



Adaptive Leadership and The Gen-Z Mindset: Driving the Adoption of Work Culture for Organizational Sustainability

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ABSTRACT: This study examines the influences of adaptive leadership on Gen Z's mindset in adopting work culture and promoting organizational sustainability. Integrating traditional leadership with Gen Z's mindset is increasingly critical as Balikpapan's industrial sector undergoes a generational shift. This research will explore the challenges of aligning Gen Z's mindset with strategies that sustain organizational effectiveness in dynamic cultures. Specifically, it examines how adaptive leadership shapes Gen Z's mindset and acceptance of workplace culture, promoting organizational sustainability. This study uniquely provides empirical evidence on the mediating role of the Gen Z mindset within the adaptive leadership and sustainability framework in a developing economy, emphasizing the intergenerational connection between leadership and organizational culture. A mixed-methods approach was employed, involving 208 Gen Z employees in Balikpapan and utilizing both quantitative data and qualitative interviews. Analyses included Cronbach's Alpha, composite reliability, and structural equation modelling using partial least squares (SEM-PLS). The findings indicate that adaptive leadership significantly influences Gen Z mindset and work culture adoption. Furthermore, the Gen Z mindset mediates the relationship between corporate culture and leadership, which is essential for sustainability, although it does not directly affect sustainability. Conclusion: Adaptive leadership empowers and involves Gen Z, promoting lasting organizational and cultural transformation. The findings offer HR specialists and business leaders insights to foster intergenerational relationships and boost organizational effectiveness.

Keywords: Adaptive Leadership, Gen-Z Mindset, Work Culture Adoption, Organizational Sustainability



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INTRODUCTION

Gen Z workers, who were born between 1997 and 2012, are reshaping the adoption of workplace culture and organizational leadership. Gen Z, who are raised in a world of technology, the internet, social media, and connectivity, exhibit distinct expectations for how they will be treated when they

enter the workforce ([Sakdiyakorn et al., 2021](#); [Racolța-Paina & Irini, 2021](#); [Hislop Anna & Lightfoot Peter, 2024](#)). As Gen X and millennials are now stepping into leadership roles, the transition between existing leadership styles and work philosophies creates both conflicts and

contradictions in organizational culture, as those two generations are digital natives but still raised in traditional leadership styles. This transition leads to gaps between the expectations of the younger generation and the presence of leadership in the workplace, affecting the younger generation's readiness to adapt to a new culture ([Gabrielova & Buchko, 2021](#); [Mirvis, 2023](#)).

More than 20% of the population in Balikpapan is Gen Z, which is part of the planning for the Indonesian Capital City (IKN) and the gateway to East Kalimantan. As a result, it is one of the economic centres essential to preparing Generation Z for the Industrial world ([Badan Pusat Statistik Kota, 2025](#)). According to this assessment, this group will be important in the future. Their idealism and vision, grounded in these generational transformations, are essential to the long-term viability of organizations and the regional economy. Nonetheless, Balikpapan, one of the largest oil and gas industrial cities in Indonesia, with a long history spanning several decades, maintains a strong work culture and leadership structure rooted in earlier generations. Many organizational leadership models in the city are still shaped by traditional ideals and styles, which emphasize hierarchy, formality, and conformity.

In contrast, Gen Z's expectations include open communication. Teamwork and the use of modern technology lead to significant differences in leadership and work approaches, as well as a mindset gap between generations (Baum, 2020; Malik, 2023). Adopting an adaptive leadership approach is essential for organizations to remain competitive amid evolving market dynamics and workforce changes, particularly given the increasing presence of Generation Z in Balikpapan companies ([Naseer et al., 2023](#)). Thus, this research is increasingly relevant because it examines how to align and integrate leadership and Gen Z mindsets, thereby facilitating the adoption of work culture ([Amrullah et al., 2025](#); [Imjai et al., 2024](#)).

Based on the explanation above, this study addresses several research questions, including (1) How does adaptive leadership influence Gen Z mindsets in the workplace? (2) How does the Gen Z mindset facilitate the adoption of organizational work culture? (3) How does the work culture adoption contribute to organizational sustainability amid external changes and generational transitions? (4) What mediating role does the Gen Z mindset play in the relationship between adaptive leadership and organizational sustainability?

