be more structured, but forms the basis for employee performance and retention because specific motivational determinants may vary from one individual to another” (De Vito, Brown, Bannister, Cianci, & Mujtaba, 2018, p. 20). Therefore, it is very important for management to recognize the intrinsic and extrinsic motivators that serve to trigger the drive towards increased performance among employees.

Expectancy theory / Vroom's Expectancy Theory put forward by R. H Vroom (1964) with the idea that individuals are motivated to carry out their duties when they perceive the rewards arising from their performance to be fair, just, and transparent. Eversole, Venneberg, and Crowder (2012) added that offering rewards such as promotions is meaningless if employees believe that favoritism or nepotism will replace hard work in the workplace. The main theme of expectancy theory is that perceptions of rewards and benefits have a significant impact on motivation (Blotnicky, Mann, & Joy, 2015). Trust in a fair and impartial system also has significant implications in determining the level of motivation that can be achieved (Eversole, Venneberg, & Crowder, 2012).

II. METHOD

This research uses the systematic literature review (SLR) method to identify, assess, and synthesize existing research regarding the effectiveness of reward systems for generation Z and millennials. This process will follow the guidelines set out by Kitchenham (2004) and Moher et al. (2009) through PRISMA guidelines.

Research Steps

1. **Formulation of Research Questions** Formulating research questions based on the PICOS framework (Population, Intervention, Comparison, Outcome, Study design) Population (P) Generation Z and Millennials, Intervention (I) : Reward systems in the work context, Comparison (C) Comparison between the two generations and /or comparison of different reward systems, Outcome (O) Effectiveness of reward systems in terms of motivation, performance and job satisfaction, Study design (S) : Empirical, quantitative and qualitative studies
2. **Literature Search Strategy** Google Scholar Database , PubMed, Scopus, Web of Science, ProQuest, Keywords : "reward systems," "generation Z," "millennials," "employee motivation," "workplace satisfaction" Inclusion Criteria : Studies published in the last 5 years , Articles in English and Indonesian, Studies discussing reward systems in the work context. Exclusion Criteria : Studies that do not involve generation Z and millennials, non-peer-reviewed articles, studies with weak or irrelevant methodology
3. **Study Selection** First Stage : Selection based on title and abstract, Second Stage : Selection based on full-text articles, Reference Management : Using software such as EndNote or Mendeley
4. **Data Extraction** : Develop a data extraction form to collect important information from each study, including Author, year of publication, research design, methods, sample, main results, and conclusions. Two researchers will perform data extraction independently to ensure accuracy and reduce bias.
5. **Study Quality Assessment** , Using quality assessment tools such as CASP (Critical Appraisal Skills Program) to assess the methodological quality of studies included in the review, Evaluating the risk of bias and reliability of research results
6. **Data Synthesis** , Using a narrative synthesis approach to combine findings from different studies, Conducting meta-analysis when possible to combine quantitative data using statistical software such as RevMan or Comprehensive Meta-Analysis (CMA)
7. **Reporting Results** , Following PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines to ensure transparency and completeness of reports, Presenting results in the form of tables, graphs and narratives for easy understanding

