

CHAPTER 1

PRELIMINARY

1.1 General Description of Research Objects

A generation refers to a group of individuals who were born in the same time period, which share the similar characteristics, beliefs, and behaviors (Santosa, 2019). Generation Theory which was first discussed by Karl Mannheim, is a generation which consists of individuals who have been born under the same temporal reference point and experiences similar historical events in an organization, the experiences within that organization shape the values and perception of the generation (Lubis & Mulianingsih, 2019). Generation is one of the most important social factors, especially in the corporate environment because it allows the company to find out how to effectively organize the exchange of information between different generations in the company. The generations in organizations are at times referred to as the workforce, but not all generations present in a company's population are of the working age.

Generation Z refers to individuals born between 1996 and 2012, making them currently between 11 and 27 years old. As members of this generation grow older, many have already entered the workforce, marking the arrival of a new wave of employees eager to contribute to organizations and industries worldwide. Unlike previous generations, Generation Z is distinguished by unique attributes that set them apart in their approach to work, career development, and professional aspirations. Their entry into the workforce brings fresh perspectives and expectations, often influenced by rapid technological advancements, shifting workplace dynamics, and evolving cultural values. Understanding Generation Z's characteristics and how they integrate into professional environments is essential for organizations looking to adapt to the future of work.

The business workforce today consists of multiple generations, each possessing distinct attributes shaped by the socio-economic conditions of their formative years. Generational classifications are typically based on birth age ranges and shared experiences that influence attitudes toward work, career progression, and professional values. The Baby Boomers, born between 1946 and 1964, were heavily influenced by post-war economic expansion and are often characterized by their strong work ethic, loyalty to employers, and preference for hierarchical structures. Generation X, which includes those born between 1965 and 1980, grew up witnessing economic shifts, globalization, and the rise of technology, making them more adaptable, independent, and inclined toward work-life balance. Generation Y, commonly known as Millennials, were born between 1981 and 1996, entering the workforce during the digital revolution, which shaped their preference for collaboration, technological integration, and flexible work environments (Rudolph, Rauvola, & Zacher, 2018).

Moreover, Generation Z exhibits a strong entrepreneurial spirit and a desire for autonomy in their careers. Many members of this generation prefer freelancing, gig economy opportunities, and self-employment over traditional corporate roles. Their exposure to digital platforms has enabled them to create independent income streams, whether through content creation, e-commerce, or digital services. This independence stems from their adaptability, self-reliance, and desire for financial security without being confined to rigid organizational structures. Employers must recognize this shift by offering career development opportunities, flexible work arrangements, and mentorship programs that empower Generation Z to thrive in professional settings while maintaining their sense of autonomy.

As Generation Z continues to integrate into the workforce, companies must adapt to their unique needs and expectations to remain competitive in attracting and retaining talent. Traditional management approaches may need to be reevaluated to accommodate their preferences for open communication, rapid career growth, and meaningful work experiences. Organizations that embrace technological advancements, prioritize diversity and inclusion, and foster environments that encourage innovation and adaptability will be more successful in engaging this

dynamic generation. By understanding what drives Generation Z in the workplace, businesses can develop strategies that align with their values, ultimately leading to a more motivated, engaged, and productive workforce in the years to come.

