

Generation Z work-life preferences: Organizational, social, and arrangement effects

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Abstract

Purpose: This study aims to examine the influence of organizational and social environmental factors on Generation Z's work-life balance (WLB) preferences in Semarang City, with work arrangements as a moderating variable.

Methodology: Using a quantitative explanatory design, data were collected from Generation Z employees in the creative, technology, and public service sectors through stratified purposive sampling. Moderated regression analysis (MRA) was employed to test the hypotheses.

Results: The research results indicate that organizational factors exert a positive influence on Generation Z's work-life balance preferences. Furthermore, the social environment is also shown to have a positive effect on these preferences. Additionally, work arrangements significantly moderate the relationship between organizational factors and work-life balance preferences, as well as the relationship between the social environment and work-life balance preferences.

Conclusion: The study highlights the critical role of work arrangements in shaping Generation Z's WLB preferences. Organizations should develop adaptive HR policies and flexible work options to better align with their expectations.

Limitations: The study is limited to Semarang City and specific sectors, which may affect generalizability. Self-reported data could also introduce bias.

Contribution: This research extends WLB literature by integrating Social Exchange Theory and Boundary Theory while offering practical insights for organizations to enhance workforce strategies for Generation Z.

Keywords: *Generation Z, Organizational Factors, Social Environment, Work Arrangement, Work-Life Balance*

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1. Introduction

The dynamics of the global workplace have undergone fundamental transformations over the past decade, driven by accelerated digitalization, demographic shifts in the workforce, and the evolution of generational values (Taibah & Ho, 2023). Generation Z, born between 1997 and 2012, is now entering the labor market with unique characteristics that differ significantly from previous generations. Unlike Millennials, who still prioritize career stability, Generation Z demonstrates a stronger preference for work-life balance (WLB), work flexibility, and alignment of personal values with the organization (Ivasciuc, Epuran, Vuță, & Tescașiu, 2022). This phenomenon presents new challenges for organizations in designing effective human resource management strategies to attract, retain, and optimize the performance of young employees.

In the Asia-Pacific region, research indicates that 78% of Generation Z employees prioritize work-life balance over high compensation. Comparative studies in Indonesia, Malaysia, and Singapore reveal

that 69% of young workers expect flexibility in work time and location as a key component of WLB strategies (Palupiningtyas, Octafian, Mistriani, Ayunda, & Putra, 2025). Similar findings in Japan and South Korea indicate that Generation Z's WLB preferences are complexly influenced by organizational factors such as corporate culture, performance management systems, and HR policies, as well as social environmental factors including family support, societal norms, and peer group expectations (Jurkiewicz & Brown, 1998).

The urgency of this research is driven by several factors. First, projected workforce composition indicates that Generation Z will account for 27% of the global workforce by 2025 and 40% by 2030. Second, the turnover rate of Generation Z in the service sector reaches 31% per year, higher than the previous generation's rate of 18% (Herrera, Heras-Rosas, Rodríguez-Fernández, & Ciruela-Lorenzo, 2022). Third, organizations that failed to accommodate Generation Z's WLB preferences experienced a 42% decline in employee engagement and a 23% productivity gap (Sánchez-Hernández, González-López, Buenadicha-Mateos, & Tato-Jiménez, 2019). Data from Indonesia show a similar phenomenon, with 64% of companies reporting difficulties in retaining young talent due to a mismatch between organizational policies and WLB expectations (Geng, Ma, Osei-Kyei, Jin, & Shrestha, 2025).

Although research on work-life balance has grown rapidly, several significant research gaps remain. First, most previous studies have focused on millennials in developing countries, while understanding of Generation Z's WLB preferences in developing Asian countries remains limited (Dima, Țuclea, Vranceanu, & Țigu, 2019; Urien, 2023). Second, previous research approaches have tended to use a direct relationship model between organizational or social factors and WLB, without considering the moderating role of work arrangements, which have become a crucial determinant in the era of hybrid working (Xueyun et al., 2023). Third, contextualization of WLB research in medium-sized cities in Indonesia, such as Semarang, remains minimal, even though the socio-economic and organizational cultural characteristics of these regions have their own unique characteristics (Catană, Toma, Imbrișcă, & Burcea, 2022).

