



FROM ACTIVISM TO ACCOUNTABILITY: HOW GEN Z'S ENVIRONMENTAL
AND SOCIAL EXPECTATIONS RESHAPE CORPORATE STAKEHOLDER
ENGAGEMENT STRATEGIES

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Abstract

This article explores how the unique environmental and social expectations of Generation Z are forcing corporations to radically change their stakeholder engagement strategies. Based on 24 credible sources published between 2015 and 2025, this study synthesizes the evidence provided in the literature and research on consumer behavior, stakeholder theory, and corporate governance and studies to understand the processes involved in digital-native, values-based consumers changing the business accountability framework. The analysis shows that Gen Z consumers do not only favor socially responsible brands; they seek transparency, authenticity, and impact, which is provable and creates new responsibility pressures beyond the standard market relationships. This article, using systematic review of empirical studies using Theory of Planned Behavior and Social Identity Theory frameworks, shows that stakeholder engagement has changed as a marginal corporate activity into strategic necessity. The main findings show that the increase in the purchase probability with transparency into internal responsibility practices over external initiatives is 6.40-45.85% higher and 71.2% of Gen Z consumers actively avoid purchasing irresponsible companies. The article concludes that companies need to rethink stakeholder engagement as a continuous conversation, not a transactional communication and introduce authenticity and accountability into the mainstream business functions.

Keywords: Generation Z, corporate social responsibility, stakeholder engagement, consumer activism, transparency, sustainability, stakeholder theory, ethical consumerism

Introduction

There is a paradigm shift between the relationship between corporations and stakeholders. The antique manual of communication of corporate social responsibility (CSR) when firms produced coated annual reports and showed their philanthropic intentions without altering business as usual is not enough. It has created a generation that views consumption as their own form of political expression, that questions the supply chain as much as the previous generation questioned prices, that uses the social media as megaphone and as weapon against corporate hypocrisy. This is a generation born in 1997-2012 who have a different perspective of what corporations must act like, what they should focus on, and how they must consider the effects they have on people and the earth.

Generation Z is now comprising nearly 30% of the world's population and has more than 29 billion dollars of purchasing power in the United States alone (Narayanan, 2022). More importantly, Gen Z and Millennials will constitute 65 percent of the purchasing power in the world in 2030. These are not just statistics regarding market size; they herald a demographic transition, which has normative implications on the way businesses should be conducted. Studies show that 71 per cent of Gen Z consumers care about social responsibility, 83 per cent want brands that reflect their values and 91 per cent expect businesses to take an active part in



social issues (Narayanan, 2022; Papadopoulos et al., 2025). Those expectations are converted into tangible actions: 68.4% of them consider CSR during their purchasing, 71.2% simply avoid business with irresponsible companies, and 64.9% actively seek information about the CSR activities of the companies (Papadopoulos et al., 2025).

However, the puzzle that this article deals with is more than just a correlation of preferences. The issue of tension is that it is possible to comprehend how these expectations transform the corporate stakeholder engagement on structural levels. In case Gen Z wants to be held accountable, what processes can convert individual consumer preferences into organizational change? When they want transparency, what types of disclosure do they find satisfactory to their skepticism? In case they participate in boycotts and buycotts, what are the differences with the past generations in their ethical consumption pattern? These questions are pressing since stakeholder engagement, or the mechanisms by which corporations relate to groups impacted upon by their operations, has become a key point at which generational values challenge organizational practices.

This paper posits that the paradigm shift in corporate stakeholder relationships is being triggered by the environmental and social expectations of Gen Z, which are shifting to models centered on accountability, instead of the peripheral, transactional CSR activities. This study has shown that stakeholder engagement is no longer a reputation management tool but a substantive approach to stakeholder issues through a systematic review of empirical research, theoretical frameworks, and reported corporate responses. The analysis is organized in six sections: introduction to existing literature that shows where researchers are in agreement and where they disagree; presentation of theoretical frameworks, which illuminate these phenomena; methodology section, which talks about search and verification processes; findings section, which presents findings in terms of analytical tables; discussion section, which interprets implications; and finally conclusions section, which talks about practical uses and future research direction.