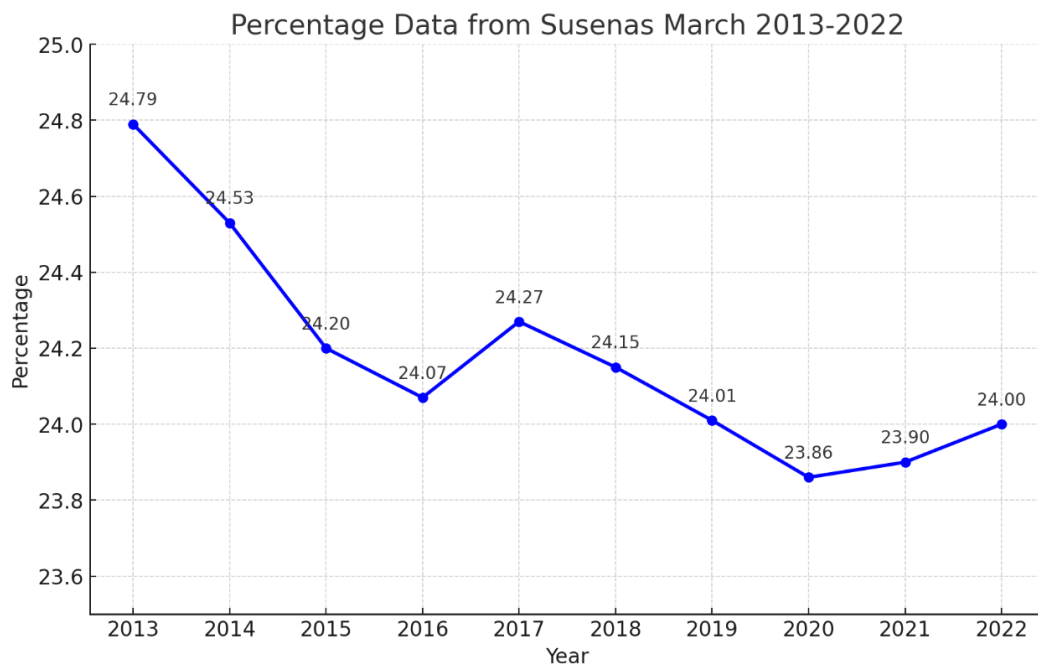


Figure 1. 1 Percentage of Indonesian Youth, 2016-2022

Source: Statistik Pemuda Indonesia (2022)

Based on the previously mentioned explanation, we can see on the picture above, Generation Z the population in Indonesia born between 1995 and 2010, comprises about 24% or approximately 64.5 million people (BPS, 2022). The modern workforce consists of multiple generations, each defined by distinct attributes shaped by their cultural and historical contexts. Baby Boomers (1946–1964) are known for their strong work ethic and loyalty, Generation X (1965–1980) for their independence and pragmatic nature, and Millennials, or Generation Y (1981–1996), for their collaborative tendencies and technological proficiency. Generation Z, born between 1996 and 2012, is the youngest and most digitally fluent group to enter the workforce.

This generation is marked by their adaptability, preference for flexibility, and high computer literacy. In Indonesia, Generation Z comprises approximately

24% of the population, amounting to 64.5 million individuals (BPS, 2022). Many of them are now entering the workforce, particularly in vibrant urban centers like Bandung, where industries such as technology and creative sectors are thriving. Their presence introduces both opportunities and challenges, as their expectations for flexible working conditions often clash with traditional workplace structures, leading to potential dissatisfaction or higher turnover rates (Deloitte Insights, 2022).

In Bandung specifically, Generation Z represents a significant proportion of the population, with Kota Bandung Dalam Angka (2024) estimating around 792,844 individuals aged 10–29 years. These young workers bring valuable strengths such as creativity, technological expertise, and adaptability, making them critical contributors to the local labor market. However, their distinct needs, including demands for meaningful work and work-life balance, require organizations to rethink their strategies and approaches to workforce management. Understanding this generation’s characteristics and addressing their expectations is essential for organizations to harness their potential and retain them effectively in a rapidly evolving economic landscape.

