

Impact of Career Development Opportunities on Retention Intention of Gen Z Employees in India

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Abstract—The increasing workforce participation of Generation Z employees has created new challenges for organizations seeking to improve employee retention. Unlike previous generations, Gen Z employees place greater emphasis on career growth, continuous learning, meaningful work, and organizational support. This study examines the impact of career development opportunities on retention intention among Gen Z employees in India and investigates the mediating roles of job satisfaction, employee engagement, and organizational commitment. A quantitative, cross-sectional research design was adopted, and data were collected from 353 Gen Z employees working across various sectors in India. Covariance-Based Structural Equation Modelling (CB-SEM) using IBM SPSS Amos was employed to test the proposed theoretical framework. The results revealed that career development opportunities do not have a significant direct effect on retention intention. However, career development opportunities significantly enhance job satisfaction and employee engagement, which subsequently strengthen organizational commitment and positively influence retention intention. Job satisfaction emerged as the strongest predictor of retention intention, while employee engagement demonstrated a substantial effect on organizational commitment. The findings indicate that the retention of Gen Z employees is driven primarily by psychological and attitudinal factors rather than career development initiatives alone. The study contributes to the human resource management literature by providing empirical evidence on the indirect pathways through which career development influences retention intention among Gen Z employees in the Indian context. The findings offer practical implications for organizations seeking to design effective retention strategies by fostering employee satisfaction, engagement, and commitment alongside career development initiatives.

Index Terms—Generation Z, Career Development Opportunities, Retention Intention, Job Satisfaction, Employee Engagement, Organizational Commitment, Structural Equation Modelling, India.

I. Introduction

Generation Z (often called Zoomers) refers to the demographic cohort born between 1997 and 2012. Raised as true "digital natives," they are the first generation to grow up with the internet, social media, and smartphones continuously available since childhood. Employee retention is the ability of an organisation to maintain its workforce overtime and to minimise employee turnover.

The expectations and behaviours of Generation Z staff members have shifted the way that companies are handling employee retention. In contrast to previous generations, members of Gen Z are not only comfortable with technology but also have an interest in career building, work satisfaction, meaningful work, flexibility, employee engagement and opportunities for ongoing learning, organizational commitment. (A study on retention challenges among gen z employees, 2026)

Gen Z wants a positive work environment, pay, growth, and work-life balance, compared to previous generations. (Asria, 2025). Job satisfaction, employee satisfaction or work satisfaction is a measure of workers' contentment with their job, whether they like the job or individual aspects or facets of jobs, such as nature of work or supervision. Employee engagement is a fundamental concept in the effort to understand and

describe, both qualitatively and quantitatively, the nature of the relationship between an organization and its employees.

Career development refers to the process an individual may undergo to evolve their occupational status. It is the process of making decisions for long term learning, to align personal needs of physical or psychological fulfilment with career advancement opportunities. Organizational commitment is an individual's psychological attachment to the organization. This research paper depicts that Gen Zs are not hesitant when it comes to making a change in order to look for better opportunities. This study aims to offer novel insights for corporations, in India regarding the importance of paying attention to job satisfaction, rewards, and career development. These efforts are expected to impact increasing employee retention rates positively. (Khujjah Ayu Asria, 2025).

II. Literature review

Career development opportunities are work based training, mentoring, and advancement programs that are provided by organizations to enhance employees' skills, competencies, learning, and long-term career development. (Mamuye, 2025).

Similarly, organizational support for career development has been found to reduce employee turnover and strengthen workplace commitment. Prior research suggests that employees who perceive strong career growth opportunities exhibit higher job satisfaction, engagement, and retention intention (Hazem Ali, 2024).

From a theoretical perspective, the Social Exchange Theory explains that employees reciprocate organizational investment in their professional growth through loyalty, commitment, and positive workplace behaviour. (Zhen Zeng, 2016)

Retention intention refers to an employee's willingness to remain employed within an organization for an extended period. Unlike turnover intention, which focuses on employees' thoughts of leaving, retention intention emphasizes employees' motivation to stay with the organization. The subject has attracted considerable attention in the field of HR as the high level of retention intention leads to higher stability in the workforce, better productivity, and reduced recruitment and training expenses. (Samikon, 2021)

Job satisfaction also plays a crucial role in employee retention. Employees who receive adequate career development support often experience greater satisfaction because growth opportunities create feelings of achievement, recognition, and career security (Dessler, 2020). Studies further indicate that satisfied employees demonstrate stronger organizational commitment and higher retention intention (Timothy A. Judge, 2001)

Employee engagement refers to employees' emotional and psychological involvement in their work and organizational activities. Contemporary studies highlight that Gen Z employees prefer collaborative work environments, continuous feedback, recognition, and meaningful work experiences that improve engagement levels (<https://www.deloitte.com/global/en/issues/work/genz-millennial-survey.html>, 2026).