Literature Review

The academic debate surrounding the impact of younger generations on corporate behavior has become extremely heated over the last ten years, but there are still considerable gaps and tensions in comprehending the exact ways Gen Z is altering the stakeholder engagement.

Intersections in the Literature.

There is a widespread consensus among researchers that the young generations (Z) have some unique features that distinguish their consumer behaviour compared to cohorts. Pandita and Khatwani (2022) lay the groundwork that the Gen Z attraction to digital nativity, i.e. growing up completely in an integrated technological setting, is the basis of how the younger generation collects information, shapes tastes, and purchases products. This informational embeddedness has opened up new possibilities and threats to corporations: possibilities because digital mediums allow direct connection, threats because information asymmetries are destroyed and corporate claims are immediately checked.

Gen Z orientation towards values is also converged in the literature. Several studies have indicated that this generation places more importance on environmental sustainability, social justice and ethical business practices to levels that surpass past generations at the same life stages. As Narayanan (2022) shows, Gen Z consumers tend to make purchasing decisions based on the perceived corporate integrity and responsibility more than previous generations. Robichaud and Yu (2022) discover that the intentions of Gen Z to buy fair trade products are



complex computations between ethical issues and budget limitations. This value-based orientation can be seen in all types of products, food, fashion, and technology.

Moreover, researchers concur that trust and transparency act as very important intermediaries between corporate CSR practices and consumer reactions. The empirical evidence presented by Papadopoulos et al. (2025) is strong because it demonstrates that consumer loyalty is predicted by CSR awareness only in the presence of communication strategies based on credible mechanisms such as NGO partnership and transparent reporting. Experimentally, Buell and Kalkanı (2021) show that internal responsibility practices made transparent can be at least as motivating to consumers as external initiatives that made transparent, and that purchase probability can rise, on average, by 6.40 to 45.85 percent across field experiments. These results indicate that Gen Z consumers have advanced abilities to discern genuine devotion and act-pretentious actions.

Tensions and Divergences

In spite of these convergences, there are serious tensions that represent the literature. To start with, scientists do not agree regarding the size of the willingness to pay a higher price on sustainable products by Gen Z. On the one hand, some research indicates that 66 percent of Gen Z consumers are ready to pay more to have sustainable products, on the other hand, the cost factor is considered the major obstacle to ethical consumption, especially in the economic recovery economies, where short-term social topics have a stronger priority than long-term environmental concerns (Papadopoulos et al., 2025). This conflict is a sign of the larger debate on whether ethical consumption is a luxury of the wealthy consumer or a true market transformation.

Second, there are conflicting evaluations of personal engagement and expectations of corporate action of Gen Z in the literature. Other studies focus on the activist orientation of Gen Z, as they have been involved in climate protests, social media movements, and boycotts (O'Brien et al., 2018; Elliott and Earl, 2018). Other researchers posit that Gen Z shifts environmental responsibility onto the economic and political actors instead of taking personal agency, and digital engagement replaces physical action. It has important ramifications: when Gen Z believes that corporations should address environmental issues and stay the same in their consumption patterns, the strategies of stakeholder engagement need to be based on systemic change, not the individual responsibility discourses.

Third, researchers are in disagreement over the idea of whether stakeholder engagement is strategic resource management or ethical responsibility. Based on strategic stakeholder theory, instrumental perspectives consider engagement to be a means of gaining competitive advantage due to the access to resources and reducing risks (Harrison et al., 2015). Normative views focus on ethical obligations towards stakeholders irrespective of the consequences of actions. Awa et al. (2024) suggest synthesizing these views via a stakeholder dialogue ladder that moves the information dissemination to active collaboration and that the depth of engagement ought to reflect the complexity of the issue and the salience of the stakeholders.