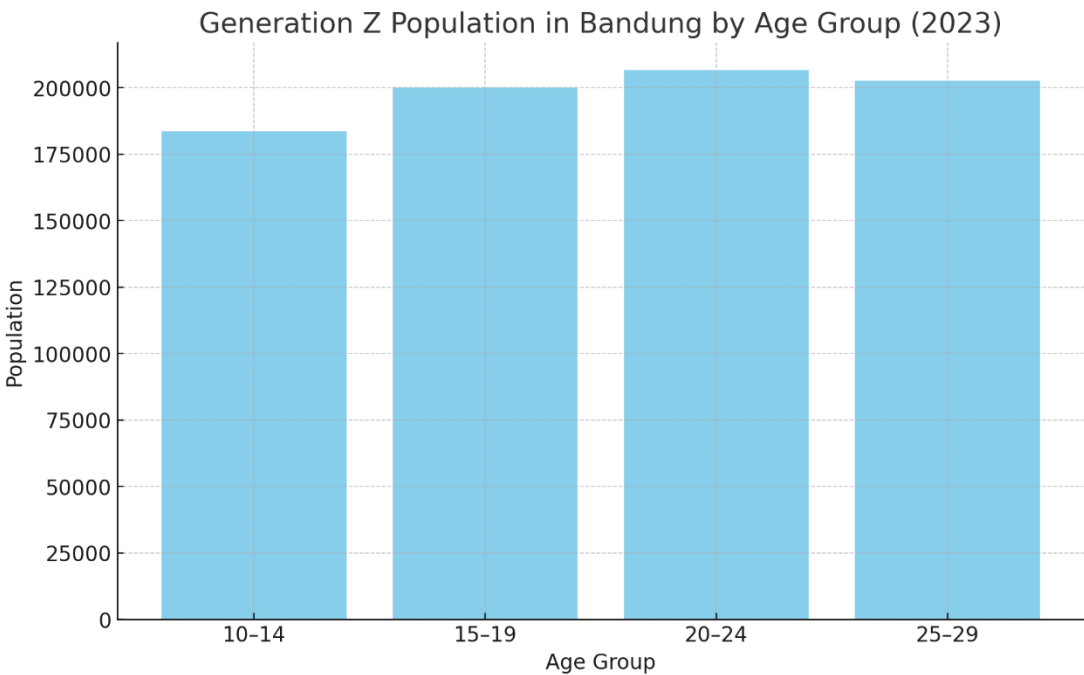


Figure 1. 2 Population of Bandung City 2023

Source: Statistik Kota Bandung Dalam Angka (2024)

According to the Indonesia Gen Z Report (2024), Generation Z is considered the most suitable population for Human Resource (HR) studies, given their unique attitudes and career expectations. Bandung City, as the second-largest contributor of Generation Z in Indonesia after Jakarta, plays a pivotal role in shaping the workforce landscape. This generation, born during the rapid growth of technology, has a natural inclination towards technological innovation, which significantly shapes their perceptions of job opportunities and career development. Unlike previous generations, Generation Z highly values flexibility and work-life balance, driving their preference for flexible working arrangements. Their expectations extend beyond traditional employment structures, as they also seek career mentors who can guide their professional growth and navigate the complexities of the modern workforce.

Generation Z's preferences are heavily influenced by workplace factors that prioritize their mental health and overall well-being. This generation places significant value on their emotional and physical health, even at the expense of accepting lower salaries if it means working in an environment that supports these priorities. Organisations are increasingly recognizing the importance of addressing these factors, as failing to do so could result in high turnover rates among this demographic. Generation Z's prioritization of health and work-life balance reflects a broader shift in employment expectations, emphasizing the need for workplaces to adapt and provide environments where employees feel supported and valued. Especially in the midst of current technological developments, where changes are very fast (Maharani and Wulansari, 2024), Generation Z must be able to keep up with the changes that exist. For HR professionals, understanding these dynamics is essential for attracting and retaining talent from this generation (Indonesia Gen Z Report, 2024).

Additionally, Generation Z is characterized by their strong sense of social responsibility and their desire to align with organizations that uphold similar values. They are drawn to companies that demonstrate ethical practices, environmental

awareness, and contributions to social causes. This preference highlights the need for businesses to not only offer competitive benefits and flexible working conditions but also to actively engage in socially responsible initiatives. By aligning organizational values with the priorities of Generation Z, HR departments can foster a more engaged and loyal workforce. Understanding and addressing these preferences is critical for organizations aiming to maximize the potential of this generation and create a workplace environment that supports their unique needs and aspirations.

