

## **CHAPTER I**

### **INTRODUCTION**

#### **1.1 Object Overview**

One of the most crucial and valuable resources in any organization or corporation is its workforce, which performs the tasks necessary to operate the enterprise in all respects. The success of a project will always be impacted by teamwork. Maintaining the work-life balance of employees, particularly those in the Z generation, is crucial for organizations to achieve the greatest results. Due to their social media and the internet usage, the Z Generation faces new developmental obstacles as they enter the profession. Additionally, the enhanced educational system is assisting them in expanding their skill sets, and improved information flows are opening up additional employment prospects. Thus, it is necessary to reconsider how training can meet the developmental needs of Z Generation (Gabrielova and Buchko, 2021). The "Comparison of employee loyalty of each Generation in Indonesia" study by Jobplanet explains why Generation Z's degree of commitment to their jobs is typically lower than that of Generations X and Y. Jobplanet, (2017) also discovered that 57.3% of Generation Z employees who have been employed for a year decide to turnover. Since members of Generation Z are known to be disloyal to their employers, management must give them extra consideration to prevent turnover intention, which is the desire to shift across the workplace. The sense of loyalty owned by employees is certainly not easy to build for companies. With the projection that Generation Z and millennials will dominate the workforce, companies must prepare a number of strategies to ensure that employees who are included in this generation have high loyalty so that they will not cause a desire to turnover. This will prevent the company from facing challenges or losses due to high turnover rates (Marsela and Sari, 2024).

Currently, Gen Z accounts for more than 30% of the world's population. Furthermore, by 2025, they are expected to make up 27% of the workforce. (Hanifah and Sali, 2023). It is therefore crucial for organizations to understand this newest generation of workers when they enter the workforce in order to address their demands specifically. The findings of National Workforce Survey 2022 show

that Millennials and Generation Z comprise 68.63% of Indonesia's workforce. The Z Generation is expected to produce a significant number of workers of working age by 2045. In order for companies to hire Gen Z workers from Indonesia, they must be aware of their professional goals. (Hanifah and Sali, 2023).

Indonesia as one of the biggest population among the world. Indonesia takes 27.94% of the entire population, or 74.93 million members. Nowadays, the largest generation group in Indonesia is the Z Generation, which was born between 1997 and 2012. Possibly more important than millennials, they make up the second biggest generation in Indonesia with 69.38 million members, or 25.87% of the total population. (IDN Research Institute, 2024).

Gen Z is the largest population in Bandung. According to Badan Pusat Statistik Kota Bandung [BPS Kota Bandung] (2020), Gen Z population in Bandung is 26,66%. Gen Z is the youngest workplace entrant. They are called the internet generation or iGeneration. Gen Z is comparable to Millennials, yet they use technology differently. Gen Z can use social media on a phone, browse on a laptop, and listen to music on an app. Gen Z has been exposed to advanced technology that indirectly builds their personality.

