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# Navigating the Intergenerational Shift: A Comprehensive Analysis of Generation Z Characteristics, Workplace Expectations, and Strategic Human Resource Management in the Digital Era

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The global workforce is undergoing a significant demographic transformation with the rapid influx of Generation Z. In Indonesia, this cohort represents nearly 28% of the population, serving as the primary driver of the national "demographic bonus." However, their entry into the professional landscape has been met with structural challenges, including digital literacy gaps and pronounced intergenerational conflicts within hierarchical organizations. This study provides a comprehensive analysis of Generation Z's unique characteristics, workplace expectations, and the resulting friction in traditional bureaucratic environments, such as the Indonesian public sector. Through a synthesis of contemporary literature and empirical data, the research identifies critical stressors—including financial anxiety and a pervasive mental health crisis—that impact Gen Z's organizational commitment. The study argues that traditional "one-size-fits-all" human resource management (HRM) practices are obsolete. Findings suggest that successful integration requires a strategic shift toward participative leadership, gamified onboarding, and proactive mental health support. The study concludes with actionable recommendations for organizations to foster a synergistic multigenerational workplace that leverages Gen Z's digital proficiency while addressing their need for psychological safety and meaningful work.

*Keywords:* Generation Z, Human Resource Management, Intergenerational Conflict, Digital Natives, Workplace Well-being, Public Service Motivation

## Introduction

The contemporary global workforce is currently navigating an unprecedented demographic transition, marked by the rapid entry of Generation Z—individuals born between 1995 and 2012—into the professional landscape (Amrullah et al., 2025; Bencsik & Machová, 2016; Dwidienawati & Gandasari, 2018). In the specific context of Indonesia, this shift is particularly pronounced. Data from the 2020 Population Census conducted by

the Indonesian Central Statistics Agency (BPS) reveals that Generation Z constitutes approximately 27.94 percent of the total population, representing the largest demographic group in the country (Badan Pusat Statistik, 2020; Kurniawan, 2025). This cohort represents the vanguard of Indonesia's "demographic bonus," a period where the productive-age population significantly outnumbers the non-productive population, theoretically providing a unique opportunity for accelerated economic growth and innovation (Badan Pusat Statistik, 2020; Dwidienawati & Gandasari, 2018). However, as this generation enters the labor market, they encounter a complex array of challenges, ranging from structural skill mismatches to deep-seated intergenerational conflicts that threaten to undermine their potential contributions to organizational success (Basroni, 2023; Kasih, 2023).

The integration of Generation Z into formal employment sectors is occurring at a time of significant global upheaval, characterized by the rapid digitalization of industry (Industry 4.0) and the lingering psychosocial impacts of the post-pandemic era (Amrullah et al., 2025; Muchtar, 2024). Unlike their predecessors—the Baby Boomers, Generation X, and Millennials—Generation Z has never known a world without ubiquitous internet connectivity and advanced mobile technology (Prensky, 2001; Tapscott, 1997). This immersion has fostered a set of unique values, expectations, and behavioral norms that frequently clash with the traditional hierarchies and bureaucratic structures still prevalent in many organizations, particularly within the public sector (Kasih, 2023). Consequently, a growing body of evidence suggests a significant friction between Generation Z employees and their managers, with 74 percent of managers in some studies characterizing this cohort as the most difficult generation to work with (Orchidiella et al., 2023; Resume Builder, 2023). This perceived difficulty often stems from differences in communication styles, work-life balance expectations, and a perceived lack of organizational loyalty among younger workers (Orchidiella et al., 2023; Stuckey, 2016).

## **Theoretical Framework and Generational Cohort Evolution**

To analyze the specific challenges faced by Generation Z, it is necessary to examine the evolution of generational characteristics through the lens of cohort theory. This theory suggests that individuals born during the same timeframe share significant historical, social, and cultural experiences that shape their collective identity and professional behavior (Kasih, 2023; Mannheim, 1952). The work of Bencsik and Machová (2016) provides a foundational comparison of work preferences across four major generations currently co-existing in the workplace (Badan Pusat Statistik, 2020; Bencsik & Machová, 2016). Their analysis highlights that as we move from Baby Boomers to Generation Z, there is a clear shift from physical, personal interaction toward virtual, fluid, and non-linear ways of working (Bencsik & Machová, 2016; Dwivedula & Singh, 2024).