Similarly, organizational commitment reflects employees' emotional attachment and identification with their organization (John P. Meyer, 1991). Employees who feel valued and supported are more likely to develop loyalty and long-term retention intention.

These variables have been studied mostly one by one, in the literature. Moreover, there is a lack of studies that focus specifically on the employees of Gen Z in the Indian context, as well as few studies in which the Structural Equation Modeling (SEM) method is used to verify the combined effect of career development,

engagement, satisfaction and commitment on intention to remain in the organization. This further underlines the need of further empirical study.

III. Research methodology

The present study adopted a quantitative, cross-sectional, and explanatory research design to examine the impact of career development opportunities on retention intention among Gen Z employees in India. A quantitative approach was selected because the study intended to statistically examine relationships among multiple latent constructs and validate a structural model using Structural Equation Modelling. The explanatory nature of the study helped in understanding the causal influence of career development opportunities on retention intention through mediating constructs such as job satisfaction, employee engagement, and organizational commitment.

The study utilized Covariance-Based Structural Equation Modelling (CB-SEM) using IBM SPSS Amos to validate the theoretical framework and test the hypothesized relationships. The population of the study consisted of Gen Z employees working across various sectors in India. The study focused specifically on individuals belonging to the Gen Z age group who were currently employed in organizations operating in different industries. The respondents represented employees working in both metropolitan and non-metropolitan regions.

Convenience sampling was used because of the accessibility of respondents, while snowball sampling helped in reaching a larger number of Gen Z employees through respondent referrals. This approach was considered appropriate because Gen Z employees are highly digitally connected and accessible through online platforms. A total of 353 valid responses were collected for the final study. Several SEM researchers recommend a minimum sample size of 200 for CB-SEM models. Therefore, the collected sample exceeded the minimum recommended threshold and strengthened the statistical power of the study.

Primary data was collected using a structured questionnaire distributed through online platforms. A pilot study was conducted using 84 responses to validate the questionnaire before the final data collection. The pilot study helped identify problematic items that negatively affected construct reliability and factor structure. Reliability analysis was conducted using Cronbach's Alpha in IBM SPSS Statistics. The Cronbach's Alpha values for all constructs exceeded the acceptable threshold value of 0.70, indicating strong internal consistency. The reliability results confirmed that the instrument was suitable for advanced multivariate analysis

Construct	Number of Items	Cronbach's Alpha	Interpretation
Career Development (CD)	5	0.871	Strong
Job Satisfaction (JS)	5	0.894	Strong
Retention Intention (RI)	4	0.904	Excellent
Employee Engagement (EE)	4	0.883	Strong
Organizational Commitment (OC)	5	0.914	Excellent

Table 1: Reliability Analysis

IV. Data analysis and interpretation

Exploratory Factor Analysis (EFA) was conducted during the pilot study to examine the underlying factor structure of the questionnaire items and assess the suitability of the instrument for the main study. The analysis helped verify the dimensionality of the constructs, evaluate the adequacy of factor loadings, and determine whether the items grouped consistently under their intended constructs. The results confirmed that the questionnaire items loaded appropriately on their respective factors, thereby supporting the construct structure of the instrument. Items exhibiting weak factor loadings or significant cross-loadings were removed to enhance construct validity and improve the overall measurement quality of the questionnaire. This

refinement process ensured that only statistically robust and theoretically relevant items were retained for the final study.

Confirmatory Factor Analysis (CFA) was conducted using IBM SPSS Amos to validate the measurement model and assess the adequacy of the relationships between the observed variables and their underlying latent constructs. CFA was employed to evaluate convergent validity, establish construct validity, and examine the overall fit of the measurement model. The analysis helped determine whether the observed indicators adequately represented their respective constructs and whether the proposed factor structure was supported by the data. The model fit indices obtained from the CFA demonstrated an acceptable level of fit, indicating that the measurement model was statistically sound and suitable for subsequent Structural Equation Modelling (SEM) analysis.