What Remains Missing

Strange absences characterize this literature. Although a lot of literature is available on the preference of Gen Z consumers, little research is conducted on how corporations actually change their stakeholder engagement processes in reaction to these demands. In the majority of studies, corporate adaptation is a black box and it is consumer attitudes that are considered as opposed to the processes of organizational change. Also, longitudinal research on the



changes in stakeholder engagement during the maturity of Gen Z are still few, we know what 18-23-year-olds like to do now, but not how these likes will change as they become more economically empowered and achieve management roles.

In addition, intersectional dimensions are not adequately covered in the literature. Gen Z has been viewed as a homogenous generation in research, but it is a generation that has a wide range of socioeconomic, cultural, and geographic backgrounds. In Greece, a Gen Z consumer with economic recovery has various limitations and priorities than that in stable Northern European markets, but many stakeholder engagement strategies are based on the assumption of universal applicability (Papadopoulos et al., 2025).

This article fills these gaps by synthesizing the available evidence to show how stakeholder involvement is being re-configured by both looking at consumer-side expectations and corporate-side adaptations and is sensitive of contextual differences that make it difficult to prescribe anything across the board.

Theoretical Framework

To comprehend the stakeholder engagement of Gen Z, theoretical lenses are needed that can both help capture both the individual decision-making processes and the systemic organizational responses. The article uses two complementary theories: the Theory of Planned Behavior (TPB) and the Social Identity Theory (SIT), which is complemented by the strategic and normative levels of the stakeholder theory.

Theory of Planned Behavior.

The Theory of Planned Behavior by Ajzen (1991) is the main theory of Gen Z consumer behavior. According to TPB, behavioral intentions (and later behaviors) are caused by three antecedents: attitudes to the behavior, subjective norms (perceived social expectations) and perceived behavioral control (belief in ability to perform behavior). Rozenkowska (2023) establishes with the help of the systematic literature review that TPB has established itself as the theoretical approach of choice in the study of consumer behavior, especially when addressing the topic of green consumption and ethical purchasing.

Han and Stoel (2017) use meta-analytic methods to TPB in the context of socially responsible consumer behavior and conclude that attitudes and subjective norms are significant predictors of behavioral intentions, and perceived behavioral control has mixed effects by the product type and consumer characteristics. In the case of Gen Z, Papadopoulos et al. (2025) indicate that the attitudes to the CSR and trust in CSR practices are a good predictor of purchase intentions, whereas the perceived behavioral control does not have a significant impact in certain situations, indicating that ethical consumption by Gen Z is more driven by values alignment and social expectations rather than by the perceived ease of making a purchase that is ethical.

TPB sheds light on the way the expectations of stakeholder engagement are developed by Gen Z: positive perceptions of corporate transparency, supported by the subjective norms glorifying accountability, create intentions to act with or to avoid brands based on their perceived accountability. Nevertheless, the individualistic nature of TPB needs to be filled in to reflect the collective aspects of Gen Z activism.

Social Identity Theory

Tajfel and Turners (1979) Social Identity Theory fills this gap by describing the influence of group memberships on self-concept and behavior. According to SIT, identity is based on group membership and people will be involved in actions that will assert positive distinctiveness to



their in-groups. When applied to the consumer behavior, SIT implies that Gen Z consumers will associate themselves with brands that reflect the values that are at the core of their generational identity, such as sustainability, inclusivity, authenticity, and avoid brands that pose a threat to their identity.

Hu et al. (2020) combine SIT with the generalized exchange theory and prove that customer orientation is boosted by perceived CSR in employees through identification. Paruzzel et al. (2020) offer experimental data that CSR activities enhance consumer-company identification under the condition that consumers feel that the value is congruent. CSR is an identity tool to Gen Z, whose identity is intimately connected with environmental and social awareness: buying responsible brands confirms their self-concept as ethical individuals, and their boycotting of irresponsible companies signals membership in a group.

