

**NATIONAL UNIVERSITY OF POLITICAL STUDIES AND PUBLIC
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**MULTIDISCIPLINARY DOCTORAL SCHOOL
DOCTORAL FIELD: MANAGEMENT**

DOCTORAL THESIS SUMMARY

Management Strategies for Retaining Generation Z Talent in Romania's IT Industry

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1. Research context

Generation Z now represents a visible and growing part of the workforce, bringing renewed attention to a question that is especially difficult for knowledge-intensive organisations: why do younger employees choose to stay, and what makes them leave? The issue is particularly salient in IT, where skills are portable, alternative employment opportunities are easy to compare, and technological change continuously reshapes both jobs and career expectations. Romania's IT sector provides a useful setting in which to examine these dynamics. It combines digital maturity and economic importance with considerable organisational diversity, while rapid AI adoption, changing work models, and labour-market pressures make retention decisions both observable and managerially consequential.

The thesis begins from a straightforward observation. AI-driven talent management, flexible work, corporate social responsibility, job satisfaction, professional development, and retention intention are all well established in the literature, but they are usually examined in separate streams. Less is known about how these elements work together when a Generation Z employee evaluates whether remaining with an organisation still makes sense. The study therefore develops an integrated employee-level model. At its centre are two distinct but related evaluations: the quality of the current employment experience, represented by job satisfaction, and the future professional value associated with staying, represented by professional development.

This research gap was further examined through a systematic and bibliometric review. Searches covered Scopus, Web of Science, ScienceDirect, Emerald Insight, SpringerLink, and Google Scholar and followed a PRISMA-informed procedure. Of 186 records initially identified, 142 remained after deduplication; 104 were assessed at full-text level, and 92 studies formed the final analytical set. The review showed a fast-growing but still fragmented body of work spanning management, HRM, digital transformation, sustainability, and organisational behaviour. That fragmentation provided the rationale for testing retention within a single framework rather than treating each organisational practice as an isolated predictor.

2. Objectives and research questions

The overall aim is to explain how AI-driven talent management (AITM), flexible work arrangements (FW), and corporate social responsibility (CSR) are associated with job satisfaction (JS), professional development (PD), and retention intention (RI) among Generation Z employees working in Romania's IT sector.

The objectives follow the logic of the conceptual model. The first examines the relationships between AITM and both job satisfaction and professional development. The

second considers how flexible work relates to the same two employee outcomes. The third focuses on CSR and its associations with job satisfaction and retention intention. The fourth turns to the relationships among job satisfaction, professional development, and the intention to remain. Together, these objectives make it possible to examine both direct effects and the mechanisms through which organisational practices become relevant to retention.

Four research questions operationalise these objectives. RQ1 addresses the association of AITM with job satisfaction and professional development. RQ2 examines how flexible work relates to satisfaction, development, and ultimately retention. RQ3 considers whether CSR, understood as a signal of organisational values and responsible conduct, is associated with job satisfaction and retention intention. RQ4 asks whether job satisfaction and professional development carry part of the relationship between organisational practices and staying intentions.

3. Theoretical foundation and conceptual model

The theoretical foundation combines three perspectives that illuminate different stages of the employment relationship. Social exchange theory provides the relational logic: perceived organisational investment, fairness, and support can encourage favourable responses and a stronger willingness to stay. Signalling theory explains how organisational practices communicate information about employer intent, credibility, and priorities. Person-organisation fit adds the value-alignment dimension, which is particularly relevant to CSR. The Job Demands-Resources model, Herzberg's Two-Factor Theory, and transformational leadership theory are used more selectively where they help interpret flexibility, development, and managerial support.

The conceptual model contains six constructs. AITM, FW, and CSR are positioned as organisational antecedents; job satisfaction and professional development are employee-level mechanisms; retention intention is the final outcome. Nine direct paths are tested - AITM→JS, AITM→PD, CSR→JS, CSR→RI, FW→JS, FW→PD, JS→RI, PD→JS, and PD→RI - together with the relevant indirect effects. The model is intentionally parsimonious. It prioritises organisational practices that can be designed and changed in practice rather than attempting to incorporate every established attitudinal predictor of retention.