1.2 Research Background

The hiring of Generation Z in organizations is new and is creating changes in organizational structure especially in organizations in growing urban cities like Bandung. This generation, referred to as the Millennials or generation Z was born between 1995 and 2010 and are approaching the work place with expectations closely related to their generation's beliefs and experiences. Deloitte's survey of gen z and millennials for 2022 suggests that 40% of global Gen Z intending to quit their jobs in the next year or two, and 35% would quit without having another job. Such a high turnover intention cannot be overemphasized the relevance of generative trend research work concerning Generation Z. This need that they have for flexibility, for their personal values, and their mental condition greatly affects whether they are going to stay or leave an organisation (Delloite 2022).



Figure 1. 3 Data The Great Resignation

Source: The Deloitte Global (2022)

These effects as a result of fast growth in creative and technologies were evident from responses by Generation Z employees study conducted by (Daffa et al., 2023), in the urban city like Bandung where 68.53 % reported moderate to high turnover intention. This intention comprises three dimensions: The last three stages that are; “Thinking of Quitting,” where workers begin to imagine living their dream of not working with their employer anymore; “Intent to Search,” where workers go hunting for another job offer; and finally, “Intent to Quit,” where workers have made up their mind to quit. The study also discovers that state affect work environment experience negatively influences the turnover intention, that is a better environment reduces the turnover intention while state affect work environment experience load has a positive relationship with the turnover intention implying that a high load increases the chances of turnover intention. Thus, the study of work environment and workload establishes that both have a strongly moderate relationship with turnover intention among the Generation Z employees, for both independent and aggregate analysis.

The survey results derived from those phenomenon above conclusively points out that the turnover rate has gone past the normal range as stated by Business.com (2024). The global survey conducted by the SHRM Benchmarking Human Capital Report reveals that the overall yearly turnover, including the forced termination and attrition, is 30%, and only 45% organization has voluntary or informal or formal succession plan. Typically, companies should strive to have a turnover rate of only 10% emphasizing how far current rates deviate from this benchmark. This reveals large-scale organizational problems with respect to stable workforce retention and the necessity for efficient resolution of this problem.

It is suggested that the phenomenon of Gen Z employees quitting their jobs can be explained by a survey conducted by PT Gongsin Internasional Transindo, according to Tempo.co. (2023) This survey reveals the specific demands and pressures that are specific for Gen Z at work, which are still not the same as those of previous generations. Several reasons were considered major causes of resignation among Gen Z employees, and the eight most important factors were

outlined. At the top of the list, a failure in the remuneration system in that 64.9% of the respondents stated that their salary did not reflect the post held which shows that the Gen Z employees appreciate a salary that is proportionate to the duties assigned. After this, 56.9% of the respondents complained of irregular or excessive working hours therefore the workers seem to prefer a regular working schedule that provides for leisure time. A poor or toxic work culture mentioned by 52.4%, illustrates the importance of the organization to provide healthy and supportive workplace culture for employees. Also, 51.3% respondents stated that SOPs and company policies are vague.

Other common concerns were indicated by 48.8% of the respondents as toxic coworkers and refer to the value that Gen Z has for interpersonal relationships at the workplace. In addition, job description and workload overload was mentioned by 41.8 % of the respondents; this is an implication to the fact that demanding job description with blurred lines of differentiation leads to work related stress. Lack of career progression was also an issue for 38.5% of Gen Z employees, which shows that this generation is ready to progress in their careers. Finally, 37.2% said that they had poor work-life balance, which supports the idea that the generation considers the balance of work and personal life as a high-priority issue. This data reflects new tendencies in modern work environment, where flexibility, fairness, and support are the primary factors for young employee retention.