SIT describes the reason why Gen Z is reacting to corporate hypocrisy in such an unfriendly manner. By attempting to present the companies as being sustainable when they are involved in activities that harm them, they put the identity investments of Gen Z at risk of backlash instead of the apathy that would have resulted. This is why Papadopoulos et al. (2025) reported a boycott rate of 71.2% - not just rational preference ordering, but identity-protective reaction to perceived inauthenticity.

Stakeholder Theory Integration

The stakeholder theory developed by Freeman (1984), as expounded by Harrison et al. (2015), is the organizational level theory that bridges the gap between the expectations of the individual consumer and corporate strategy. According to the stakeholder theory, the firms generate value through the management of relationships with groups that influence or are influenced by organizational goals, as well as customers, employees, suppliers, communities, and natural environment.

Awa et al. (2024) reveal the moderating role of the stakeholder theory on CSR effectiveness, which implies a four-step stakeholder dialogue ladder that starts with information dissemination, transitioning to consultation, involvement, and ultimately collaboration. According to this framework, Gen Z demands are propelling corporations to the next level of this ladder, where corporations report on CSR activities but involve stakeholders in the development of solutions.

The stakeholder theory is used by Schaltegger and Hörisch (2019) to sustainability business cases and suggest that stakeholder management results in synergies where benefiting certain stakeholder groups results in positive spillovers to other groups. To be Gen Z-engaged, this implies that environmental transparency instills confidence that boosts employee retention, supplier relationships, and community support at the same time.

The integration of these three frameworks provides an in-depth understanding: TPB describes how Gen Z consumers make decisions individually, SIT describes how generational identities work, and the stakeholder theory clarifies how companies need to re-organize their engagement processes in response. Combined, they demonstrate that the influence of Gen Z is driven in various ways such as market decisions, identity investments and accountability demands, which demand interdisciplinary corporate responses.

Methodology

The study uses systematic literature review as the methodology to synthesize the existing empirical data on the effect of Gen Z on the corporate stakeholder engagement. The



methodology focuses on transparency and replicability, responding to the verification needs of serious scholarly work.

Search Strategy

Literature search was carried out, in several scholarly databases such as Google Scholar, journals in the Scopus indexed in institutional repositories and Web of Science. Search queries were a combination of terms associated with Generation Z (Gen Z, Generation Z, post-Millennials), corporate social responsibility (CSR, corporate responsibility, sustainability), stakeholder engagement (stakeholder theory, stakeholder management, stakeholder dialogue), and consumer behavior (ethical consumption, consumer activism, boycotts, boycotts).

Targeted search terms were: Generation Z corporate social responsibility, Gen Z stakeholder engagement, youth activism corporate transparency, consumer activism stakeholder theory, Theory of Planned Behavior consumer behavior sustainability, Social Identity Theory corporate social responsibility. Only publications in the English language published between 2015 and 2025 were searched, preferring peer-reviewed journal articles, existing book chapters, and high-quality working papers.

Inclusion and exclusion criteria

The inclusion criteria were: (1) the sources must empirically test Gen Z or youth consumer behavior in terms of CSR, sustainability, or ethically responsible consumption; (2) the sources must develop theoretically application of stakeholder theory in terms of corporate environmental or social responsibility; (3) the sources can be meta-analytic or systematic review evidence of consumer behavior frameworks; and (4) the sources can also present original research on transparency, The sources were not included when: (1) they were not empirically founded or evolved; (2) only covered non-consumer stakeholders and thus had no influence on the Gen Z market; (3) were published prior to 2015 and could not be identified on database searches or publisher websites; or, (4) were not empirically based.

Verification Process

All the possible sources were verified by checking their author names, year of publication, the title of the journal, volume/issue number, and DOI accessibility. Sources were considered to be verified when such elements could be verified by performing several database searches or going straight to the publishers. This selection procedure resulted in 24 confirmed sources out of an original sample of 77 distinct items, with non-selection criteria being a failure to verify publication information or outlets with predatory journal practices or lack of relevance to the particular research question.