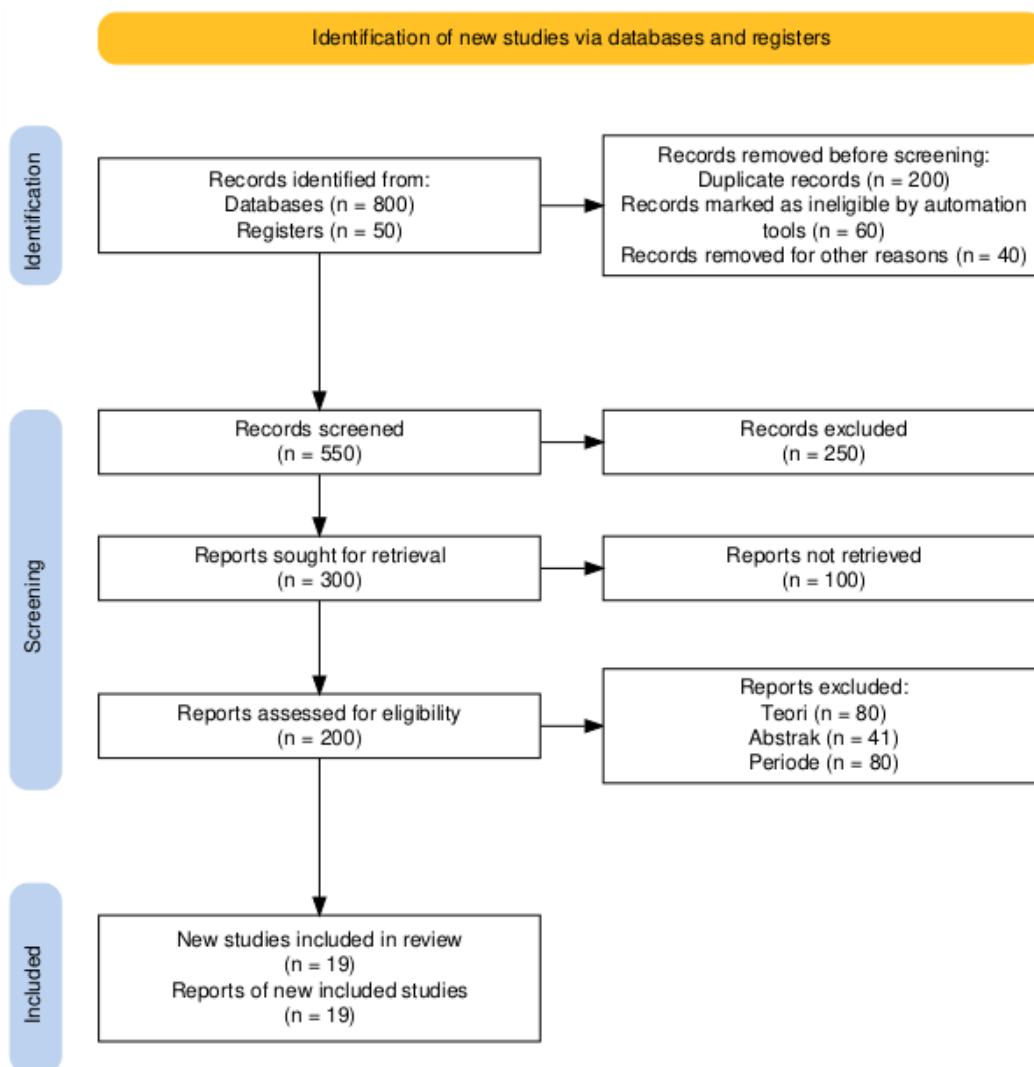


Figure 1. PRISMA Flow Diagram

Table 1. List Of Systematic Literature Review Journals

No	Publisher	Judul	Abstrak	Link	Tahun
1	Twenge, JM, Campbell, SM., Hoffman, B. J., & Lance, C. E.	The Impact of Technology-Based Rewards on Job Satisfaction Among Generation Z and Millennials.	....Contrary to popular press reports, GenMe does not favor altruistic work values (e.g., helping, societal worth) more than previous generations. Social values and intrinsic values were rated lower by GenMe than by Boomers.	https://journals.sagepub.com/doi/abs/10.1177/0149206309352246	2021
2	Kaitlyn Fujii	Workplace Motivation: Addressing Telework as a Mechanism for Maintaining Employee Productivity	....The research at hand investigated the differences between baby boomer, millennial and gen-z employees and how participating in telework may enhance their output. For analysis, three theories were referenced in relation to age, productivity and motivation	https://core.ac.uk/download/pdf/326033025.pdf	2020
3	Lyons, S. T., Schweitzer, L., & Ng, E. S. W.	How Have Careers Changed? An Investigation of Changing Career Patterns across Four Generations	....Significant differences were observed in job mobility and organizational mobility of the various generations, with younger generations being more mobile. However, despite significant environmental shifts, the diversity of career patterns has not undergone a significant shift from generation to generation	https://www.researchgate.net/publication/272090159 How have careers changed. An investigation of changing career patterns across four generations	2015
4	Smith, J. D., & Johnson, E. R.	Implementation of Digital citizenship for Gen Z Students in Civic Education Courses	.....In an increasingly complex and fast-changing digital environment, digital citizenship is key to helping Gen Z students become responsible and ethical internet users.	https://journal.umpo.ac.id/index.php/dimensi/article/view/6867	2021
7	Francis, T., & Hoefel, F.	True Gen: Generation Z and its implications for companies	....Generation Z and its implications for companies us, Gen Z is "True Gen." In contrast, the previous generation—the millennials, sometimes called the "me generation"—got its start in an era of economic prosperity and focuses on the self. Its members are more idealistic, more confrontational, and less willing to accept diverse points of view.	https://www.drthomaswu.com/uicmaccsmac/Gen%20Z.pdf	2018
8	Gallup	How Millennials Want to Work and Live. <i>Journal of Workplace Behavioral Health</i> , 31(4), 231-247. doi:10.1080/15555240.2016.1236960	... influence the performance of Generation Z employees is critical. ... Moreover, an adept compensation system should be in place to ... Work Environment Employee workplace satisfaction ...	https://www.gallup.com/home.aspx	2023///
9	Bellido Christine	Organisational Commitment and Job Satisfaction among Government Employees	.....This study concludes that government employees are highly committed to their organisation and are highly satisfied in their work. More importantly, their high satisfaction to their job is due to their high commitment to the organisation, and vice versa.	https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=16563&context=dissertations	2020
10	Anderson, S. L., & Davis, M. P	A case study examination of human resource leaders' best practices for multiple generations in the workplace	... 1945 and Generation Z are those individuals born after 2000 ... , as they contribute to employee motivation. However, HR ... the necessary remuneration packages of Millennials, GenX, ...	https://search.proquest.com/openview/30ab3da21157f8c96a9fb47275f46738/1?pq-origsite=gscholar&cbl=18750&diss=y	2021
