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Financial Literacy of Generation Z in The Workplace: Between Savings, Investment, And Consumerism (A Case Study of PT Andaru Sakra Karsa)

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Abstract: Generation Z, generally defined as those born between 1997 and 2012, is entering the workforce and bringing unique characteristics in financial management. This study aims to analyze the level of financial literacy among Generation Z employees at PT Andaru Sakra Karsa and to explore their financial behavior related to savings, investment, and consumerism. The research method employed was a quantitative approach, with a questionnaire distributed to Generation Z employees at PT Andaru Sakra Karsa. Data analysis was conducted using descriptive and inferential statistics. The results showed that the level of financial literacy among Generation Z employees at PT Andaru Sakra Karsa was in the moderate category. Their saving behavior was relatively good, but their understanding and participation in investment were still low. On the other hand, there was a high tendency toward consumerism, mainly driven by social media influence and easy access to credit. This study concludes that comprehensive and sustainable financial education programs in the workplace are crucial to improve Generation Z's financial literacy, encourage healthy financial behavior, and prepare them to face future financial challenges.

Keyword: Financial Literacy, Generation Z, Savings, Investment, Consumerism, Workplace, & PT Andaru Sakra Karsa

INTRODUCTION

Generation Z, born between 1997 and 2012 (Dimock, 2019), has entered the workforce and brought with them unique characteristics in managing finances. Unlike previous generations, Generation Z grew up in a fast-paced digital era, where access to information, social interaction, and financial transactions can be easily done via smartphones and other digital devices (Pomegku, 2021). This shapes their mindset and behavior, including in financial matters. On the one hand, technological advancements and digitalization offer great opportunities for Generation Z to be financially literate. They can easily access various financial information, compare financial products, and conduct online transactions (Kusumaningtias et

al., 2022). However, on the other hand, the digital era also presents significant challenges and temptations.

Easy access to online credit, the rise of e-commerce, and the strong influence of social media, especially from influencers and targeted advertising, can encourage impulsive consumerist behavior among Generation Z (Alviansyah et al, 2022). Moreover, the strong "FOMO" (Fear of Missing Out) culture on social media can trigger the desire to follow the latest trends and buy things that are not needed, potentially disrupting long-term financial planning. This phenomenon is exacerbated by the proliferation of paylater platforms that offer the convenience of shopping with a deferred payment system, which unknowingly can lead users into a debt cycle (Tambunan, R., & Wijaya, 2023)

In addition to technological factors and the influence of social media, macroeconomic factors also influence the financial condition of Generation Z. Uncertain economic conditions, such as high inflation, global recession, and tight job competition, can put great financial pressure on those who are just starting their careers ((The Center for Generational Kinetics, 2022). In Indonesia, for example, the open unemployment rate among Generation Z is still a concern, so financial stability is a challenge in itself. Based on data from the Central Statistics Agency (BPS), in August 2023, the open unemployment rate for the 15-19 year age group reached 25.77%, and for the 20-24 year age group reached 16.85%.



Source: Statistics Indonesia (BPS), (2023)

Figure 1. Open Unemployment Rate by Age Group

This figure shows that Generation Z who are new to or already in the workforce face significant challenges in getting jobs (Badan Pusat Statistik (BPS), 2023). This shows that Generation Z in Indonesia faces quite difficult challenges in achieving financial independence.

Furthermore, social and cultural factors also play a role in shaping the financial behavior of Generation Z. The instant and fast-paced culture that is attached to this generation can influence their preferences in terms of saving and investment, where they tend to want results that are fast and easily visible (Cwynar, A., & Potocki, 2023). For example, many of them are more interested in high-risk high-return investment instruments such as cryptocurrencies compared to traditional investment instruments that take longer to provide significant results.

In addition, the lack of formal financial education in schools and at home is a contributing factor to the low level of financial literacy among the younger generation (Tufan, T., Syarifuddin, S., Achmad, A., & Firman, 2022). Often, financial education in the family is still considered taboo, and financial topics are rarely discussed openly between parents and children.

In Indonesia, data on the level of financial literacy of Generation Z specifically is still limited. However, the National Survey of Financial Literacy and Inclusion (SNLIK) conducted by the Financial Services Authority (OJK) in 2022 shows that the financial literacy index of the Indonesian people in general has only reached 49.68%, this figure is still relatively low when compared to neighboring countries (Otoritas Jasa Keuangan (OJK), 2022). This low level of financial literacy is feared to have a negative impact on Generation Z, which is the generation that will dominate the workforce in the future. They are at risk of being caught in consumptive debt, especially with the rise of online loans and paylaters that offer ease and speed of disbursement of funds (Kusumaningtias et al., 2022). In addition, a low understanding of investment can make them vulnerable to investment fraud that promises large profits in a short time, or get caught up in high-risk investment without understanding the risks. As a result, long-term financial goals such as buying a house, preparing children's education funds, or having adequate retirement funds will be difficult to achieve (Puteri, H. E., & Kartikawati, 2020).

