

Enhancing Resilience in Gen Z Workers: Exploring PsyCap Intervention Pathways

Li Yan, Nor Akmar Bt. Nordin*

School of Human Resource Development and Psychology, Universiti Teknologi Malaysia,
Jalan Iman, 81310 Skudai, Johor Bahru, Johor, Malaysia

Email: yan.1983@graduate.utm.my

Corresponding Author Email: akmar_nordin@utm.my

DOI Link: <http://dx.doi.org/10.6007/IJARBSS/v15-i11/26886>

Published Date: 25 November 2025

Abstract

Generation Z employees are increasingly entering the global workforce, bringing distinct values and expectations but also facing unique stressors in traditional work environments such as manufacturing industries. Within the Chinese context, Gen Z workers often struggle with rigid hierarchies, repetitive tasks, and limited autonomy, which may compromise their engagement and well-being. Psychological Capital (PsyCap), a higher-order construct comprising self-efficacy, hope, optimism, and resilience, has emerged as a vital psychological resource that enhances resilience and supports positive work outcomes. This paper reviews the theoretical foundations and empirical evidence on PsyCap and its role in strengthening resilience among Gen Z workers. Particular attention is given to intervention pathways, including PsyCap training programs, leadership development, and organizational culture building. The review highlights how PsyCap fosters adaptability, buffers against job-related stress, and promotes proactive engagement in challenging work contexts. By synthesizing these insights, this paper contributes to advancing positive organizational psychology and offers practical implications for organizations seeking to sustain Gen Z workers' resilience and performance in the manufacturing sector.

Keywords: Generation Z, Psychological Capital (PsyCap), Resilience, Work Engagement, Manufacturing Industry, Organizational Interventions

Introduction

The integration of Generation Z (born between 1995 and 2010) into the workforce represents a significant transformation in global organizational dynamics. Unlike previous cohorts, Gen Z employees have grown up in a highly digitized, globalized, and uncertain world, which has shaped their values, expectations, and work-related behaviors (Ng, Lyons, & Schweitzer, 2017). They are characterized by strong preferences for personal growth, meaningful work, and flexibility, yet they also demonstrate heightened sensitivity to stress and job insecurity (Francis & Hoefel, 2018). Within China's manufacturing industry—a sector marked by rigid

hierarchies, repetitive work, and limited autonomy—these generational traits create both challenges and opportunities for organizational renewal.

The growing prevalence of mental health issues, disengagement, and turnover among Gen Z workers has become a pressing concern for both scholars and practitioners. As China's manufacturing sector faces labor shortages and digital transformation pressures, the ability to build psychological resilience in younger workers is not only a matter of employee well-being but also a strategic imperative for organizational sustainability. However, despite extensive research on workforce motivation and well-being, there remains a notable gap in understanding how psychological mechanisms can be systematically strengthened to help Gen Z employees adapt and thrive in traditional work settings.

Within this context, Psychological Capital (PsyCap)—a higher-order construct consisting of self-efficacy, hope, optimism, and resilience—has emerged as a critical resource for promoting adaptive functioning and positive performance outcomes (Luthans, Youssef, & Avolio, 2007). Existing studies have demonstrated the positive effects of PsyCap on engagement, job satisfaction, and well-being (Avey et al., 2011; Newman et al., 2014). Yet, limited empirical attention has been given to how PsyCap can be intentionally developed through structured interventions to enhance resilience among Gen Z workers, particularly in traditional, hierarchical, and high-pressure sectors such as manufacturing. This lack of practical models represents a crucial research and application gap that this study aims to address.

Therefore, this paper seeks to synthesize theoretical and empirical evidence on the relationship between PsyCap and resilience, focusing on Gen Z employees in China's manufacturing industry. Specifically, it aims to (1) clarify the psychological and organizational challenges faced by Gen Z workers; (2) examine how the components of PsyCap contribute to strengthening resilience; and (3) identify intervention pathways—including training, leadership, and organizational culture—that can cultivate PsyCap in practice.

