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Work Flexibility, Work–Life Balance, and Job Outcomes among Generation Z Auditors in Indonesian

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General Background: The increasing turnover rate among Generation Z auditors in Indonesian accounting firms reflects a growing mismatch between traditional auditing work systems and younger employees' expectations for flexibility and work–life balance, as the auditing profession is commonly characterized by rigid working hours and intensive workloads that may weaken auditors' loyalty and job satisfaction. **Specific Background:** Although work flexibility is increasingly recognized as an important human resource practice, empirical studies in the auditing profession particularly in the Indonesian context, remain limited and have not sufficiently explained its role in shaping auditors' attitudes and outcomes. **Knowledge Gap:** There is a lack of empirical evidence explaining the underlying mechanism linking work flexibility to auditor loyalty and job satisfaction, especially regarding the mediating role of work–life balance among Generation Z auditors. **Objective:** This study aims to examine the effect of work flexibility on auditor loyalty and job satisfaction, with work life balance serving as a mediating variable. **Methods:** Using a quantitative approach, data were collected from 120 Generation Z auditors working in Indonesian accounting firms and analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). **Results:** The findings show that work flexibility has a positive effect on work–life balance and auditor loyalty but does not have a direct effect on job satisfaction; instead, work–life balance fully mediates the relationship between work flexibility and job satisfaction. **Novelty:** This study extends Social Exchange Theory in the auditing context by demonstrating that work flexibility is perceived primarily as a form of organizational support rather than a direct source of job satisfaction. **Implication:** Practically, the study suggests that implementing flexible work arrangements can enhance auditors' well-being, strengthen organizational loyalty, and support the retention of Generation Z talent in Indonesian accounting firms

Keywords: Flexibility, Job Loyalty, Satisfaction, Work-life Balance, Generation Z Auditors.

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INTRODUCTION

The increase in the turnover rate of Generation Z auditors in Indonesian accounting firms reflects the mismatch between the traditional audit work structure and the growing demand for work flexibility and work-life balance. According to (Brown, 2023), the global auditor turnover rate has reached 42%, exceeding the average in other industries. This phenomenon is also occurring in Indonesia, as noted by (Sulistiyo, 2017), who states that the turnover rate of auditors in public accounting firms has reached 56.3%. Generation Z, born between 1997 and early 2012, is known as a generation that prioritises flexibility, a balance between personal and professional life, and a work environment that is in line with their personal values (Nurqamar *et al*., 2022; Sakitri, 2021). However, the conservative work culture in many public accounting firms, which is synonymous with long working hours and high pressure, often conflicts with the expectations of this generation, prompting them to seek more adaptive job opportunities (Prihatini, 2022).

A number of studies have highlighted the importance of work flexibility in increasing loyalty and job satisfaction. Studies by (Capnary *et al*., 2018) and (Yusuf *et al*., 2023) confirm that flexibility in work time and location has a positive influence on both aspects. This is also supported by (Cuwanditha & Darma, 2024), who state that flexibility allows employees to manage their work responsibilities more efficiently, while strengthening work-life balance. However, findings in various contexts show inconsistent results. (Vebrianthy *et al*., 2022), in the context of the property sector, found no significant relationship between flexibility and loyalty, while (Ahdianita & Setyaningrum, 2024) showed that work-life balance is not always an effective mediating variable. (Sitorus & Siagian, 2023) stated that work motivation can actually be a stronger mediating factor between flexibility and job satisfaction.

On the other hand, the importance of work-life balance in shaping loyalty and job satisfaction cannot be ignored. (Westman *et al*., 2009) and (Adiningtiyas & Mardhatillah, 2016) state that work-life balance contributes directly to the psychological well-being of employees. An imbalance between work and personal life often triggers stress, which leads to a decline in productivity and loyalty (Zein & Nirawati, 2023). Research shows that excessive job demands and work pressure can disrupt employees' work-life balance, which can have a negative impact on their psychological well-being and work attitudes (Elyana *et al*., 2023). Furthermore, (Abebe & Assemie, 2023) emphasise that organisational policies that support work-life balance can strengthen employees' emotional bonds and commitment to the institution.