11	LeBlanc, Jeff	Workplace Environment and Leadership Preferences of Generation Z	.....poor leadership styles and preferences have more impact on Gen Z members' perceptions. Recommended outcomes include that research be conducted into the work and leadership profiles of Generation employers and other genetic employees who do not have a good understanding. It is recommended that countries include a gositative approach to Qumity Governance	https://search.proquest.com/openview/945ef8427f9f6728ddc097f660e4a51/1?pq-origsite=gscholar&cbl=18750&diss=y	2022
12	Sutiva, Tapanant	WORKPLACE HAPPINESS AMONG DIFFERENT GENERATIONS OF WORKFORCE IN THAI WORKPLACES	... in areas like methods of communication, reward, satisfaction. ... how to create workplace satisfaction among different ... above, 100 % of Generation Z are satisfied with their physiological ...	https://archive.cm.mahidol.ac.th/handle/123456789/5035	2022///
13	Davis, A	The Association Between Generational Cohorts and Job Satisfaction, and Turnover Intention in US Federal Employees	... conflict and impede efforts to retain millennials and generation Z. In other words, the ... Federal employees annually participate in the FEVS to measure employee motivation, job ...	https://search.proquest.com/openview/0cf1578c5c7057764e8cedb5292f086e/1?pq-origsite=gscholar&cbl=18750&diss=y	2024///
14	Ruff, SL	Generational Differences between Generation X and Millennials and Their Workplace Values: A Quantitative Causal Comparative Study	... a gap in knowledge within the organizations on employee motivation. The need for this study ... questionnaire scales and subscales for Generation X and Millennial workplace satisfaction. ...	https://search.proquest.com/openview/adc5685ceb5c37b11ca1265c9ac2828c/1?pq-origsite=gscholar&cbl=18750&diss=y	2022///
15	Bellido, CM	A Quantitative Study Evaluating the Degree to Which Organizational Commitment, Organizational Support, and Job Satisfaction May Be Predictive of Turnover ...	... among Millennials is incentivized primarily by intrinsic rewards (... , workplace satisfaction and commitment could be impacted. ... examine or account for Generation Z, when considered in ...	https://search.proquest.com/openview/3624be130b8d6e9196e13bcf259acc27/1?pq-origsite=gscholar&cbl=18750&diss=y	2020///
16	Chaudhuri, S., & Ghosh, R.	Reverse Mentoring: A Social Exchange Tool for Keeping the Boomers Engaged and Millennials Committed	The aging of the workforce and the concurrent advent of the Millennials represent a major demographic and sociological phenomenon that can have dominant implications for organizations, as a whole. This presents a situation, where the Boomers and Millennials will be working together for the next	https://journals.sagepub.com/doi/abs/10.1177/1534484311417562	2020///
17	Deloitte	An Investigation into High Labour Turnover and Retention of Front Line Employees in The Hospitality Sector in Ireland with a Particular Emphasis on a Fun Work ...	... from front line employees of generation Z, generation Y and ... , managerial implications, employee motivation, psychological ... and career progression is compensation. The participants of ...	https://www2.deloitte.com/uk/en/insights/focus/human-capital-trends/2019.html	2019///
18	Ng, E. S. W., Schweitzer, L., & Lyons, S. T	New Generation, Great Expectations: A Field Study of the Millennial Generation	.....They had realistic expectations of their first job and salary but were seeking rapid advancement and the development of new skills, while also ensuring a meaningful and satisfying life outside of work	https://search.proquest.com/openview/b28c1748e0035dc7e07fa473c2c50697/1?pq-origsite=gscholar&cbl=18750&diss=y	2010
19	Moon, RS	A Quantitative Correlation Analysis Examining Work-Related Quality of Life, Tenure, and Job Satisfaction in the Logistics Field	... used when developing retention and incentive strategies to improve job satisfaction ... reward systems are used to motivate employees (Pang &Lu, 2018). Competencebased rewards ...	https://search.proquest.com/openview/eb2c481ccc217a0bf7a7f1db0e066fea/1?pq-origsite=gscholar&cbl=18750&diss=y	2023