The long-term benefits of good financial literacy are very significant. Individuals with adequate financial literacy will be better able to manage their finances effectively, avoid debt problems, and be able to make the right financial decisions for their future. They will also be more financially independent, have better financial resilience in the face of crises or unexpected events, and ultimately achieve financial well-being that contributes to a better quality of life (OECD, 2020). Conversely, low financial literacy can have serious consequences. Generation Z who are not equipped with adequate financial knowledge and skills will have difficulty managing debt, especially with the increasing ease of access to online loans and paylaters. They are also more at risk of making the wrong choice of investment instruments, which can lead to financial losses. Furthermore, low financial literacy can hinder Generation Z in preparing retirement funds, which can cause serious financial problems in old age.

The workplace, in this case, has a strategic role to reach and educate Generation Z about the importance of healthy financial management. Given that they spend most of their time at work, comprehensive and sustainable financial education programs in the workplace can have a significant positive impact. Thus, companies not only contribute to improving the financial well-being of their employees, but also to increasing the performance and productivity of the company as a whole.

PT Andaru Sakra Karsa, as an IT Consulting company focused on developing Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and Business Intelligence solutions, realizes that employees are the company's most important asset. With a work environment dominated by Generation Z, with an employee age range between 22-27 years, PT Andaru Sakra Karsa is committed to supporting the financial well-being of its employees through a comprehensive financial education program. This is in line with the company's vision to become a leading IT consulting company in Indonesia that empowers young Indonesian talents and supports digital transformation in various industrial sectors. PT Andaru Sakra Karsa realizes that the specific challenges faced by employees in the IT industry, such as the rapid development of technology that makes employees have to constantly update skills that also require good financial planning, the temptation to upgrade gadgets regularly, as well as the emergence of new trends in the digital world that have the potential to influence consumerist behavior. As a company that has 50 employees, 58% of whom are Generation Z, PT Andaru Sakra Karsa sees that an effective financial education program can help in retaining its best talents and increasing employee productivity in a highly competitive IT industry. By understanding the behavior and financial challenges faced by Generation Z, PT Andaru Sakra

Karsa can design targeted financial education programs, while increasing productivity, welfare, and employee retention.

This research is present to analyze the level of financial literacy and financial behavior of Generation Z at PT Andaru Sakra Karsa. Financial literacy in this study is defined as the ability of individuals to understand and manage finances, including knowledge of financial planning, savings, investment, debt management, and insurance (Otoritas Jasa Keuangan (OJK), 2022). This research is important to provide a comprehensive picture of the financial literacy conditions of Generation Z employees at PT Andaru Sakra Karsa, which can later become the basis for the company in developing effective strategies to improve the financial well-being of its employees, and support them in adapting to the latest financial technology developments. The results of this study are expected to provide a positive contribution not only to PT Andaru Sakra Karsa, but also to the development of literature on the financial literacy of Generation Z in Indonesia, especially in the workplace in the IT Consulting industry.

METHOD

Type of Research

This study uses a quantitative approach with descriptive and correlational methods. The quantitative approach is used to collect numerical data through the distribution of structured questionnaires with a 5-point Likert scale (1= Never to 5= Always). The descriptive method is used to describe the level of financial literacy and patterns of financial behavior of Generation Z employees at PT Andaru Sakra Karsa, which includes saving behavior, investment, and consumerism. The correlational method was used to explore the relationship between the level of financial literacy and saving behavior, investment, and consumerism using the Pearson Product Moment correlation test with a significance level of 0.05 (Hair et al, 2019). Given the limited sample size, correlational analysis is carried out carefully and the interpretation of the results will be more exploratory.

Population and Sample

The population in this study were all employees of PT Andaru Sakra Karsa, totaling 50 people. The research sample was all employees classified as Generation Z, namely individuals born between 1997 and 2012 (Dimock, 2019). Based on data from the human resources department of PT Andaru Sakra Karsa, there are 29 employees (58% of the total 50 employees) who fall into the Generation Z category. Thus, the sampling technique used is total sampling or census, where all members of the Generation Z population are used as research respondents (Taherdoost, 2021).

RESULTS AND DISCUSSION

This section presents the results of data analysis which includes the characteristics of respondents, the level of financial literacy, financial behavior (saving, investment, and consumerism), factors that influence financial behavior, and the results of correlation tests.

Characteristics of Respondents

Table 1 presents the demographic characteristics of 29 respondents who are Generation Z employees at PT Andaru Sakra Karsa.