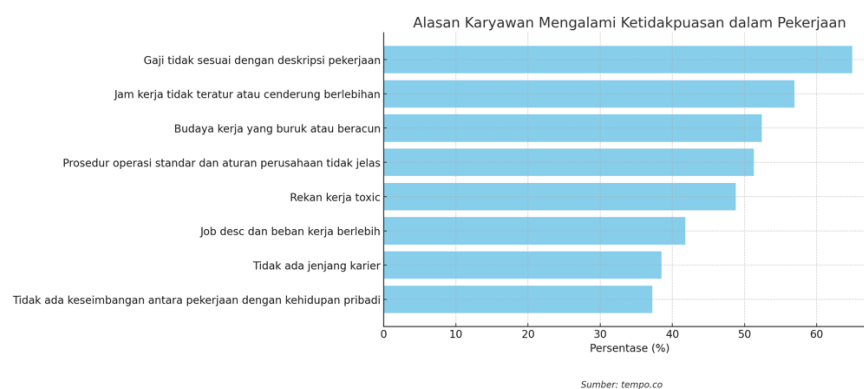


Figure 1. 4 Why Gen Z Resigns from Workplace, One of Them is Excessive Workload

Source: Tempo.co (2023)

Additionally, This phenomenon also supported by (Sanjaya, 2024) revealed that nine out of twelve Gen Z participants in metropolitan city like Kota Bandung encountered multiple connected factors which led to their desire to leave their position. The main contributing elements that lead to employee turnover consist of heavy workloads in addition to toxic workplace cultures and additional work-related hurdles. The identified factors functioned as basic motivating factors behind their wish to depart from their present employment

Percentage of Gen Z Employees Affected by High Workload and Toxic Work Environment

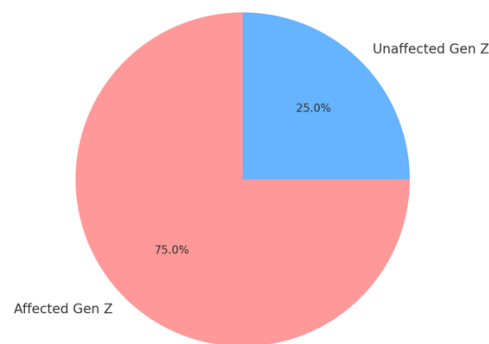


Figure 1. 5 An Examination of Factors Influencing Turnover Intentions Among Generation Z Employees

Source: Sanjaya (2024)

Of course, from the phenomenon of turnover intention that has been explained previously, this phenomenon has a very big impact on the companies as said by (Lazzari et al., 2022) High turnover, characterized by the departure of high-performing individuals, is detrimental. This results in financial losses as the organization retains diminished talent, hence decreasing output. They also incur additional costs associated with the recruitment and selection of qualified candidates to replace departing employees. Additionally, another recognized effect of staff turnover is the loss of personnel, which presents challenges to project timelines and organizational productivity.

The companies turnover results also have impact in the loss of high-performing personnel, whose skills and institutional knowledge are difficult to replace. Turnover intention, which reflects an employee's disposition towards departing the firm, is crucial for understanding real turnover. Therefore, by

comprehending turnover intention, companies can identify opportunities to further impact and analyze the engagement and retention of essential employees. It also mitigates adverse disruptions when onboarding new talent and managing the expenses associated with people replacement within the team (Lazzari et al., 2022)

Based on the Figure 1.4 and Figure 1.5, We can see the results contain the factors influencing the turnover intentions of Generation Z, To effectively reduce turnover intention, it is crucial to recognize the importance of work environment factors.

Research conducted by (Ratnasari & Saputra, 2024) showed that poor work environment was a major factor influencing high turnover intention among the Gen Z employees. Poor workplace environment provisions, for example, lack of support, workplace exclusion and high stress level lead to employee's dissatisfaction making them search for other positions to escape their current working environment. This generation also values workplace relationships and culture that is collaboration, inclusive and supportive thus any gap between what they expect and what is provided will lead to turnover intention. These issues should be resolved, by creating a friendly work environment that would help Gen Z employees stay, and reduce turnover.

