



THE KEY FACTORS CONTRIBUTING TO UNEMPLOYMENT AMONG GENERATION Z

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<p>Info Article</p> <p>Received : 01 Oktober 2024</p> <p>Revised : 04 November 2024</p> <p>Accepted : 02 Desember 2024</p> <p>Publication : 30 Desember 2024</p> <p>Keywords: Generation Z, Unemployment, Securing Employment</p> <p>Kata Kunci: Generasi Z, Pengangguran, Memperoleh Pekerjaan</p> <p><i>Licensed Under a Creative Commons Attribution 4.0 International License</i></p> 	<p>Abstract: <i>This study examines the factors that contributing to Generation Z's difficulties in securing employment. This research uses secondary data obtained through literature review in the form of previous research articles, information on mass media and social media. The data were analyzed to obtain a comprehensive picture in understanding the factors that influence Generation Z's difficulties in getting a job. Based on the findings, unemployment among Generation Z in Indonesia is a significant issue, driven by three main factors: lack of motivation, low employee well-being, and limited opportunities for self-development. Generation Z's work motivation is influenced by alignment with personal interests, clear goals, and a supportive environment. However, challenges such as weak work ethics, poor communication, and high salary demands without corresponding performance contribute to higher turnover intentions. Additionally, the lack of work-life balance and career development opportunities leads to dissatisfaction among generation Z.</i></p> <p>Abstrak: Studi ini meneliti faktor-faktor yang berkontribusi pada kesulitan Generasi Z dalam mendapatkan pekerjaan. Studi ini menggunakan data sekunder yang diperoleh melalui telaah pustaka berupa artiker penelitian terdahulu, informasi pada media massa dan media sosial. Adapun analisis data menggunakan metode kualitatif deskriptif, untuk memperoleh gambaran yang komprehensif dalam memahami faktor-faktor yang mempengaruhi kesulitan Gerasi Z dalam mendapatkan pekerjaan. Berdasarkan temuan tersebut, pengangguran di kalangan Generasi Z di Indonesia adalah isu penting, didorong oleh tiga faktor utama: kurangnya motivasi, rendahnya kesejahteraan karyawan, dan terbatasnya kesempatan untuk mengembangkan diri. Motivasi kerja Generasi Z dipengaruhi oleh kesesuaian dengan kepentingan pribadi, tujuan yang jelas, dan lingkungan yang mendukung. Namun, tantangan seperti etika kerja yang lemah, komunikasi yang buruk, dan tuntutan gaji yang tinggi tanpa kinerja yang sesuai berkontribusi tingginya pengunduran diri. Kurangnya keseimbangan kehidupan kerja dan kesempatan untuk pengembangan karir menyebabkan tingginya ketidakpuasan di kalangan generasi Z.</p>
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INTRODUCTION

According to the history of the internet entering Indonesia, Indonesia is recorded as the first country in Asia to be connected to the global Internet when UINet, developed by Luhukay, was officially connected to the global Internet network, then still named *UUNet*, in 1984 (Heru, 2017). In 1994, the internet began to enter Indonesia and was used by the public under the name *IndoNet*. Since then, *IndoNet* has become the first commercial Internet Service Provider (ISP) in Indonesia, which paved the way for other internet service providers in Indonesia (Teniwut, 2022).

The majority of Generation Z was born in the digital era and developed the internet. Generation Z or better known as Gen Z, is the first social generation to grow up with internet access and digital technology from a young age (Collins, 2023). Generation Z is also dubbed as digital natives or people who grew up with digital reforms. They are the generation that grew up with internet access and digital technology from a young age (Turner & Anthony, 2015). For generation Z, internet access is a necessity, therefore, it is unsurprising that Generation Z has been characterized as digital natives.

The age range for Generation Z varies across different researchers and media sources. Collins (2023) defined Generation Z as individuals who were born between the mid-1990s and mid-2010s. The 2020 population census identified Generation Z as those who were born between 1997 and 2012. The 2020 population census offered a detailed insight into the composition of future generations in Indonesia. According to the data, Generation Z—was defined as individuals born between 1997 and 2012—constitutes 27.94% of the total population, amounting to approximately 74.94 million people in Indonesia.

