

THE INFLUENCE OF SELF-EFFICACY, REWARDS & RECOGNITION, AND CAREER DEVELOPMENT ON EMPLOYEE ENGAGEMENT AMONG GENERATION Z EMPLOYEES IN THE MADIUN REGION

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Abstract

Employee engagement is an important concern for organizations, particularly with the increasing participation of Generation Z in the workforce. This study aims to examine the influence of self-efficacy, reward and recognition, and career development on employee engagement among Generation Z employees in the Madiun Region. This study employed a quantitative explanatory design using a survey method. Data were collected from 164 respondents selected through purposive sampling and analyzed using multiple linear regression with IBM SPSS. The results show that self-efficacy has a positive and significant effect on employee engagement ($\beta = 0.482$; $p < 0.001$). Reward and recognition also have a positive and significant effect ($\beta = 0.549$; $p < 0.001$) and represent the strongest predictor. Career development has a positive and significant effect on employee engagement ($\beta = 0.459$; $p < 0.001$). Simultaneously, the three variables significantly influence employee engagement ($F = 97.875$; $p < 0.001$), with an Adjusted R^2 of 0.641. These findings indicate that employee engagement among Generation Z is supported by both personal and organizational resources. Organizations should therefore strengthen self-efficacy while providing meaningful recognition, appropriate rewards, and career development opportunities.

Keywords: *self-efficacy; reward and recognition; career development; employee engagement; Generation Z.*

A. INTRODUCTION

Employee engagement is an important issue in human resource management because it reflects the extent to which employees invest their physical, cognitive, and emotional resources in their work. Kahn (1990) conceptualized personal engagement as the expression of an individual's physical, cognitive, and emotional self during work-role performance, while Saks (2006) emphasized its importance in employees' relationship with their work and organization. High employee engagement is generally associated with greater enthusiasm, dedication, and

willingness to contribute to organizational goals. However, maintaining engagement remains challenging as workforce characteristics and employee expectations regarding work, recognition, and career development continue to change.

This issue is increasingly relevant with the growing participation of Generation Z in the workforce. Generation Z employees may have different expectations regarding career meaning, work-life balance, personal development, and organizational support. Robert Walters (2024) reported that 52% of surveyed Generation Z professionals did not want to become middle managers, while 69% perceived middle-management positions as highly stressful relative to the rewards received. This phenomenon, often associated with conscious unbossing, does not necessarily indicate a lack of ambition or engagement, but may reflect employees' evaluation of organizational support, recognition, growth opportunities, and working conditions. In Indonesia, the thesis reports that employee engagement reached 27%, compared with 25% in Southeast Asia, indicating that engagement remains an important organizational challenge.

The Job Demands-Resources (JD-R) Theory provides a relevant framework for explaining employee engagement. The theory suggests that employee well-being and motivation are influenced by job demands and job resources. Job resources help employees achieve work goals, reduce the impact of job demands, and stimulate motivation and personal growth (Bakker & Demerouti, 2014). In this context, self-efficacy can function as a personal resource, while reward and recognition and career development can function as organizational resources that support employees in managing work demands and achieving their goals.

Self-efficacy refers to employees' beliefs in their capability to organize and execute actions required to achieve particular performances. Employees with strong self-efficacy are more likely to believe in their ability to perform tasks, overcome difficulties, and persist when facing challenges. Previous studies found positive relationships between self-efficacy and employee engagement. Ardi et al. (2017) found that self-efficacy increased employee engagement among employees of PT Telekomunikasi Indonesia Regional V Surabaya, while Ferawati (2023) found a positive and significant effect of self-efficacy on employee engagement among Generation Z employees in DKI Jakarta.

Reward and recognition also represent important organizational resources. Rewards provide tangible or non-tangible returns for employee performance, while recognition communicates that employees' efforts and achievements are valued. Previous studies by Baqir et al. (2020), Sadilla and Wahyuningtyas (2023), and Fajrin et al. (2025) found that reward and recognition positively influenced employee engagement. These findings indicate that employees who perceive their contributions as appropriately rewarded and recognized may develop stronger psychological involvement in their work.