Adaptive Leadership

The ability of a leader to respond to complexity, manage change, and enable team members to adapt is known as adaptive leadership ([Heifetz et al., 2009](#)). It is emphasized that adaptive leadership is essential for increasing organizational flexibility. Adaptive leadership can be developed in a complex manner, adjusting to the environment and situations that arise within the organisation ([Xu et al., 2022](#)). A more recent research also stated that adaptive leadership is increasingly relevant in the era of VUCA

(Volatility, Uncertainty, Complexity, Ambiguity) ([Northouse, 2022](#)). Earlier research ([Abuiyada, 2018](#)) found that adaptive leadership enhances worker performance by fostering an environment that encourages ongoing learning and development.

Gen Z Mindset

In this era, a gap exists between the mindset of Gen Z and organisational culture practices, particularly in the 4.0 industry ([Dieguez et al., 2024](#)) and the challenge of future work for Gen Z in the 5.0 industry ([Salvadorinho et al., 2026](#)). Openness to change, digital orientation, and critical thinking are key traits of Generation Z ([Seemiller & Grace, 2016](#)). In international studies, ([Schroth, 2019](#)), a Journal of Business Studies Quarterly article, indicates that Gen-Z expects a collaborative, adaptable, and work-life balance-promoting leadership style. On the other hand, there are negative assumptions about Gen Z's professional ethics in the workplace, which lead to problems such as high turnover and communication issues among workers ([Nichols & Smith, 2025](#)). Therefore, adapting to what has become the standard for Gen Z must be implemented to attract and retain their talent in the industrial world and to develop their skills and effectiveness in the workplace (Tulgan, 2013) .

Work Culture Adoption

The development of an organization's capabilities in the context of global dynamics can be influenced by the resilience and adaptability of its work culture ([Schein, 2010](#)). Additionally, building an innovative work culture requires a visionary leadership spirit oriented towards resilience in global dynamics for diagnosing and changing culture ([Cameron & Quinn, 2013](#)). In global studies, ([Zavvalova & Kucherov, 2010](#)) highlight that enhanced employee performance is supported by an adaptable organizational culture, as discussed in the International Journal of Human Resource Management.

Organizational Sustainability

Economic, social, and environmental factors must all be balanced for an organization to be considered sustainable ([Elkington, 2002](#)), as all three are crucial to internalizing the organization's value. Meanwhile, millennials and Gen Z have a firm intention to leave because they can afford a standard workload, which affects their job satisfaction and leads to high turnover within the organization ([Chaudhry, 2024; Pertiwi & Prena, 2024](#)).

The Influence of Adaptive Leadership on Gen Z's Mindset

When it comes to Generation Z, adaptable leaders positively impact the Gen-Z mentality because:

- 1) Encouraging Gen Z to be independent and self-assured aligns with their empathetic personalities ([Schroth, 2019](#)).
- 2) Encouragement of Gen-Z to adopt a growth mindset (a self-improvement orientation) due to their adaptability in guiding learning ([Gardner et al., 2011](#)).
- 3) ([AlTaweel & Al-Hawary, 2021](#)) demonstrates how innovative behaviour by employees is influenced by adaptive leadership, which in turn fosters a change-oriented mindset within the workplace.

- 4) 4.) As Generation Z, the latest generation to join the job market, brings notable practices of their turnover rate, leaders need to be well-versed in using leadership attributes in the intergenerational characteristics to sustain the organisational motivation and well-being, which is crucial to retaining employees ([Salvadorinho et al., 2026](#))

Based on the explanations above, the first hypothesis is:

H1: Impact of Adaptive Leadership on the Mindset of Generation Z

Gen-Z Mindset Influences Work Culture Adoption

According to several studies, the Gen Z mentality significantly influences the formation and adoption of work cultures. For instance:

- 1) Gen-Z students' expectations of transparency and teamwork when they enter the workforce impact the values of the workplace as a whole ([Seemiller & Grace, 2016](#)).
- 2) How Gen-Z tend to disconnect or have high turnover rates if companies do not adapt their working techniques to meet their expectations; in other words, their thinking "forces" the business to evolve ([Schroth, 2019](#)).
- 3) ([Twenge, 2017](#)) from the iGen book also reaffirms that Gen Z creates a more open and flexible work culture by bringing digital norms and inclusive principles to the workplace.
- 4) According to Schein (2010), the shared values, beliefs, and customs of an organization's members collectively create its culture. The work culture will more readily shift toward greater innovation and adaptability if its people, particularly the dominant generation, have an open mindset.

