



Understanding Indonesia's Generation Z

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Abstract

It seems like researchers have just started to finally understand Generation Y (Gen Y). Now, along comes Generation Z (Gen Z). What difference can a decade make? Different social and economic conditions shaped different generations with different values, behaviours, and attitudes. A study in the USA confirms that Gen Z is more realistic and self-reliant. Global events and developments will impact different countries at different rates and intensities. Therefore, generational characteristics may be cultural- and country- specific. This study aimed to see the characteristics of Gen Z in Indonesia. A descriptive quantitative study was conducted at one prominent private university in Jakarta, Indonesia. Eighty-nine survey respondents answered a questionnaire with a voting pad. The finding of the study confirms that unlike Gen Y, Gen Z in Indonesia also considers job security and money important. Unlike Gen Y, they are willing to work harder for higher pay and relocate to other cities and countries for decent job opportunities. They also consider face to face communication important. Due to small size samples, a bigger sample size is recommended for the generalization of Gen Z characteristics in Indonesia. The theoretical contribution of this study is adding empirical evidence of Gen Z characteristics. Practically, this study will give insight to management that Gen Z is different than Gen Y; therefore, they need different treatment.

Keywords: Characteristic of generation; Generation Z; Indonesia

1. Introduction

It seems like researchers have just started to finally understand Generation Y (Gen Y). Then, along comes Generation Z (Gen Z). As of 2016, Gen Z has entered the workplace. Therefore, in one company, there might be three generations working together. Since each generation carries a distinct set of values and behaviour, understanding the characteristic of each generation will help avoid conflict in the workplace.

What difference can a decade make? Gen Z is born into and experiencing different things growing up compared to Gen Y. They never experienced life without internet and constant connection. They experienced life with economic uncertainty (great recession in 1998) and they do not recall a moment when the US war on terror did not exist. Those experiences shaped values and behaviours of Gen Z [1].

Gen Z is expected to reach 2.56 billion individuals globally by 2020. It is estimated that in 2020, they will occupy 20% of workplace. At any time in one company there will be three different generations, with distinct sets of values, behaviours, and attitudes. Managing the dynamics of multi-generations is a key challenge for managers. Each generation has its unique ability and competency. Leveraging them is a key to the success of an organization [2].

Currently, there are limited literatures on Gen Z. The available survey and studies on Gen Z emphasizes how different they are compared to Gen Y. Those studies are mostly done in western countries. There are even fewer studies reviewing Gen Z in Asia. [3] state that global development will impact different countries at different rates and intensity. Therefore, generational characteristics may be cultural- and country-specific.

This study aims to determine the characteristics of Gen Z in Indonesia. The study will contribute to literature on Gen Z in the Asian context, especially Indonesia.

"Generations represent distinct and separate groups of people with a common set of beliefs, experiences, and values about the way the world works" (Koulopoulos & Keldsen) [4]. "Generation is defined by both its years of birth and a particular set of shared social and economic conditions during their formative years". There are two key factors that contribute to the definition of "generation". The first one is a common lifetime period in historical time. The second one is that they share common events and experiences that shape their "distinct consciousness" [5]. These two aspects contribute to common generational characteristics which make people belonging to a generation similar in their traits, thinking, values, and beliefs [5]. A generation is basically defined as "a series of birthdays of a group of people" [6]. A different definition for a generation is "the generational cohorts or groups, who belong to the same age group, experience, or will experience accordingly the similar life experience in the years they may shape their lives" [7].

A generation is defined as "a set of historical events and related phenomena that creates a distinct generational gap" [8]. For identification, it requires "some form of social 'proximity' to shared events or cultural phenomenon" [8]

Based on the different definitions, therefore, a generation can be defined "as the groups of people who were born, grew, and maintained their life in a certain period, and are supposed to have common characteristics and viewpoints as they are affected from the events occurred during the aforementioned period" [9]. The era in which a person is born, and the experiences one has growing up particularly during one's "coming-of-age" years, will affect one's behaviours, attitudes, and values. These values and subsequent behaviours will remain relatively stable throughout a gener-

ation's lifetime and set them apart from the preceding and following generations [10].