Analytical Approach

Thematic synthesis was used as the means of analysis, and the sources that were verified by the approach were grouped in accordance with the theoretical approach (TPB studies, SIT applications, stakeholder theory developments), the design of the methodology (experimental, survey-based, qualitative, meta-analytic), and the substantive content (consumer attitudes, behavioral intentions, actual behaviors, corporate responses). This association allowed finding the patterns among studies, evaluation of the strength of evidence, and the detection of conflicting results that needed explanations.

Limitations

This approach has its limitations. First, it can be pointed out that the use of English-language sources might lock out the contribution of the relevant research on non-Anglophone situations where Gen Zs might have a different impact. Second, the focus on peer-reviewed academic



literature may be lacking new practices in corporations as recorded in industry reports or case studies that have not undergone academic peer review. Third, the dynamic nature of social media sites and approaches of digital engagement implies that even recent sources might not reflect the most up-to-date practices. Fourth, it depends on published studies to introduce a bias in publication to statistically significant results, which may overestimate the effect sizes or the strength of relationships.

In spite of these constraints, the systematic methodology will make sure that conclusions will be based on the verified, available sources that the other researchers will be able to find and independently assess. The 24 authenticated sources offer a lot of evidentiary support to the propositions made in the later sections.

Results and Findings

The data indicate that the transformation of the expectations of Gen Z has systematic trends and affects stakeholder engagement on several levels: individual consumer psychology, organizational strategy, and the general market systems. This section discusses the findings in analytical table followed by interpretive analysis that is classified according to level of analysis.

Table 1: Key Strategies and Patterns in Gen Z Stakeholder Engagement

Strategy/Pattern	Evidence Strength	Key Findings	Strategic Implications
Transparency into internal practices	Strong (field experiments)	6.40% to 45.85% increase in purchase probability vs. external initiatives	Prioritize operational transparency over philanthropic reporting
Trust-building through credibility mechanisms	Moderate to strong (survey N=322)	NGO partnerships and third-party certifications significantly enhance trust	Invest in independent verification and partnerships
Simplified CSR communication	Moderate (regression analysis)	Simplified messaging improves comprehension and ethical consumerism	Avoid jargon; use visual storytelling and concrete examples
Boycott behavior as identity expression	Moderate (survey data)	71.2% avoid companies with irresponsible practices; materialism moderates effects	Expect rapid, visible backlash for perceived hypocrisy
Digital-native engagement channels	Moderate (mixed methods)	Social media primary information source; influencer credibility matters	Maintain consistent presence across platforms; leverage micro-influencers
Stakeholder dialogue ladders	Conceptual (theoretical development)	Progress from information consultation to involvement to collaboration	Match engagement depth to issue complexity and stakeholder salience



Board monitoring effectiveness	Moderate (structural equation modeling)	Internal governance positively affects sustainability reporting quality	Strengthen oversight mechanisms; link executive compensation to ESG metrics
Cross-generational persistence	Strong (meta-analysis)	Attitudes and norms predict intentions across age groups, but behavioral control varies	Address structural barriers (price, availability) for younger consumers

Individual Level: Consumer Psychology and Behavior

Gen Z, in its turn, exhibits unique psychological profiles at the individual level which influence their expectations of stakeholder engagement. The meta-analytic evidence by Han and Stoel (2017) proves that the attitudes and subjective norms continue to be the key predictors of socially responsible consumer behavior, whereas the contents of these attitudes vary among Gen Z. Whereas older generations might have considered CSR a form of corporate philanthropy, Gen Z considers environmental and social responsibility as a normal operation requirement.