Table 1. Characteristics of Respondents

Characteristic	Category	Frequency (n)	Percentage (%)
Age	18-21 Years	5	17.2%
	22-25 Years	21	72.4%
	26-28 Years	3	10.4%
Gender	Male	16	55.2%
	Female	13	44.8%
Division	Accounting	4	13.8%

Characteristic	Category	Frequency (n)	Percentage (%)
Length of Work	Administration	2	6.9%
	IT	16	55.2%
	Marketing	5	17.2%
	HRD/GA	2	6.9%
	< 6 Months	6	20.7%
	6 Months – 1 Year	9	31%
	1 – 2 Years	4	13.8%
	2 Years	10	34.5%
Total		29	100%

The majority of respondents were male (55.2%), with an age range of 25-27 years (72.4%). Most of the respondents were in the IT division (55.2%) and had worked at PT Andaru Sakra Karsa for 2 years (34.5%).

Level of Financial Literacy

The objective level of financial literacy was measured using four multiple choice questions covering the concepts of compound interest, inflation, investment diversification, and investment risk. Each correct answer was given a score of 1 and an incorrect answer was given a score of 0. Thus, the total financial literacy score ranged from 0 to 4. Table 2 presents descriptive statistics of the respondents' objective financial literacy scores.

Table 2. Level of Financial Literacy

Variable	Mean	Std. Deviation	Minimum	Maximum
Financial Literacy Score	2.1379	.78940	1.00	4.00

Based on Table 2, the average objective financial literacy score of respondents is 2.14 (SD= 0.79), with the lowest score being 1.00 and the highest score being 4.00. The mean score, which is close to the midpoint of the score range (0-4), indicates that in general, the level of objective financial literacy of Generation Z employees at PT Andaru Sakra Karsa is at a moderate level.

Table 3. Categories of Respondents' Financial Literacy Level

Category	Score Range	Frequency (n)	Percentage (%)
Low	0 – 1.35	6	20.7
Medium	1.36 – 2.93	14	48.3
Medium	2.94 - 4	9	31.0
Total		29	100.0

Table 3 presents the distribution of respondents based on the objective financial literacy level category which has been grouped into low, medium, and high. Based on the calculation results, the low category is in the score range 0-1.35, the medium category is in the score range 1.36 2.93, and the high category is in the score range 2.944. A total of 20.7% (n=6) of respondents had an objective level of financial literacy that was classified as low, 48.3% (n=14) were classified as moderate, and 31.0% (n=9) were classified as high. This data shows that the majority of respondents are in the moderate category.

Financial Behavior

a. Saving Behavior

Table 4. Saving Behavior

Indicator	N	Mean	Std. Deviation	Minimum	Maximum
Saving Score	29	18.24	3.82	9.00	24.00

Note: Score is calculated based on 5 questions with a Likert scale of 1-5. Theoretical minimum score =5 theoretical maximum score =25.

Table 4 presents descriptive statistics for the saving behavior of Generation Z employees at PT Andaru Sakra Karsa. The saving behavior score, which was measured using five questions with a Likert scale of 1-5 (total score 5-25), shows an average of 18.24 (SD=3.82). The minimum and maximum scores obtained by respondents were 9.00 and 24.00. This relatively high average value indicates that in general, respondents have good saving behavior. However, the lower mean scores on the indicators "making a monthly financial budget" (Q4) and "evaluating expenditures" (Q5) (see Table A1 in the Appendix) indicate that respondents may still lack discipline in planning and evaluating their routine expenditures.

b. Investment Behavior

Table 5. Investment Behavior

Indicator	N	Mean	Std. Deviation	Minimum	Maximum
Investment Behavior	29	8.55	3.48	3.00	15.00

Note: Score is calculated based on 5 questions with a Likert scale of 1-5. Theoretical minimum score =3 theoretical maximum score =15.

Table 5 presents descriptive statistics for the respondents' investment behavior variables. The investment behavior score is measured using three questions with a Likert scale of 1-5, so the total score ranges from 3 to 15. Based on Table 5, the average investment behavior score of respondents is 8.55 (SD=3.48). with the lowest score being 3.00 and the highest score being 15.00. This average value indicates that in general, Generation Z employees at PT Andaru Sakra Karsa have investment behavior which is classified as moderate, with a tendency towards being quite low.

c. Consumerism Behavior

Table 6. Consumerism Behavior

Indicator	N	Mean	Std. Deviation	Minimum	Maximum
Consumerism Behavior	29	8.24	2.87	4.00	15.00

Note: Score is calculated based on 5 questions with a Likert scale of 1-5. Theoretical minimum score =3 theoretical maximum score =15.

