

## DIGITAL HRM PRACTICES AND THEIR IMPACT ON JOB SATISFACTION AND ENGAGEMENT OF GENERATION Z EMPLOYEES IN THE HOSPITALITY SECTOR

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### ABSTRACT

The increasing adoption of digital technologies has significantly transformed human resource management practices, particularly in service-oriented industries such as hospitality. This study examines the impact of digital HRM practices on job satisfaction and employee engagement among Generation Z employees in the hospitality sector in Chennai. A quantitative research approach was adopted, and primary data was collected from 120 respondents using a structured questionnaire based on a 5-point Likert scale. The data was analysed using statistical tools such as reliability analysis, correlation, and regression with the help of SPSS. The findings of the study reveal that digital HRM practices have a significant positive impact on both job satisfaction and employee engagement. Additionally, job satisfaction was found to have a strong influence on employee engagement, indicating that satisfied employees are more likely to be actively involved and committed to their work. The results highlight that digital HRM practices not only directly enhance employee engagement but also indirectly contribute to it through improved job satisfaction. The study concludes that effective implementation of digital HRM practices can enhance employee satisfaction and engagement among Generation Z employees, leading to improved organizational performance in the hospitality sector. The research provides practical insights for organizations to leverage digital HR tools to attract, engage, and retain young talent in a competitive environment.

**Keywords:** Digital HRM Practices, Job Satisfaction, Employee Engagement, Generation Z, Hospitality Sector, Chennai

### INTRODUCTION

The rapid advancement of digital technologies has significantly transformed human resource management practices across industries. In recent years, organizations have increasingly adopted Digital Human Resource Management (Digital HRM) practices such as e-recruitment, online training, HR analytics, and digital communication platforms to enhance efficiency and employee experience. This transformation is particularly relevant in the hospitality sector, where managing a dynamic and service-oriented workforce is critical for organizational success.

At the same time, the entry of Generation Z employees into the workforce has brought new expectations and work preferences. Generation Z, typically defined as individuals born after the mid-1990s, is highly tech-savvy, values flexibility, and expects a digitally integrated work environment. Unlike previous generations, they prefer organizations that leverage technology for communication, learning, and performance management. As a result, the adoption of digital HRM practices has become essential for attracting, engaging, and retaining this new generation of employees. In the hospitality sector, which is characterized by high employee turnover, irregular working hours, and customer-centric operations, ensuring job satisfaction and employee engagement is a major challenge. Digital HRM practices offer potential solutions by improving transparency, enhancing communication, and providing continuous learning opportunities. For instance, digital training platforms can help employees develop skills at their convenience, while HR analytics can support better decision-making related to employee performance and well-being. Job satisfaction refers to the level of contentment employees feel towards their job roles, work environment, and organizational policies. Employee engagement, on the other hand, reflects the emotional commitment and involvement of employees in their work. Both factors are crucial for improving service quality, customer satisfaction, and organizational performance in the hospitality industry.

Despite the growing importance of digital HRM, there is limited empirical research examining its impact on job satisfaction and employee engagement among Generation Z employees, particularly in the context of Chennai. As one of the major urban and tourism hubs in India, Chennai has a rapidly expanding hospitality sector that increasingly relies on digital tools for workforce management.

Therefore, this study aims to examine the impact of digital HRM practices on job satisfaction and employee engagement among Generation Z employees in the hospitality sector in Chennai. The study seeks to provide practical insights for organizations to effectively utilize digital HRM practices to enhance employee satisfaction and engagement in a competitive and evolving work environment.

### LITERATURE REVIEW

**Digital HRM Practices:** Digital Human Resource Management (Digital HRM) has emerged as a strategic approach that integrates advanced technologies such as artificial intelligence, cloud computing, e-learning systems, and HR analytics into HR functions. Recent studies indicate that digital HRM practices enhance organizational efficiency, improve decision-making, and provide a better employee experience (Zervas & Triantari, 2025; Shahi et al., 2025). These practices enable automation of routine HR activities, real-time data access, and improved communication across organizational levels. In service-oriented industries such as hospitality, digital HRM plays a critical role in managing workforce challenges, reducing administrative burden, and improving operational effectiveness. However, the success of digital HRM largely depends on employee acceptance, technological readiness, and organizational support.

**Generation Z Employees in the Hospitality Sector:** Generation Z employees represent a technologically advanced workforce that is highly adaptable to digital environments. They prefer organizations that offer modern technological tools, flexible work arrangements, and opportunities for continuous learning. Studies suggest that digital HRM practices are essential for attracting and retaining Generation Z employees, as they align with their expectations for a technology-driven workplace (Zhou et al., 2025).