This study is significant both theoretically and practically. Theoretically, it extends positive organizational behavior research to a generational and cultural context that remains underexplored, thereby advancing the cross-cultural validity of PsyCap theory. Practically, it provides actionable insights for managers, HR professionals, and policymakers seeking to improve employee resilience, reduce burnout, and build sustainable human capital in the manufacturing sector. By addressing this timely and underexamined issue, the paper contributes to both academic discourse and real-world applications that enhance the adaptability and engagement of the next generation workforce.

Literature Review

Generation Z in the Workplace

Generation Z, broadly defined as those born between 1995 and 2010, represents the newest cohort to enter the global workforce. Unlike earlier generations, Gen Z has been raised in a highly digitized and interconnected world, shaping their values, work preferences, and psychological expectations in the workplace (Ng, Lyons, & Schweitzer, 2017). This group is often described as technologically savvy, socially conscious, and eager for growth

opportunities, yet also more vulnerable to stress and uncertainty compared to their predecessors (Francis & Hoefel, 2018).

In organizational contexts, Gen Z employees demonstrate a strong desire for meaningful work and autonomy, but they also tend to report lower tolerance for hierarchical structures and rigid workplace rules (Francis & Hoefel, 2018; Ng et al., 2017). This generational orientation poses challenges for industries such as traditional manufacturing, where jobs are often characterized by repetitive tasks, limited decision-making power, and rigid management systems. In China, these challenges are particularly evident: while the manufacturing sector remains a cornerstone of the national economy, it has long been associated with long working hours, high stress levels, and limited upward mobility, all of which may exacerbate Gen Z workers' sense of disengagement and career uncertainty.

At the same time, Generation Z employees bring unique opportunities for organizations. Their digital fluency, creativity, and preference for continuous learning can be leveraged to foster innovation and adaptability, especially in industries undergoing digital transformation. However, for these strengths to be fully realized, organizations must address the psychological vulnerabilities of this generation—particularly their heightened susceptibility to stress, burnout, and career instability (Avey et al., 2011). As such, interventions that build psychological resources, such as Psychological Capital (PsyCap), are especially relevant for enhancing resilience and sustaining engagement among Gen Z workers.

Psychological Capital (PsyCap)

Psychological Capital (PsyCap) has emerged as a prominent construct within the domain of positive organizational behavior. Defined as an individual's positive psychological state of development, PsyCap comprises four core components: self-efficacy, hope, optimism, and resilience (Luthans, Youssef, & Avolio, 2007). Together, these dimensions represent a higher-order construct that goes beyond traditional human and social capital by emphasizing "who you are" and "what you can become" rather than merely "what you have."

The first dimension, self-efficacy, refers to an individual's confidence in their ability to mobilize the motivation and resources necessary to successfully perform specific tasks (Bandura, 1997). Within the workplace, self-efficacy influences how employees set goals, respond to challenges, and persist in the face of difficulties.

Hope is characterized by goal-directed energy and the perceived capacity to generate pathways toward achieving those goals (Snyder, 2002). Employees high in hope demonstrate stronger perseverance and adaptive strategies when confronted with obstacles, thereby sustaining performance over time.

Optimism reflects a generalized expectation of positive outcomes and favorable causal attributions about life events (Carver & Scheier, 2014). Optimistic employees are more likely to interpret challenges as temporary and manageable, which promotes adaptive coping strategies in stressful work conditions.

Finally, resilience denotes the capacity to bounce back from setbacks, failures, or adversity (Masten, 2001). In organizational contexts, resilience enables employees to recover from job

stressors and maintain engagement, making it a critical resource for Gen Z employees navigating uncertain and often demanding environments.