**Table 1: Comparative Generational Behavioral Characteristics and Workplace Preferences**

Attribute	Baby Boomer (1944-1964)	Generation X (1965-1979)	Millennials (1980-1994)	Generation Z (1995-2010+)
<b>Teamwork Style</b>	Collective/Physical	Naturally independent	Success-driven/Virtual	Virtual/Project-based
<b>Knowledge Sharing</b>	Voluntary/Trust-based	Mutualism/Cooperation	Selective/Personal benefit	Virtual/Rapid/Public
<b>Relationship Basis</b>	Personal/Private	Personal or Virtual	Network-focused/Virtual	Virtual/Surface-level
<b>Career Objective</b>	Stability/Positional	Adaptation/Autonomy	Leadership/Competition	Happiness/Current focus
<b>Information Tech</b>	Instructional use	Functional/Confident	Part of lifestyle	Intuitive/Indispensable
<b>Key Values</b>	Hard work/Tradition	Practicality/Diversity	Creativity/Freedom	Speed/Ambition/Resilience

(Source: Synthesized from Bencsik & Machová, 2016; Dwidienawati & Gandasari, 2018)

The data synthesized in Table 1 illustrates a profound shift in the psychological contract between employer and employee. Baby Boomers and Generation X often viewed work as a central duty or a means to achieve long-term stability (Bencsik & Machová, 2016; Nindyati, 2017). In contrast, Generation Z prioritizes immediate happiness and the integration of work with personal passion (Bencsik & Machová, 2016; Dwidienawati & Gandasari, 2018). This generation is characterized as "phygital," existing simultaneously in the physical and digital worlds, which influences their expectations for speed, transparency, and innovation in all aspects of their lives (Amrullah et al., 2025; Pratama & Kristanty, 2018).

### **The Digital Native Paradigm: Mastery or Literacy Gap?**

The concept of the "Digital Native," first introduced by Marc Prensky in 2001, has become the dominant framework for understanding Generation Z's relationship with technology (Prensky, 2001; Tapscott, 1997). Prensky argued that growing up surrounded by computers, video games, and the internet has fundamentally changed the way this generation thinks and processes information (Prensky, 2001; Schroth, 2019). They prefer receiving information quickly, thrive on multitasking, and function best when networked (Prensky, 2001). However, recent academic discourse has begun to challenge the assumption that being a "digital native" automatically equates to professional digital literacy (ECDL Foundation, 2025; Judd, 2018).

There is a growing concern that while young people possess high "lifestyle digital skills" (e.g., social media usage, gaming, and video consumption), they may lack the "workplace digital skills" required for high-level productivity and problem-solving in a corporate environment (ECDL Foundation, 2025). This gap creates a "new digital divide" between

the intuitive use of consumer technology and the strategic use of professional tools like project management software, data analysis platforms, and formal digital communication protocols. Furthermore, the over-reliance on digital interaction can lead to underdeveloped soft skills, particularly in face-to-face communication, negotiation, and conflict resolution (Orchidiella et al., 2023; Sejati & Sahrah, 2025). This is reflected in survey data where nearly 40 percent of managers prefer older candidates due to the perceived lack of professional etiquette and communication proficiency among Gen Z applicants (Badan Pusat Statistik, 2020).

## **Psychosocial Dynamics and the Mental Health Crisis**

One of the most defining characteristics of Generation Z is their unprecedented openness regarding mental health and well-being (Badan Pusat Statistik, 2020; Deloitte, 2023). For this cohort, mental health support is not a "perk" but a foundational workplace requirement (Cigna International Health, 2023; Deloitte, 2023). Data from 2024 and 2025 indicates that 91 percent of Gen Z employees aged 18 to 24 report being stressed, with 23 percent stating that their stress is unmanageable (Cigna International Health, 2023; Gebreamlak, 2025). This high prevalence of anxiety and burnout is attributed to several factors, including financial instability, constant social comparison on social media, and the blurring of boundaries between work and personal life in a hyper-connected world (Cigna International Health, 2023; Gebreamlak, 2025).