Career development is another organizational resource that may strengthen employee engagement. It encompasses efforts to improve employees' competencies, experiences, career planning, and opportunities for advancement. For Generation Z, career development may involve not only promotion but also opportunities to acquire knowledge, skills, and experiences that support future employability. Previous studies have reported positive relationships between career development and employee engagement. Muchibi et al. (2022) found a significant effect of career development on employee engagement among public health employees in Kenya, while Primadini and Karneli (2023) found a positive and significant effect among employees of PT PLN UP3 Pekanbaru. Wiyanto et al. (2024) also reported a positive relationship between self-efficacy, career development, and work engagement.

Although previous research has established the importance of self-efficacy, reward and recognition, and career development, existing evidence remains fragmented across variables, organizational settings, and employee groups. Research involving Generation Z has also been conducted in different geographical contexts, while studies on career development have largely focused on specific organizations or occupational sectors. Therefore, limited empirical evidence simultaneously examines self-efficacy, reward and recognition, and career development as predictors of employee engagement among Generation Z employees in the Madiun Region.

The Madiun context is relevant because employment development in the region increasingly emphasizes workforce competence and employability. The thesis reports that employment-training initiatives have been implemented to improve workforce competencies and align workers' skills with industry requirements. In 2025, Naker Fest in Madiun involved

39 companies and provided approximately 2,058 job vacancies, alongside competency-based training programs developed in collaboration with companies. However, employment and training opportunities alone do not explain whether Generation Z employees experience strong engagement within their organizations.

Accordingly, this study aims to examine the influence of self-efficacy, reward and recognition, and career development on employee engagement among Generation Z employees in the Madiun Region. By integrating personal and organizational resources within the JD-R framework, this study seeks to provide empirical evidence regarding factors associated with employee engagement and offer practical insights for organizations in strengthening employee capability, recognition, and career development opportunities.

B. METHOD

This study employed a quantitative explanatory design to examine the influence of self-efficacy, reward and recognition, and career development on employee engagement among Generation Z employees in the Madiun Region. Primary data were collected through a structured online questionnaire distributed via Google Forms. The population consisted of Generation Z employees working in organizations, companies, or institutions in Madiun City and Madiun Regency. As the exact population size was unavailable, it was treated as an unknown population.

The study used non-probability sampling with purposive sampling. Respondents were Generation Z employees working in Madiun City or Madiun Regency, with 2–5 years of work experience, who had previously been offered a managerial position and were willing to accept it, and voluntarily participated in the study. Of the 209 questionnaires distributed, 164 valid responses were obtained and used for analysis.

The independent variables were self-efficacy (X1), reward and recognition (X2), and career development (X3), while employee engagement (Y) was the dependent variable. Self-efficacy was measured through level, strength, and generality based on Bandura (1997); reward and recognition through financial reward, non-financial reward, and recognition based on Armstrong (2021); career development through career planning, career advancement, and

learning opportunities based on Muchibi et al. (2022); and employee engagement through vigor, dedication, and absorption based on Schaufeli et al. (2002). All variables were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The data were processed using IBM SPSS through descriptive statistics, validity and reliability testing, classical assumption testing, and multiple linear regression analysis. The classical assumption tests included the Kolmogorov-Smirnov normality test, multicollinearity test using tolerance and Variance Inflation Factor (VIF), and heteroscedasticity test using the Glejser test. Multiple linear regression was used to examine the partial and simultaneous effects of the independent variables on employee engagement using the model $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$. Hypotheses were tested using the t-test and F-test, while the coefficient of determination (R^2) was used to assess the proportion of variation in employee engagement explained by the model. All statistical tests used a 5% significance level.

C. RESULTS AND DISCUSSIONS

Respondent Characteristics

The study obtained 164 valid responses from Generation Z employees working in Madiun City and Madiun Regency. Most respondents were aged 26–29 years (62.2%), female (51.2%), domiciled in Madiun Regency (55.5%), held a bachelor's degree (54.3%), worked as ASN/PNS (34.1%), occupied staff/implementer positions (50.0%), and had 2–5 years of work experience (76.8%). The respondent characteristics indicate that the sample predominantly consisted of Generation Z employees who were already actively developing their careers and had sufficient work experience to evaluate their work environment and engagement.