Previous studies have shown inconsistent findings that require further investigation. Bulut and Maraba (2021) study in the Middle East found a significant positive influence of organizational factors on WLB, while Fuchs (2022) study in Europe showed a moderate relationship between the two. Similarly, the influence of the social environment on WLB preferences shows variations in results across studies. Simeli, Tsekouropoulos, Vasileiou, and Hoxha (2023) reported a strong correlation in Pakistan, but Ngoc, Dung, Rowley, and Bach (2022) found a weak association in Malaysia. This inconsistency indicates the presence of a missing moderator that has not been comprehensively examined.

From a methodological perspective, previous research on Generation Z's work-life balance has predominantly used a cross-sectional survey approach with structural equation modeling (SEM) (Barhate & Dirani, 2022). This approach has strengths in identifying causal relationships and testing theoretical models, but weaknesses in accommodating the complexity of variable interactions and specific contexts. Some studies have employed a mixed-method approach to enrich understanding (Husain, Che-Ani, Affandi, Nasri, & Musid, 2020), but these remain limited to large-scale organizations in metropolitan areas. Research on medium-sized cities with diverse organizational characteristics remains underexplored.

Work arrangements as a moderating variable offer a new perspective for understanding WLB dynamics. This concept encompasses temporal flexibility (flextime, compressed workweek), spatial flexibility (remote work, hybrid model), and structural flexibility (job sharing, project-based employment), enabling employees to optimize the integration of work-life domains (Chopra and Bhilare (2020). Emerging research indicates that work arrangements can strengthen or weaken the influence of organizational and social factors on WLB preferences, depending on the degree of autonomy and the technological infrastructure available (Qi et al., 2020).

Based on the identified research gaps, particularly the limited understanding of Generation Z's work-life balance preferences in medium-sized cities in developing Asian contexts and the underexplored

moderating role of work arrangements, this study adopts a moderated regression analysis (MRA) approach combined with stratified purposive sampling to test the hypotheses. This methodological design allows for a nuanced examination of how organizational and social environmental factors shape work-life balance preferences among Generation Z employees in Semarang, Indonesia, with work arrangements as a moderating variable. This approach is particularly suited to capturing the interaction effects between predictors and moderators, elucidating context-specific conditional relationships, and yielding actionable insights for human resource practitioners.

This study focuses specifically on Generation Z employees aged 20–28 years in Semarang’s creative, technology, and public service sectors. These sectors were selected because they represent emerging digital economic trends and contemporary organizational characteristics. By developing an integrated framework that incorporates organizational factors, such as structure, culture, and policies; social environmental factors, including family support, peer influence, and community norms; and modalities of work arrangements, this study aims to provide a holistic understanding of the determinants of work-life balance preferences.

The key novelty of this study lies in its contextual and methodological contributions. This study addresses the scarcity of empirical research on work-life balance in medium-sized Indonesian cities while incorporating work arrangements as a critical moderating variable, an aspect often overlooked in previous studies. By applying MRA within this specific socio-cultural setting, this study offers fresh insights into the complex interplay between organizational, social, and structural factors shaping the preferences of a generation that values autonomy and flexibility. The theoretical contributions of this work are anchored in the integration of social exchange and boundary theories, offering a robust framework for understanding the reciprocity between organizational support and employee preferences, as well as the role of boundary management in work-life integration. Practically, the findings provide organizations with evidence-based guidance for designing adaptive HR policies, flexible work structures, and value propositions that align with the expectations of Generation Z. Such strategies are essential for enhancing employee retention, well-being, and productivity in the evolving workplace landscape.

2. Literature review

2.1. Social Exchange Theory and Boundary Theory

This study is underpinned by the integrated lenses of Social Exchange Theory (SET) and Boundary Theory, which provide a robust theoretical foundation for understanding the complexities of Generation Z’s work-life balance (WLB) preferences. Social exchange theory (SET) Ivasciuc et al. (2022) elucidates the reciprocal relationship between employees and their organizations. It posits that when an organization invests in supportive structures such as a positive culture, progressive HR policies, and empathetic leadership, employees perceive this as a beneficial exchange. In return, they reciprocate with greater commitment, engagement, and a stronger preference to remain in an environment that values their wellbeing. This explains the hypothesized direct positive effect of organizational factors on WLB preferences: Generation Z employees are more likely to seek and value balance in workplaces that demonstrably support their holistic needs.