Based on the explanations above, the first hypothesis is:

H2: Gen Z Mindset Influences Adoption of Work Culture

Adoption of work culture influences organizational sustainability

Based on earlier studies, the relationship between organizational sustainability and work culture adoption is as follows:

1. A work culture that is continuously embraced produces a system of values, customs, and conduct aligned with the organization's long-term goals. ([Denison & Mishra, 1995](#)) demonstrates that an organization's long-term performance and durability are significantly influenced by its excellent organizational culture, which encompasses adaptability, involvement, and a clear mission.
2. According to ([Schein, 2010](#)), employee behavior can be guided to support the company's sustainability plan, from resource efficiency to environmentally friendly innovation, by implementing a work culture that internalizes sustainability values.
3. A study from ([Cameron & Quinn, 2013](#)) and ([Lukito et al., 2025](#)) suggests that a creative and inclusive work culture promotes employee engagement, which in turn boosts the organization's competitiveness and sustainability, according to research using the Competing Values Framework.

4. Companies with a flexible, tech-driven, and collaborative work culture are better able to retain young people, such as Gen Z, which is essential for the long-term viability of the workforce ([Ravasi & Schultz, 2006](#)).

H3: Adoption of Work Culture Influences Organizational Sustainability

Adaptive leadership has a direct impact on the adoption of work culture

Based on earlier studies, the following is the relationship between adaptive leadership and the adoption of work culture.

1. Adaptive leadership involves leaders emphasizing teamwork, continuous learning, and creativity while also being responsive to environmental dynamics. Furthermore, adaptive leaders can help companies discover new organizational values and motivate team members to internalize them into their workplace culture ([Heifetz et al., 2009](#)).
2. Research by ([Yukl & Mahsud, 2010](#)) shows that fostering a receptive atmosphere towards new concepts is crucial, as the role of an adaptive leader makes it easier to adopt a more cooperative and creative workplace culture.
3. A study by ([Alqatawenah, 2018](#)) found that adaptive leadership facilitates the development of organizational culture by addressing market demands and effectively responding to external organizational changes.
4. According to ([Uhl-Bien & Arena, 2018](#)) adaptive leadership is characterized by introspection, experimentation, and continuous strategy, which can enable organizations to implement a new work culture quickly and minimize resistance to it.
5. Leader empower employees form different generations, building a culture of workplace competence and encouraging their active contribution in organizational development ([LaGree et al., 2024](#))

H4: Adaptive leadership has a direct impact on the adoption of work culture.