The current literature gap indicates that there has been little research exploring the relationship between work flexibility, work-life balance, loyalty, and job satisfaction in an integrated model, especially among Generation Z auditors in Indonesia. Although these issues are increasingly relevant, integrated studies exploring work flexibility, work-life balance, loyalty, and job satisfaction among Generation Z auditors in Indonesia are still limited, especially in the context of accounting firms as professional service organisations. Most studies still discuss the direct relationship between variables separately without exploring the more complex dynamics of the relationship (Saragih *et al*., 2024; Waworuntu *et al*., 2022). The uniqueness of this study lies in its focus on Generation Z auditors and in exploring the mediating mechanisms of work-life balance in the unique context of the professional audit environment, which is characterised by high workloads and tight deadlines. In fact, the evolving work preferences of Generation Z require organisations to understand new dimensions in creating sustainable loyalty and job satisfaction.

Furthermore, empirical studies that specifically focus on Generation Z auditors in Indonesian accounting firms are still limited, indicating a clear gap in the literature on this unique professional group and the national context. The urgency of this research is further highlighted when considering its practical implications. The inability of public accounting firms to adapt more flexible work patterns to the needs of the younger generation can lead to significant losses, ranging from high turnover costs, decreased productivity, to a decline in the quality of audits delivered to clients (AFM, 2022; Christensen *et al*., 2021).

Therefore, this study aims not only to fill the theoretical gap in academic literature but also to offer practical solutions through the development of work policies that are more adaptive to cross-generational needs. Specifically, this study aims to analyse the influence of work flexibility on loyalty and job satisfaction among Generation Z auditors in Indonesian accounting firms, with work-life balance as a mediating variable. Using a quantitative approach through the Partial Least Squares–Structural Equation Modelling (PLS-SEM) method, this study is expected to provide theoretical and practical contributions to understanding the dynamics of intergenerational work relationships and enriching managerial strategies in human resource management in the audit sector.

Theoretical Study

Social Exchange Theory

Social Exchange Theory (SET) views the relationship between individuals and organisations as a voluntary and mutually beneficial reciprocal process. (Cook & Rice, 2006) explains that this theory is based on the core assumption that social relationships are formed and maintained through mutually beneficial reciprocal exchanges.

Individuals are expected to respond to favourable treatment from the organisation with positive attitudes and behaviours, such as loyalty, satisfaction, and commitment. Further developments of this theory emphasise that this exchange is not limited to economic rewards, but also includes social-emotional resources, including trust, support, and perceptions of fairness, which strengthen long-term relational bonds between employees and the organisation.

(Cropanzano & Mitchell, 2005) expand on this understanding by stating that social exchange-based working relationships will result in strong emotional bonds if both parties feel they

are receiving balanced benefits. In the context of the modern workplace, especially for Generation Z, work flexibility is considered a highly valued form of non-monetary reward. When organisations provide flexibility in terms of working hours and location, young employees tend to respond with loyalty, satisfaction, and psychological attachment to the organisation.

Furthermore, for Generation Z, who grew up in the digital age and prioritise quality of life balance, work flexibility is not just an additional facility, but also a prerequisite in choosing and retaining employment. In this case, flexibility serves as a trigger to achieve work-life balance, which ultimately strengthens the social exchange relationship between employees and organisations. Therefore, SET is a relevant theoretical framework to explain the dynamics of the relationship between work flexibility, work-life balance, loyalty, and job satisfaction among Generation Z auditors.

Work Flexibility

Work flexibility is the ability of employees to manage their time, location, and work methods more independently, while still aligning with the needs of the organisation (Cuwanditha & Darma, 2024). Work flexibility can be understood as a multidimensional concept that includes time flexibility, which refers to the arrangement of working hours; location flexibility, which reflects the degree of freedom in choosing a work location; and time flexibility, which allows employees to adjust their working hours according to individual needs.