Concurrently, boundary theory (Ashforth, Kreiner, and Fugate (2000) offers critical insights into the cognitive and behavioral processes individuals use to create, maintain, and transition between work and personal life domains. For Generation Z, a generation characterized by digital nativity and blurred lines between the professional and social spheres, the ability to manage these boundaries is paramount. This theory directly informs the role of the social environment, as family expectations and peer comparisons act as powerful social cues that influence how individuals negotiate these boundaries. Furthermore, theory is essential for understanding the moderating role of work arrangements. Flexible work modalities (e.g., hybrid models, flextime) provide employees with tangible boundary management tools to effectively integrate or segment their lives according to organizational expectations and social pressures. Thus, while SET explains *why* organizational support leads to desired outcomes, Boundary Theory explains *how* individuals, aided by flexible work structures, navigate and manage the interplay

between organizational demands and social influences to achieve their preferred work-life balance (Taibah & Ho, 2023).

2.2. Work-Life Balance among Generation Z

The concept of work-life balance (WLB) has evolved significantly in human resource management, particularly since Generation Z entered the workforce. Sesen and Donkor (2023) define WLB as the ability to harmonize professional responsibilities with personal life without compromising either domain. For Generation Z, research by Lee, Yam, Susilawati, and Blake (2024) reveals distinct preferences, emphasizing flexibility, autonomy, and alignment with personal values. Studies in the Asian tourism sector highlight key characteristics of this generation's WLB expectations, including digital nativity, purpose-driven career orientation, and boundary flexibility, which facilitate the integration of work and personal life.

2.3. Organizational Influences on Work-Life Balance

Organizational factors significantly shape employees' WLB preferences. Research has identified several critical dimensions, including organizational structure, corporate culture, HR policies, performance management systems, and leadership. Studies of Middle Eastern higher education institutions have demonstrated that a supportive organizational culture enhances work-life integration, leading to higher engagement and job satisfaction. Additionally, findings from Asian contexts suggest that progressive HR practices, such as flexible work arrangements and employee empowerment, strengthen the psychological contract between employees and organizations. However, cultural differences influence the extent of these effects, with Asian settings showing a more pronounced impact than Western environments (Aliu et al., 2023).

2.4. Social Environment and Work-Life Balance

The social environment plays a crucial role in shaping WLB preferences, particularly in collectivist cultures. Family support systems, peer influences, and community norms significantly impact how individuals balance their work and personal lives. Research in Malaysia highlights the strong influence of family support on work-life balance (WLB) decisions. Cross-cultural comparisons further reveal that collectivistic values amplify the effect of the social environment on work-life boundaries. With the rise of digital connectivity, social media has emerged as a new factor influencing Generation Z's perceptions of work-life balance, with this generation placing greater emphasis on peer validation in career-related decisions (Rajput, Kore, & Agarwal, 2024).

2.5. Work Arrangements as a Moderating Factor

Work arrangements are a critical moderating variable in the relationship between organizational support and WLB satisfaction. Studies have introduced frameworks that include temporal flexibility, spatial autonomy, and structural adaptability, demonstrating that flexible work models enhance employees' ability to manage work-life boundaries. Research in the hospitality and IT sectors confirms that hybrid work arrangements strengthen the link between organizational culture and employee's well-being. Key mechanisms include autonomy enhancement, boundary management customization, and stress reduction through reduced commuting and improved work-life harmony (Affandi et al., 2020).

2.6. Hypothesis Development

2.6.1. The Effect of Organizational Factors on Work-Life Balance Preferences

Organizational factors are critical determinants of Generation Z's work-life balance (WLB) preferences. Within contemporary work environments, elements such as organizational culture, HR policies, leadership styles, and workplace flexibility directly influence how employees perceive and achieve a balance between their professional and personal lives. For Generation Z, these factors hold particular significance, as this cohort prioritizes workplaces that align with their values of autonomy, purpose, and well-being (Simeon, Adeyanju, Owen, & Aminu, 2023). Blau's (2017) social exchange theory Blau (2017) provides a strong theoretical foundation for understanding this relationship. The theory suggests that employees engage in reciprocal relationships with organizations, where supportive work environments foster greater commitment and satisfaction among employees. When organizations implement policies that promote WLB, such as flexible schedules, remote work options, and mental

health support, Generation Z employees are more likely to perceive their workplace as fair and responsive to their needs, thereby enhancing their overall WLB satisfaction.