4. Research methodology

The study adopts a pragmatic orientation and uses a sequential exploratory mixed-methods design adapted to the purpose of the thesis. The conceptual model and hypotheses were specified from the literature before the qualitative phase. The interviews were then used

to understand how the constructs were experienced in Romania's IT sector, to refine the quantitative instrument, and to provide context for the relationships later tested statistically. The survey phase assessed the direction, magnitude, and significance of those relationships. The two components therefore serve different but complementary purposes: interpretive depth and structural testing.

4.1. Qualitative component

The qualitative phase comprised 20 semi-structured interviews with three participant groups: 10 Generation Z employees, 6 IT managers, and 4 HR professionals. Purposive sampling, supplemented where appropriate by referrals, was used to capture variation in organisational role and perspective. Participants came from multinational companies, local IT firms, start-ups, and outsourcing organisations across Romania's major IT hubs. Interviews were conducted online through Zoom and Microsoft Teams, lasted approximately 45-60 minutes, were audio-recorded with consent, and transcribed verbatim.

The material was analysed thematically in six stages, combining deductive coding informed by the conceptual model with inductive coding that remained open to unanticipated explanations. Atlas.ti supported data organisation and coding. Reflexive memos were maintained throughout, and comparison across the three participant groups helped distinguish areas of convergence from differences in perspective. Preliminary interpretations were also discussed with a limited number of participants to check whether they adequately reflected the experiences described. The four central themes had stabilised by the sixteenth interview, with the remaining interviews confirming the thematic structure.

4.2. Quantitative component

The quantitative component used a cross-sectional online survey administered in a single wave. A total of 281 responses were received initially. Eligibility screening removed 87 respondents who were not employed in the NACE Rev. 3 Information and Communication sector and 34 who had not been exposed to AI tools during the previous three months. The final analytical sample consisted of 160 complete cases. Of these respondents, 63.75% were aged 25-30, 60.62% were male, and work arrangements were distributed across on-site (36.25%), hybrid (35.62%), and remote (28.12%) settings.

The questionnaire measured the six constructs in the model - AITM, CSR, FW, JS, PD, and RI - using validated or adapted scales from the literature. An eight-person pilot preceded the main data collection and led to clearer wording around AI-enabled processes and minor changes to item sequencing. The main analysis was conducted in SmartPLS 4.0 using PLS-SEM. Cronbach's Alpha, Composite Reliability, AVE, the Fornell-Larcker criterion, and

HTMT were used to assess the measurement model; path coefficients, R^2 , f^2 , Q^2_{predict} , and bootstrapping with 5,000 resamples were used to evaluate the structural model.

5. Main research findings

5.1. Qualitative findings

Four themes emerged from the interviews and together help explain how participants judged the employment relationship: flexible work as a signal of trust and autonomy, professional development as evidence of a credible future trajectory, talent management credibility in everyday practice, and CSR authenticity. All four themes were recognisable across employees, managers, and HR professionals, although the groups differed in what they emphasised and in how they described implementation constraints. These convergences and differences provided useful context for the structural relationships tested in the survey.

Flexible work was discussed less as a stand-alone benefit than as an indication of how the organisation viewed its employees. For Generation Z participants, it signalled trust, respect, and autonomy. Positive effects depended, however, on whether the formal arrangement was supported by manageable workloads and compatible management practices. Where flexibility existed on paper but was undermined by deadline pressure or excessive control, its credibility weakened. Where it was genuinely embedded, it also created space for learning and development rather than merely improving work-life balance.