In Indonesia, a survey by DataIndonesia.id found that 56 percent of Gen Z respondents had experienced symptoms of mental health disorders (Badan Pusat Statistik, 2020). The primary triggers identified were financial concerns (55.95 percent), loneliness (42.86 percent), and workplace demands (30.36 percent) (Badan Pusat Statistik, 2020). This highlights a critical duality in Gen Z's behavior: while they are "digital natives," they suffer from significant loneliness and disconnection, particularly in remote or hybrid work environments (Gebreamlak, 2025). They are 55 percent more likely than the general population to state that loneliness negatively impacts their mental health (Gebreamlak, 2025).

**Table 2: Comparative Analysis of Workplace Stressors and Engagement Factors**

<b>Stressor Category</b>	<b>Impact on Generation Z</b>	<b>Organizational Consequence</b>
<b>Financial Anxiety</b>	High concern over cost of living/debt	Increased turnover intent for higher pay
<b>Burnout</b>	98% report burnout symptoms	Decreased productivity and "quiet quitting"
<b>Social Comparison</b>	Driven by social media success	Lower self-esteem and fear of failure
<b>Psychological Safety</b>	63% feel unconfident expressing opinions	Suppressed innovation and creativity

<b>Autonomy Loss</b>	Micromanagement causes high distress	Resentment and withdrawal from team
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*(Source: Synthesized from Cigna International Health, 2023; Deloitte, 2023; Orchidiella et al., 2023)*

The implications for human resource management are profound. Organizations must transition from reactive to proactive mental health strategies (Gebreamlak, 2025; World Health Organization, 2017). Gen Z professionals who receive mental health support at work are 19 percent more likely to be happy with their jobs (GWI, 2025). Effective strategies include offering "mental health days," providing access to app-based counseling services, and training managers to act as "resource connectors" who can recognize early signs of distress and provide support without stigma (Gebreamlak, 2025; Oliveira et al., 2023).

## **Intergenerational Conflict and Bureaucratic Realities in Indonesia**

In Indonesia, the entry of Generation Z into the workforce has created significant friction within traditional bureaucratic institutions, such as the Directorate General of Taxes (DJP) (Badan Pusat Statistik, 2020). Currently, the DJP workforce is composed of 42 percent Millennials (Gen Y) and 31 percent Generation Z, yet policy-making positions are still largely held by Baby Boomers and Generation X (Badan Pusat Statistik, 2020; Kasih, 2023). This creates a structural gap where the values of the dominant workforce are not yet reflected in organizational policy (Badan Pusat Statistik, 2020; Kasih, 2023).

Conflict often arises from divergent attitudes toward hierarchy and ritual (Kasih, 2023; Manongcarang & Guimba, 2024). Baby Boomers and Generation X in Indonesian government institutions often value "ritualistic" behaviors, such as formal ceremonies and strict adherence to seniority-based etiquette (Badan Pusat Statistik, 2020; Kasih, 2023). In contrast, Generation Z views these behaviors as inefficient and often "disrespectful" to their professional boundaries (Badan Pusat Statistik, 2020; Dwidienawati & Gandasari, 2018). Furthermore, there is a "communication gap" caused by the different use of language and technology in daily office operations (Badan Pusat Statistik, 2020; Dwidienawati & Gandasari, 2018; Kasih, 2023). Younger generations prefer direct, transparent, and digitally-mediated communication, which older colleagues may interpret as a lack of "sopan" (politeness) or a breach of traditional "Ewuh Pakewuh" culture (Kasih, 2023; Manongcarang & Guimba, 2024).

Research within the Indonesian Ministry of Public Works and Housing highlights that while technological developments are forcing an affiliation between generations, the process of meaning-forming within the organization remains contested (Kasih, 2023). Generation Z often rejects rigid job structures and favors flat, dynamic environments where ideas are valued over tenure (Kasih, 2023). When these expectations are not met, their productivity declines, and they are more prone to "job hopping" in search of an environment that aligns with their personal values (Orchidiella et al., 2023; stuckey, 2016).

## **Strategic Transformations in Human Resource Management**

To successfully integrate Generation Z and harness their potential as drivers of innovation, organizations must move beyond the "one-size-fits-all" approach to human resource management (Amrullah et al., 2025; Muchtar, 2024). This requires a fundamental redesign of recruitment, onboarding, training, and retention strategies to align with the unique psychological and professional profile of the digital native (Amrullah et al., 2025; Basroni, 2023; Dwivedula & Singh, 2024).