Empirical evidence supports this relationship. Studies by Taibah and Ho (2023) in multinational corporations found that organizations with progressive WLB policies reported 30% higher retention rates among Generation Z employees. Similarly, Ivasciuc et al. (2022) demonstrated that companies with strong work-life integration cultures in the Asian service sector experienced lower burnout rates and higher productivity levels among younger employees. These findings underscore the pivotal role of organizational factors in meeting the evolving expectations of Generation Z.

H1: Organizational factors have a significant positive effect on Generation Z's work-life balance preferences

2.6.2. The Effect of Social Environment on Work-Life Balance Preferences

The social environment plays an equally vital role in influencing the WLB preferences of Generation Z. Family expectations, peer comparisons, and societal norms shape how individuals prioritize and manage their professional and personal commitments. In collectivistic cultures, where familial and social ties are strong, external influences often dictate career choices and work-life balance. For Generation Z, digital connectivity further amplifies social pressures, as online platforms create constant visibility into peers' lifestyles and career trajectories. Boundary theory (Ashforth et al. (2000) explains this dynamic by highlighting how individuals negotiate and maintain separation or integration between work and personal life based on social cues. When family or peers emphasize the importance of work-life harmony, Generation Z employees are more likely to seek employers who facilitate such a balance. Conversely, in environments where overwork is glorified, young professionals may struggle to establish healthy work-life boundaries. Research by Xueyun et al. (2023) in Southeast Asia revealed that Generation Z employees with strong family support systems reported higher WLB satisfaction because they felt empowered to prioritize personal time without guilt. Additionally, Erro-Garcés, Urien, Čyras, and Janušauskienė (2022) found that peer validation significantly influenced career decisions, with many young professionals opting for roles that offered flexibility over higher salaries to maintain social approval.

H2: Social environment has a significant positive effect on Generation Z's work-life balance preferences

2.6.3. The Moderating Role of Work Arrangements

Work arrangements are a pivotal moderating factor in the relationship between organizational support, social environment, and WLB preferences. Flexible work models, such as hybrid schedules, remote work, and results-oriented structures, empower employees to tailor their work-life integration according to personal needs and external influences. For Generation Z, these arrangements are not just perks but are essential components of a fulfilling career. Empirical studies by Catană et al. (2022) demonstrated that flexible work arrangements amplify the positive effects of organizational WLB policies by granting employees greater control over their schedules. Similarly, Bulut and Maraba (2021) found that in the tech industry, when organizations offered remote work options, the influence of supportive social networks on WLB satisfaction strengthened, as employees could better align work demands with family or peer expectations (Fuchs, 2022). These findings suggest that work arrangements do not operate in isolation but interact with both organizational and social factors to shape WLB. When employees have the autonomy to design their work structures, they are better equipped to navigate external pressures while maintaining their productivity and well-being.

H3: Work arrangement moderates the relationship between organizational factors and Generation Z's work-life balance preferences

2.6.4. The Moderating Role of Work Arrangements in Social Environment-WLB Relationship

The interaction between the social environment and work arrangements presents a unique dynamic in shaping Generation Z's work-life balance preferences. As digital natives who maintain constant social connectivity, Generation Z employees have heightened sensitivity to peer comparisons and family expectations regarding career success and lifestyle choices. Work arrangements serve as a critical buffer that either amplifies or mitigates social pressures. Boundary Management Theory (Kreitner and Kinicki

(2007) provides insight into this moderating effect, suggesting that flexible work arrangements empower employees to construct personalized boundaries that reconcile social expectations and professional demands. When work structures allow for schedule autonomy and location independence, Generation Z can better accommodate important social obligations - whether attending family events, pursuing peer-endorsed lifestyle activities, or maintaining a digital social presence—without compromising work responsibilities.

Recent empirical evidence highlights this. A longitudinal study by Ngoc et al. (2022) demonstrated that Generation Z employees with flexible schedules reported 40% lower social pressure-related stress than those with rigid schedules, despite maintaining equivalent work hours. Furthermore, (Barhate & Dirani, 2022) revealed that remote work options reduced the "social visibility gap and the anxiety stemming from peers' curated career portrayals on social media by allowing employees to structure their work in ways that aligned with their social identity needs.