In the hospitality sector, managing Generation Z employees is particularly challenging due to high turnover rates and demanding work conditions. Research indicates that organizations must adopt innovative HR practices, including digital tools, to enhance employee satisfaction and engagement among this group (Singh & Dangmei, 2016).

**Job Satisfaction:** Job satisfaction refers to the level of contentment employees experience regarding their job roles, work environment, and organizational support. Recent literature highlights that digital HRM practices positively influence job satisfaction by improving transparency, accessibility, and efficiency in HR processes (Shahi et al., 2025).

Digital tools such as online training platforms, performance management systems, and feedback mechanisms allow employees to develop skills, track performance, and communicate effectively, leading to higher satisfaction levels. In the hospitality sector, improved job satisfaction is crucial for delivering quality service and reducing employee turnover.

**Employee Engagement:** Employee engagement refers to the emotional and psychological involvement of employees in their work and organization. Engaged employees are more productive, motivated, and committed to organizational goals. Recent studies indicate that digital HRM practices significantly enhance employee engagement by enabling continuous communication, collaboration, and recognition (Zhou et al., 2025). Digital platforms such as employee portals, mobile applications, and internal communication tools facilitate interaction between employees and management, thereby strengthening engagement. In the hospitality sector, higher engagement levels contribute to improved service quality and customer satisfaction.

**Relationship Between Digital HRM, Job Satisfaction, and Engagement:** Recent studies confirm that digital HRM practices have a significant positive impact on both job satisfaction and employee engagement. By creating a flexible and technology-driven work environment, digital HRM enhances employee experience and motivation (Marler & Boudreau, 2017). Furthermore, job satisfaction is closely related to employee engagement, as satisfied employees are more likely to be emotionally committed to their work. In the context of Generation Z, digital HRM practices are particularly effective as they align with their technological preferences and expectations.

**Research Gap:** Despite the growing body of literature, there is limited empirical research focusing specifically on Generation Z employees in the hospitality sector. Additionally, few studies examine digital HRM practices, job satisfaction, and employee engagement together within a single framework, particularly in the context of Chennai. This highlights the need for empirical research in this area.

The literature indicates that digital HRM practices play a significant role in enhancing job satisfaction and employee engagement. However, there is a lack of integrated empirical studies focusing on Generation Z employees in the hospitality sector. This study aims to address this gap by analysing these relationships in the context of Chennai.

**OBJECTIVES OF THE STUDY**

1. To examine the impact of digital HRM practices on job satisfaction among Generation Z employees
2. To analyse the effect of digital HRM practices on employee engagement in the hospitality sector
3. To study the relationship between job satisfaction and employee engagement
4. To evaluate the overall role of digital HRM practices in improving employee outcomes in the hospitality sector

**HYPOTHESES OF THE STUDY**

**H1:** Digital HRM practices significantly affect job satisfaction

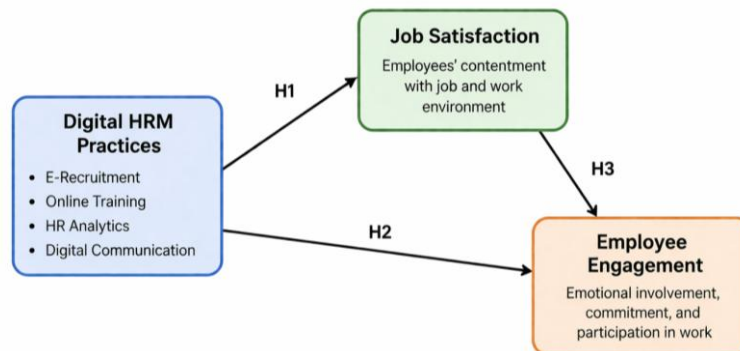
**H2:** Digital HRM practices significantly affect employee engagement

**H3:** Job satisfaction significantly affects employee engagement

**CONCEPTUAL FRAMEWORK**

The conceptual framework of this study explains the relationship between digital HRM practices, job satisfaction, and employee engagement among Generation Z employees in the hospitality sector. In this study, digital HRM practices are considered as the independent variable, as they represent the use of digital technologies such as e-recruitment, online training, HR analytics, and digital communication in managing human resources. Job satisfaction and employee engagement are considered as the key outcome variables. Digital HRM practices are expected to influence job satisfaction by improving work processes, enhancing communication, and providing better access to learning and development opportunities. When employees experience a supportive and technology-enabled work environment, their level of satisfaction with their job increases. Similarly, digital HRM practices are also expected to directly influence employee engagement by fostering better interaction, motivation, and involvement in organizational activities. Digital tools help employees stay connected, receive timely feedback, and actively participate in their work, which enhances their engagement levels.

In addition, job satisfaction is expected to influence employee engagement, as employees who are satisfied with their job are more likely to be committed, motivated, and emotionally involved in their work. Thus, the framework suggests that digital HRM practices not only directly affect job satisfaction and employee engagement but also indirectly influence engagement through job satisfaction.