Generation Z employees base their turnover intentions heavily on the non-physical work environment conditions. Generation Z employees demonstrate strong preference for work environments which emphasize healthy relationships and open communication together with colleague and superior support. Generation Z employees tend to develop dissatisfaction and stronger intentions to leave their jobs when their non-physical work environment is toxic due to poor relationships and ineffective communication and lack of support. The positive condition of non-physical work elements maintains job retention because it improves employee health and job satisfaction thus reducing the desire to look for new employment opportunities. The increasing presence of Generation Z workers demands organizations to develop supportive workplace cultures which promote harmony to maintain employee satisfaction (Damayanti & Wulansari, 2024).

Employee turnover intention stands strongly influenced by the non-physical workspace conditions. The combination of a supportive environment with harmonious relations and effective communication reduces employee turnover intentions yet a poor work environment with conflicts and lack of support increases the likelihood of employees leaving. Enhancing these factors creates better conditions that boost employee comfort and motivation to stay at their current jobs (Rahma Nisa & Dudija, 2024).

Gen Z is also often referred to as 'Chill Worker Bees', a term that reflects their advocacy for good workplace ergonomics and emotional comfort. These workers prioritize safety measures, job security, and clarity from their superiors in order to maintain productivity. However, when these conditions are not met, they experience stress and discomfort, leading to an increase in turnover intentions. This indicates that a negative work environment significantly raises the likelihood that employees, especially those who value stability and wellbeing, will seek to leave (Leslie et al., 2021).

Furthermore, Bad workplace environment reduces job satisfaction and thus increases the rate of employee turnover intention. This paper reveals that there is negative relationship between perception of working environment and job satisfaction which in turn affects the chances of the employee resigning. The current study shows that job satisfaction acts as a moderator in this relationship; therefore, lack of job satisfaction arising from an unfavorable work environment has a linear relationship with turnover intention. Thus, the need to encourage good working conditions is vital in firms that want to ensure that they do not lose their human resource to other firms (Tegar Irsyadi et al., 2023).

In addition to previously mentioned factors, Putri (2023) also indicate that a poor work environment is a strong determinant of turnover intention among employees. Because the conditions of work become uncomfortable or otherwise unfavorable, motivation and job satisfaction drop, eventually coercing employees to move to greener pastures. Besides, when the work environment lacks the needed features, excessive levels of work stress surface, and this harms performance while deepening feelings of loneliness, which counteract satisfaction. Hence, companies

have a responsibility of boosting their work environment in order to increase the chances of their employees retaining themselves and the productivity level improving (Putri , 2023).

On the other hand, We can see it again from Figure 1.4 and Figure 1.5 the the results contain the factors influencing the turnover intentions of Generation Z, To effectively reduce turnover intention, it is crucial to recognize the importance of workload is also one of the key factors that influence turnover intention. Especially among the Generation Z employees who are more vulnerable to the stress and burnout due to their preferences towards the work-life balance Subagyo et al., (2024). The large pressures that are put on employees in industries that require quick creative and efficient advances can cause workloads that are overwhelming and therefore play a major role in job dissatisfaction and stress that can affect turnover intention (Subagyo et al., 2024).

We may describe the problem above as a problem within the area of workload since it is in Confirmity with what was mentioned by Jermsittiparsert (2021) The journal focuses, among other things, on the impact of working hours and work load on job satisfaction, with the result that increased time pressure and work load intensity raise employee stress levels. Time pressure, the final type of irregular and excessive working hours, happens when an organisation gives insufficient time for employees to complete tasks by the deadlines established. This pressure results in long or unsuitable shift patterns, which contribute to mental and physical strain, as well as low job satisfaction and productivity due to a poor work-life balance. Recurrent pressure to meet tight deadlines builds up pressure, resulting in what most employees experience as anxiety, poor sleep, and a constant sense of exhaustion. Constant stress from time constraints diminishes employee efficiency and overall pleasure with their work (Jermsittiparsert, 2021).