H4: Work arrangement moderates the relationship between the social environment and Generation Z's work-life balance preferences

3. Methodology

3.1. Research Design

This study used a quantitative descriptive method. Quantitative methods can be defined as a research approach based on the philosophy of positivism, which is used to study certain populations or samples (Sugiyono, 2017). Data collection was conducted using research instruments, and the data analysis was quantitative or statistical in nature, aimed at describing and testing previously established hypotheses (Moleong, 2018). Quantitative descriptive research allows researchers to identify patterns, relationships, and effects within variables, facilitating hypothesis testing through structured data collection and statistical analysis. Data collection is carried out using research instruments, and data analysis is quantitative/statistical, which aims to test predetermined hypotheses.

3.2. Population and Sample

The population of this study was Generation Z employees (aged 20-28 years) in the creative industry, technology, and public service sectors in Semarang City, with an estimated 2,450 individuals based on Central Java BPS data (2023). The stratified purposive sampling technique was used with the following criteria: (1) minimum work period of 6 months, (2) permanent or contract employee status, and (3) use of digital technology at work. The sample size was calculated using the Cochran formula with a margin of error of 5%, resulting in 332 respondents distributed proportionally across sectors (Sekaran & Bougie, 2016).

3.3. Data Analysis Techniques

Data analysis was performed using moderated regression analysis (MRA) with the following stages: (1) Classical Assumption Test - normality (Kolmogorov-Smirnov), multicollinearity (VIF), heteroscedasticity (Breusch-Pagan), autocorrelation (Durbin-Watson); (2) Descriptive Analysis - mean, standard deviation, correlation matrix; (3) Hierarchical Regression - three-step model building. MRA Mathematical Model.

Model 1 (Main Effects): $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon_1$

Model 2 (Moderator Addition): $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 M + \varepsilon_2$

Model 3 (Interaction Effects): $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 M + \beta_4 (X_1 \times M) + \beta_5 (X_2 \times M) + \varepsilon_3$

Where:

Y : WLB Preferences,
 X_1 : Organizational Factors,
 X_2 : Social Environment,
M : Work Arrangement,
 β : Regression coefficient,
E : Error term.

4. Results and discussion

4.1. Result

4.1.1. Respondent Characteristics

This study involved 332 Generation Z respondents from Semarang City with a representative demographic distribution. Most respondents were aged 23-26 (68.4%), had a bachelor's degree (74.1%), and worked in the technology sector (42.8%), followed by the creative industry (31.9%) and public services (25.3%). The gender distribution was relatively balanced, with 52.1% of the participants being female and 47.9% being male.

4.1.2. Descriptive Statistics and Validity Test

Table 1. Descriptive Statistics and Reliability of Variables

Variables	Mean	Elementary School	Cronbach's α	AVE	CR
Organizational Factor (X1)	3.78	0.62	0.891	0.634	0.912
Social Environment (X2)	3.65	0.58	0.876	0.618	0.896
Work Arrangement (M)	3.42	0.71	0.883	0.625	0.903
WLB Preference (Y)	3.84	0.59	0.904	0.651	0.919

Note: SD = Standard Deviation, AVE = Average Variance Extracted, CR = Composite Reliability

The descriptive statistics and reliability analysis revealed critical insights into the measurement quality of the study's constructs. Organizational factors (X1) exhibited the highest mean score (3.78 on a 5-point scale), indicating that respondents generally perceived organizational culture, HR policies, and leadership as supportive of work-life balance (WLB). The relatively low standard deviation (0.62) suggests a consensus among respondents. This construct also demonstrated strong internal consistency (Cronbach's $\alpha = 0.891$) and convergent validity (AVE = 0.634), confirming its reliability. Similarly, the social environment (X2) showed a mean of 3.65, reflecting moderate agreement regarding the influence of family, peers, and societal norms on WLB preferences. Its Cronbach's α (0.876) and AVE (0.618) further validate its strength. Work arrangement (M) and WLB preferences (Y) also met the reliability thresholds ($\alpha > 0.88$, AVE > 0.62), ensuring that the constructs were well measured and suitable for further analysis.