Table 1. Respondent of Characteristics

Characteristic	Category	n	%
Age	22–25 years	62	37.8
	26–29 years	102	62.2
Gender	Female	84	51.2
	Male	80	48.8
Domicile	Madiun Regency	91	55.5
	Madiun City	73	44.5
Education	Bachelor's degree	89	54.3
	Diploma	48	29.3
	Senior/Vocational High School	22	13.4
	Other	5	3.0
Employment Status	ASN/PNS	56	34.1

Position	Private Employee	54	32.9
	BUMN/BUMD Employee	48	29.3
	Other	6	3.7
	Staff/Implementer	82	50.0
	Supervisor	45	27.4
Work Experience	Other	37	22.6
	2–5 years	126	76.8
	>5 years	38	23.2
Total		164	100.0

Source: Primary data processed, 2026.

Descriptive Statistics

The descriptive analysis shows that all research variables were classified at a moderate level. Self-efficacy had a mean of 3.0125, reward and recognition 2.8935, career development 3.0099, and employee engagement 2.9523. The results indicate that respondents generally perceived their capabilities, organizational support, career development opportunities, and engagement positively, although these conditions had not yet reached a high level.

Table 2. **Descriptive Statistics of Research Variables**

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Self-Efficacy	164	1.26	4.89	3.0125	0.77930
Reward & Recognition	164	1.00	4.89	2.8935	0.83913
Career Development	164	1.24	4.95	3.0099	0.81761
Employee Engagement	164	1.24	4.65	2.9523	0.76609

Source: Primary data processed, 2026.

Validity and Reliability

The validity and reliability tests indicate that the research instruments were suitable for further analysis. All questionnaire items met the validity requirements, while the Cronbach's Alpha values were 0.959 for self-efficacy, 0.967 for reward and recognition, 0.968 for career development, and 0.951 for employee engagement. These values exceeded the minimum reliability criterion, indicating high internal consistency of the instruments.

Table 3. **Validity and Reliability Results**

Variable	Items	Cronbach's Alpha	Decision
Self-Efficacy	19	0.959	Reliable
Reward & Recognition	19	0.967	Reliable
Career Development	21	0.968	Reliable
Employee Engagement	17	0.951	Reliable

Source: Primary data processed, 2026.

Classical Assumption Tests

The regression model satisfied the required classical assumptions. The Kolmogorov-Smirnov normality test produced a significance value of 0.200, indicating normally distributed residuals. The multicollinearity test showed tolerance values above 0.10 and VIF values below 10 for all independent variables. The Glejser test also produced significance values above 0.05, indicating that the model was free from heteroscedasticity.

Table 4. Classical Assumption Test Results

Test	Variable/Indicator	Result	Criterion	Conclusion
Normality	Kolmogorov-Smirnov	Sig. = 0.200	>0.05	Normal
Multicollinearity	Self-Efficacy	Tolerance = 0.978; VIF = 1.022	Tolerance >0.10; VIF <10	No multicollinearity
	Reward & Recognition	Tolerance = 0.978; VIF = 1.023	Tolerance >0.10; VIF <10	No multicollinearity
	Career Development	Tolerance = 0.999; VIF = 1.001	Tolerance >0.10; VIF <10	No multicollinearity
Heteroscedasticity	Self-Efficacy	Sig. = 0.367	>0.05	No heteroscedasticity
	Reward & Recognition	Sig. = 0.507	>0.05	No heteroscedasticity
	Career Development	Sig. = 0.100	>0.05	No heteroscedasticity

Source: SPSS output.

Hypothesis Testing

Multiple linear regression analysis produced the equation $Y = -1.219 + 0.474X_1 + 0.501X_2 + 0.430X_3$. The positive coefficients indicate that increases in self-efficacy, reward and recognition, and career development are associated with increases in employee engagement.

Table 5. Multiple Linear Regression and Hypothesis Testing

Variable	B	Beta	t	Sig.	Decision
Self-Efficacy	0.474	0.482	10.148	<0.001	H1 Supported
Reward & Recognition	0.501	0.549	11.559	<0.001	H2 Supported
Career Development	0.430	0.459	9.776	<0.001	H3 Supported

Source: SPSS output.

The Effect of Self-Efficacy on Employee Engagement

Self-efficacy had a positive and significant effect on employee engagement, with $\beta = 0.482$, $t = 10.148$, and $p < 0.001$. Therefore, H1 was supported. This finding indicates that employees with stronger confidence in their capabilities tend to demonstrate higher engagement because they are more likely to persist when facing work challenges and invest greater effort in

their tasks. The finding is consistent with Ardi et al. (2017) and Ferawati (2023), who reported positive relationships between self-efficacy and employee engagement.