In accordance with government regulations on International Labor Convention (KONVENSI 138), the working age population comprises individuals who have reached the minimum employment age of 15 years. Members of Generation Z, defined as those born between 1997 and 2009, have now begun entering the labor market. The integration of Generation Z into the workforce introduces distinct challenges for supervisors and managers due to their unique characteristics. Unlike previous generations, Generation Z is often perceived as less prepared to navigate workplace realities. Consequently, it is imperative for managers to gain a nuanced understanding of the factors shaping Generation Z's mindset and behavior to effectively address these challenges. Generation Z often lacks basic skills for social interaction with customers, clients, or colleagues, as well as workplace ethics (Schroth, 2019). In addition, according to Deloitte (2024) cultural activities such as reading, playing or listening to music, seeing performances are

ranked as nearly equal to work in importance. This difference in prioritization is due to Gen Z's earlier stage of career development, or it may speak to a larger generational shift in which Gen Zs are more focused on finding an even balance between their work and personal lives.

According to the 2020 population census data, Indonesia Statistics Center Agency (BPS) recorded 9.9 million Generation Z in Indonesia aged 15 to 24 years who are not working (Badan Pusat Statistik, 2024). In August 2023, *Survei Angkatan Kerja Nasional* (Sakernas) stated that 22.25% of the 44.7 million Generation Z youths do not work and are in education and training or Not in Employment, Education, or Training (NEET). The rising unemployment rate in Indonesia, especially among Generation Z, has become a concern. According to the data from Sakernas as of February 2024, the open unemployment rate among the young age group is 16.42%, which means that out of 100 people aged 15-24 who are part of the labor force, about 16 are unemployed. Considering this phenomenon, the present study will try to uncover the major factors causing generation Z of Indonesia to be unemployment.

METHOD

The method used in this study was a qualitative research method. This method is used to derive reasons for the occurrence of a phenomenon, through analysis of the patterns behind the phenomenon (Busetto et al., 2020). This research is related to the social phenomenon, which is the phenomenon of unemployment among the current generation Z. Thus, through qualitative research methods, it can provide a comprehensive picture to understand the reason for the phenomenon (Maulidita et al., 2024).

The data collection procedure for this study was through the collection of information from secondary sources. Secondary data was obtained through literature review of previous research articles, information from the mass media, information from social media, so that the analysis was conducted extensively and more comprehensively. Literature review is an approach to analyzing a problem by identifying pre-existing sets of literature (Kraus et al., 2022). The literature review conducted in this study aims to look at the previous findings data to find what factors are the cause of the high unemployment rate experienced by the Z generation.

The selection of information sources for literature review was made selectively to be linear with research topics. Identification of the source of information is done by looking at previously found findings, then categorizing the patterns that cause generation Z to be unemployed, so that in the last part there is a conclusion about what factors are

behind the unemployment of generation Z. The data analysis techniques in this study used qualitative data analysis techniques outlined by Creswell (2014) which consists of six steps of analysis. The following are six steps used in the data analysis method of this study.

Table 3.1. Data Analysis Procedure

No	Steps to Take	Steps that Have been Taken
1	Processing and preparing raw data for analysis	Selecting materials, writing data obtained, and grouping data by source of information.
2	Reading the entire data	Outlining the definition in general and reflect the meaning of the data already obtained.
3	Coding (deductive or inductive)	Conducting deductive coding by organizing data and categorizing data into several categories as factors that contribute to the phenomenon of unemployment among the Z generation. This research classified 3 main factors, namely (1) Lack of motivation, (2) Low employee well-being, and (3) Lack of opportunities for self-development.
4	Applying the coding process to describe the settings, people, categories, and themes to analyze	After categorizing the causes of unemployment among generation Z into three factors, a description was made on each factor to explain in detail why this factor was the cause of generation Z being unemployed.
5	Making the data that has been found as a narrative or report presentation	A descriptive approach was employed.
6	Interpreting qualitative findings	Interpreting qualitative analysis results based on research objectives.

