


Chapter 11

Retaining Generation Z Employees: An Exploratory Study in the Technology Sector

Filipe Oliveira

Polytechnic Institute of Cávado and Ave, Portugal

Teresa Dieguez

 <https://orcid.org/0000-0002-4886-1446>

Polytechnic Institute of Cávado and Ave, Portugal

Paula Loureiro

Polytechnic Institute of Cávado and Ave, Portugal

ABSTRACT

This research examines talent retention strategies in the Information Technology (IT) sector in Portugal, within a context of high competitiveness and shortage of qualified professionals. Through a qualitative methodology, based on interviews with employees in the technology sector, the study identified significant patterns in retention practices. The results demonstrate that, while remuneration remains a crucial factor, talent retention is influenced by multiple variables. IT professionals value a balanced combination of monetary and non-monetary benefits, including organizational culture, work environment, development opportunities, and work-life balance. A key finding suggests that organizations should develop retention strategies that integrate immediate benefits and long-term perspectives, creating lasting bonds with employees. This research contributes to academic and practical knowledge about retention strategies in the IT sector, emphasizing the importance of a holistic approach to talent management.

DOI: 10.4018/979-8-3373-0015-3.ch011

1. INTRODUCTION

Talent is widely regarded as the most valuable asset for organizational success, acting as a cornerstone for the knowledge economy and a catalyst for social progress (Becker et al., 2009; Pandita & Ray, 2018; Tobon & Luna-Nemecio, 2021). In today's globalized and hypercompetitive landscape, organizations are increasingly challenged to attract and retain skilled professionals, particularly in industries heavily reliant on technology and innovation. The growing imbalance between the demand for and supply of qualified talent has made effective talent management a central concern for business leaders worldwide (Gallardo-Gallardo et al., 2020). This reality underscores the strategic importance of human resources in not only addressing these challenges but also in shaping sustainable and competitive organizations.

In this context, talent management emerges as much more than a functional area. It is a strategic priority that can create unique competitive advantages. By developing systems to attract, engage, and retain top talent, organizations can secure the human capital needed to sustain growth and adapt to rapidly evolving market conditions. The role of human resources has evolved accordingly, moving beyond administrative functions to becoming a core driver of strategic initiatives that align organizational goals with the aspirations of a diverse and dynamic workforce. This shift reflects a growing recognition that talent is the foundation of innovation, agility, and long-term success (Collings et al., 2018; Král et al., 2022).

The competition for talent has intensified, particularly with the entrance of Generation Z into the workforce. This generation brings unique challenges and opportunities that demand a rethinking of traditional management practices. As digital natives, Generation Z employees value meaningful work experiences, career growth opportunities, and work-life balance (Gabrielova & Buchko, 2021). They are drawn to organizations that align with their values, particularly in areas such as sustainability, inclusivity, and ethical practices. However, they also exhibit lower levels of organizational loyalty, frequently seeking new challenges and opportunities that better match their expectations and ambitions (Böhlich et al., 2022). For organizations, this creates a pressing need to implement strategies that not only attract but also retain these employees, fostering environments where their potential can be fully realized.

Human resource management plays a critical role in addressing these challenges. Effective HR practices can transform talent management into a source of competitive differentiation by building a workforce that is not only highly skilled but also deeply engaged and committed to the organization's mission. This involves leveraging innovative tools such as AI-driven recruitment processes and predictive analytics to optimize hiring and retention efforts (Pandita & Ray, 2018; Král et al., 2022). However, while technology enhances efficiency, the human element remains indis-

36 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/retaining-generation-z-employees/384883

Related Content

Expanding the Boundaries of Healthcare Human Resources Planning

Christopher L. Pate, Nancy A. Leahy and Leonard Leos (2012). *Human Resources Management: Concepts, Methodologies, Tools, and Applications* (pp. 1372-1391).

www.irma-international.org/chapter/expanding-boundaries-healthcare-human-resources/67222

Macro-Change in a Micro-Firm

Donald Ropes and Han van Kleef (2019). *Evidence-Based Initiatives for Organizational Change and Development* (pp. 669-675).

www.irma-international.org/chapter/macro-change-in-a-micro-firm/225193

Perceived Performance of the Human Resource Information Systems (HRIS) and Perceived Performance of the Management of Human Resources (HRM)

Loubna Tahssain and Mouna Zgheib (2009). *Handbook of Research on E-Transformation and Human Resources Management Technologies: Organizational Outcomes and Challenges* (pp. 324-334).

www.irma-international.org/chapter/perceived-performance-human-resource-information/20069

To What Extent Is Culture Change Possible Through Coaching and Mentoring?

Robert Garvey (2019). *Evidence-Based Initiatives for Organizational Change and Development* (pp. 111-139).

www.irma-international.org/chapter/to-what-extent-is-culture-change-possible-through-coaching-and-mentoring/225150

Data Warehouse and Business Intelligence Systems in the Context of E-HRM

Martin Burgard and Franca Piazza (2009). *Encyclopedia of Human Resources Information Systems: Challenges in e-HRM* (pp. 223-229).

www.irma-international.org/chapter/data-warehouse-business-intelligence-systems/13234