**RESEARCH METHODOLOGY**

This study adopts a quantitative research approach to examine the impact of digital HRM practices on job satisfaction and employee engagement among Generation Z employees in the hospitality sector. A descriptive and analytical research design is used to understand the relationships between the variables. The study is based on primary data collected through a structured questionnaire. The questionnaire is designed using a 5-point Likert scale ranging from “Strongly Disagree” to “Strongly Agree” to measure respondents’ perceptions of digital HRM practices, job satisfaction, and employee engagement. The sample size for the study is 120 respondents, selected from Generation Z employees working in the hospitality sector in Chennai. A convenience sampling technique is used for data collection due to ease of access and time constraints. The collected data is analysed using SPSS software. Statistical tools such as reliability analysis, descriptive statistics, correlation, and regression are applied to test the hypotheses and examine the relationships between variables.

In this study, digital HRM practices are considered as the independent variable, while job satisfaction and employee engagement are treated as dependent variables. Although the study is limited to a specific location and sample size, it provides meaningful insights into the role of digital HRM practices in improving employee outcomes in the hospitality sector.

**DATA ANALYSIS AND INTERPRETATION**

The data collected from 120 respondents was analysed using SPSS to examine the impact of digital HRM practices on job satisfaction and employee engagement.

**Reliability Analysis**

**Table 1**

| Variable              | Cronbach's Alpha |
|-----------------------|------------------|
| Digital HRM Practices | 0.861            |
| Job Satisfaction      | 0.834            |
| Employee Engagement   | 0.852            |

The reliability of the measurement scale was assessed using Cronbach’s Alpha to evaluate the internal consistency of the variables included in the study. The results indicate that Digital HRM Practices ( $\alpha = 0.861$ ), Job Satisfaction ( $\alpha = 0.834$ ), and Employee Engagement ( $\alpha = 0.852$ ) all have Cronbach’s Alpha values greater than 0.7. This suggests that the items used to measure each variable are highly consistent and reliable. Among the variables, Digital HRM Practices shows the highest reliability, indicating strong consistency in the responses related to digital HR practices. Job Satisfaction and Employee Engagement also demonstrate good reliability, confirming that the scale used effectively captures respondents’ perceptions. Overall, the reliability analysis confirms that the measurement instrument is dependable and suitable for further statistical analysis such as correlation and regression.

**Descriptive Statistics**

The descriptive statistics provide an overview of respondents’ perceptions of digital HRM practices, job satisfaction, and employee engagement.

**Table 2**

| Variable              | Mean | Std. Deviation |
|-----------------------|------|----------------|
| Digital HRM Practices | 4.02 | 0.59           |
| Job Satisfaction      | 3.95 | 0.63           |
| Employee Engagement   | 4.08 | 0.57           |

The mean value for Digital HRM Practices is 4.02, indicating that respondents generally have a positive perception of the use of digital HR tools in their organizations. This suggests that digital HR practices are widely accepted and effectively implemented in the hospitality sector. The mean score for Job Satisfaction is 3.95, which is slightly lower compared to the other variables but still above the midpoint of the scale. This indicates that respondents are moderately satisfied with their jobs, although there may be scope for improvement in certain areas.

Employee Engagement has the highest mean value of 4.08, showing that employees are highly engaged in their work. This reflects a strong level of involvement, commitment, and motivation among Generation Z employees in the hospitality sector. The standard deviation values for all variables are relatively low (less than 1), indicating that the responses are consistent and there is less variation among respondents. This suggests a general agreement in perceptions regarding digital HRM practices, job satisfaction, and employee engagement.

The results indicate a positive outlook towards digital HRM practices and employee-related outcomes, supporting further analysis of their relationships.

**Correlation Analysis**

The correlation analysis examines the strength and direction of the relationship between digital HRM practices, job satisfaction, and employee engagement.

**Table 3**

| Variables           | Digital HRM | Job Satisfaction | Employee Engagement |
|---------------------|-------------|------------------|---------------------|
| Digital HRM         | 1           | 0.69**           | 0.72**              |
| Job Satisfaction    | 0.69**      | 1                | 0.75**              |
| Employee Engagement | 0.72**      | 0.75**           | 1                   |

(\*\*p < 0.01)

The results show that Digital HRM Practices have a strong positive correlation with Job Satisfaction ( $r = 0.69, p < 0.01$ ) and Employee Engagement ( $r = 0.72, p < 0.01$ ). This indicates that an increase in the use of digital HRM practices is associated with higher levels of job satisfaction and employee engagement among Generation Z employees. Similarly, Job Satisfaction is strongly and positively correlated with Employee Engagement ( $r = 0.75, p < 0.01$ ), which is the highest correlation among the variables. This suggests that employees who are more satisfied with their jobs are more likely to be engaged, motivated, and committed to their work.