Empirical research has consistently shown that PsyCap positively influences employee attitudes, behaviors, and performance outcomes. For instance, Avey et al. (2011) demonstrated that higher levels of PsyCap are associated with stronger work engagement, lower stress, and reduced turnover intentions. Similarly, Newman, Ucbasaran, Zhu, and Hirst (2014) reviewed evidence linking PsyCap to enhanced job satisfaction, organizational commitment, and psychological well-being. Importantly, PsyCap is considered a state-like construct, meaning it is open to development and can be cultivated through targeted interventions (Luthans et al., 2007). This developmental nature makes PsyCap especially relevant for organizations seeking to support younger workers, such as Gen Z, who are still in the process of forming their professional identities and coping strategies.

By emphasizing malleable psychological resources, PsyCap provides a valuable framework for strengthening resilience and adaptability in Gen Z employees. It not only contributes to individual well-being and performance but also supports organizational goals in environments that demand flexibility, innovation, and sustained engagement.

PsyCap and Resilience in Gen Z Workers

Generation Z workers, as the youngest cohort in today's workforce, face distinctive challenges that differentiate them from previous generations. Studies suggest that Gen Z employees are more vulnerable to job-related stress, career uncertainty, and emotional exhaustion due to their heightened sensitivity to unstable work environments, coupled with elevated expectations for meaningful and fulfilling careers (Francis & Hoefel, 2018; Ozkan & Solmaz, 2015). Within traditional manufacturing industries in China, these vulnerabilities are magnified by repetitive job tasks, rigid hierarchical systems, and limited opportunities for autonomy and creativity. Consequently, building resilience in Gen Z workers is essential for sustaining their long-term engagement, well-being, and career growth.

Psychological Capital (PsyCap), as a state-like and developable construct, provides a powerful framework for enhancing resilience in Gen Z employees (Luthans et al., 2007). Each dimension of PsyCap contributes uniquely to strengthening resilience in this cohort:

- Self-efficacy enhances Gen Z employees' belief in their ability to succeed despite external pressures. Workers with strong self-efficacy are more likely to approach challenges with confidence, persist when facing difficulties, and adapt proactively to changing demands (Bandura, 1997). This is particularly critical in manufacturing contexts, where younger employees often encounter steep learning curves and limited decision-making power.
- Hope provides Gen Z workers with goal-directed energy and alternative pathways for achieving their objectives (Snyder, 2002). Hopeful employees are less likely to feel trapped in rigid organizational structures, as they are able to envision multiple strategies for success and remain motivated even when confronted with obstacles.
- Optimism allows Gen Z employees to interpret setbacks as temporary and surmountable rather than permanent failures (Carver & Scheier, 2014). Optimism helps buffer the negative psychological effects of monotonous work or limited upward mobility, enabling workers to maintain a forward-looking perspective and remain engaged despite challenges.

- Resilience, as both a component and outcome of PsyCap, empowers employees to recover quickly from stress, disappointment, or workplace adversity (Masten, 2001). For Gen Z workers, resilience functions as a safeguard against disengagement, promoting persistence, adaptability, and constructive responses to workplace stressors.

Empirical studies provide evidence that PsyCap strengthens resilience and reduces the detrimental effects of workplace stress. Avey et al. (2011) found that employees with higher PsyCap were more likely to maintain positive attitudes and engagement despite adversity. Similarly, Youssef-Morgan and Luthans (2015) demonstrated that resilience within PsyCap predicts adaptive coping strategies and reduced burnout across diverse occupational contexts. Importantly, because PsyCap is malleable, organizations can implement training and development interventions to enhance these psychological resources in Gen Z employees, thereby equipping them with the resilience needed to thrive in demanding manufacturing environments.

In summary, PsyCap offers a theoretically grounded and empirically supported approach to bolstering resilience among Gen Z workers. By cultivating self-efficacy, hope, optimism, and resilience, organizations can help younger employees manage stress, sustain engagement, and build adaptive capacity in the face of structural and cultural constraints characteristic of traditional industries.