While (S. L. Ratnasari et al., 2020) Stated that work hours affect turnover intention adversely through the deterioration of occupational health in service-oriented jobs. While working for their clients, they are under pressure to do certain tasks within specific or limited time and face animated interactions; they do not have decision-making authority, hence job dissatisfaction. These high demands

coupled with stress arising from them result in frustration thus making the employee's likely to look at changing their employer. Hence, the workload occupants perceive to be unhealthy for their sustainability becomes an essential reason that makes them want to resign (S. L. Ratnasari et al., 2020).

Moreover, (Adiputra & Milleny, 2024) Stated that work overload can influence turnover intention because when workload is not balanced employees may be stressed out, anxious and dissatisfied. Stress and pressure are familiar with all employees when a lot of work is placed on them, and especially when it is to be done fast or under intense leadership. Such continued strain leads to feelings of unease and the development of stress which in turn breeds employee desire for other jobs that are not characterized by a stressful workload. Therefore, high workload levels explain the employees' intention to transfer to other workplaces because of a healthy working climate.

Lastly stated that (Fitria et al., 2022) Work overload has a measureable effect on the turnover intention by decreasing job satisfaction since those employees facing continuous and high work demand experience physical and mental exhaustion which in turn affects their concentration leading to low quality production. It narrows down the satisfaction level that an employee has towards his or her job and makes the chances of seeking other employment chance high. Also, increased workload breeds undesirable consequences including absenteeism and reduced work performance which contributes to organisational difficulties. Hence, workload as one of the essential aspects that need to be monitored and influenced, to stabilise levels of satisfaction among employees, and decrease turnover rates of a company.

The phenomena and explanations described above are problems that occur regarding *turnover intention*, *work environment*, *workload* so that researchers are interested in conducting research with the title **“The Impact Of Work Environment And Workload On Turnover Intention Among Generation Z Employees In Bandung City”**.

1.3 Problem Formulation

This research seeks to respond to the increasing rate of turnover intention among the Gen Z employees in Kota Bandung, due to their specifics in work-related preferences. This generation believes that employers should provide flexible working terms and this issue is not well addressed by organizations (Deloitte, 2022). This unmet need has led to high turnover rates, according to trends with Gen Z employees indicating that up to 40% are ready to quit their jobs if those expectations are not met (Tempo.co, 2023).

This research reveals that the work environment and work load are two key factors affecting this generation's turnover intentions. According to Dickson & Isaiah (2024), main factors that Gen Z employees point out as the causes for them leaving their organizations include; Poor work culture, Inadequate & unclear SOPS and Toxic coworker relationships. Also, job stress and burnout due to overloaded working hours and irregular working schedules increase their desire to look for jobs elsewhere (Subagyo et al., 2024).

The increasing turnover intention among Generation Z employees has become a growing concern for organizations, particularly in Kota Bandung. This generation, known for its unique values and expectations, often struggles to find alignment with traditional workplace practices. Issues such as an unsupportive work environment and excessive workload are frequently cited as key factors contributing to their dissatisfaction. For Generation Z, who prioritize mental health, work-life balance, and meaningful engagement, these challenges can significantly increase their intention to leave. The lack of alignment between their expectations and organizational practices not only impacts employee retention but also disrupts operational continuity and increases recruitment costs. Despite these trends, research addressing how work environment and workload influence turnover intention specifically among Generation Z employees in this region remains limited.

Additionally, while existing studies highlight work environment and workload as significant predictors of turnover, compensation dissatisfaction is increasingly being recognized as a critical factor. Reports from local data sources

indicate that many employees in Kota Bandung leave their jobs due to inadequate pay, further compounding the challenges posed by poor work conditions and high workloads. This raises the need for a comprehensive analysis that integrates these variables to better understand their interplay and impact on turnover intention. By addressing these gaps, this study aims to provide actionable insights for organizations to develop strategies that align with the needs and expectations of Generation Z employees, ultimately improving retention rates and organizational performance.