The purchase intentions of Gen Z towards fair trade coffee are modeled by Robichaud and Yu (2022), who determine that ethical considerations play a vital role in purchase intentions, but affordability limits are the source of intention-behavior gaps. This result is consistent with one of the findings of Papadopoulos et al. (2025) that in recovering economies, Gen Z is more focused on social than on environmental CSR dimensions, which are a manifestation of immediate economic insecurities. Such context differences imply that the stakeholder engagement strategy should be localized but not global.

Delistavrou et al. (2020) investigate the decisions about boycotts, and their results indicate that boycott behavior can be predicted by post-materialist values, in which the quality of life and self-expression take precedence over economic security. In the case of Gen Z, who grew up in an economically unstable environment, but with greater access to information than any previous generation, post-materialism orientations are accompanied by financial limitations, forming a complicated decision-making calculus. These tensions are discussed by Oke et al. (2020) who use qualitative interviews of young adults and find out that the ethical consumption of food is a set of trade-offs between values, convenience, and cost, which corporations cannot disregard.

Institutional Level: Governance and Strategies of Organizations

On an institutional level, companies are reorganizing the stakeholder engagement processes to address the Gen Z pressures. Manning et al. (2019) present empirical data that the stakeholder engagement as an external corporate governance mechanism has a positive impact on the quality of sustainability reporting and corporate sustainability performance. Their structural equation modelling of Dutch companies demonstrates that active stakeholders push companies toward business behaviour that is more sustainable in the long-term, and that the effects of engagement strengthens via feedback loops.

Konadu et al. (2021) discuss the pillars of corporate governance and business sustainability and conclude that the stakeholder involvement mediates the relationships between the board operations and the sustainability results. It implies that the power of Gen Z works via not just market forces but via governance structures, i.e., stakeholders involved in the process seek



board responsibility, which also contributes to strategic prioritization of environmental and social matters.

Awa et al. (2024) suggest a four-step ladder of stakeholder dialogues that gives a roadmap to this institutional transformation. At the information stage, companies are spreading CSR information, at consultation stage, they are seeking the feedback of stakeholders, at involvement, they involve stakeholders in decision-making, at collaboration, they are developing solutions together with shared responsibility. The demands of Gen Z drive corporations to the higher levels of expectations, requiring not only transparency but also involvement.

System Level: Market reform and Accountability Structures.

Collectively, Gen Z is transforming the structures of market accountability at a system level. Cordeiro and Tewari (2015) show that investor responses to environmental CSR reports differ depending upon industry setting and firm attributes, indicating that market processes are becoming more and more rewarding of sustainability performance. These market indicators are increasing as Gen Z gathers capital and investment strength.

Narayanan and Singh (2025) create a Consumer Activism Framework that combines causes and effects of consumer activism and how individual complaints are converted into collective action via digital coordination. In their study of youth participation in activism within and outside organizations, Elliott and Earl (2018) discover that social media tools facilitate quick mobilization, which cuts across organizational lines. In particular, O'Brien et al. (2018) investigate the specifics of youth climate activism, describing the various approaches used by young activists in their dissent and policy engagement, as well as direct action.

Kowasch et al. (2021) examine youth activism initiatives concerning climate change, claiming that it has potential to be integrated with education towards sustainable development and transformative learning. This indicates that the requirements of Gen Z are not simply consumer desires but academic performance- they have been taught to believe that they can be change agents and make valid demands on the conduct of corporations.

The evidence as a whole shows that the impact of Gen Z is mediated in several reinforcing patterns: individual purchasing behavior is reinforced by market pressure; social media activism raises the profile of corporate behavior; governance participation by structural accountability; and the educational integration of such expectations by generational persistence. Stakeholder engagement is thereby being changed as the peripheral corporate business to the central strategic necessity.

Discussion

The results indicate the radical change in the way corporations are to conceptualize stakeholder engagement. Instead of maintaining stakeholder impressions by using regulated communication, corporations now have to contend with demands of substantive accountability that cuts across organizational activities. This change has far reaching implications on theory, practice and further research.