Professional development consistently appeared as a reference point in decisions about staying. Participants did not equate development with access to courses alone. What mattered was whether career progression was visible, mentoring was available, feedback was specific and forward-looking, cross-functional exposure was possible, and advancement criteria were understandable. Development was therefore interpreted as evidence that the organisation was investing in the employee's future rather than only in immediate performance. When that future became unclear or arbitrary, remaining with the organisation appeared less professionally worthwhile.

Talent management credibility was built largely through day-to-day experience. Manager accessibility, feedback quality, mentoring, visibility of opportunities, and developmental guidance mattered more to participants than the formal existence of HR processes. Organisational policy acquired meaning through the way it was enacted by the direct manager. The qualitative phase did not, however, examine every technological dimension of AITM through a separate and systematic interview stream. References to digital tools and AI were therefore used cautiously, mainly to contextualise perceptions of fairness, transparency,

and developmental support rather than to claim full qualitative validation of the AITM construct.

CSR was judged through the consistency between stated values and observable practice. Participants considered whether commitments to inclusion, employee well-being, work-life balance, and social responsibility were reflected in managerial behaviour and everyday culture. For Generation Z employees, this consistency influenced belonging and willingness to stay. Visible discrepancies between communication and practice, by contrast, were interpreted as credibility failures and weakened trust in the organisation.

The interviews suggest that employees did not assess each practice in isolation. They formed a broader judgement about whether the employment experience was coherent and credible. This helps explain the distinction at the centre of the thesis: job satisfaction primarily captures how the present employment relationship is evaluated, whereas professional development captures whether staying continues to offer credible future value. The two are related, but they are not interchangeable and do not play the same role in retention decisions.

5.2. Quantitative findings

The measurement model met the expected reliability and validity criteria. Cronbach's Alpha values ranged from 0.896 to 0.973 and Composite Reliability from 0.923 to 0.977. AVE values ranged from 0.677 to 0.834. All HTMT ratios remained below 0.90, and the Fornell-Larcker criterion supported discriminant validity. In the structural model, VIF values ranged between 1.175 and 1.981, providing no indication of problematic collinearity among the included predictors.

The model explains 71.9% of the variance in job satisfaction, 39.1% of the variance in professional development, and 48.5% of the variance in retention intention. Q^2_{predict} values are positive for all three endogenous constructs - 0.698 for JS, 0.370 for PD, and 0.432 for RI - indicating predictive relevance. These results provide a sound basis for interpreting the structural relationships while leaving intact the limitations of a cross-sectional, self-report design.

All nine hypothesised direct relationships were positive and statistically significant at the 5% level, although their substantive strength varied. AITM→JS was the strongest path ($\beta = 0.580$; $p < 0.001$; $f^2 = 0.653$) and the only large effect in the model. AITM was also associated with professional development ($\beta = 0.393$; $p < 0.001$; $f^2 = 0.216$). Flexible work related more strongly to professional development ($\beta = 0.358$; $p < 0.001$; $f^2 = 0.179$) than to job satisfaction ($\beta = 0.152$; $p = 0.005$; $f^2 = 0.060$). CSR was associated with job satisfaction ($\beta = 0.186$; $p < 0.001$) and, more strongly, with retention intention ($\beta = 0.339$; $p < 0.001$). Of particular

importance to the thesis argument, professional development had a stronger direct association with retention intention ($\beta = 0.310$; $p < 0.001$) than job satisfaction did ($\beta = 0.192$; $p = 0.019$). The PD→JS path remained significant but was small and close to the conventional threshold ($\beta = 0.111$; $p = 0.047$).

The indirect effects reveal a selective rather than uniform pattern of mediation. Three pathways were significant: AITM→PD→RI ($\beta = 0.122$; $p = 0.003$), AITM→JS→RI ($\beta = 0.111$; $p = 0.021$), and FW→PD→RI ($\beta = 0.111$; $p = 0.001$). CSR→JS→RI, FW→JS→RI, and PD→JS→RI did not reach conventional significance. Job satisfaction and professional development therefore do not operate as interchangeable mediators. Professional development retains a meaningful relationship with staying intentions even when that relationship is not transmitted through employees' current satisfaction.