PsyCap Intervention Pathways

Given that Psychological Capital (PsyCap) is a state-like construct and therefore malleable, one of its most valuable features lies in its ability to be developed through intentional interventions (Luthans, Avey, Avolio, Norman, & Combs, 2006). For Generation Z employees, who are still in the process of shaping their professional identities and coping mechanisms, PsyCap interventions can be particularly effective in enhancing resilience and promoting long-term engagement. The following pathways illustrate how organizations can cultivate PsyCap in practice.

Training and Development Programs

The most widely researched intervention method for PsyCap is the PsyCap Intervention (PCI), a structured training program that focuses on enhancing self-efficacy, hope, optimism, and resilience through guided exercises and reflection (Luthans et al., 2006). Meta-analytic evidence demonstrates that PCI has a significant positive impact on employee attitudes and performance across diverse contexts (Avey, Reichard, Luthans, & Mhatre, 2011). For Gen Z employees in manufacturing industries, short, technology-supported training modules can be designed to align with their learning preferences and enhance motivation. Such programs may include goal-setting workshops, problem-solving exercises, and resilience-building simulations.

Leadership as a Developmental Lever

Leadership style plays a crucial role in shaping employees' psychological resources. Supportive approaches such as servant leadership and transformational leadership have been shown to enhance PsyCap by fostering trust, empowerment, and opportunities for growth (Avolio & Luthans, 2006; Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). For Gen Z employees, leaders who demonstrate humility, empathy, and coaching behaviors can serve

as role models, reinforcing employees' confidence and optimism. In manufacturing contexts, where hierarchical structures are prevalent, adopting servant leadership behaviors can reduce power distance and promote resilience by signaling organizational care and support.

Organizational Culture and Climate

Beyond individual interventions, organizational culture strongly influences the sustainability of PsyCap development. Cultures that encourage learning, innovation, and psychological safety provide fertile ground for employees to exercise and strengthen PsyCap resources (Edmondson, 1999; Newman et al., 2014). For Gen Z employees, who value autonomy and developmental opportunities, a supportive culture that normalizes failure as part of learning and rewards proactive behaviors can be particularly effective. Embedding PsyCap in organizational practices, such as mentoring systems, career development programs, and well-being initiatives, ensures that gains from individual interventions are reinforced by the wider environment.

Digital and Technological Tools

Given that Gen Z are digital natives, leveraging technology-driven interventions may enhance the accessibility and effectiveness of PsyCap development. Recent research suggests that online training platforms, gamification, and AI-driven feedback systems can successfully cultivate PsyCap by offering personalized learning experiences and real-time reinforcement (Li, Liang, & Crant, 2021). Mobile apps designed for micro-learning or resilience coaching can integrate seamlessly into Gen Z workers' routines, making PsyCap development more engaging and sustainable. In manufacturing industries undergoing digital transformation, such tools can simultaneously build PsyCap and improve employees' technological adaptability.

In summary, PsyCap can be effectively developed through multi-level interventions that target individuals, leaders, organizations, and technology. For Gen Z workers, who are entering challenging and often rigid manufacturing environments, these pathways not only enhance resilience but also align with their generational strengths and preferences. By strategically adopting these intervention approaches, organizations can foster a psychologically robust workforce capable of thriving in the face of uncertainty and change.

Discussion

The review of literature underscores the central role of Psychological Capital (PsyCap) in enhancing the resilience of Generation Z employees, particularly within the demanding contexts of traditional manufacturing industries. As a state-like and developable construct, PsyCap provides a framework for understanding how malleable psychological resources can buffer the stressors that disproportionately affect younger workers. This discussion synthesizes the findings into three major areas: theoretical contributions, practical implications, and avenues for future research.

Theoretical Contributions

This paper extends the application of PsyCap theory into the context of Generation Z workers, highlighting how the four dimensions—self-efficacy, hope, optimism, and resilience—interact to strengthen adaptability in the face of adversity. The findings align with the Conservation of Resources (COR) theory (Hobfoll, 1989), which posits that individuals strive to acquire and

maintain resources to withstand stress and build well-being. PsyCap acts as a resource reservoir, enabling Gen Z employees to sustain motivation, manage stress, and remain engaged despite rigid organizational structures. By situating PsyCap within the generational and cultural characteristics of Chinese manufacturing employees, this study contributes to the cross-cultural validity of PsyCap and enriches the broader field of positive organizational psychology.