Theoretical Implications

The evidence provokes a questioning of the traditional conceptualizations of stakeholder engagement as a strategic or reputational management. Harrison et al. (2015) suggest that the stakeholder theory can be viewed as an ethical concept of good management, yet the Gen Z phenomenon implies an extra dynamic: stakeholder engagement as a generational imperative. Being digital natives offering unparalleled access to information and the ability to coordinate



themselves, Gen Z is the stakeholder group whose expectations can be both moral and market needs.

TPB and SIT framework integration will be beneficial in exploring this phenomenon. Whereas TPB describes the role of attitudes and norms in motivating behavioral intentions, SIT describes why such processes are uniquely strong among Gen Zers: corporate responsibility has become tied up with generational identity, and expectations of engagement are now personal and political. Theoretical advancement in the future ought to find ways of expanding the conventional power-legitimacy-urgency models to include the generational cohort, through identity-based stakeholder theory.

The business case of sustainability is made complicated by the evidence, too. According to Schaltegger and Hörisch (2019), the stakeholder theory supports the business arguments of sustainability by generating value to a number of stakeholders concurrently. Nevertheless, Gen Z data indicate that even in the cases where the immediate financial returns are not certain, sustainability investments might be needed to achieve legitimacy. The 71.2% boycott rate among the Gen Z consumers constitutes existential market risk that cannot be calculated using traditional cost-benefit calculations.

Practical Implications

To corporate practitioners, the findings imply a number of action strategies. To begin with, openness on the internal practices is more profitable than philanthropy to the outside world. The field experiments of Buell and Kalkanci (2021) show that consumers react more intensely to operational responsibility when it is visibly present than when it is donated to charity. Firms ought to focus on supply chain transparency, living wages, and environmental manufacturing processes rather than cause-related marketing.

Second, there is a huge importance of credibility mechanisms. Papadopoulos et al. (2025) discover that NGO affiliations and third-party accreditations greatly contribute to trust. Independent verification is vital in a time of massive doubt of corporate assertions. The companies are advised to invest in stringent certification procedures and develop rapport with reputable external certifiers instead of self-reporting.

Third, communication strategies will have to change. Streamlined communication enhances understanding and moral consumerism, whereas complicated language forms a barrier. The visual storytelling, illustrative examples, and digital-first strategies are in line with the information consumption patterns of Gen Z. Lee and Chung (2023) focus on the fact that social media transparency of CSR communication necessitates platform-specific approaches to the issue that take into consideration how various channels influence the reception of messages.

Fourth, the extent of stakeholder participation ought to be equivalent to the complexity of the issue. The dialogue ladder of Awa et al. (2024) implies that companies do not necessarily have to collaborate on the issues they encounter, but Gen Z demands are moving them to new levels of higher concern regarding the environment and social issues. Firms ought to evaluate the type of stakeholder groups that deserve what level of engagement and engage in true co-creation when dealing with high-salience concerns and continue to disseminate information efficiently when dealing with low-stake concerns.

Limitations and Uncertainties

The evidence base has limitations that counsel against. First, majority of the research is cross-sectional, which only records the preferences of Gen Z at certain times and does not follow the changes as the generation becomes older. Are Gen Z activists going to continue to be so activist-



oriented once they take on managerial roles and confronting competing interests? Longitudinal studies are imperative.

Second, the geographic bias in the studies of Western and developed economies brings up the question of generalizability. The fact that Papadopoulos et al. (2025) discovered that Gen Z in recovering economies focus on social rather than environmental CSR indicates that the strategy of stakeholder engagement needs to be adjusted to the context. Universal prescriptions can not work in different markets.

Third, the affiliation between expressed preferences and real behavior is unclear. Although 68.4% of Gen Z consumers state that they consider CSR in their purchasing decisions, the intention-behavior gap recorded in the body of ethical consumption studies indicates that behavior in the real-world may be less extreme. Sansome et al. (2025) clearly challenge the issue of whether consumers actually read transparency information, noting that behavioral and not attitudinal data is necessary.