### **1. Reimagining Recruitment and Employer Branding**

For Generation Z, a company's reputation for social responsibility, diversity, and environmental stewardship is a key factor in their decision to apply (Amrullah et al., 2025; Deloitte, 2023). Traditional job boards are being replaced by social media platforms as the primary source of job information (Dutta et al., 2021; Quantitative Economics and Management Studies, 2022). Recruitment messages must emphasize psychological benefits, flexibility, and a sense of purpose rather than just salary and standard benefits (Dutta et al., 2021; Quantitative Economics and Management Studies, 2022).

### **2. Gamified and Interactive Onboarding**

Generation Z expects an engaging and technologically advanced onboarding experience (Amrullah et al., 2025; Orchidiella et al., 2023). The use of virtual reality (VR), mobile applications, and online learning platforms can help new hires understand their roles and the company culture more quickly and effectively than traditional manual-heavy processes (Amrullah et al., 2025; Orchidiella et al., 2023). Effective onboarding for this cohort should focus on establishing early social connections and providing clear, visual career paths (Amrullah et al., 2025; Goh & Okumus, 2020).

### **3. Continuous Learning and Real-time Feedback**

The annual performance review is increasingly obsolete for a generation accustomed to instant gratification and constant notifications (Prensky, 2001; Schroth, 2019). Generation Z craves real-time coaching, micro-promotions, and frequent, honest feedback (Choudhary & Pandita, 2024; Stuckey, 2016). Training programs should be delivered through flexible digital platforms (e-learning, webinars) but must be balanced with face-to-face mentorship to address the soft skills gap (Gebreamlak, 2025; Sejati & Sahrah, 2025).

### **4. Holistic Well-being and Work-Life Harmony**

Retention strategies must prioritize "work-life harmony" over the traditional "balance" model (Gebreamlak, 2025). This includes offering hybrid work arrangements, flexible schedules, and dedicated mental health resources (Deloitte, 2023; Gebreamlak, 2025). Organizations that foster a culture of inclusivity and psychological safety will be most successful in retaining Gen Z talent (Kasih, 2023; Sejati & Sahrah, 2025).

## **Synthesis: Toward a Synergistic Multigenerational Workplace**

The integration of Generation Z into the Indonesian workforce is not merely a challenge to be managed but a profound opportunity for organizational revitalization (Kasih, 2023; Manongcarang & Guimba, 2024). The evidence indicates that Generation Z is a generation of pragmatic idealists (Deloitte, 2023; GWI, 2025). They seek "meaningful work" that has a direct, visible impact on society, and they may become demotivated by the slow pace of change and the "silo mentality" of traditional government agencies (Gebreamlak, 2025; Syamsir, 2015).

In the context of public service, Generation Z's Public Service Motivation (PSM) can be enhanced through digital transformation (Perry & Wise, 1990; Syamsir, 2015). PSM theory posits that individuals are driven by altruistic motives like compassion and commitment to the public interest (Perry & Wise, 1990). Digital transformation can enhance PSM by reducing administrative load and enabling real-time, responsive public services, provided that the technology is designed to be user-friendly and inclusive (Engkus, 2025).

## **Conclusion: Strategic Recommendations for Organizational Resilience**

Based on the synthesis of empirical data and theoretical frameworks, the following recommendations are proposed for organizations:

1. **Redefine the Leadership Paradigm:** Move from "command and control" hierarchies to transformational and participative leadership styles (Febriana & Mujib, 2024; Hardian & Hermawan, 2022).
2. **Institutionalize Digital Literacy:** Invest in structured training for "workplace digital skills" and provide seamless technology support, which is identified as the most influential factor for Gen Z motivation (ECDL Foundation, 2025; Kolar et al., 2025).
3. **Prioritize Psychological Safety:** Create a work environment where expressing vulnerability and seeking mental health support is normalized (Gebreamlak, 2025; World Health Organization, 2017).
4. **Foster Value-Driven Culture:** Ensure that the organization's mission and ethical practices are clearly communicated and authentically lived (Deloitte, 2023; Kolar et al., 2025).

**Implement Agnostic Feedback Loops:** Replace annual performance reviews with real-time coaching and continuous feedback mechanisms (Choudhary & Pandita, 2024; Stuckey, 2016).

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