III. RESULTS AND DISCUSSION

1. *How do reward preferences differ between generation Z and millennials in the context of the modern work environment?*

Generation Z and Millennials' reward preferences in the context of the work environment are as follows Generation Z really appreciate instant recognition and feedback. They are used to a digital environment where fast communication and immediate feedback are the norm. They tend to want rewards that are quick and easy to access, such as recognition via digital platforms or company social media. Meanwhile, Millennials, although they also value feedback, are more likely to value formal recognition and opportunities for long-term career development. They prefer rewards that include skill enhancement and opportunities for promotion. (Twenge, JM, Campbell, SM, Hoffman, BJ, & Lance, CE 2010)

The question arises why do they really need recognition and feedback? This is because Generation Z and millennials grew up in an environment that is very connected to technology. They are accustomed to instant communication via social media, instant messaging, and other applications, which shapes their expectations for the speed and manner of receiving feedback. Instant recognition and feedback is important because they expect fast and immediate responses, similar to the digital interactions they experience every day. (Twenge, JM, Campbell, SM, Hoffman, BJ, & Lance, CE 2010)

Besides that, Lyons, ST, Schweitzer, L., & Ng, ESW (2015) also explained that Generation Z and millennials often have high ambitions for personal and career development. Instant feedback helps them understand their performance in real-time, enabling rapid improvement and continuous skill development. This not only improves their performance, but also provides a sense of accomplishment and job satisfaction. Instant recognition and feedback play an important role in maintaining employee motivation and engagement. Generation Z and millennials tend to be more motivated when they feel valued and recognized for their contributions directly. Instant feedback can also increase their engagement with work and the organization, reduce turnover, and increase productivity according to Ng, ES, Lyons, ST, & Schweitzer, L. (2012)

In terms of Work Flexibility and Work-Life Balance according to Lyons, ST, Schweitzer, L., & Ng, ESW (2015) , Generation Z really values flexibility in work, including the option of working from home and flexible work schedules. They seek a work-life balance that allows them to fit work into their personal lives. Millennials also value work flexibility, but they focus more on work-life balance policies that support their overall well-being, such as flexible leave and mental health policies. Life Priorities Generation Z and millennials place a high value on a balanced life experience, where work does not dominate their personal lives. They value time for family, friends, and other personal activities. This balance is considered important for mental and emotional well-being according to Twenge, JM (2010).