This research aims at establishing working environment and workload effects on turnover intention of Gen-Z employees in Kota Bandung. By identifying relationships outlined above, one can easily develop means of positively changing organizational practices to meet key needs influencing retention. It is hoped that the study outcomes are to offer practical recommendations that may help lower turnover rates and enhance the overall employee contentment and organisational stability (Jermisittiparsert, 2021).

Therefore, researchers conducted research to answer the questions below:

1. How is the work environment in Kota Bandung based on the perception of generation z?
2. How is the workload of employees in Kota Bandung based on the perception of generation z?
3. How is the turnover intention of generation z employees in Kota Bandung?
4. How much is the effect of work environment on turnover intention of Gen z employees at Kota Bandung?
5. How much is the effect of workload on turnover intention of Gen z employees in Kota Bandung?

1.4 Research Purpose

Based on the background and problem formulation above, the research objectives that the researcher wants to achieve are as follows to be achieved by researchers are as follows:

1. To analyze how the work environment of generation z employees at PT. X

2. To analyze how the workload of generation z employees in PT. X
3. To analyze how the turnover intention of generation z employees at PT. X
4. To analyze how much is the work environment influences turnover intention of individual for generation z employees at PT. X
5. To analyze how much is workload affects the turnover intention of generation z employees at PT. X

1.5 Research Benefits

The significance of the study on **"The Impact Of Work Enviroment And Workload On Turnover Intention Among Generation Z Employees In Kota Bandung"** is as follows Theoretical significance It is beneficial to know that this study will contribute theoretical or scientific significance and practical significance. These contributions purpose to enhance scholarly debates as they present a practical orientation to organizations with a focus on a Generation Z workforce population.

1.1.1 Theoretical Benefits

A. Adding to the Information Base on Staff Turnover

This research will improve the theoretical background of turnover intention taking the case of the Generation Z employees in Bandung. Despite the rich theoretical and empirical literature emphasizing turnover intention across different employee populations, little attention has been paid to how the work environment affects the youngest and technologically connected Generation Z workforce. This research will seek to fill that gap through identifying factors within the environment that affect their decision to either commit or exit from an organization based on existing theories on employee retention.

B. Future Research Foundation

The discovery made from this study will offer a conceptual framework on which subsequent scholarly works on Generation Z will be built on, to be able to explain how generational types perceive or act towards stimuli within a working environment. By focusing on Bandung City the book also adds a local

element which can be helpful when looking at employment in Indonesia's cities and regions and other comparable countries.

1.1.2 Practical Benefits

This study is expected to provide information about the effect of transformational leadership on turnover intention, as moderated by person-organization fit in the community, so that it can be used as a reference for future research on related topics.

1.6 Methodology

The structure of this final report comprises various chapters organized as follows:

A. Chapter I: Introduction

This chapter provides a comprehensive overview of the report's contents, including the study subject, background, problem statement, research objectives, advantages of the research, and the structure of the completed project.

B. CHAPTER II: Literature Review

This chapter delineates theories derived from many literatures addressing issues associated with Work Environment, Workload, And Turnover Intention

C. CHAPTER III Research Methodologies

This chapter delineates the research type, operational variables, population and samples, data collection methods, validity and reliability assessments, and data analysis techniques utilized in compiling research reports on **The Impact Of Work Environment And Workload On Turnover Intention Among Generation Z Employees In Kota Bandung**

D. CHAPTER IV: Research Findings and Analysis

This chapter delineates the findings of the research about **The Impact Of**

Work Enviroment And Workload On Turnover Intention Among Generation Z Employees In Kota Bandung

E. CHAPTER V Conclusions and Suggestions

This chapter presents conclusions and suggestions regarding research on
the

The Impact Of Work Enviroment And Workload On Turnover Intention Among Generation Z Employees In Kota Bandung