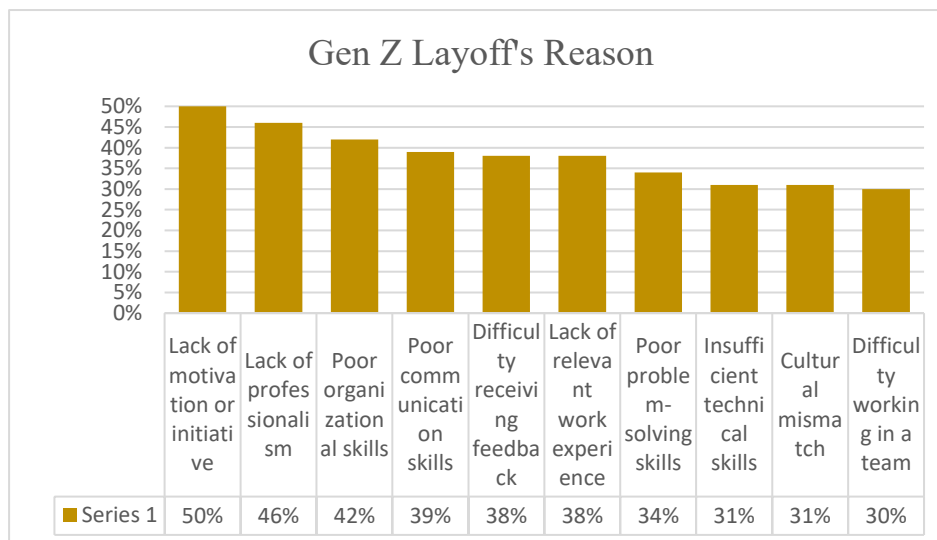
In general, Generation Z prefers to have flexibility work time that let them set up their own schedule and workspace. They respect work-life balance highly and seek for companies that provide this type of flexibility. This need for adaptability is frequently brought on by ideals like autonomy, freedom, an appreciation of personal accomplishments (Ferdinan et al., 2023).

As the young employee, the Z Generation has high skills of adaptation and digital technology. They grow up with the presence of sophisticated gadgets and online platforms in order to make communication and daily activity easier. According to Rachmawati (2019), the Z Generation had a strong connection with technology and the internet, they also prefer to have a flexible work schedule. From the interest explanation above, authors tend to analyse the Z Generation to be the research object.

## **1.2 Research Background**

Projects these days are much more complicated and have strict deadlines. Employees must oversee those complicated assignments with short timelines, and projects of significant strategic importance, organizational support is essential to gain the project goals and maintain the team's motivation. Employee performance can be one of the factors for determining a successful project (Zhu and Mostafavi, 2018). In an interview with detikX, Indah as HRD of a start-up company claimed that a large percentage of the Z Generation have poor performance, with a 70:30 ratio between those who do well and those who do not. Employees from Generation Z often perform poorly because they do not take responsibility for their work. Employee performance appraisal is a method of evaluating an employee's performance to see if it aligns with the goals that have been established (Meilola, 2023).

According to (CNBC Indonesia, 2024) the newest report from intelligent, an education and career consulting platform, revealed surprising data about Z Generation workers. About 6 out of 10 companies surveyed and reported having fired their newly hired this year. These are the reasons of the employee's layoff according to CNBC Indonesia (2024);



**Figures 1. 1 Gen Z Layoffs Reason**

*Source: CNBC Indonesia, 2024*

The data shows Gen Z employees' poor performance. Because of Gen Z's inadequate performance, the company had to fire them and end their partnership.

Motivation and initiative are important aspects of KPIs related to employee engagement and innovative contribution. Employees who lack motivation are less likely to achieve productivity targets and rarely show initiative to improve work processes or solve problems without direction (Aguinis, 2019). Generation Z is known as a generation that seeks meaning in their work and is more likely to be motivated by flexible and purpose-driven work environments (Meister and Willyerd, 2021). If companies fail to provide a work environment that matches their values, then KPIs related to motivation and innovation may decline, leading to poor performance. Professionalism is often measured in KPIs related to discipline, work ethics, and compliance with company rules. Gen Z, who grew up in the digital age with more flexible work expectations, often has a different approach to work than previous generations (Twenge, 2017). Some companies may find that the flexibility expected by Gen Z avoids traditional work norms, creating gaps in KPIs measuring rule compliance, time management, and work commitment.

Organizational skills are a key indicator in KPIs that measure work efficiency and time management. Employees who lack good organizational skills tend to have difficulty meeting deadlines and managing tasks effectively (Robbins and Judge, 2023). In an increasingly fast-paced and dynamic work environment, especially in companies that adopt hybrid or remote work systems, organizational skills are becoming increasingly important. The inability to manage tasks well can lead to decreased productivity, which ultimately impacts individual KPI evaluations. KPIs related to continuous improvement and professional development often measure how employees respond to feedback and apply it in performance improvement. Generation Z has an expectation that feedback should be constructive, personalized, and given instantly (Schroth, 2019). However, if companies do not provide a feedback system that matches their expectations, or if employees are not open enough to criticism, then KPIs in the self-development category will be affected, which can be a reason for companies to lay off.