Currently, there are four generations of legal adults. They include the Silent Generation (Traditionalists or the Greatest Generation; those born between 1922 and 1945), the Baby Boomers (born from 1946 to 1964), Generation X (born from 1965 to 1977), and Millennials (born from about 1977 to 1993). Additionally, there is Generation Z (born from 1993 to 2005) (Turner, 2015). Gen Z is starting to enter the workplace. They will occupy 20% of the workplace in 2020 [11].

It seems like researchers have just started to finally understand Generation Y (Gen Y), and now along comes Generation Z (Gen Z). What different a decade can make?

Gen Z is the generation born between 1995 and 2015 [4-7-8]. This generation has distinct characteristics compared to Millennials because they were born and are growing up in different social and economic conditions. Gen Z is growing up during a recession and economic uncertainty [2-6-9]. They have watched family members and neighbours lose their homes during housing crisis (Monster Worldwide, 2016).

Experiencing that economic condition has shaped Gen Z into a more realistic generation compared to the optimistic Gen Y. They are uncertain about the long term and fearful about the short term [12]. Gen Z is generally more risk-averse than earlier generations. They have lower expectations, are confident but cautious, and have fairly modest demands compared to Gen Y [12]. Gen Z puts money and job security at the top of their priority list [11]. They also considered job security and stability important [1-8]

This generation is known as digitally naïve and hyper-connected junkies [7]. They are the first generation to have access to a wide scale of digital communication technology in the form of the mobile phone, Wi-Fi, and interaction computer games [2]. Gen Z can never imagine a world without internet.

Gen Z spends on average 6.5 hours daily in front of an electronic screen [3]. They write and receive 109.5 texts per day [6]. They considered a smart phone as an important part of their life [9]. Their attention span is short [3].

Many of this generation are growing up with a single parent. Therefore, they are a more self-reliant and do-it-yourself (DIY) group of people [7]. They need extensive feedback, but not micromanagement like Gen Y. Gen Y was raised in a small, complete, and protected family. Gen Y used to get attention and direction from their parents growing up; therefore, they are more self-centred and need micromanagement.

Even though Gen Z spends most of their time in front of an electronic screen, they are not necessarily non-social. Differently than Gen Y, who mostly communicate with texts, Gen Z, with the technology advancement which enables social interchange through Skype, FaceTime, or even interactive video games, are more socialize-able. Gen Z prefers face-to-face interactions [2-5].

2. Methods

The study aims to see whether the characteristics of Gen Z in Indonesia are similar with those in the US. A descriptive quantitative study was conducted in June 2017. Self-report questionnaires modified from a Monster Worldwide survey was designed (Appendix 1). There are 16 items consisting of questions including entrepreneurship, job security, job flexibility, the importance of money, and face-to-face communication. Respondents were asked to answer questions with their own opinions based on the four alternative answers using a voting pad. Respondents were students from one prominent private university in Jakarta.

The total number of samples was 89. Since it was with a voting pad, the survey was set to have a minimum of 80 respondents for each question. Students were from year 1 to year 4, so they fit the criteria of Gen Z. Descriptive statistics were used to analyse the data to see the frequency of each opinion.

3. Results

Fifty-one per cent of respondents are female and forty-nine per cent of respondents are male. Fifty per cent are in their early 20s, forty-four per cent are between 18 to 20 years old, and the remaining six per cent are less than 18 years old.

What do you plan to do after graduating University?

1. Look for job which give me security and stable monthly income
2. Start my own business venture
3. Continue my education exclusively
4. Still don't know

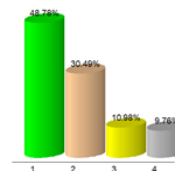


Fig. 1: Prefer work to own business venture

The survey showed that forty-nine per cent of respondents said that they wanted to look for a job which will provide them a stable monthly income after graduating university, compared to 30% who will pursue their own business venture. Seventy-nine per cent of them considered that having job security was important.

Having job security is important

1. Extremely Disagree
2. Disagree
3. Agree
4. Extremely Agree

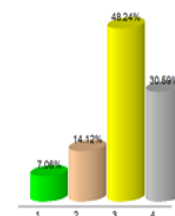


Fig. 2: The importance of job security for Gen Z

Thirty-two per cent of respondents stated that they were willing to work extra hours to get a higher income. Fifty-four per cent of them were willing to be relocated to other cities or countries if they were offered good job opportunities.

Which one you choose?