RESULTS AND DISCUSSION

Unemployment in Indonesia has become a relevant issue, especially among generation Z. Based on data from Badan Pusat Statistik (2024), *Tingkat Pengangguran Terbuka* (TPT) for the younger age group (15–24 years) was the highest at 16.42%. Meanwhile, the open unemployment rate (TPT) for the older age group (60 years and above) was the lowest at 1.14%

This means that Gen Z accounts for 50.29% of the total open unemployment in Indonesia. The ratio of total open unemployment among young people to total open unemployment among adults is 5.84, which means that the total open unemployment rate for the younger age group is almost six times higher than the total open unemployment

rate for adults. The present study classified the main factors causing unemployment among generation Z into three categories, these being: lack of motivation, low employee well-being, and lack of opportunities for self-development.

Lack of Work Motivation

Work motivation is an internal process. Since it is a psychological process that occurs within an individual, it is hard to know how high or low people motivation is for doing their work. One can be predicted to have high work motivation if they accept or are willing to do the instructed work (direction of action), perform the work by taking intensive or continuous actions (intensity of actions), and carry it out until all the work is fully completed (persistence of actions). Meanwhile, those with low work motivation are reflected in their efforts to reject or transfer responsibility for the work (direction of action), doing the work with very little activity, and instead, engage in activities unrelated to the work (intensity of activities), and intentionally delay or slow down the work so that it is not fully completed (persistence of actions). Thus, managing work motivation essentially means changing the direction, intensity, and persistence of actions (Saputra, 2021).

According to Septiawan & Masrunik (2024), the motivation of generation Z to work is related to assigning tasks according to interests and talents, having clear targets, and achieving maximum product quality. Moreover, giving clear targets will further increase their motivation to work. In addition, Suryaningtyas & Fauzi (2024) explained that companies need to understand generation Z needs, preferences, and goals, and provide them with appropriate development and retention strategies. There are factors that influence Gen Z's turnover intention, including leadership style. One way to possibly achieve this is by adopting resonant leadership, which is a leadership style that fosters positive emotional relationships, self-efficacy, and company identification among the followers. This implies that resonant leaders can enhance the psychological well-being and loyalty of their Gen-Z subordinates, which in turn can improve their work outcomes and reduce their intention to quit. Therefore, companies should consider developing good leadership skills among their managers and supervisors and creating a supportive and inclusive corporate culture that values the expectations and preferences of Gen-Z employees. This can help them retain their talents and gain a competitive advantage in the market.

Low Employee Well-Being

Salsabila (2024) revealed that the reason Generation Z faces unemployment is their lack of discipline at work and their demand for high income from companies. Generation Z's demands for high salaries often do not match performance. This makes Gen Z vulnerable to layoffs. Apart from that, Gen Z is considered to lack a strong work ethic, motivation, and difficulties in communication, and Gen Z is considered unable to handle feedback well. These things make companies hesitate to provide job opportunities for them, even though they technically have adequate academic qualifications.

Andriani & Andriani (2021) stated that job satisfaction is a key indicator of an employee's overall attitude or feelings towards various aspects of their work. This can encompass both positive and negative experiences that arise from the work environment, job responsibilities, and relationships with colleagues and supervisors. Job satisfaction is largely subjective, varying from person to person, and is influenced by how well the work environment aligns with each worker's individual expectations, values, and assessments. Factors such as work conditions, opportunities for advancement, recognition, and the nature of the tasks involved all contribute to shaping these attitudes.

Moreover, Septiawan & Masrunik (2024) emphasized that the motivation of Generation Z in the workplace is significantly impacted by several key factors. These include the balance between workload and personal time, the level of compensation provided, and the equitable distribution of tasks among employees. Generation Z, known for valuing fairness and work-life balance, tends to be more motivated when they perceive that their workload is manageable and compensated fairly. Additionally, they place great importance on having equal rights and responsibilities in the workplace, seeking an environment where there is transparency, respect, and opportunity for growth. These factors collectively influence their job satisfaction and, ultimately, their level of motivation and performance at work.