Work culture mismatch affects KPIs related to organizational adaptation and job satisfaction. Gen Z has high expectations for work-life balance and inclusiveness, which sometimes conflict with the traditional work culture in some

companies (Meister and Willyerd, 2021). If companies cannot meet these expectations or employees are unable to adapt to the organizational culture, then KPI scores in the integration and job satisfaction categories can be low, which can lead to layoff. KPIs in the category of teamwork and collaborative effectiveness are crucial in many organizations. Generation Z, although highly accustomed to digital communication, sometimes has difficulty in direct collaboration in the workplace, especially if they are more comfortable working independently (Dimock, 2019). If they cannot adapt to the dynamics of teamwork, then KPIs in the aspect of collaboration will be low, which can be a major reason for companies to make layoffs.

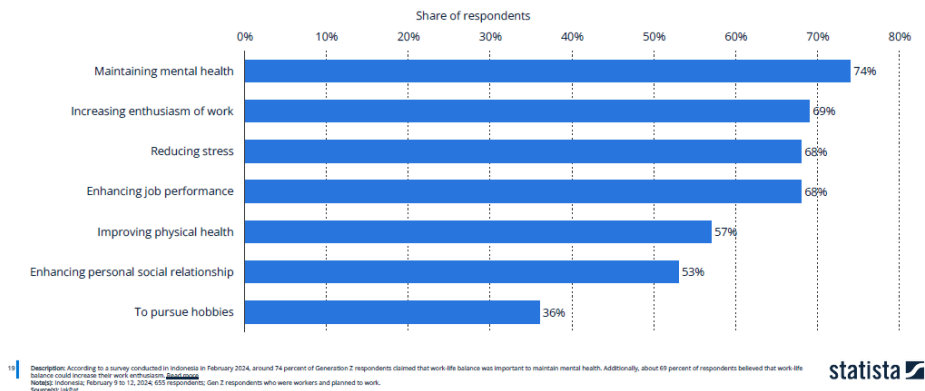
Overall, the factors causing Generation Z layoffs suggest that there is a mismatch between work expectations, skills possessed, and KPIs implemented by companies. To improve their performance, it is important for companies to adapt employee management strategies to the unique characteristics of Generation Z, such as providing more real-time feedback, offering more flexible technical skills training, and creating a work environment that is more supportive of work-life balance. On the other hand, Gen Z must understand the importance of KPIs and improve their skills in the aspects measured by companies to improve their performance and maintain the position in the workforce.

Workers in Indonesia must be at least 15 years old. The two segments of Generation Z are those who have begun working and those who are still in school. In this digital era, Z Generation is a productive workforce. So, it is expected that Z generation will perform better than the previous generation (Wulur and Mandagi, 2023). One of the main elements that affects how well a project performs in reaching organizational objectives is employee performance. (Werdhiastutie et al., 2020). Employee performance, which in turn influences project performance, is greatly impacted by work-life balance.

Figure 1.2 below is the result of the survey conducted by Statista, (2024) in Indonesia in February 2024 about the importance of work-life balance.

#### Leading reasons to prioritize work-life balance among Generation Z in Indonesia as of February 2024

Reasons to prioritize work-life balance among Gen Z Indonesia 2024



#### Figures 1. 2 Importance of Work-Life Balance

Source: Statista, 2024

It shows that 68% of Z Generation workers think that a healthy work-life balance is essential to enhancing job performance. According to a 2023 Deloitte survey, 50% of Gen Z respondents said that "work-life balance" was one of their top priorities while looking for a job. This generation avoids dangerous work environments and is more likely to leave employment that don't meet their expectations.