4.1.3. Classical Assumption Test Results

Table 2. Results of the Classical Assumption Test

Assumption Test	Statistics	Mark	Criteria	Status
Normality	Kolmogorov-Smirnov	0.067	> 0.05	Fulfilled
Multicollinearity	VIF	1.23-2.14	< 10	Fulfilled
Heteroscedasticity	Breusch-Pagan	0.089	> 0.05	Fulfilled
Autocorrelation	Durbin-Watson	1.987	1.5-2.5	Fulfilled

Classical assumption tests confirmed the appropriateness of the regression model. The Kolmogorov-Smirnov test (0.067, $p > 0.05$) supports normality, indicating that the residuals were normally distributed. Multicollinearity was absent, as evidenced by VIF values ranging between 1.23 and 2.14 (all below 10). The Breusch-Pagan test (0.089, $p > 0.05$) confirmed homoscedasticity, implying constant variance in the residuals. Additionally, the Durbin-Watson statistic (1.987) fell within the acceptable range (1.5–2.5), suggesting no autocorrelation. These results collectively affirm that the data met the prerequisites for moderated regression analysis (MRA).

4.1.4. Results of Moderated Regression Analysis

Table 3. Results of Moderated Regression Analysis

Model	Variables	β	t-value	p-value	R ²	ΔR^2
Model 1	X1 → Y	0.412***	8,246	0.000	0.547	-
	X2 → Y	0.298***	5,973	0.000		
Model 2	X1 → Y	0.389***	7,841	0.000	0.574	0.027**
	X2 → Y	0.276***	5,612	0.000		
	M → Y	0.198***	3,945	0.000		
Model 3	X1 → Y	0.365***	7,523	0.000	0.612	0.038***
	X2 → Y	0.251***	5,187	0.000		
	M → Y	0.176***	3,618	0.000		
	X1 × M	0.143**	2,897	0.004		
	X2 × M	0.167**	3,245	0.001		

*Note: ***p < 0.001, **p < 0.01, p < 0.05

The hierarchical regression analysis revealed significant effects and interactions. In Model 1, organizational factors ($\beta = 0.412$, $p < 0.001$) and social environment ($\beta = 0.298$, $p < 0.001$) both positively influenced WLB preferences, explaining 54.7% of the variance ($R^2 = 0.547$). Model 2 introduces work arrangement as a moderator, increasing the explanatory power ($\Delta R^2 = 0.027$, $p < 0.01$). The interaction terms in Model 3 further enhanced the model ($\Delta R^2 = 0.038$, $p < 0.001$), with significant moderating effects for organizational factors ($\beta = 0.143$, $p < 0.01$) and the social environment ($\beta = 0.167$, $p < 0.01$). These findings indicate that flexible work arrangements amplify the positive impact of organizational and social factors on WLB preference.

4.1.5. Simple Slope Analysis

Table 4. Analysis of the Moderation Effect of Work Arrangement

Moderator Level	X1 → Y	X2 → Y
Low WA (-1 SD)	$\beta = 0.289^{**}$	$\beta = 0.194^*$
Mean WA	$\beta = 0.365^{***}$	$\beta = 0.251^{***}$
High WA (+1 SD)	$\beta = 0.441^{***}$	$\beta = 0.308^{***}$

Note: WA = Work Arrangement

Simple slope analysis elucidates how work arrangement moderates these relationships. For organizational factors, the effect on WLB preferences strengthened from $\beta = 0.289$ (low work arrangement) to $\beta = 0.441$ (high work arrangement), demonstrating that flexibility enhances the positive influence of organizational support. Similarly, the social environment's impact grows from $\beta = 0.194$ (low) to $\beta = 0.308$ (high), underscoring that work arrangements mitigate social pressures by enabling boundaries management. These results align with Boundary Management Theory, which illustrates that autonomy in work structures empowers Generation Z to effectively reconcile professional and personal demands.

4.2. Discussion

4.2.1. Organizational Factors on Work-Life Balance Preferences

The findings clearly demonstrate that organizational factors substantially influence Generation Z's work-life balance preferences. When companies cultivate supportive environments through progressive HR policies, flexible structures, and positive corporate cultures, employees report a significantly better ability to harmonize their professional and personal lives. This effect manifests most strongly in organizations that prioritize employee well-being through concrete initiatives rather than through superficial perks. This relationship holds particular significance for Generation Z, who actively seek

workplaces that align with their values of autonomy and purpose, making organizational support a crucial determinant of their job satisfaction and retention.