Work-life balance is one of the factors that can influence Generation Z, where work-life balance refers to the level of harmony between the realms of work and personal life. Work-life balance can influence employees' emotional exhaustion, company commitment, and satisfaction, which can ultimately influence their intentions to stay or leave the company. By doing this, companies can reduce turnover intentions and retain talented Gen Z workers (Suryaningtyas & Fauzi, 2024). According to Saputra & Ratnasari (2024), work environment, workload, and work-life balance together have a significant impact on turnover intention for Gen Z employees. Thus, it can be said that

the better the work environment, the lower the level of turnover intention among employees. The lower the work - life Balance, the higher the turnover intention.

Lack of Opportunities for Self-Development

According to Fitri et al. (2023), career adaptability has four dimensions: concern, control, curiosity, and confidence. Generation Z currently demonstrates a high level of concern, which indicates that they have strong aspirations in life and a high level of optimism toward their work. This suggests that Generation Z is eager to develop their careers, navigate work transitions, and engage in both short-term and long-term career planning. The dimension with the lowest score was curiosity, indicating that Generation Z currently shows a lower interest in exploring new aspects of their work. This is related to their fear of taking risks and a diminished desire to seek out new information relevant to their work.

Septiawan & Masrunik (2024) stated that the motivation of Generation Z to work is closely linked to their desire to channel their interests and talents, excel in their roles, gain social recognition, and advance in their careers. Specifically, in terms of attribution, the primary factors driving their motivation include fulfilling the expectations of their leaders, realizing their passions, and working in an environment that is supportive and aligned with their values as Generation Z. Additionally, employees seek fairness, particularly in being recognized for their contributions within the community or workplace. In terms of attribution, it can be said that Generation Z is motivated by several key factors. Internally, their motivation is largely driven by the desire to develop a business that is not only successful but also well known to the public.

According to Suryaningtyas & Fauzi (2024), companies need to understand their needs, preferences, and goals, and provide them with the right development and retention strategies. One of factors that influences the turnover intention of Generation Z is work engagement. Work engagement can be one way to reduce the turnover intention of Gen Z employees. Suryaningtyas and Fauzi (2024) explained that work engagement can foster a sense of belonging, meaning, and purpose among Gen Z employees, who value autonomy, creativity, and social impact in their work.

Nabahani & Riyanto (2020) highlighted that Generation Z has its own expectations and preferences when it comes to jobs. One of the most frequently mentioned factors in considering a job is whether the company offers development programs. Generation Z values expertise and knowledge, which leads to their expectation of being able to grow within the company by developing better skills and competencies.

They prefer jobs that require specific skills and abilities and enjoy being able to work by applying their competencies. Additionally, they place importance on upward mobility, and development programs provide them with opportunities to enhance their skills and progress along their desired career path. Generation Z also values freedom in their work, not only in terms of time but also in the nature of the work itself. As mentioned earlier, they appreciate being able to optimize their skills and abilities, which shows that having a meaningful job is essential to them. They want to do what they love. Identifying what exactly makes a job great and meaningful for Generation Z is crucial for motivating them and improving their job satisfaction.

CONCLUSION

Unemployment among Generation Z in Indonesia is a pressing issue. The present study identified three key factors contributing to this challenge: lack of motivation, low employee well-being, and limited opportunities for self-development. Generation Z's work motivation is heavily influenced by factors such as alignment with personal interests, clear targets, and a supportive work environment. However, many Gen Z individuals face difficulties in developing strong work ethics, handling feedback, and effectively communicating, which hinder their professional growth and lead to higher turnover intentions. Additionally, the demand for high salaries, without corresponding performance or discipline, further exacerbates their vulnerability to layoffs. To address these issues, companies must foster leadership styles that promote positive emotional relationships and create an inclusive culture that meets Gen Z's expectations.

In addition to motivation and work environment, Generation Z also values work-life balance and opportunities for career development. A lack of both in the workplace can lead to dissatisfaction and turnover intentions. Providing clear paths for career advancement, offering skill development programs, and ensuring a balanced workload are crucial in retaining Gen Z employees. Companies must recognize that Generation Z is motivated by the opportunity to develop meaningful careers that align with their values, skills, and aspirations. By understanding these preferences and addressing their concerns, employers can create a more engaging and supportive work environment, ultimately reducing unemployment rates and improving retention among this generation.

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