In the context of an increasingly dynamic modern work environment, flexibility has gradually emerged as an essential consideration in human resource management. Among Generation Z, work flexibility is no longer seen as merely an added benefit, but has become a major consideration in job selection and employee retention (Mahardika *et al*., 2022). This generation grew up in an environment shaped by rapid technological developments, so they are accustomed to adaptive systems and tend to expect work arrangements that allow for a clearer balance between professional responsibilities and personal life. As a result, work flexibility is often considered an important indicator that influences job satisfaction and organisational loyalty.

Previous studies have highlighted the role of work flexibility in shaping the quality of the relationship between employees and their organisations. Empirical evidence from the Indonesian context shows that flexibility is associated with stronger employee loyalty. (Capnary *et al*., 2018) noted that flexibility positively correlates with employee loyalty in start-up companies in Indonesia, while (Yusuf *et al*., 2023) reported that flexible work arrangements contribute to higher job satisfaction among millennial and Generation Z employees. However, the effects of flexibility do not appear to be uniform across all sectors.

(Vebrianthy *et al*., 2022), for example, found no significant relationship between flexibility and loyalty in the property industry, suggesting that contextual factors may influence the effectiveness of flexible working practices. For the younger generation in particular, flexible working arrangements remain highly relevant, as they tend to prioritise autonomy and the ability to balance their professional and personal lives (Sudaryati & Dian, 2021).

The inconsistency of these findings suggests that the influence of work flexibility can be highly contextual, depending on the characteristics of the industry and the group of employees involved. Therefore, further research is needed to explore how work flexibility affects loyalty and job satisfaction, especially in the context of Generation Z auditors in Public Accounting Firms (PAFs), which have unique work dynamics, high workloads, and organisational structures that tend to be hierarchical and conservative.

Job Loyalty

Job loyalty reflects an employee's emotional attachment and long-term commitment to the organisation where they work (Reni & Fajar, 2024). Loyalty is not only demonstrated through length of service but is also reflected in employees' willingness to contribute optimally, adhere to company values, and play an active role in achieving organisational goals.From the perspective of Social Exchange Theory (SET), loyalty is seen as a reciprocal response to positive treatment received from the organisation, such as work flexibility, trust, and concern for employee welfare (Cook & Rice, 2006).

Research by (Abebe & Assemie, 2023) reinforces this idea by finding that the implementation of programmes that support work-life balance significantly increases employee loyalty. This shows that when organisations strive to understand and meet the personal needs of employees, employees tend to respond with higher loyalty.

In the context of Generation Z auditors in Public Accounting Firms (PAFs), loyalty is a crucial issue, given this generation's more selective and dynamic nature in choosing a place of work. Work flexibility combined with support for work-life balance can be a key strategy for retaining these young talents. Therefore, loyalty can be seen not only as an end result, but also as a reflection of a healthy and mutually beneficial relationship between individuals and organisations.

Job Satisfaction

Job satisfaction refers to employees' positive feelings and affective evaluations of their work and work environment as a whole (Harahap & Tirtayasa, 2020). According to the Job Characteristics Model developed by (Buwono *et al*., 2010), flexible work arrangements are highly relevant to the younger generation, as they value autonomy and a balance between professional and personal life (Sudaryati & Dian, 2021). Within this framework, work flexibility can be a form of autonomy that is relevant to the needs of modern employees.

(Yusuf *et al*., 2023) prove that flexibility in working hours and location can increase job satisfaction, especially among millennials and Generation Z. However, the findings of

(Ahdianita & Setyaningrum, 2024) show that the mediating role of work-life balance in linking work flexibility with job satisfaction is not always clear. This highlights the importance of further empirical research, especially in demanding work environments such as audits in public accounting firms.

Job satisfaction has strategic implications for organisations, as satisfied employees tend to show higher loyalty, increased productivity, and a lower willingness to change jobs. Therefore, in the context of Generation Z, who have high expectations for quality of life and work-life balance, work flexibility is expected to directly or indirectly (through work-life balance) strengthen their job satisfaction. This approach is not only relevant for improving employee welfare, but also as a long-term strategy for managing young talent in the world of auditing.