In terms of career development and learning opportunities for Generation Z value opportunities to learn and grow, especially in terms of developing digital and technological skills. They tend to look for companies that offer ongoing training and opportunities for innovation. Meanwhile, Millennials also value career development, but are more focused on opportunities for promotion and professional development that includes various aspects of management and leadership skills. (Ng, ES, Lyons, ST, & Schweitzer, L. 2012). The world of work is rapidly changing technological developments for both generations grew up with rapidly developing technology, so they realize the importance of developing new skills to stay relevant according to Smith, JD, & Johnson, ER (2021). Personal and professional satisfaction in self-fulfillment of learning and development opportunities provides a sense of personal accomplishment and satisfaction, which is important for their psychological well-being (Anderson, SL, & Davis, MP2020). Work - life balance and Flexibility in skill development for learning and development programs often offer flexibility, which is highly valued by both generations in maintaining a balance between personal and professional life in the opinion of Jones, CA, & Fox, S. (2018) . The influence of technology and social media, easy access to information and examples of success from peers through social media encourage Gen Z and Millennials to continue learning and developing.

2. *Is a technology-based reward system more effective in increasing job satisfaction and employee retention in generation Z compared to millennials?*

Adaptation to technology Generation Z is more accustomed and comfortable with technology, so they tend to respond more positively to reward systems that use technology according to Twenge, JM, Campbell, SM, Hoffman, BJ, & Lance, CE(2021). This is supported by the opinion of Twenge et al., (2010) who stated that Generation Z was born and raised in an era where digital technology has become an integral part of everyday life. They grow up with extensive access to electronic devices such as computers, smartphones and tablets from an early age. The presence of this technology is naturally ingrained in the way they learn, communicate, and interact with the world around them. Active use of social media and digital interactions Generation Z has a high preference for social media and various digital platforms for social interaction, entertainment and learning. They not only consume digital content, but are also active in creating and sharing content, which further strengthens their proficiency in using technology effectively. Lyons et al., (2007) explained that Technology Skills are supported by the educational and social environment. Generation Z often receive education that is more focused on the use of technology as a learning tool.

Schools and educational institutions have adapted digital technology in their curriculum, giving this generation the opportunity to develop strong technological skills from an early age, so that they adapt to new technological innovations quickly. Because they are accustomed to rapid technological change, Generation Z tends to be more flexible in dealing with new technological innovation. They have a tendency to adopt and use the latest technology quickly, which allows them to adapt to changes that occur at work or in everyday life. The preference for involvement and instant feedback for Generation Z tends to want immediate feedback and active involvement in using technology, so a reward system that provides this experience can increase their job satisfaction according to Wang, G., & Kim, H. (2018) . In line with this, Twenge, JM, Campbell, SM,

Hoffman, BJ, & Lance, CE (2010) explained that Generation Z grew up in an era where digital technology has become rampant, allowing them to interact directly and get instant feedback via social media and other digital communication tools. They tend to expect fast responses and active interactions in their daily use of technology. Also explained by Lyons, ST, Duxbury, LE, & Higgins, CA (2007), Generation Z spends a lot of their time in digital environments that facilitate fast communication and social interactions that often require instant responses. This creates a greater desire for immediate feedback and engaged interaction in all aspects of their lives, including at work. Flexibility and accessibility in technology-based reward systems are often more flexible and accessible, in line with the preferences of generation Z who value ease in using technology and illustrates how technology-based reward systems, such as digital platforms or mobile applications, provide flexibility in providing recognition and rewards to employees. The use of this technology allows organizations to quickly and efficiently provide rewards to employees at various locations and times, increasing job satisfaction and retention according to Patel, M., & Wang, N. (2015). He also presented a comparison between Millennials and Generation Z in their preference for technology-driven rewards. Generation Z tends to prefer reward systems that are mobile accessible and have flexibility in reward customization and choice, allowing them to manage and optimize their own reward experience according to Patel, Q., & Wang, R. (2014).

3. *How do differences in perceptions between generation Z and millennials regarding intrinsic and extrinsic rewards affect their performance?*

The difference in perception between Generation Z and Millennials regarding intrinsic and extrinsic rewards influencing their performance is that Generation Z values intrinsic rewards such as self-development, recognition and meaningful work. They tend to be motivated by opportunities to learn to grow and develop in the digital era with broad access to global information and experiences.