Businesses are discovering that optimising productivity requires preserving a work-life balance. Balance between work and life is impacted when companies and organizations adopt flexible working arrangements. The work-life balance of workers is the top concern for human resource managers. Rashmi and Kataria, (2022) said that fatigue from an excessive workload might affect a person's quality of life. Work-life balance is therefore necessary in any organization. Temporal flexibility, a reasonable workload, sufficient time for bps kotaobby, refreshing, and family are all necessary for work-life balance. Business that supports this balance will gain the improvements in employee performance as well as job satisfaction. Workers are more driven and committed to their jobs when they have control over their time and able to manage work and personal needs (Sawitri, 2024). Performing

Organization had a difficult time to get the customer's needs and goals. And it will be difficult to get approval from the supervisor team and the customer. With the advance of technology, it has an impact on the project management.

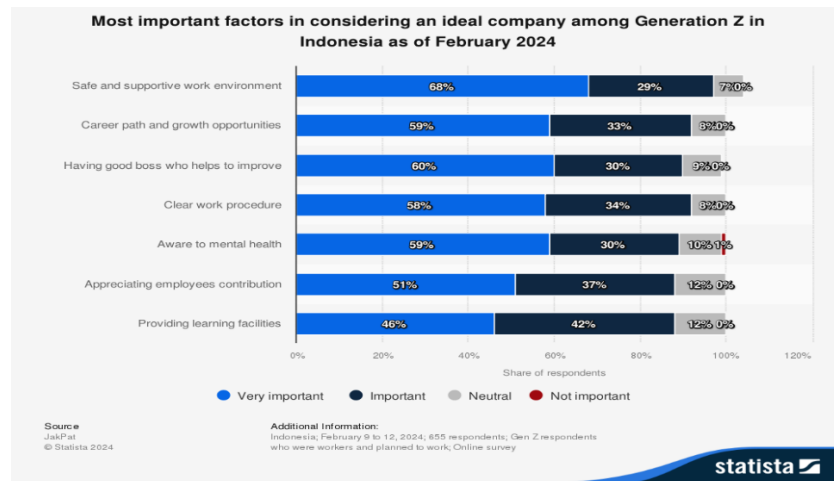
The distinctive values and expectations of Generation Z, which is rapidly entering the Indonesian labour market, emphasise how crucial work-life balance is to improving project performance, reducing attrition, and boosting job satisfaction (D. P. Lestari and Perdhana, 2023). Unlike the previous generation, Z Generation places a high value on flexibility and seeks a distinct separation between their personal and professional needs, which are essential for their involvement and effectiveness in project-based works (Waworuntu et al., 2022). If their needs aren't satisfied, they'll quit the company. A 2022 Deloitte survey found that 40% of Gen Z workers would prefer to leave their job within two years due to work-life balance issues, financial worries, and a chronically high level of stress. In order to deal with a workforce that is dominated by younger generations, businesses must pay particular attention to two important issues: work-life balance and employee happiness (Sánchez-Hernández et al., 2019).

Achieving a sustainable work-life balance in high-pressure, project-focused workplaces is still difficult, and it frequently results in job burnout, which is characterized by emotional and physical exhaustion, and it may affect project results as a whole. All businesses worldwide must be concerned about the burnout phenomena if Z Generation employees are to be able to operate in a physically and psychologically healthy way. Employees may become more or less productive as a result of job tiredness. According to a 2022 poll by the US work-management company Asana, a higher percentage of Gen Z employees reported feeling burned out than employees in other age groups. Furthermore, 80% of Gen Z respondents to a 2021 study of British workers said they had experienced higher levels of burnout since the epidemic, compared to an average of 73% across all age groups.