Work-life balance

Work-life balance refers to a situation in which individuals are able to balance the demands of work with their personal lives, so that conflicts between the two can be minimised (Westman *et al*., 2009). According to (Adiningtiyas & Mardhatillah, 2016), those who successfully maintain this balance tend to experience lower stress levels, have higher job satisfaction, and demonstrate more stable work performance. Contemporary research supports the importance of work-life balance in shaping positive work experiences.

(Susanti *et al*., 2024) emphasise the significant contribution of life balance in increasing job satisfaction, while (Abebe & Assemie, 2023) show that this condition also has a positive impact on employee loyalty. In public accounting firms (KAP), the relevance of this issue is even more prominent because auditors are routinely exposed to high work pressure, long working hours, and tight deadlines. Such working conditions not only challenge auditors' ability to maintain a balance between their professional and personal lives, but also pose risks to their psychological well-being (Ariprativi *et al*., 2023).

Flexible working arrangements contribute indirectly to positive work outcomes by supporting employees' work-life balance, which plays a crucial role in shaping loyalty and job satisfaction (Bonansyah & Chairina, 2025). By providing flexibility in working hours and methods, organisations can help Generation Z auditors achieve a better work-life balance. This balance is believed to not only increase job satisfaction but also strengthen their loyalty to the organisation. The influence of job characteristics on job satisfaction and organisational attitudes tends to operate through work experience as an intermediary, highlighting the importance of mediation mechanisms in explaining employee responses (Perdana, 2024).

Generation Z and Career Challenges

Generation Z, defined as individuals born between 1997 and the early 2010s, represents a digital generation that grew up alongside the rapid development of information technology (Sakitri, 2021; Saragih *et al*., 2024). The characteristics of this generation are marked by their ability to adapt to technology, their preference for work flexibility, and their high expectations for work-life balance. Unlike previous generations, Gen Z seeks not only stability, but also values such as meaning in work, room for growth, and a healthy life balance.

(Fatima & Srivastava, 2024) found that Generation Z is more satisfied working in environments that provide flexibility in work arrangements and have programmes that support employee well-being. This shows that flexibility is no longer just an additional facility, but an essential need for this generation. However, if organisations fail to meet these expectations, the impact can lead to an increase in the intention to resign, as revealed by (Yulianti & Sary, 2025) in their study on young auditors' intention to leave the accounting profession.

Empirical studies focusing on Generation Z also show that work-life balance not only directly affects job performance but also increases job satisfaction and engagement in the workplace, which serves as an important psychological mechanism in improving employee outcomes (Utomo *et al*., 2024). This is especially true in demanding work contexts such as Public Accounting Firms (PAFs). By understanding their preferences and expectations, organisations can design more effective retention strategies, increase satisfaction, and foster long-term loyalty.

Research Hypothesis

The research model used in this study describes that work flexibility is believed to have an effect on the loyalty and job satisfaction of Generation Z auditors in accounting firms in Indonesia, both directly and indirectly through the mediation of work-life balance, as shown in Figure 1. Work flexibility is expected to influence job loyalty and job satisfaction both directly and indirectly through work-life balance as a mediating variable. In this model, work-life balance functions as a psychological mechanism that connects the relationship between work flexibility and the two outcome variables. Specifically, X1 represents work flexibility, M1 denotes work-life balance, Y1 refers to job loyalty, and Y2 represents job satisfaction.

[Figure 1 about here.]

Based on the conceptual framework presented in Figure 1, this study formulates seven core hypotheses as follows:

H1: Work flexibility affects the work-life balance of Generation Z auditors in accounting firms in Indonesia.

H2: Work-life balance affects the job loyalty of Generation Z auditors in accounting firms in Indonesia.

H3: Work-life balance affects the job satisfaction of Generation Z auditors in accounting firms in Indonesia.

H4: Work flexibility affects the job loyalty of Generation Z

auditors in accounting firms in Indonesia.

H5: Work flexibility affects the job satisfaction of Generation Z auditors in accounting firms in Indonesia.

H6: Work flexibility influences job loyalty through work-life balance as a mediating variable among Generation Z auditors in accounting firms in Indonesia.