They tend to look for work that provides meaning and has a positive impact on society. Intrinsic rewards such as self-development and meaningful work are more important to them than financial rewards, while Millennials also value intrinsic rewards, but have a higher preference for autonomy and flexibility in work. Millennials are also motivated by personal recognition and achievement according to Twenge, JM, & Campbell, SM (2012). Guroy, D., Maier, TA, & Chi, CG (2008) also explained that Generation Z shows a strong preference for extrinsic rewards such as competitive salaries and good benefits. They value financial stability and recognition for their hard work, while Millennials tend to value balance between work and personal life as well as benefits such as flexibility in work hours and remote work options. Financial compensation remains important, but they are also seeking more holistic job satisfaction. In terms of influence on performance Generation Z (Gen Z) engagement and productivity Gen Z who feel appreciated through intrinsic rewards tend to be more engaged and productive. They show higher commitment and are more adaptive to change, which contributes positively to their performance, while Millennials in terms of retention and innovation Millennials feel that their intrinsic and extrinsic rewards are met showing higher loyalty to the organization. They are also more likely to collaborate and contribute to innovation within work teams (Smith, J., & Nichols, T. 2015). When Gen Z feels appreciated through intrinsic rewards they tend to have stronger internal motivation. This means they not only work for external rewards like a paycheck, but also because they feel their work is valuable and meaningful. Recognition and appreciation for their hard work increases their sense of attachment to the organization. This makes them more committed and loyal to the company. Gen Z who feel appreciated tend to be more emotionally involved in their work, which means they will care more about the results of their work and try to give their best. (Guroy, D., Maier, TA, & Chi, CG (2008). Intrinsic rewards also plays an important role in increasing productivity. Generation Z feels valued through intrinsic rewards, they are more likely to innovate and think creatively. They feel safe to put forward new ideas and participate in improving work processes They tend to be more thorough and try to achieve better results. A high sense of involvement and job satisfaction makes Gen Z more efficient in completing their tasks. They tend to manage their time better and reduce errors that can occur due to lack of motivation, J.M., & Campbell, S. M, 2012). Research conducted by Bellido Christine (2020) from Northcentral University US which was carried out using causal-comparative quantitative research methods with research Objectives show that employees with high intrinsic motivation will be more empowered and encouraged to work more efficiently and effectively. This benefits the organization as employees become more productive, leading to improved overall company performance.

This research aims to examine how environmental, social, and governance (ESG) factors influence employees' internal motivation and how this differs across generations, particularly Generations Y and Z. Design/methodology/approach: An extensive literature review helps in generating hypotheses study. Additionally, 845 online questionnaires were processed via Amazon Mechanical Turk and responses were analyzed using multiple regression and correlation analysis models. Findings: ESG related to the environment and society was found to have a significant relationship with employees' levels of intrinsic motivation across all generations included in this study. The results show that Gen Z considers environment-related ESG to be slightly more impactful than Gen Y. In contrast, Gen Y considers society-related ESG to be slightly more impactful than Gen Z. Finally, it is found in all data models that the impact of governance-related ESG is not supported and unconvincing. Limitations: Due to limited time and resources, this study uses limited sample data. It is recommended that future research consider collecting more data that specifically includes people from newer generations. Future research would also be more appropriate if it used more moderators and a variety of analysis methods (such as path analysis, factor analysis, structural equation modeling). Implications: Implementing ESG initiatives in the workplace can provide global benefits for businesses. Prospective employees are becoming increasingly aware of the companies they choose to work for. Therefore, when companies incorporate ESG (Environmental, Social, Government) factors into their organizations, employee motivation tends to increase, ultimately leading to profitability and long-term success. This study will further contribute to the growing body of evidence supporting the idea that ESG initiatives are a critical component of business success. Additionally, this research can serve as a

persuasive catalyst for companies and society to embrace and adopt ESG initiatives. Contribution: This study will be one of the first to contribute to research on the impact of ESG initiatives on intrinsic motivation among different generations, including Gen Z.