All the correlation values are positive and statistically significant at the 1% level, indicating a strong and meaningful relationship between the variables. The results support the assumption that digital HRM practices contribute to improving both job satisfaction and employee engagement. It confirm that the variables are closely related and justify further analysis using regression to understand the impact between them.

**Regression Analysis**

The regression analysis was conducted to examine the impact of digital HRM practices on job satisfaction and employee engagement, as well as the influence of job satisfaction on employee engagement.

| Model   | Model Title                            | Variable              | Beta | Sig.  |
|---------|--|-----------------------|------|-------|
| Model 1 | Digital HRM → Job Satisfaction         | Digital HRM Practices | 0.69 | 0.032 |
| Model 2 | Digital HRM → Employee Engagement      | Digital HRM Practices | 0.72 | 0.021 |
| Model 3 | Job Satisfaction → Employee Engagement | Job Satisfaction      | 0.75 | 0.000 |

The results of Model 1 indicate that digital HRM practices have a positive and significant effect on job satisfaction ( $\beta = 0.69, p = 0.032$ ). This suggests that the adoption of digital HR tools such as e-recruitment, online training, and digital communication improves employees’ satisfaction with their jobs.

In Model 2, digital HRM practices are found to have a positive and significant impact on employee engagement ( $\beta = 0.72, p = 0.021$ ). This implies that the use of digital HR practices enhances employee involvement, motivation, and commitment within the organization.

The findings of Model 3 show that job satisfaction has a strong and significant influence on employee engagement ( $\beta = 0.75, p = 0.000$ ). This indicates that employees who are more satisfied with their jobs are more likely to be highly engaged in their work.

All three models demonstrate positive and statistically significant relationships among the variables, supporting the proposed hypotheses. The results confirm that digital HRM practices play a crucial role in improving job satisfaction and employee engagement, with job satisfaction also acting as an important factor influencing employee engagement.

The analysis clearly shows that digital HRM practices play a crucial role in enhancing both job satisfaction and employee engagement among Generation Z employees in the hospitality sector. All relationships are positive and statistically significant, supporting the proposed hypotheses.

**FINDINGS AND SUGGESTIONS**

The findings of the study reveal that digital HRM practices play a significant role in enhancing job satisfaction and employee engagement among Generation Z employees in the hospitality sector. The analysis shows that digital HRM practices have a positive and significant impact on both job satisfaction and employee engagement, indicating that the use of digital tools such as e-recruitment, online training, and digital communication improves employees’ overall work experience. Among the relationships studied, job satisfaction was found to have a strong influence on employee engagement, suggesting that satisfied employees are more likely to be motivated, committed, and actively involved in

their work. The correlation results also confirmed strong positive relationships among all variables, indicating consistency in the findings. Overall, the study highlights that digital HRM practices not only directly improve employee engagement but also indirectly contribute to it through increased job satisfaction.

Based on these findings, it is recommended that organizations in the hospitality sector invest in advanced digital HRM systems to enhance employee experience and operational efficiency. Companies should focus on improving digital training platforms, employee communication systems, and performance management tools to increase job satisfaction levels. Special attention should be given to designing user-friendly and accessible digital HR systems that align with the expectations of Generation Z employees. Organizations should also create a supportive work environment by combining digital initiatives with employee well-being programs to further enhance engagement. Additionally, continuous training should be provided to employees to effectively utilize digital tools. By adopting these strategies, organizations can improve employee satisfaction and engagement, leading to better service quality and organizational performance.

#### CONCLUSION

The present study examined the impact of digital HRM practices on job satisfaction and employee engagement among Generation Z employees in the hospitality sector in Chennai. The findings clearly indicate that digital HRM practices play a crucial role in enhancing employee outcomes by improving both job satisfaction and engagement levels. The study confirms that the adoption of digital tools in HR functions such as recruitment, training, communication, and performance management positively influences employees' perceptions and experiences in the workplace.

The results further highlight that digital HRM practices significantly contribute to employee engagement, both directly and indirectly through job satisfaction. Among the variables, job satisfaction was found to have a strong influence on employee engagement, emphasizing the importance of creating a satisfying work environment alongside implementing digital HR initiatives. This indicates that organizations should not only focus on technological advancements but also ensure that these technologies enhance employee well-being and work experience.

The study concludes that effective implementation of digital HRM practices can help organizations in the hospitality sector attract, engage, and retain Generation Z employees. By aligning digital HR strategies with employee expectations, organizations can improve productivity, service quality, and overall organizational performance. The findings provide valuable insights for HR practitioners and management to leverage digital transformation in HRM for sustainable growth and competitive advantage.

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