The Effect of Reward and Recognition on Employee Engagement

Reward and recognition had a positive and significant effect on employee engagement, with $\beta = 0.549$, $t = 11.559$, and $p < 0.001$. Therefore, H2 was supported. Employees who perceive their contributions as appropriately rewarded and recognized tend to demonstrate stronger psychological involvement in their work. Reward and recognition also produced the largest standardized beta coefficient, indicating that it had the strongest relative influence among the three independent variables. This finding is consistent with Baqir et al. (2020), Sadilla and Wahyuningtyas (2023), and Fajrin et al. (2025).

The Effect of Career Development on Employee Engagement

Career development had a positive and significant effect on employee engagement, with $\beta = 0.459$, $t = 9.776$, and $p < 0.001$. Therefore, H3 was supported. This finding indicates that opportunities for career planning, advancement, learning, and competency development can strengthen employee engagement by providing employees with opportunities for professional growth. The finding is consistent with Muchibi et al. (2022), Primadini and Karneli (2023), and Wiyanto et al. (2024).

Simultaneous Effect and Coefficient of Determination

The simultaneous test showed that self-efficacy, reward and recognition, and career development jointly had a significant effect on employee engagement, with $F = 97.875$ and $p < 0.001$. The model produced an R of 0.805, R^2 of 0.647, and Adjusted R^2 of 0.641. Thus, the three independent variables explained 64.1% of the variation in employee engagement, while the remaining 35.9% was explained by other factors outside the model

Table 6. Model Fit and Simultaneous Test				
R	R²	Adjusted R²	F	Sig.
0.805	0.647	0.641	97.875	<0.001

Source: SPSS output.

Overall, the findings support the Job Demands-Resources (JD-R) Theory, in which self-efficacy functions as a personal resource, while reward and recognition and career development function as organizational resources. The significant effects of all three variables indicate that employee engagement among Generation Z employees is supported by both individual

capabilities and organizational resources. The stronger relative effect of reward and recognition further indicates that organizations should pay particular attention to meaningful appreciation and recognition while continuing to strengthen employees' self-efficacy and career development opportunities.

D. CONCLUSIONS

This study concludes that self-efficacy, reward and recognition, and career development have positive and significant effects on employee engagement among Generation Z employees in the Madiun Region, both partially and simultaneously. Self-efficacy positively and significantly influences employee engagement, indicating that employees with stronger confidence in their capabilities tend to demonstrate higher levels of engagement. Reward and recognition also have a positive and significant effect and represent the strongest predictor among the three independent variables based on the standardized beta coefficient. This indicates that appropriate rewards and recognition of employee contributions are important in strengthening employee engagement. Career development likewise has a positive and significant effect, indicating that opportunities for career planning, advancement, learning, and competency development can encourage greater employee engagement.

Simultaneously, self-efficacy, reward and recognition, and career development significantly influence employee engagement. The model produces an Adjusted R^2 of 0.641, indicating that the three variables collectively explain 64.1% of the variation in employee engagement, while the remaining 35.9% is explained by other factors outside the research model. These findings support the Job Demands-Resources (JD-R) Theory by demonstrating that employee engagement among Generation Z is supported by both personal resources, represented by self-efficacy, and organizational resources, represented by reward and recognition and career development. Therefore, strengthening employee engagement requires organizations to develop employees' confidence and capabilities while providing meaningful recognition, appropriate rewards, and sustainable opportunities for career growth.

E. SUGGESTIONS

Based on the findings, organizations in the Madiun Region are encouraged to strengthen employee engagement among Generation Z by developing both personal and organizational resources. Organizations should provide opportunities that can strengthen employees' self-efficacy through appropriate responsibilities, constructive feedback, training, and opportunities to apply their abilities in the workplace. Since reward and recognition demonstrated the strongest influence on employee engagement, organizations should provide fair and meaningful rewards and recognize employees' contributions and achievements consistently. In addition, organizations should strengthen career development through clear career pathways, learning opportunities, competency development, and opportunities for advancement that are aligned with employees' career aspirations.

For future researchers, further studies are recommended to examine other factors that may influence Generation Z employee engagement because the current research model explains 64.1% of the variation in employee engagement, leaving 35.9% attributable to factors outside the model. Future research may consider additional personal or organizational resources and involve broader populations or different geographical areas to provide a more comprehensive understanding of employee engagement among Generation Z.

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