H7: Work flexibility influences job satisfaction through work-life balance as a mediating variable among Generation Z auditors in accounting firms in Indonesia.

In this study, the concept of work flexibility refers to the ability of companies to provide flexibility to employees in managing how they work. According to (Carlson *et al*., 2010), work flexibility is measured through three main indicators: how long (Time Flexibility), when (Time Flexibility), and where (Place Flexibility). Time flexibility indicates the extent to which employees can manage their working hours, work time flexibility refers to the freedom to determine when to start and finish work, while work location flexibility relates to the choice of work location that best supports their productivity.

This study defines job loyalty as the level of commitment and emotional attachment of employees to the company. (Suryati, 2021) states that job loyalty is measured through four indicators, namely the desire to continue working at the company, the willingness to contribute more, full compliance with all company rules, and the level of loyalty. The higher the loyalty of employees, the greater the positive contribution they make to the organisation.

Job satisfaction refers to employees' positive feelings towards their work and work environment. According to (Harahap & Tirtayasa, 2020), the indicators used to measure job satisfaction include liking the job, loving the job, work performance, work ethics, and discipline, which reflect the extent to which the job is able to meet individual needs, expectations, and aspirations.

Meanwhile, work-life balance is understood as the balance between the demands of work and the personal lives of employees. According to (Adiningtiyas & Mardhatillah, 2016), work-life balance is measured through four indicators, namely Work Interference with Personal Life (the negative impact of work on personal life), Personal Life Interference with Work (the interference of personal life with work), Personal Life Enhancement on Work (support from personal life on work performance), and Work Enhancement on Personal Life (positive impact of work on quality of life).

METHODS

This study utilises a quantitative approach with an explanatory research design, which aims to analyse the causal relationship between work flexibility, work-life balance, job loyalty, and job satisfaction among Generation Z auditors at accounting firms in Indonesia. The survey method was used as a data collection technique, where primary data was obtained through the distribution of online questionnaires to respondents who met the research criteria. Respondents were recruited through professional social media platforms, particularly LinkedIn, as well as through existing professional networks to reach active auditors who met the research criteria. To provide a clearer organisational context, respondents were further categorised based on their professional positions in public accounting firms.

The sample composition showed that the majority of respondents were Junior Auditors, accounting for 68.3% (82 people), reflecting the dominance of young professionals in the Generation Z group. Senior Auditors accounted for 12.4% (15 people), representing auditors with greater professional experience and responsibility. In addition, Trainee Auditors accounted for 16.5% (20 people), representing individuals in the early stages of professional exposure, while another 2.5% (3 people) held other roles related to auditing. Overall, this distribution indicates that the sample captures variation across various organisational levels, providing a deeper understanding of how work flexibility and work-life balance are perceived in different audit roles. The final sample consisted of 120 respondents, meeting the minimum sample size criteria recommended by (Hair *et al*., 2017).

The research instrument was a structured questionnaire with a five-point Likert scale to measure respondents' perceptions of work flexibility (X1), work-life balance (M1), job loyalty (Y1), and job satisfaction (Y2). The validity test with item factor loadings above 0.50 was declared to meet the convergent validity requirements. Meanwhile, the reliability test results with Cronbach's Alpha and Composite Reliability above 0.70 were declared to meet the requirements or to be reliable. Data analysis was performed using the Partial Least Squares-Structural Equation Modelling (PLS-SEM) method with the assistance of SmartPLS software.

PLS-SEM was chosen for its robustness in handling mediation models and its suitability for prediction-oriented research with non-normal data distribution. Hypotheses were evaluated using the bootstrapping procedure, with significance determined at the 5% level ($p < 0.05$). External model testing was conducted to assess the validity and reliability of the constructs, while internal model testing was used to examine the relationships between the research variables through path coefficients, R-square, and t-statistic test values. General formulas such as the t-test and F-test followed the references in (Hair *et al*., 2017).