Fourth, the fast development of online platforms implies that certain engagement tactics can be outdated within a short period. What is working today on Instagram might not be applied to new platforms but instead will require constant adjustment instead of a fixed strategy.

Future Research Directions

This analysis gives several research directions. To begin with, longitudinal studies on the expectations of stakeholders in Gen Z regarding their engagement in the future after becoming economically and managerially powerful would make it clear whether the current trends will remain unchanged or change. Second, the comparison of research studies between geographic and socioeconomic settings would help to understand how the strategies of stakeholder engagement have to be localized. Third, it would be possible to have experimental research testing particular transparency mechanisms and formats of communication to give specific actionable advice as opposed to general principles. Fourth, exploration of the impact of Gen Z expectations on B2B relationships and supply chain governance would further expand knowledge in consumer markets. Lastly, studies on how Gen Z managers and workers redefine organizational culture internally would be a valuable addition to the existing emphasis on external consumer pressure.

Conclusion

The aim of this article was to comprehend the ways in which the environmental and social demands of Generation Z transform the corporate stakeholder engagement approach. By conducting a systematic review of 24 authenticated sources relating to consumer behavior studies, applications of the stakeholder theory, and studies concerning corporate governance, the evidence shows that the paradigm has shifted to a new stage of progress: the stakeholder engagement turns into an integrated and accountability-based relationships management instead of a transactional activity, which is peripheral in nature.

The results confirm that Gen Z consumers are not only willing to choose responsible brands, but also require transparency, authenticity, and provable impact. These demands work with a variety of mutually reinforcing channels: market options, identity investments, digital activism, and engagement in governance, creating accountability pressures that transcend the conventional market transactions. The scale of such effects is great: transparency regarding internal responsibility practices may raise the purchase probability by up to 45.85, and 71.2% of Gen Z consumers actively evade companies with irresponsible practices.



To the decision-maker in a corporate boardroom the implications are obvious. Engagement with stakeholders can no longer be assigned to the PR departments or appendices of annual reports. It needs to be entrenched in fundamental business processes, and should be transparent to supply chains, governance systems and environmental effects. The trust-building needs the credibility of the mechanisms, third-party certifications, NGOs collaborations, and independent verifications that confirm the corporate claims to the apprehensive eye. Communication should be streamlined, credible and digital native and should take into consideration the fact that Gen Z consumers already have advanced abilities to identify and penalize inauthenticity.

The importance of this change goes further than single company strategy. Gen Z and Millennials make up 65% of purchasing power in 2030, and their expectations will be a new reality in the market, transforming competition in industry. The first stage of adaptation will create sustainable competitive advantages in companies that act proactively in terms of the stakeholder trust; the second wave will be the growth of the reputation risk and loss of the market share in the companies that will resist.

To researchers, this study provides a rich area of future research. Longitudinal research on generational change, cross-context comparisons, and experimental research on certain aspects of the mechanisms of engagement would contribute to the knowledge significantly. The conceptual development has the potential to take some particularly promising directions because of the theoretical integration of generational identity and the stakeholder theory.

The bigger picture is the wider meaning of this generational change in regard to the future of corporate accountability. When stakeholder engagement is more really dialogic than communicative, when transparency is applied to core operations, but not to peripheral philanthropy, and when consumers are empowered with coordination power by using digital platforms, corporations are in radically different accountability settings than they were in the twentieth century. The expectations of Gen Z are potentially driving the shift of shareholder primacy to stakeholder capitalism, which theorists have been predicting. The realization of the transformative potential of this transition is not only determined by the persistence of these values across generations, but also by any institutional innovations that will carry the expectations of individual individuals into systemic responsiveness. The next decade research agenda should follow this trend with the same level of rigour that this article has given to the appearance of this trend.

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