6. Theoretical and practical contributions

The main theoretical contribution lies in bringing together, within one model, themes that are usually developed in separate research streams: AITM, flexible work, CSR, job satisfaction, professional development, and retention intention. The contribution is not simply that several variables are tested at once. Rather, the model treats retention as a connected process that emerges from the combined experience of organisational practices, not from a single policy or benefit.

A further contribution is the distinction between job satisfaction and professional development as two routes to retention. Job satisfaction mainly captures the present evaluation of the employment relationship; professional development captures whether continuing that relationship still appears to offer future professional value. The stronger PD→RI association relative to JS→RI gives empirical weight to this distinction and suggests that, for Generation Z, future growth is not merely an additional benefit around retention but part of the retention judgement itself.

The study also reframes AITM as an employee-perceived practice. Its relevance appears to depend less on technological sophistication in itself and more on whether employees experience the system as fair, transparent, trustworthy, and developmentally useful. Finally, the thesis adds empirical evidence from Romania's IT sector, a context that remains relatively underrepresented in international research despite combining digital maturity, high talent mobility, and intense competition for skills.

The practical implications follow the same logic of coherence. For senior leadership, the key question is not how many people initiatives exist but whether talent systems, flexibility, development opportunities, and stated values send a consistent message. For HR functions, the

findings support visible career paths, understandable promotion criteria, and AI governance that employees can make sense of. For line managers, regular feedback, development conversations, and mentoring are the mechanisms through which formal policy becomes lived experience. Smaller organisations may not match the resources of large multinationals, but they can still compete through clarity, consistency, and authenticity.

7. Limitations and directions for future research

The most important limitation arises from the cross-sectional design and the use of a single source in the quantitative component. All constructs were self-reported by the same respondents, in the same questionnaire, at the same point in time. The findings support the direction and theoretical coherence of the observed associations, but they do not justify strong causal claims. The particularly large AITM→JS relationship should also be read in light of some conceptual proximity between dimensions of AITM and broader evaluations of organisational quality.

Several additional boundaries should be kept in view. VAF was not reported for the mediation effects, sampling was non-probabilistic, and the 160 respondents cannot be treated as statistically representative of the entire population of Generation Z IT employees in Romania. The sample is also more heavily concentrated among men and those aged 25-30. The 20 interviews add explanatory depth but are interpretive rather than representative. In addition, AITM was not explored through a sufficiently systematic stand-alone qualitative stream to validate all of its technological dimensions independently.

These limitations point directly to future work. Longitudinal studies with at least two measurement points would allow retention intention to be examined over time. Multi-source designs could better separate employees' perceptions of AITM from the actual characteristics of organisational systems. Larger, more balanced probability samples would improve generalisability, while replication across generations and sectors would show which relationships are specific to Generation Z in IT. Future models could also include organisational trust, organisational pride, affective commitment, and perceived organisational support as explicit mechanisms. For CSR→RI, organisational identification, perceived authenticity, and person-organisation fit are particularly promising mediators to test directly.

8. Conclusions

Overall, the thesis shows that retention intention among Generation Z employees in Romania's IT sector is not adequately explained by organisational practices considered one at a time. AITM, flexible work, and CSR matter insofar as they are experienced together as signals

of fairness, trust, consistency, and professional possibility. It is the coherence of these signals that gives the employment relationship credibility.

Two dimensions of the staying decision emerge from the findings. One is present-oriented and is captured by job satisfaction. The other is future-oriented and is captured by professional development. For the employees studied here, a satisfactory present is not enough if remaining no longer appears to offer professional progress; at the same time, future opportunities are more credible when they are supported by coherent organisational practice. Within the empirical boundaries of the study, the managerial response to retention is therefore less about adding isolated initiatives and more about building an employment experience that is consistent, credible, and developmentally meaningful.