Practical Implications

The practical value of PsyCap lies in its malleability and the feasibility of implementing organizational interventions that directly enhance employees' psychological resources. For managers and human resource practitioners, several actionable strategies can be adopted to strengthen PsyCap among Generation Z workers. One important pathway is the design of structured training and development programs, such as goal-setting workshops and resilience-building exercises, which can equip young employees with the skills necessary to cope with job stress and career uncertainty. Another critical lever is leadership development, particularly through servant and transformational leadership practices. Leaders who foster trust, empowerment, and individualized support create a climate that reinforces employees' confidence and optimism, a factor especially valuable in traditional manufacturing settings where rigid hierarchies often constrain autonomy.

Equally important is the role of organizational culture in sustaining PsyCap over time. Cultures that value continuous learning, psychological safety, and proactive behavior normalize the process of overcoming setbacks and embed resilience into everyday organizational norms. In addition, given that Gen Z employees are digital natives, technology-based interventions provide a highly effective and scalable approach to PsyCap development. Digital platforms, gamified training modules, and AI-driven feedback systems align with their learning preferences, making interventions more engaging, accessible, and sustainable. Collectively, these strategies highlight that PsyCap development can be achieved through multi-level initiatives targeting individuals, leaders, and the organizational environment, ensuring both immediate benefits for Gen Z workers and long-term gains for organizational resilience and performance.

Future Research Directions

Although the current review provides valuable insights, several gaps remain. First, empirical research on PsyCap in the Chinese manufacturing sector is still limited. Future studies should employ longitudinal designs to examine how PsyCap develops over time and influences resilience and career outcomes. Second, intervention studies should be expanded to test the relative effectiveness of different PsyCap development strategies (e.g., face-to-face vs. digital training). Third, future research could investigate moderating factors such as cultural values, leadership styles, and organizational climate, which may shape the effectiveness of PsyCap interventions for Gen Z workers. Finally, integrating PsyCap with broader theoretical frameworks, such as job crafting and employee proactivity models, may provide a more holistic understanding of how younger generations adapt to complex work environments.

Conclusion

This review has highlighted the critical role of Psychological Capital (PsyCap) in enhancing resilience among Generation Z workers, particularly in the context of China's traditional

manufacturing industries. As the youngest generation in the workforce, Gen Z employees face unique challenges, including high levels of job stress, rigid hierarchical structures, and uncertainty about career development. Yet, they also bring valuable strengths such as digital fluency, creativity, and a desire for meaningful work. PsyCap—comprising self-efficacy, hope, optimism, and resilience—provides a powerful psychological resource that enables these employees to navigate adversity, maintain engagement, and pursue sustained professional growth.

From a theoretical perspective, this study reinforces the validity of PsyCap as a state-like construct that can be developed and applied across cultural and generational contexts. It extends the scope of positive organizational psychology and supports the Conservation of Resources (COR) theory by illustrating how PsyCap serves as a reservoir of resources that protect employees from stress and foster adaptive coping strategies.

From a practical perspective, the findings carry important implications for organizations and leaders. First, structured training and development programs such as PsyCap Interventions (PCI) can directly cultivate psychological resources in young workers. Second, leadership development, particularly servant and transformational leadership practices, can create supportive climates that foster confidence, optimism, and hope. Third, embedding PsyCap into organizational culture and climate—by promoting psychological safety, continuous learning, and innovation—ensures the sustainability of PsyCap gains. Finally, given Gen Z's digital nativity, organizations can leverage technology-based tools such as gamified learning platforms and AI-driven feedback systems to enhance the reach and engagement of PsyCap development initiatives.