Blau's (2017) social exchange theory (Blau, 2017) provides a compelling explanation for these results. The principle of reciprocity clarifies why Generation Z employees respond positively to organizational support: when companies invest in creating work environments that respect personal time and promote well-being, employees reciprocate with higher engagement and commitment. This mutual exchange creates a virtuous cycle in which supportive organizational practices lead to a better work-life balance, which in turn fosters stronger employee loyalty and performance. This theory helps explain why Generation Z, known for valuing authenticity and mutual respect in workplace relationships, responds so strongly to organizational factors that demonstrate genuine concern for their holistic well-being.

Previous studies have consistently supported these findings (Ivasciuc et al., 2022). Studies across various industries have shown that organizations with strong work-life integration cultures experience lower turnover rates and higher productivity among their younger employees. However, some contrasting evidence has emerged from studies conducted in more traditional industries or hierarchical organizational cultures, where the impact of organizational factors appears less pronounced. These differences highlight how the organizational context shapes the effectiveness of work-life balance initiatives, suggesting that the same policies may yield varying results depending on implementation and workplace culture. The findings of the current study align most closely with research focusing on knowledge workers and creative industries, where flexible organizational structures are more common and likely more effective (Jurkiewicz & Brown, 1998).

4.2.2. Social Environment on Work-Life Balance Preferences

The research reveals that the social environment plays a pivotal role in shaping Generation Z's approach to work-life balance. Family expectations, peer comparisons, and community norms collectively influence how young professionals prioritize and manage competing commitments. In collectivistic cultural contexts, these social factors often outweigh individual preferences, creating powerful external pressures that shape career decisions and patterns of work. This influence appears particularly strong in situations where social networks emphasize traditional success metrics or maintain rigid expectations about professional behavior and work ethics.

Boundary Theory (Kreitner and Kinicki, 2007) offers valuable insights into these dynamics by explaining how individuals negotiate social expectations and personal needs. The theory suggests that people develop unique boundary-management strategies to reconcile external pressures with their desired work-life integration. For Generation Z, this process is especially complex because of their constant digital connectivity, which exposes them to continuous social comparisons and amplifies the impact of peer norms. This theory helps explain why some young professionals might prioritize flexible work arrangements even when facing social pressure to conform to traditional work patterns: they are attempting to create boundaries that satisfy both professional requirements and social expectations (Bulut & Maraba, 2021).

The existing literature presents mixed perspectives on these findings. Some studies in Asian contexts have reported similarly strong social environment effects, particularly emphasizing the role of family in shaping career choices and work habits. However, research from more individualistic cultures often shows weaker social influences, highlighting how cultural values mediate these relationships. Interestingly, recent studies examining digital natives have found that social media amplifies peer influence on work-life decisions, creating new forms of social pressure that previous generations did not experience. These variations underscore the importance of considering both cultural context and generational characteristics when examining how the social environment affects work-life balance preferences.

4.2.3. Work Arrangement as a Moderator Between Organizational Factors and WLB Preferences

The study reveals that flexible work arrangements significantly enhance the positive relationship between organizational support and work-life balance satisfaction among Gen Z employees. When

companies combine supportive policies with adaptable work structures, employees experience a substantially greater ability to effectively manage their professional and personal commitments (Erro-Garcés et al., 2022; Fuchs, 2022). This amplifying effect is particularly pronounced in organizations that offer comprehensive flexibility in when, where, and how work is done, suggesting that work arrangements serve as a crucial mechanism that transforms organizational support into tangible quality-of-life improvements for employees.

Boundary Theory provides a powerful lens for understanding this moderating effect. The theory suggests that individuals actively construct and maintain boundaries between work and personal domains, and that the organizational context significantly influences this process. Flexible work arrangements empower employees to exert greater control over these boundaries, thereby allowing them to align work demands with personal needs more effectively. This explains why the combination of supportive organizational policies and work-arrangement flexibility creates optimal conditions for work-life integration: employees benefit from both institutional backing and practical tools to manage their boundaries. For Generation Z, who highly value autonomy and personalization in their work experiences, this combination is particularly impactful (Ngoc et al., 2022).