The CFA results confirmed that the measurement model possessed acceptable validity and model fit.

Fit Index	Obtained Value	Recommended Value	Interpretation
CMIN/DF	1.991	< 3	Excellent
CFI	0.950	> 0.90	Excellent
TLI	0.944	> 0.90	Excellent
RMSEA	0.053	< 0.08	Good
GFI	0.859	> 0.85	Acceptable

Table 2: CFA Model Fit Indices

Structural Equation Modeling (SEM) was employed to test the hypothesized relationships among the study constructs and validate the proposed theoretical framework. The structural model was developed to examine both the direct and indirect relationships between career development opportunities, job satisfaction, employee engagement, organizational commitment, and retention intention among Gen Z employees. SEM enabled the assessment of direct effects between constructs, the evaluation of mediating relationships, and the determination of the overall explanatory power of the model. By simultaneously analyzing multiple relationships, SEM provided a comprehensive understanding of the factors influencing retention intention. The results indicated that the structural model demonstrated an acceptable level of fit, confirming the adequacy of the proposed model and supporting its suitability for testing the research hypotheses.

Fit Index	Obtained Value	Recommended Value	Interpretation
CMIN/DF	2.382	< 3	Good
CFI	0.948	> 0.90	Excellent
TLI	0.941	> 0.90	Excellent
RMSEA	0.063	< 0.08	Good
GFI	0.883	> 0.85	Acceptable

Table 3: SEM Model Fit Indices

The structural model was therefore considered statistically acceptable for hypothesis testing.

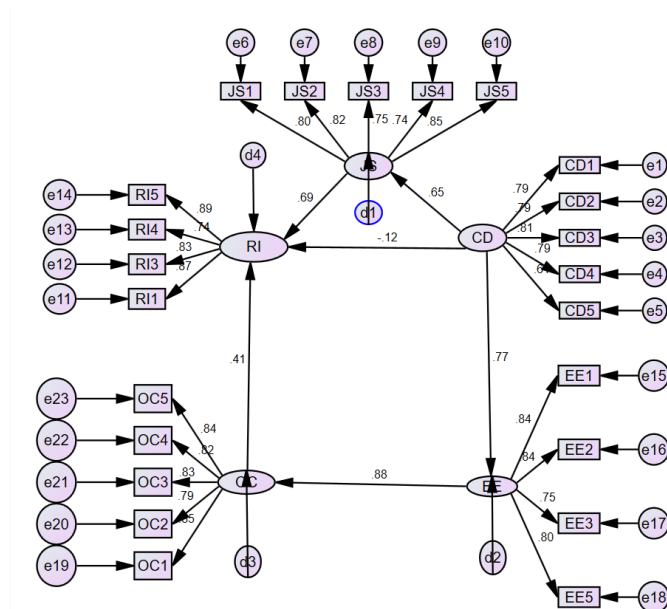


Figure 1 SEM Model of relation ship between career development, retention intention, job satisfaction, employee engagement, and organisational commitment

The hypothesized relationships were tested using standardized regression weights and regression estimates.

Hypothesis	Path	Beta Value	P-value	Result
H1	CD → RI	-0.124	0.069	Rejected
H2	CD → JS	0.652	<0.001	Supported
H3	JS → RI	0.690	<0.001	Supported
H4	CD → EE	0.767	<0.001	Supported
H5	EE → OC	0.876	<0.001	Supported
H6	OC → RI	0.413	<0.001	Supported

Table 4: Hypothesis Testing Results

Career Development and Retention Intention: The direct relationship between career development opportunities and retention intention was found to be statistically insignificant. This finding indicates that career development opportunities alone are insufficient to directly retain Gen Z employees. This suggests that retention intention is influenced more by psychological and emotional experiences created through career development rather than by development opportunities themselves.

Career Development and Job Satisfaction: Career development opportunities demonstrated a strong positive effect on job satisfaction. This finding indicates that employees who perceive strong career growth opportunities tend to experience higher levels of job satisfaction. Career progression, learning opportunities, and organizational support contribute significantly toward improving employee satisfaction levels.

Job Satisfaction and Retention Intention: Job satisfaction emerged as one of the strongest predictors of retention intention. This finding suggests that satisfied Gen Z employees are significantly more likely to remain in their organizations. The result highlights the importance of employee satisfaction in reducing attrition among younger employees.