According to Azevedo et al. (2022), it is revealed that improving project performance requires organizational support. Organizational support directly employee performance through communication, integration, and alignment processes. Research has also examined perceived organizational support as a

mediating factor in the link between job engagement, self-efficacy, and employee performance (Nugraha and Kharismasyah, 2024). In addition, POS has been employed in research by Siagian et al. (2024), which found that POS mediates work-life balance and job satisfaction. It implies that job happiness and work-life balance may be enhanced with the organization's assistance.

With the help of supporting infrastructure, a project may become more operationally efficient, fit with organizational goals, and ultimately provide better outcomes. Furthermore, organizational support has a direct and indirect effect on the project's performance (Azevedo et al., 2022). Support from the organization suggests that when workers see that the organization cares about them, supports them, and cares about them, their performance will increase. Organizations that prioritize employee welfare enhance the general perception of organization support. The criteria that Generation Z in Indonesia considers an ideal firm as of February 2024 are depicted in the diagram (Figure 1.3) below, and they have an effect on employee performance.



**Figures 1.3 Ideal Company Among Gen Z**  
*Source: Statista (2024)*

As we can see from the figure 1.3, the result of survey by Statista, (2024), organization support also important to the employee performance among Z Generation. It says there safe and supportive work environment have the biggest impact for 68% on the ideal company which have impact on employee performance as well. The factors that show in the diagram, have an impact to considering the



ideal company among Gen Z which also affected to the employee performance Gen Z.

Other than that, Z Generation, as the younger generation, needs to overcome and avoid burnout to avoid its effect and harm the company's future, which depends on them. Z Generation workers require autonomy and a balanced life. From 1.190 Gen Z employees, it shows that 27% always feel exhausted with their jobs, 21% feel useless in their company, 21% find it difficult to sleep after work. These are the symptoms of burnout among Z Generation in Indonesia according to (Populix, 2023). They are more prone to suffer from burnouts at work, which can harm their success on projects and in their personal lives. Burnout can manifest as poor performance at work, missed deadlines, and disengagement, all of which can significantly affect both individual and team productivity (Koutsimani et al., 2019). According to Daud et al. (2023) companies must also consider family, friends, and other obligation outside employee's workforce. Burnout causes despair, feelings of failure, exhaustion, and loss of motivation in individuals and negatively impacts the company. Job satisfaction is increased when staff burnout is low. It illustrates how job satisfaction and burnout are impacted by work-life balance.

Job burnout, organizational support, work-life balance, and employee performance have all been linked in the literature, but little research has examined these relationships in relation to Indonesia's Z Generation. This study intends to close this knowledge gap and enhance employee performance through efficient and successful organizational policies by offering insights into the unique dynamics of this generation. It is clear from the preceding explanation of the events that the authors suggest a new connection between employee performance and work-life balance. This thesis uses organizational support and job burnout, which are frequently utilized as independent variables, as a mediation variable.

### **1.3 Problem Formulation**

The poor performance of Generation Z in Bandung was caused by a number of problems, including work-life balance, job burnout, and organizational support.

Given the aforementioned research context, the problem statement in this research is:

1. How is the condition of work-life balance among Gen Z in Bandung?
2. How is the condition of organizational support among Gen Z in Bandung?
3. How is the condition of job burnout among Gen Z in Bandung?
4. How is the condition of employee performance of Gen Z in Bandung?
5. How does Work-life Balance impact the Job Burnout among Z Generation employees in Bandung?
6. How does Work-life Balance impact the Organizational Support among Z Generation employees in Bandung?
7. How does Organizational Support impact to the Employee Performance among Z Generation employees in Bandung?
8. How does Job Burnout impact the Employee Performance among Generation Z employees in Bandung?
9. How does Organizational Support mediate the relationship between Work-Life balance and Employee Performance among Z Generation in Bandung?
10. How does Job Burnout mediate the relationship between Work-life Balance and Employee Performance among Z Generation in Bandung?
11. How does Work-Life Balance influence the Employee Performance among Z Generation in Bandung?