Table 6 presents descriptive statistics for the respondents' consumerism behavior variables. The consumerism behavior score was measured using three questions with a Likert scale of 1-5, so the total score ranged from 3 to 15. Based on Table 6, the average consumerism behavior score of respondents was 8.24 (SD=2.87), with the lowest score being 4.00 and the highest score being 15.00. This average value indicates that in general, Generation Z employees at PT Andaru Sakra Karsa have consumerism behavior which is classified as moderate with a fairly high tendency.

d. Factors Affecting Financial Behavior

Table 7. Factors Affecting Financial Behavior

Indicator	Question	Mean	Std. Deviation	Minimum	Maximum	Frequency Distribution
Family Influence	Q13	1.86	0.990	1	4	Tidak Pernah: 48.3%; Jarang: 24.1%; Kadang-kadang: 20.7%; Sering: 6.9%
The Influence of Social Media	Q14	3.52	0.871	2	5	Kecil: 13.8%; Sedang: 31.0%; Besar: 44.8%; Sangat Besar: 10.3%

Table 7 presents descriptive statistics for two factors hypothesized to influence respondents' financial behavior, namely family influence and social media influence. The analysis shows that financial discussions with family (Q13) have a mean score of 1.86 (SD = 0.990), indicating that respondents tend to rarely discuss financial matters with their families. The frequency distribution in Table 7 shows that almost half of the respondents (48.3%) never discuss financial matters with their families. Meanwhile, the influence of social media advertising on purchasing decisions (Q14) has a mean score of 3.52 (SD = 0.871), indicating that respondents perceive the influence to be quite large. More than 44.8% of respondents stated that social media advertising has a significant influence on their purchasing decisions.

e. Correlation Test Results

Table 8. Correlation Test Results

Variable	Objective Financial Literacy Score	Saving Score	Investment Score	Consumerism Score
Objective Financial Literacy Score	1	0.213 (p=0.266)	-0.042 (p=0.830)	0.189 (p=0.325)
Saving Score		1	0.330 (p=0.080)	0.362 (p=0.054)
Investment Score			1	0.490** (p=0.007)
Consumerism Score				1

Note: ** Correlation is significant at the 0.01 significance level.

Table 8 presents the results of the Pearson Product Moment correlation test between the level of objective financial literacy and saving, investment, and consumerism behavior. The analysis indicates that there is no statistically significant correlation between the level of objective financial literacy and the three financial behavior variables ($p > 0.05$). However, there is a significant positive correlation between investment behavior and consumerism behavior ($r = 0.490$, $p = 0.007$). In addition, the correlation between saving behavior and investment behavior, and between saving behavior and consumerism behavior, approaches significance at the 0.05 significance level, with correlation values of $r = 0.330$ ($p = 0.080$) and $r = 0.362$ ($p = 0.054$), respectively.

CONCLUSION

This study aimed to analyze the level of financial literacy and financial behavior of Generation Z employees at PT Andaru Sakra Karsa, and to explore the relationship between these two variables. The results show that the level of objective financial literacy of Generation Z employees at PT Andaru Sakra Karsa is moderate, with an average score of 2.14 out of a

maximum score of 4. Although respondents feel they have a good understanding of financial products, there is an indication of overconfidence as their objective financial literacy scores do not correlate significantly with this self-perception.

In terms of financial behavior, respondents showed good saving behavior, with an average score of 18.24 out of a maximum score of 25. However, there are indications that planning and evaluation of routine expenditures still need to be improved. Investment behavior is classified as moderate with a tendency towards low, with an average score of 8.55 out of a maximum score of 15. On the other hand, consumerism behavior is classified as moderate with a fairly high tendency, with an average score of 8.24 out of a maximum score of 15.

Respondents tend to rarely engage in family discussions, particularly about financial matters. Meanwhile, respondents perceive social media to have a considerable influence on their purchasing decisions.

The correlation test results show no significant relationship between the level of objective financial literacy and saving, investment, and consumerism behavior. However, a significant positive correlation was found between investment behavior and consumerism behavior ($r = 0.490$, $p = 0.007$). This finding indicates that employees who tend to have good investment behavior also tend to have high consumerism behavior. In addition, there are indications of a near-significant relationship between saving behavior and investment behavior ($p = 0.080$), as well as between saving behavior and consumerism behavior ($p = 0.054$). These results would likely be more significant with a larger sample size.

This study has several limitations, including the limited sample size ($n = 29$) which only represents Generation Z employees at PT Andaru Sakra Karsa. In addition, the objective financial literacy measurement instrument consisted of only four questions. Therefore, generalization of the results of this study to a wider population needs to be done cautiously.

Despite these limitations, this study contributes by providing a preliminary overview of the level of financial literacy and financial behavior of Generation Z employees in the workplace, particularly in the IT consulting industry. These findings underscore the importance of comprehensive and sustainable financial education programs at PT Andaru Sakra Karsa. Such programs should be designed to improve objective knowledge of basic financial concepts, encourage healthy saving and investment behavior, and mitigate excessive consumerism tendencies.

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