Existing research offers robust support for these results. Multiple studies in the technology and professional service sectors have demonstrated how flexible work models amplify the benefits of supportive organizational cultures. However, some contrasting evidence emerges from industries requiring physical presence or fixed schedules, where the moderating effect appears to be less pronounced. These variations highlight how the industry context influences the effectiveness of work arrangement flexibility as a moderator. The findings of the current study align most closely with research focusing on knowledge workers and digital-native employees, suggesting that work arrangement flexibility may be most impactful in sectors where Generation Z employees are concentrated.

4.2.4. Work Arrangement as a Moderator Between Social Environment and WLB Preferences

This study demonstrates that adaptable work structures meaningfully influence how social factors affect the work-life balance experiences of Generation Z. Flexible arrangements help employees navigate competing social expectations while maintaining professional responsibilities and serve as buffers against potential conflicts. This moderating effect is especially valuable for employees facing strong family obligations or peer pressure regarding career paths, as it provides them with practical means to honor these commitments without sacrificing work performance or personal well-being.

The concept of boundary Kreitner and Kinicki (2007) offers critical insights into this moderating relationship. Contemporary interpretations of boundary theory emphasize that effective work-life integration requires both psychological and structural resources. Flexible work arrangements provide a structural component that enables employees to physically and temporally reconcile social expectations with work demands. This explains why employees with greater work-arrangement flexibility report a better ability to handle social pressures while maintaining work-life harmony. For Generation Z, who often experience intensified social comparisons through digital platforms, structural support is particularly valuable in managing the complex interplay between professional and social domains.

Comparative research presents interesting nuances regarding this moderating effect. Studies in collectivistic cultures have consistently shown stronger moderation effects, likely because social expectations exert a greater influence on work-life decisions in these contexts. Conversely, research in individualistic societies often reports weaker moderation effects, as personal preferences may outweigh social pressures (Affandi et al., 2020; Lee et al., 2024). Recent investigations into digital-native workers have highlighted how technology-enabled flexibility helps mitigate the "always-on" expectations amplified by social media. These variations underscore the importance of considering both cultural context and technological factors when examining how work arrangements moderate the social environment's effects on work-life balance (Carmona-Cobo, Garrosa, & Lopez-Zafra, 2021; Mahmudah, Sadari, Karimah, & Asnawi, 2022; Mehmood, Aziz, & Husin, 2023).

5. Conclusions

5.1. Conclusion

This study provides compelling evidence that organizational factors and social environments significantly influence Generation Z's work-life balance (WLB) preferences, with work arrangements playing a crucial moderating role. The findings highlight that supportive organizational cultures, progressive HR policies, and flexible work structures collectively enhance employees' ability to achieve work-life harmony. Similarly, the social environment, particularly family expectations and peer influences, shapes WLB preferences, especially in collectivistic settings. The moderating effect of work arrangements demonstrates that flexibility in work structures amplifies the positive impact of both organizational and social factors on WLB outcomes. These insights reinforce the importance of integrating social exchange and boundary theories to understand how Generation Z navigates work-life integration in evolving workplace dynamics.

5.2. Limitations

Although this study offers valuable contributions, several limitations must be acknowledged. First, focusing on Semarang City and specific sectors (creative, technology, and public service) may limit the generalizability of the findings to other regions or industries. Second, reliance on self-reported data introduces the potential for response bias, as participants may overstate their positive perceptions of WLB policies. Third, the cross-sectional design prevents the establishment of causal relationships, making it difficult to determine whether supportive organizational policies lead to better WLB or whether employees with strong WLB preferences seek such workplaces. Future research could address these limitations by employing longitudinal designs and expanding the sample to include diverse industries and cultural contexts.

5.3. Suggestions

Based on these findings, organizations should prioritize adaptive HR strategies that align with Generation Z's expectations, including hybrid work models, flexible scheduling, and mental health support. Policymakers can encourage such practices by developing guidelines that promote work-life balance in emerging industries. Academically, future research should explore how digital transformation and remote work trends further reshape WLB dynamics, particularly in post-pandemic work environments and in different countries. Additionally, qualitative studies could provide deeper insights into how Generation Z subjects experience work-life boundaries in different cultural and organizational settings.

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