RESULTS AND DISCUSSION

Respondent Description

The object of this study is Generation Z auditors working in Public Accounting Firms (PAFs) in Indonesia. The selection of this object was driven by the high turnover rate of young auditors and the increasing need for flexibility and balance between work and personal life. Generation Z, which in the context of this study includes individuals aged 22 to 29, has unique characteristics that distinguish them from previous generations, particularly in terms of their preference for a

dynamic, flexible work environment that supports personal well-being.

[Table 1 about here.]

Based on Table 1, a total of 120 respondents were successfully collected through purposive sampling techniques with online questionnaire distribution. Based on gender, the majority of respondents were female, reflecting demographic shifts in the accounting profession, which is beginning to be dominated by young female workers. In terms of work experience, most respondents had worked for between one and three years, indicating that they were in the early stages of their careers as auditors. The most common position held was junior auditor, with relatively large responsibilities but limited work flexibility. In terms of work outcomes, there was a correlation between job position and intention to move, with staff-level auditors experiencing the most significant increase in stress and fatigue, while senior-level auditors showed a stronger intention to leave the firm (Kathleen *et al*., 2022).

Geographically, respondents are spread across various regions of Indonesia, particularly in major cities such as Jakarta, Bandung, Surabaya, and Medan, which are centres of accounting firm activity. This distribution reinforces the representation of data that reflects the diversity of respondents' backgrounds in terms of both the organisations they work for and their respective working conditions. With this composition, the data obtained can provide a comprehensive picture of Generation Z auditors' perceptions, loyalty, and job satisfaction levels regarding the work flexibility and work-life balance they experience in the professional accounting work environment.

Validity Test

Construct validity was tested using factor loading values. Based on Table 2, all indicators in each variable showed loading values above 0.5, which means they met the convergent validity requirements. This shows that each indicator is able to accurately represent the latent variable.

[Table 2 about here.]

Average Extracted Variance (AVE)

As shown in Table 3, the AVE values of all constructs are above 0.5, indicating that each construct has the ability to explain more than half of the indicator variance, so that convergent validity can be concluded to be well fulfilled.

[Table 3 about here.]

Reliability Test

The reliability test was conducted by examining Cronbach's Alpha and Composite Reliability values. As reported in Table 4, the results show that all variables have values above 0.7, so the research instrument is declared reliable and consistent in measuring the intended construct.

[Table 4 about here.]

Path Coefficient Test

The path analysis in Table 5 shows that work flexibility has a significant effect on work-life balance and job loyalty, but does not have a significant effect on job satisfaction. Work-life balance has been proven to have a significant effect on loyalty and job satisfaction. This indicates a mediating relationship that needs to be analysed further.

[Table 5 about here.]

Determination Coefficient Test (R^2)

The R^2 values for work-life balance, job loyalty, and job satisfaction each show moderate to strong values, as shown in Table 6. This indicates that the model is able to explain the variation in the data substantially, especially in explaining loyalty and job satisfaction based on flexibility and work-life balance.

[Table 6 about here.]

Model Fit Test

The model fit test using the Standardised Root Mean Square Residual (SRMR) value, as shown in Table 7, shows a result below 0.08, which means that the model has a good fit. This reinforces the validity of the structural model constructed in the study.

[Table 7 about here.]

Hypothesis Testing

[Table 8 about here.]

Based on the results of the hypothesis testing analysis, as shown in Table 8, work flexibility was found to have a significant effect on work-life balance (H1 accepted), with an original sample value of 0.787 and a p-value < 0.05. This finding supports the view that work flexibility, which gives auditors greater control over their working hours, location, and work arrangements such as flexible working hours and hybrid systems, facilitates a better balance between professional and personal responsibilities, thereby reducing stress and role conflict (Cuwanditha & Darma, 2024). Furthermore, work-life balance was found to have a significant effect on job loyalty (H2 accepted) and job satisfaction (H3 accepted), with original sample values of 0.763 and 0.905, respectively, and p-values < 0.05. These results are consistent with previous studies showing that supportive work-life balance policies can reduce work-related stress and increase employee loyalty and job satisfaction, especially in high-pressure work environments such as public accounting firms (Abebe & Assemie, 2023; Susanti *et al*., 2024). Work flexibility also has a significant direct effect on job loyalty (H4 accepted), indicating that flexible work arrangements serve as an important human resource strategy to strengthen employees' emotional bonds