Looking ahead, several areas warrant further exploration. Empirical studies specifically targeting PsyCap and resilience in Chinese manufacturing contexts remain limited. Future research should adopt longitudinal designs to assess the durability of PsyCap interventions and investigate how these resources influence career trajectories over time. Moreover, cross-cultural comparisons could reveal how contextual factors shape the effectiveness of PsyCap across different industries and societies. Finally, integrating PsyCap research with complementary frameworks such as job crafting, work engagement, and proactive personality will provide a more holistic understanding of how younger generations adapt to complex organizational environments.

In conclusion, strengthening PsyCap among Gen Z workers offers a promising pathway for organizations seeking to foster resilience, engagement, and long-term productivity. By proactively investing in the psychological development of their youngest employees, organizations not only enhance individual well-being but also secure a competitive advantage in navigating the uncertainties of the modern workplace.

References

- Avey, J. B., Reichard, R. J., Luthans, F., & Mhatre, K. H. (2011). Meta-analysis of the impact of positive psychological capital on employee attitudes, behaviors, and performance. *Human Resource Development Quarterly*, 22(2), 127–152. <https://doi.org/10.1002/hrdq.20070>
- Avolio, B. J., & Luthans, F. (2006). *The high impact leader: Moments matter in authentic leadership development*. McGraw-Hill.
- Bandura, A. (1997). *Self-efficacy: The exercise of control*. W. H. Freeman.
- Carver, C. S., & Scheier, M. F. (2014). Dispositional optimism. *Trends in Cognitive Sciences*, 18(6), 293–299. <https://doi.org/10.1016/j.tics.2014.02.003>
- Edmondson, A. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350–383. <https://doi.org/10.2307/2666999>
- Francis, T., & Hoefel, F. (2018). 'True Gen': Generation Z and its implications for companies. *McKinsey & Company*. <https://www.mckinsey.com>
- Hobfoll, S. E. (1989). Conservation of resources: A new attempt at conceptualizing stress. *American Psychologist*, 44(3), 513–524. <https://doi.org/10.1037/0003-066X.44.3.513>
- Li, N., Liang, J., & Crant, J. M. (2021). The role of proactive personality in job crafting: A person–situation perspective. *Journal of Applied Psychology*, 106(1), 130–147. <https://doi.org/10.1037/apl0000490>
- Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge*. Oxford University Press.
- Masten, A. S. (2001). Ordinary magic: Resilience processes in development. *American Psychologist*, 56(3), 227–238. <https://doi.org/10.1037/0003-066X.56.3.227>
- Newman, A., Ucbasaran, D., Zhu, F., & Hirst, G. (2014). Psychological capital: A review and synthesis. *Journal of Organizational Behavior*, 35(S1), S120–S138. <https://doi.org/10.1002/job.1916>
- Ng, E. S., Lyons, S. T., & Schweitzer, L. (2017). *Managing the new workforce: International perspectives on the millennial generation*. Edward Elgar Publishing.
- Ozkan, M., & Solmaz, B. (2015). The changing face of the employees—Generation Z and their perceptions of work (a study applied to university students). *Procedia Economics and Finance*, 26, 476–483. [https://doi.org/10.1016/S2212-5671\(15\)00876-X](https://doi.org/10.1016/S2212-5671(15)00876-X)
- Snyder, C. R. (2002). Hope theory: Rainbows in the mind. *Psychological Inquiry*, 13(4), 249–275. https://doi.org/10.1207/S15327965PLI1304_01
- Walumbwa, F. O., Avolio, B. J., Gardner, W. L., Wernsing, T. S., & Peterson, S. J. (2008). Authentic leadership: Development and validation of a theory-based measure. *Journal of Management*, 34(1), 89–126. <https://doi.org/10.1177/0149206307308913>
- Youssef-Morgan, C. M., & Luthans, F. (2015). Psychological capital and well-being. *Stress and Health*, 31(3), 180–188. <https://doi.org/10.1002/smi.2623>