Career Development and Employee Engagement: Career development opportunities demonstrated a very strong positive effect on employee engagement. Employees who perceive opportunities for learning and advancement tend to become more emotionally invested in their work and organizational activities.

Employee Engagement and Organizational Commitment: Employee engagement demonstrated the strongest relationship in the model with organizational commitment. This finding indicates that engaged employees develop stronger emotional attachment and loyalty toward the organization. The result suggests that engagement acts as a critical mechanism in developing long-term organizational commitment among Gen Z employees.

Organizational Commitment and Retention Intention: Organizational commitment demonstrated a significant positive effect on retention intention. Employees who feel emotionally attached to their organizations exhibit stronger intentions to remain employed within the organization.

V. Findings

The findings of the study revealed that career development opportunities play a significant role in enhancing both employee satisfaction and employee engagement among Gen Z employees. The results demonstrated that employees who perceive greater opportunities for career growth and professional development tend to exhibit higher levels of job satisfaction and become more engaged in their work. Furthermore, employee engagement was found to significantly strengthen organizational commitment, indicating that engaged employees develop a stronger emotional attachment to their organizations. The study also established that both job satisfaction and organizational commitment have a significant positive influence on retention intention, making them important predictors of employees' willingness to remain with their organizations. Additionally, the results indicated that career development opportunities do not directly influence retention intention; rather, their effect is transmitted indirectly through psychological mechanisms such as job satisfaction, employee engagement, and organizational commitment. Overall, the findings suggest that retention intention among Gen Z employees is primarily driven by psychological and attitudinal factors that are nurtured through organizational development initiatives, rather than by career development opportunities alone.

VI. Recommendations

Based on the findings of the study, several recommendations can be made to help organizations improve the retention of Gen Z employees. First, organizations should develop structured career growth programs that provide employees with clear career paths, mentoring opportunities, leadership development initiatives, and access to internal learning systems. Such structured growth opportunities can enhance employees' perceptions of career progression, thereby increasing their job satisfaction and engagement levels.

Second, organizations should strengthen employee engagement practices by ensuring meaningful work allocation, encouraging employee participation in decision-making processes, implementing effective recognition systems, and fostering a collaborative work culture. Since employee engagement was found to have a strong influence on organizational commitment, enhancing engagement can contribute significantly to employee retention.

Third, organizations should focus on psychological retention drivers rather than relying solely on traditional retention strategies such as compensation and promotions. Efforts should be directed toward providing emotional support, fostering a sense of organizational belongingness, recognizing employee contributions,

and creating opportunities for personal and professional growth. These factors help build positive employee experiences and strengthen their intention to remain with the organization.

Fourth, organizations should take proactive measures to improve job satisfaction by enhancing managerial support, creating a positive work environment, improving communication systems, and providing greater career clarity. As job satisfaction emerged as the strongest predictor of retention intention in the study, organizations that prioritize employee satisfaction are more likely to experience lower turnover and higher employee loyalty.

Finally, organizations should implement commitment-oriented human resource practices that strengthen employees' identification with the organization, build trust, and foster emotional attachment. Policies aimed at promoting organizational values, encouraging employee involvement, and developing strong employer–employee relationships can enhance organizational commitment, which in turn positively influences retention intention among Gen Z employees. Collectively, these recommendations can assist organizations in developing effective retention strategies and creating a work environment that supports the long-term engagement and commitment of Gen Z employees.

VII. Conclusion

The study successfully developed and validated a Structural Equation Model (SEM) to explain the factors influencing retention intention among Gen Z employees. The findings revealed that career development opportunities do not directly influence employees' intention to remain with their organizations. Instead, career development opportunities exert their influence indirectly by enhancing job satisfaction, employee engagement, and organizational commitment, which subsequently contribute to higher retention intention.

The results indicate that the effectiveness of career development initiatives lies in their ability to create positive psychological and emotional experiences for employees rather than directly encouraging them to stay. By demonstrating the mediating roles of job satisfaction, employee engagement, and organizational commitment, the study makes a significant contribution to the Human Resource Management (HRM) literature, particularly in the context of Gen Z workforce retention.

The findings emphasize the importance of adopting a holistic approach to employee development, where organizations focus not only on providing career growth opportunities but also on fostering employee satisfaction, engagement, and commitment. These insights offer valuable implications for organizations seeking to reduce employee attrition, strengthen workforce stability, and develop effective retention strategies for the emerging generation of employees.

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