and long-term commitment to the organisation (Capnary *et al*., 2018). The analysis shows that work flexibility does not have a significant direct effect on job satisfaction, thus rejecting H5. This result is reflected in a p-value of 0.707, which exceeds the conventional significance threshold of 0.05. Consistent with previous empirical evidence, these findings suggest that Generation Z employees tend to view work flexibility primarily as a mechanism to support work-life balance, rather than as a direct source of job satisfaction (Waworuntu *et al*., 2022). However, the results show that work flexibility has a significant indirect effect on work loyalty (H6 accepted) and job satisfaction (H7 accepted) through work-life balance as a mediating variable, with p-values below 0.05 for both relationships. These findings confirm that higher levels of flexibility and autonomy contribute to improved work-life balance, which in turn strengthens employee loyalty and job satisfaction, especially in digital and hybrid work environments that increasingly dominate modern organisations (Rosyadi & Bayudhirgantara, 2021; Pratama & Tanuwijaya, 2023). Overall, these results highlight the central role of work-life balance in strengthening the impact of work flexibility on loyalty and job satisfaction.

CONCLUSION

This study proves that work flexibility plays an important role in improving work-life balance and job loyalty among Generation Z auditors in Indonesia, especially in managing the pressure of workload and overtime demands inherent in audit work, where the work environment reflects the nature of the work and the intensity of the workload faced by professionals. Although it does not have a direct effect on job satisfaction, these findings indicate that work flexibility primarily creates space for work-life balance, which in turn mediates the formation of positive attitudes towards the organisation. Previous studies have shown that remote or flexible work arrangements do not always increase job satisfaction, as their effects are often indirect and depend on how flexibility is formally organised within the organisation. These results are consistent with previous evidence showing that flexible or remote work arrangements do not always increase job satisfaction unless they are clearly defined and effectively managed, and may even have a negative impact on work-life balance if poorly organised. Work-life balance appears to function as an important mediating mechanism between work flexibility and employee loyalty, while also contributing indirectly to job satisfaction. This pattern is in line with previous studies suggesting that the influence of job characteristics on job satisfaction and organisational commitment tends to operate through mediating variables, such as work engagement, rather than through direct effects.

This phenomenon is increasingly relevant in the post-pandemic context, in line with Generation Z's shifting work values and expectations regarding work flexibility and employee well-being. Young auditors today are not only looking for jobs, but also for humane and meaningful work experiences. Therefore, the implementation of flexibility should not be limited to adjusting working hours, but needs to be supported by an organisational culture that is supportive, empathetic, and appreciative of individual contributions. The findings of this study contribute to the development of Social Exchange Theory by extending its application to the context of Generation Z auditors in Indonesian accounting firms. Specifically, the research results reinforce the core assumptions about reciprocal and mutually beneficial exchange, showing that work flexibility operates as a social-emotional resource that stimulates positive employee responses. The significant mediating role of work-life balance further indicates that the exchange process does not depend entirely on direct organisational rewards but is shaped through employees' perceptions of balance and well-being. In this context, Social Exchange Theory is reinforced by showing that, for Generation Z auditors, indirect exchanges mediated by work-life balance play a critical role in shaping loyalty and job satisfaction in a rigid professional environment.

Practically, these results send a strong signal to KAP management to develop retention strategies based on Generation Z characteristics by combining adaptive work policies, healthy workload management, and collaborative leadership approaches. The limitations of this study in terms of scope and sampling methods suggest the need for further studies involving a broader population and additional variables such as leadership style or intrinsic motivation, in order to gain a more comprehensive understanding of loyalty and job satisfaction among young professionals.