1. Works extra hours (nights and weekends) and get higher pay
2. No extra hour, just work as usual
3. Take leaves (unpaid leaves if necessary) and enjoy time with friends and family
4. None

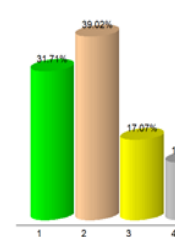


Fig. 3: Willingness to work harder for extra money

When they were asked about the importance of competitive salary, eighty-three per cent said that it is important. They also expect to have the opportunity to have a different job role or job flexibility (fifty-five per cent said it is nice if they have that opportunity and ninety per cent said that it is a must-have). Forty-six per cent said that they will work if the company offered a personal development program.

Having a superior that they respect is also an important aspect when they considered a job offer. Fifty-seven per cent of respondents said it is important to have a face-to-face discussion, feedback session, and opinion sharing with their boss. However, most of them (seventy-three per cent) stated that they only wanted to stay less than two years in their first job.

Other interesting characteristics from Gen Z include that they are willing to donate money, time, and participate in Cause-Related Marketing programs.

4. Discussion

Gen Z and Gen Y have similarities and differences. They both are technology savvy, entrepreneurial spirits, have global awareness, and are highly self-confident. However, different social and economic conditions have shaped different characteristics.

Gen Z was born and has grown up during the hardship of an economic recession. It made them more realistic compared to the optimistic Gen Y (Culpin, Millar, & Peters, 2015). This study confirms that Gen Z wants stability and security when looking for a job after they graduate. The more realistic Gen Z also applied to Gen Z in Indonesia. According to Trading Economic ("Indonesia GDP Annual Growth Rate," 2017), the Indonesian growth rate has slowed within the last 10 years, and for the last three, the GDP growth rate is less than six per cent. The hardship in economics has shaped Gen Z in Indonesia to be more realistic.

The hardship in economics also makes them witness parents struggle financially. That might be the reason why Gen Z preferred job security over pursuing their own business venture. The hardship in economics might be also the reason why they are motivated by money. Forty-nine percent stated that they will search for a job with a stable income, and seventy-nine per cent said that job security was important. Fifty-six per cent considered competitive salary a very important factor when reviewing job offers. They are also willing to work harder to get higher pay and relocate to other cities and countries if they get a good job opportunity.

Regardless of the excess time Gen Z spends in front of an electronic screen, they still prefer face-to-face interaction with their boss. Spending time in front of an electronic screen does not necessarily mean that Gen Z is not socialized. Differing from Gen Y, who mostly communicate with texts, Gen Z, with the technology advancement which enable social interchange with Skype, FaceTime, or even interactive video game, are more socialized. Gen Z prefers face-to-face interactions [2-8-11].

Gen Z in Indonesia is also socially responsible. This study confirms that Gen Z in Indonesia states that they are willing to donate money and time to charity, and are willing to participate in Cause-Related Marketing programs conducted by firms. Gen Z is a highly connected generation. They are the first generation to have access to a wide scale of digital communication technology in the form of mobile phones, Wi-Fi, and interactive computer games [12]. They are exposed to what happens in the world. They are global citizens and want to have purpose in life [13].

5. Conclusion

Gen Z is entering the workplace, starting in 2016, and will occupy 20% of the work place by 2020. They are just a decade away from Gen Z, but Gen Y and Gen Z have different social and economic conditions. Therefore, it is expected that they will have a distinct set of values, behaviours, and attitudes.

The study confirms that Gen Z in Indonesia is realistic and needs security and stability. Money is an important motivation; therefore, they are willing to work hard and being relocated for a good job opportunity. They prefer face-to-face communication with their boss. They are also global citizens who are socially responsible.

The limitation of the study is the small sample size. Further studies, with bigger sample sizes, can depict more generalized Gen Z characteristics in Indonesia. Further studies of Gen Z in the rural areas will confirm that different cultures and technology penetration might influence the different characteristics of Gen Z. A qualitative study to seek the understanding of values, behaviours, attitudes, and life goals among generations in the workplace will help organizations' success.

This study contributes to both theoretical and practical applications. Theoretically, this study contributes empirical evidence of Gen Z characteristics in Indonesia. The implication of this study's result is the insight for business management regarding the challenge of managing different generations in the work place. The

way management works for one generation might not work for another generation.

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