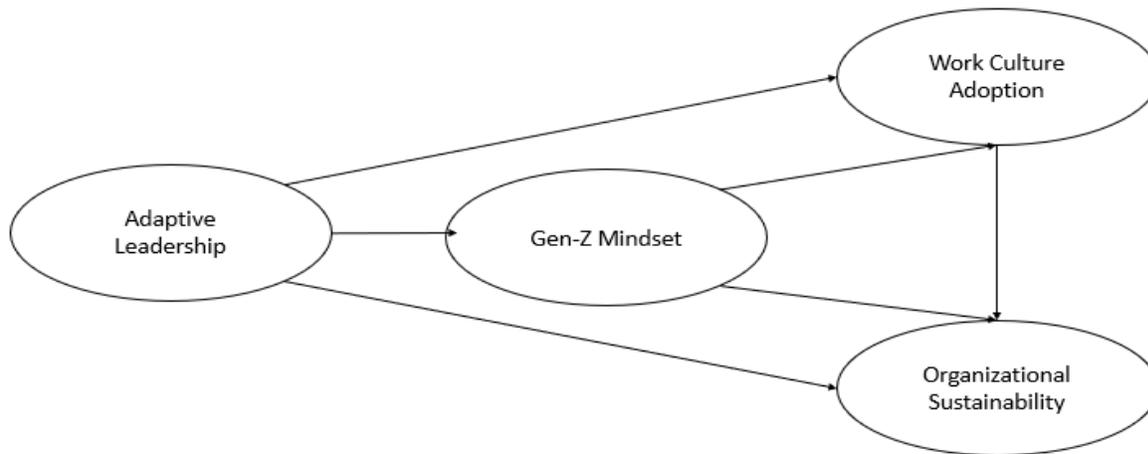


Figure 1. Research

METHOD

This mixed-methods research, as defined by ([Sugiyono, 2023](#)), integrates quantitative and qualitative approaches within a single study to examine the effects of the Gen Z mindset and adaptive leadership on work culture adoption and organizational sustainability. This methodology enhances the validity and objectivity of the data collected. The qualitative component provides deeper insights into patterns, attitudes, and behaviours that quantitative Structural Equation Modelling (SEM) alone may not capture, such as the specific expectations of Generation Z and perceptions of adaptive leadership in practice. This methodological complementarity is essential for a comprehensive understanding of the research problem.

The study population comprises Gen Z employees working in organizations undergoing work-related transformations. Purposive sampling was employed, with a minimum sample size set at five to ten times the number of indicators ([Hair, 2014](#); [Sugiyono, 2023](#)). The research instrument employs a 5-point Likert scale with measurements:

1. Adaptive Leadership refers to ([Heifetz et al., 2009](#))
2. The Gen-Z mindset refers to ([Seemiller & Grace, 2016](#))
3. Adoption of Work Culture refers to ([Denison & Mishra, 1995](#))
4. Organisational Sustainability refers to the Triple Bottom Line Concept ([Elkington, 2002](#))

Cronbach's Alpha is used for reliability analysis, while the Pearson Product-Moment correlation is used for validity testing ([Ghozali, 2021](#)). Analysis is done using SEM-PLS with SmartPLS ([Hair, 2014](#)) to test direct and indirect relationships through mediating variables. The mediation effect test was conducted using the bootstrapping method ([Falk et al., 2023](#)). SmartPLS was selected for its effectiveness in handling complex models with multiple constructs and small sample sizes, making it ideal for exploratory research. Moreover, the bootstrapping approach was chosen for its capability to provide robust estimates of standard errors, enhancing the accuracy of hypothesis testing compared to traditional covariance-based SEM options.

The study population comprised 208 Gen Z employees in Balikpapan across various industries. Purposive sampling was used to recruit 208 participants for the quantitative survey. The minimum work duration for each respondent is six months. For qualitative research, 5 key informants with job titles such as supervisor and upper-level organisation who have Gen Z employees in their organisations were interviewed. In this research, 44 men and 164 women submitted the online questionnaire. For the qualitative component, four key informants are male leaders, and one is a female leader is deployed for the interview.

The study was conducted in Balikpapan City, which is part of the planning for the Indonesian Capital City (IKN) and the gateway to East Kalimantan. Balikpapan, one of the biggest oil and gas industrial cities in Indonesia, with a long history spanning several decades, maintains a strong work culture and leadership structure rooted in earlier generations, which aligns well with our research examining the influence of leadership on Gen Z mindset for organisational sustainability.

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Quantitative data were collected through an online survey platform over one month in June 2025. Respondents were provided with clear instructions for completing the questionnaire and submitting it via Google Forms. Additionally, for qualitative research, the process involved in-depth interviews conducted at participants' offices, in meeting rooms at restaurants, or on virtual platforms, lasting approximately 30–60 minutes each. The quantitative data collection was completed first, followed by qualitative interviews to strengthen the result, which were scheduled based on participants' survey responses and their availability.”

RESULT AND DISCUSSION

The study's hypotheses were tested using a sample of 208 Gen Z employees in Balikpapan. Table 1 demonstrates that all indicators converged to construct each variable, with each variable's AVE exceeding 0.5, thereby assessing the validity and reliability of this study. Additionally, the Cronbach's Alpha and CR values for each variable were greater than 0.6. Therefore, it may be concluded that each instrument is suitable for creating the variables listed below.