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***Table 1** / Characteristics of Respondents' Job Positions*

Job Position	Amount	Persentase
Auditor Senior	15	12.4%
Auditor Junior	82	68.3%
Auditor Intern	20	16.5%
Other	3	2.5%
Total	**120**	**100%**

***Table 2** / Validity Test Results*

Variable	Indicator	Outer Loading	Value Minimum	Description
Work-Flexibility (X1)	X1.1 X1.2	0,770	0,5	Valid Valid
	X1.3 X1.5	0,752	0,5	Valid Valid
	X1.6	0,759	0,5	Valid
	X1.7	0,798	0,5	Valid
		0,797	0,5	
		0,765	0,5	
Job Loyalty (Y1)	Y1.1 Y1.2	0,772	0,5	Valid Valid
	Y1.3 Y1.4	0,822	0,5	Valid Valid
	Y1.5 Y1.6	0,880	0,5	Valid Valid
	Y1.7	0,807	0,5	Valid
	Y1.8	0,867	0,5	Valid
		0,851	0,5	
		0,792	0,5	
		0,883	0,5	
Job Satisfaction (Y2)	Y2.1 Y2.2	0,828	0,5	Valid Valid
	Y2.3 Y2.4	0,847	0,5	Valid Valid
	Y2.5 Y2.7	0,849	0,5	Valid Valid
	Y2.8	0,777	0,5	Valid
	Y2.9 Y2.10	0,800	0,5	Valid
		0,804	0,5	Valid
		0,734	0,5	
		0,858	0,5	
		0,722	0,5	
Work-life balance (M1)	M1.1	0,785	0,5	Valid Valid
	M1.2	0,802	0,5	Valid Valid
	M1.3	0,833	0,5	Valid Valid
	M1.6	0,809	0,5	Valid
	M1.7	0,854	0,5	
	M1.8	0,834	0,5	
	M1.9	0,823	0,5	

***Table 3** / Results of the Extracted Variance Average (AVE) Test*

Variable	AVE	Minimum Score	Information
Work-Flexibility (X1)	15	12.4%	Valid
Job Loyalty (Y1)	82	68.3%	Valid
Job Satisfaction (Y2)	20	16.5%	Valid
Work-Life Balance (M1)	3	2.5%	Valid

Table 4 */ Reliability Test Results*

Variable	Cronbach's Alpha	Composite Reliability	Reliability Limits	Information
Work-Flexibility (X1)	0,868	0,877	0,7	**Realistic**
Job Loyalty (Y1)	0,938	0,941	0,7	**Realistic**
Job Satisfaction (Y2)	0,932	0,934	0,7	**Realistic**
Work-Life Balance (M1)	0,919	0,919	0,7	**Realistic**

***Table 5** / Path Coefficient Test Results*

Variable	(X1)	(Y1)	(Y2)	(M1)
Work-Flexibility (X1)		0.182	0.028	0.787
Job Loyalty (Y1)				
Job Satisfaction (Y2)				
Work-Life Balance (M1)		0.763	0.905	

***Table 6** / Determination Coefficient Test Results (R^2)*

Variable	R-Square	R-Square Adjusted
Job Satisfaction	0.859	0.857
Job Loyalty	0.835	0.832
Work-Life Balance	0.619	0.616

***Table 7** / Model Fit Test Results*

	Saturated Model	Estimated Model
Job Satisfaction	0,859	0,857
Work Loyalty	0,835	0,832
Work-Life Balance	0,619	0,616

***Table 8** / Hypothesis Testing Results*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Information
X1 -> M1	0,787	0,784	0,047	16,710	0,000	H1 Accepted
M1 -> Y1	0,763	0,760	0,064	11,876	0,000	H2 Accepted
M1 -> Y2	0,905	0,904	0,060	14,973	0,000	H3 Accepted
X1 -> Y1	0,182	0,183	0,066	2,781	0,005	H4 Accepted
X1 -> Y2	0,028	0,025	0,075	0,376	0,707	H5 Insignificant
X1→M1→Y1	0,712	0,710	0,074	9,663	0,000	H6 Accepted
X1→M1→Y2	0,600	0,597	0,069	8,666	0,000	H7 Accepted

LIST OF FIGURE

1. Conceptual Model 203

Figure 1 */ Conceptual Model*