#### **1.4 Research Objective**

Given the research context and the many issues raised in the problem formulation above, this research objective is;

1. To determine the condition of work-life balance among Gen Z in Bandung.
2. To determine the condition of organizational support among Gen Z in Bandung.
3. To determine the condition of job burnout among Gen Z in Bandung.

4. To determine the condition of employee performance of Gen Z in Bandung.
5. To determine Work-life Balance impact the Job Burnout among Z Generation employees in Bandung.
6. To determine Work-life Balance impact the Organizational Support among Z Generation employees in Bandung.
7. To determine Organizational Support impact to the Employee Performance among Z Generation employees in Bandung.
8. To determine Job Burnout, impact the Employee Performance among Generation Z employees in Bandung.
9. To determine Organizational Support, mediate the relationship between Work-Life balance and Employee Performance among Z Generation in Bandung.
10. To determine Job Burnout, mediate the relationship between Work-life Balance and Employee Performance among Z Generation in Bandung.
11. To determine Work-Life Balance influences the Employee Performance among Z Generation in Bandung.

## **1.5 Research Benefit**

### **1.5.1 Theoretical Benefits**

This study benefits the academic community by offering a thorough analysis of how job burnout, organizational support, and work-life balance interact to impact employee performance, particularly among Indonesian generation Z employees. It highlights generational dynamics, which are becoming more and more important in contemporary workforce studies, and deepens our understanding of these relationships within Indonesia's distinct sociocultural and economic context.

The results of this research will be crucial to future research into the relationship between organizational support, work-life balance, and workplace burnout in various age groups and geographical areas. The framework, theories, and conclusions of this study can be expanded upon by research to explore similar dynamics in different generations or locations.

### **1.5.2 Practical Benefits**

Companies may utilize the data to create and execute policies that encourage work-life balance and create supportive work cultures to prevent job burnout, since Gen Z workers are predicted to make up a sizable share of the workforce. Companies can improve overall productivity, employee retention, and project performance by addressing these factors. Human resource departments can use the insights to help them design wellness, engagement, and support initiatives that are specifically focused on Gen Z's unique needs.

The research gives the government information about the new Generation Z workforce's performance patterns and general well-being. Using this information, governments might support labour laws and programs that support work-life balance and organizational support, which could reduce burnout and increase productivity across the country, particularly among Gen Z. It encourages the creation of labor laws that address current workforce issues and help create a more sustainable and healthier workforce.

This study can contribute to raising public awareness of the significance of mental health and work-life boundaries by emphasizing the link between burnout and work-life balance. The results will improve the community's standard of living and general health by encouraging individuals to lead healthier lives, supporting social programs that focus on well-being, and motivating them to prioritize balanced work practices. For long-term productivity and well-being, it also encourages the younger workforce to be mindful of striking a balance between work and personal life.

## **1.6 Systematics of Final Project Writing**

The final project's methodical writing is arranged as follows to make it easier for everyone who reads it.;

**a. CHAPTER I: Introduction**

An introduction of the subject, study background, problem formulation, purpose, research limits, and the meticulous draughting of this final project are all included.

**b. CHAPTER II: Literature Review**

The theoretical underpinnings or theories that underpin research, together with the conceptual framework and hypotheses, are contained in Chapter II.

**c. CHAPTER III: Research Methodology**

In chapter III contains the types of research, variable operations, questionnaire design and measurement scale, types and data collection techniques, sampling techniques, analytical techniques, and hypothesis testing.

**d. CHAPTER IV: Result and Discussion**

The results and discussion of the respondents' qualities as perceived from different angles, the results of the discussion and solutions to the issue formulation, and the outcome of the data analysis calculations are all included in Chapter IV.

**e. CHAPER V: Conclusion and Recommendation**

Chapter V presents the data analysis findings and a synopsis of the discussion. It also offers a recommendation for more research.