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Gen-Z Mindset (M)	0.936	0.939	0.947	0.691
Adaptive Leadership (X)	0.924	0.93	0.938	0.655
Work Culture Adoption (Y ₁)	0.923	0.924	0.937	0.651
Organizational Sustainability (Y ₂)	0.914	0.922	0.931	0.631

Source: Data Processed

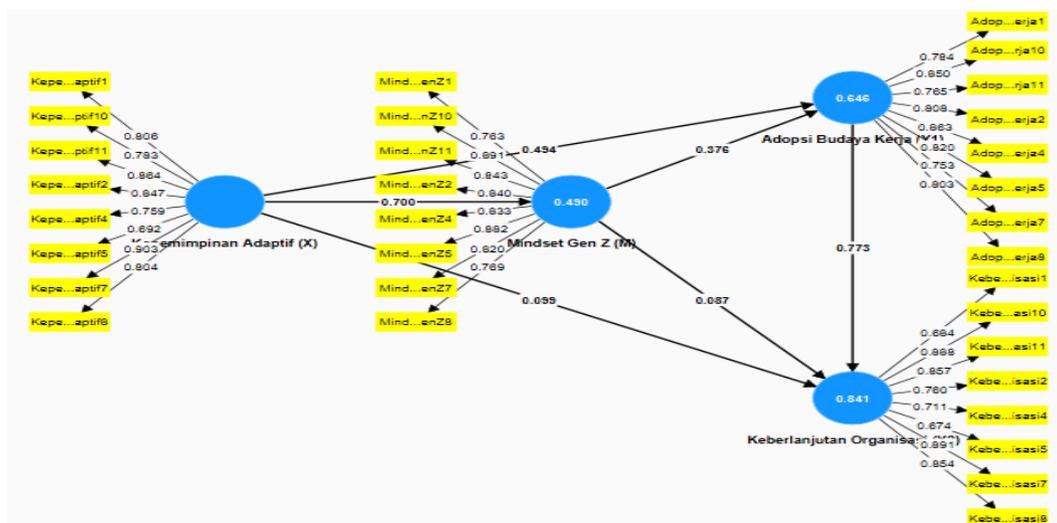


Figure 2. SEM-PLS Data Processing Results
Source: Smart PLS 4.0 Data Processing Result

Table 2. Hypothesis Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
M → Y1	0.351	0.355	0.073	4.823	0.000
M → Y2	0.110	0.102	0.075	1.469	0.142
X → M	0.700	0.703	0.036	19.328	0.000
X → Y1	0.491	0.491	0.064	7.726	0.000
X → Y2	0.101	0.103	0.048	2.099	0.036
Y1 → Y2	0.774	0.777	0.046	16.860	0.000
M × X → Y1	-0.017	-0.014	0.025	0.661	0.509
M × X → Y2	0.015	0.014	0.019	0.791	0.429

The SMART-PLS study identified significant relationships among organizational sustainability, work culture adoption, Gen Z mindsets, and adaptive leadership. These indicators demonstrate a complex relationship structure, both directly and through mediating variables, as demonstrated by the results of the hypothesis testing.

1. The viewpoint of Generation Z on adopting workplace culture. With a significant influence of 0.000 and a t-statistic of 4.832, both below 0.05, the first hypothesis (H₁) is accepted.
2. Gen Z's mindset towards organizational sustainability has no significant effect, with a t-statistic of 1.469 and a p-value of 0.142, indicating that the second hypothesis (H₂) is not accepted.
3. Adaptive leadership significantly influences the Gen Z mindset, as evidenced by a t-statistic of 19.328 and a p-value of 0.000, which is less than 0.05, supporting the third hypothesis (H₃).
4. With a t-statistic of 7.726 and a significant effect ($p < 0.05$) of adaptive leadership on work culture adoption, the fourth hypothesis (H₄) is supported.
5. The fifth hypothesis (H₅) is supported by the finding that adaptive leadership has a substantial impact on organizational sustainability, with a t-statistic of 2.099 and a value of 0.036, which is less than 0.05.
6. With a t-statistic of 16.860 and a significance level below 0.05, the sixth hypothesis (H₆) was supported: organizational sustainability influences the adoption of work culture.
7. Adaptive leadership has no appreciable impact on the adoption of work culture when the Gen Z mindset is used as a mediating variable. Since the t-statistic value is 0.661 and the value of 0.509 is more than 0.05, the seventh hypothesis (H₇) is rejected.
8. Since the mediating variable, Gen Z Mindset, has a value of 0.429 greater than 0.05 and a t-statistic value of 0.791, suggesting that Adaptive Leadership has no appreciable effect on organizational sustainability, the eighth hypothesis (H₈) is accepted.