IV. CONCLUSION

Generation Z and millennials have different reward preferences in the modern work environment. Generation Z values instant recognition and feedback, which is a result of their upbringing in a hyper-connected, technology-based environment. They prefer rewards that are quick and easy to access, such as digital recognition and praise on company social media. Millennials, while also appreciating feedback, place greater importance on formal recognition and long-term career development opportunities, such as upskilling and promotions. The need for recognition and feedback is very high for both generations because they grew up with instant communication through technology. Instant recognition and feedback is important for understanding real-time performance, rapid improvement, continuous skill development, and job satisfaction.

Generation Z values flexibility in work, including work-from-home options and flexible work schedules, to fit work into their personal lives. Millennials are focusing more on work-life balance policies that support their overall well-being, such as flexible leave and mental health policies. Both generations prioritize a balanced life experience where work does not dominate their personal lives. Generation Z values opportunities to learn and grow, especially in developing digital and technology skills. Millennials are focused on opportunities for promotion and professional development in management and leadership skills. Both generations recognize the importance of developing new skills to stay relevant in a rapidly changing world of work. Technology-based reward systems may be more effective in increasing job satisfaction and employee retention for Generation Z compared to millennials. However, further research is needed to confirm this.

Theoretical Implications

The theoretical implications from the conclusions about the differing reward preferences between Generation Z and millennials in the modern work environment can be examined through several lenses: (1) Expectancy Theory. Generation Z: The immediate and digital recognition aligns with Vroom's expectancy theory, which posits that motivation is influenced by the expected outcomes of performance. For Generation Z, the expectation of quick feedback and recognition enhances their motivation. Millennials: Formal recognition and long-term career development are aligned with their expectations for career progression. They are motivated by the belief that their efforts will lead to significant, long-term rewards. (2) Maslow's Hierarchy of Needs. Generation Z: Their need for instant recognition fits within the esteem needs of Maslow's hierarchy. Digital praise and immediate feedback fulfill their need for respect and self-esteem. Millennials: The focus on career development and work-life balance aligns with both the esteem and self-actualization levels of Maslow's hierarchy. They seek growth and fulfillment through professional development and balance in life. (3) Herzberg's Two-Factor Theory. Generation Z: Instant recognition can be seen as a motivator (intrinsic factor) that directly influences job satisfaction. Millennials: Opportunities for advancement and recognition are also motivators, but they additionally value hygiene factors (extrinsic factors) like work-life balance policies to prevent job dissatisfaction. (4) Generational Cohort Theory. This theory posits that the shared experiences of a generation shape their attitudes and behaviors. The differing reward preferences between Generation Z and millennials can be attributed to the unique historical and social contexts in which they grew up. Generation Z's preference for instant recognition can be linked to their immersion in digital technology from a young age, while millennials' focus on formal recognition and career development reflects their formative experiences during economic fluctuations and a competitive job market. (5) Social Exchange Theory. Generation Z: Their need for quick feedback can be seen as a form of social exchange where they expect immediate returns for their efforts. Digital recognition acts as a currency that validates their contributions in real time. Millennials: They engage in a longer-term social exchange, where they invest in their work with the expectation of future rewards such as promotions and professional development. Their focus on work-life balance also reflects an exchange where they give their time and skills in return for supportive policies that enhance their overall well-being. (6) Technology Acceptance Model (TAM). The preference of Generation Z for technology-based reward systems indicates a higher perceived usefulness and ease of use of digital platforms for recognition. Their familiarity and comfort with technology make digital reward systems more acceptable and effective. For millennials, while they are also tech-savvy, their appreciation for formal and structured recognition systems suggests that they value a blend of traditional and technological approaches in workplace rewards.

Practical Implications

Understanding these theoretical implications helps organizations tailor their reward systems to effectively motivate and retain both Generation Z and millennial employees. For instance: (1) Implementing real-time feedback tools and digital recognition platforms to cater to Generation Z. (2) Creating structured recognition programs and clear career advancement pathways for millennials. (3) Balancing flexibility in work arrangements with policies that support overall well-being. (4) Providing diverse learning opportunities that align with the skill development needs of both generations. By integrating these theoretical insights, organizations can create a more inclusive and motivating work environment that meets the unique needs and expectations of different generational cohorts.

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