Based on the results of interviews with several company executives chosen as samples to bolster the findings of the tested hypothesis, the researcher reached the following conclusions:

1. The Gen Z mindset has a significant influence on how work cultures are established, even though it has nothing to do with the organization's sustainability. Though they must use other tools (such as systems, strategies, and policies) to guide their contributions to organizational sustainability, leaders will acknowledge that Gen Z may impact work culture. This finding implies that Gen Z needs guidance and empowerment to influence the organizational level.
2. Adaptive leadership is a crucial element. Because adaptive leadership has a significant impact on Gen-Z mindsets, workplace acceptability, and organizational sustainability, leaders will realize that it is laying the foundation for implementing change. Business executives must remain flexible, sensitive to change, and receptive to new possibilities to achieve this.
3. The workplace culture is linked to the organization's long-term sustainability. Since work culture has been shown to have a significant impact on sustainability, leaders will place a high priority on investing in internal values, training, and collaborative work practices to create a deeply established work culture.
4. Gen Z's mediating influence remains insufficient. The results show that the relationship among work culture, sustainability, and adaptable leadership is not mediated by the Gen Z perspective. Leaders may face difficulties because the younger generation is not yet strong enough to serve as "direction setters" within the organization. Therefore, mentoring programs, capacity-building projects, and leadership pipelines tailored to Gen Z are needed.

Table 3. Coefficients Correlations

Variabel	R-square	R-square adjusted
M	0.490	0.488
Y1	0.646	0.641
Y2	0.841	0.838

1. The value of Gen Z Mindset (M) is 0.490. According to this figure, variables outside the model account for 51% of the explanation of the independent variable, with the Gen Z Mindset variable accounting for 49%. Additionally, the interpretation of this variable's relationship falls within the moderate range.
2. The R² value for the work culture adoption variable (Y₁) is 0.646. This figure illustrates that the work culture adoption variable contributes 64.6%, indicating a strong independent variable, while variables outside the model explain the remaining 35.4%.
3. Organizational sustainability (Y₂) is 0.841. This figure illustrates that the organizational sustainability variable contributes 84.1% to explaining the independent variable, indicating a robust relationship, while other variables outside the model account for the remaining 15.9%

This Study demonstrates the connections between adaptable leadership, work culture adoption, organizational sustainability, and the Gen Z mindset. Earlier research suggests that younger

generations can foster a flexible workplace culture ([Ravasi & Schultz, 2006](#)). These results show that Gen Z attitude significantly impacts the adoption of work culture ($p=0.000$; $t=4.832$). The emphasis on Gen Z's uniqueness- namely, openness, flexibility, and digital lives encourages creative and collaborative practices in organizations ([Twenge, 2017](#)). According to these results, which are consistent with study interviews, Gen Z is crucial in changing workplace culture in the modern era and promoting the adoption of contemporary work practices.

Second, the study found no concrete evidence that Gen Z significantly influences organizational sustainability ($p = 0.142$; $t = 1.469$). In contrast to our findings, research by Deepika & Chitranshi (2021) contends that the innovative and creative mindset of younger generations might promote organizational sustainability. This discrepancy results from the fact that the Gen Z mindset in this study has an indirect impact on organizational sustainability, particularly through its embrace of workplace culture. To put it another way, the Gen Z mindset demands that workplace culture serve as a conduit for internalizing self-concept and implementing sustainability. The interview results indicate that Gen Z attitudes do not directly contribute to organizational sustainability, consistent with this finding. Instead, business executives believe that formal processes, such as organizational plans, internal policies, and work systems, are the best way to increase Gen Z's influence.

Additionally, it is crucial to note that factors such as sample size, context, and metrics for assessing the Gen Z mindset may limit the detection of direct effects in this study, underscoring the need for further examination of the dimensions. Moreover, the Gen Z mindset is significantly influenced by adaptive leadership with values ($p=0.000$; $t=19.328$). In line with previous findings, adaptive leaders can influence their organizational members' perspectives, making them more receptive to external circumstances ([Heifetz et al., 2009](#)). Furthermore, adaptive leadership is essential in helping the younger generation develop a more flexible mindset towards knowledge and creativity ([Uhl-Bien & Arena, 2018](#)).

This finding indicates that adaptive leadership can support the emergence of a Gen Z mindset in the workplace that aligns with organizational culture. As the study found, adaptive leadership is a significant factor in shaping the younger generation, especially Gen Z, through their perspective and behaviours in the workplace. Leaders with adaptive competencies can facilitate change by guiding and adjusting approaches to team dynamics and changing business environments, and by achieving the values of new-generation integration. It has been proven that Gen Z's mindset is influenced by adaptive leadership, characterised by flexibility, quick adaptation to change, openness to new ideas, and the capacity to facilitate innovation ([Ozkan & Solmaz, 2015](#)). This mindset can make Gen Z more receptive to team dynamics, change, and collaboration. As a result, this leadership approach not only influences Gen Z's mindset but also shapes how this connection can sustain the organisation as a whole and facilitate the adoption of a new work culture.

Furthermore, this study found that the adoption of a work culture is significantly influenced by adaptive leadership ($p = 0.000$; $t = 7.726$). In essence, this finding also supports research by Yukl & Mahsud (2010), which emphasised the importance of leaders being adaptive to encourage the adoption

of culture within the organisation in accordance with its values. ([Alqatawenah, 2018](#); [Badham & Valentini, 2025](#)) has shown that the organisation's capacity to handle cultural change is related to its adaptive leadership style. This study is relevant because an adaptive leader can foster a conducive work climate that accelerates cultural adoption and influences the perspectives of younger generations ([LaGree et al., 2024](#)). This data is also supported by interview data, which show that, to build a comfortable work environment for Generation Z, adaptive leadership is a key factor. Leaders who are too strict and adhere to outdated rules and practices are considered less effective because they can reduce the engagement of younger generations, specifically Gen Z, and can result in a higher risk of employee turnover, so that Gen Z will look for opportunities in other workplaces that can offer them better support ([Tran et al., 2025](#)).

On the other hand, leaders who can adapt their approach and strategy without ignoring the organisation's norms will provide their team members with a sense of security, gratitude, and clear direction. In an organisational context, Gen Z feel more comfortable opening up to a company's culture when their expectations are respected, clearly reflecting a positive influence mechanism within the company. They now view company principles and regulations as the foundation for encouraging their participation in the organisation, rather than simply as a burden and a workhorse. To foster a sense of community within the organisation, leaders who practice adaptive leadership often involve Gen Z in relevant decision-making processes.

Furthermore, this study shows that adaptive leadership significantly influences organisational sustainability ($p = 0.036$; $t = 2.099$). Previous research aligning with our findings shows that leadership is a key element in building a sustainability-oriented organisational culture ([Cameron & Quinn, 2013](#)). An older study by [Denison & Mishra \(1995\)](#) also emphasised that, to increase the organisation's long-term effectiveness, adaptive leadership is needed to accompany the process. From this study, a leadership style that adapts to changing conditions is as vital as organisational sustainability, which requires structural elements. This study also emphasises that organisational sustainability is significantly influenced by the adoption of a work culture, with the greater the workers' internalisation of this culture, the better the organisation's sustainability ($p = 0.000$; $t = 16.860$). These results are consistent with previous research suggesting that work culture is a key foundation for building a sustainable organization, especially in uncertain market dynamics ([Hariyani et al., 2025](#)). Additionally, Organizations can thrive in uncertain situations if their organizational culture is also adaptive and embraces change ([Ravasi & Schultz, 2006](#)). These results indicate that internalizing work culture values that meet contemporary expectations is necessary for organizational sustainability.

Our interviews with information show that leaders with an adaptive leadership style act as a bridge between younger generations new to the workplace and older generations who have been in the workplace for a long time, supporting this conclusion. Leaders with a flexible spirit can balance their two goals: (1) they can maintain operational stability and the organization's core values, and (2) encourage the creativity and originality of the dynamic Generation Z that is tailored to the needs of

the organization. This adaptable approach, which leaders can use, promotes intergenerational harmony in the workplace as a necessary precondition for fostering an atmosphere that supports organizational longevity in a rapidly changing business climate ([Badham & Valentini, 2025](#)). Young talent can be retained, their competencies can be developed, cultural change can be managed, and innovation and organizational stability can coexist thanks to adaptive leaders.

However, this study found that the Gen Z mindset did not correlate significantly with the relationship between adaptive leadership and work culture adoption ($p=0.509$, $t=0.661$). It also did not correlate significantly with the relationship between adaptive leadership and organizational sustainability ($p=0.429$, $t=0.791$). Previous research demonstrated that the younger generation's expectations can enhance the relationship between leadership and organizational performance ([Uhl-Bien & Arena, 2018](#)). In contrast, this study suggests that the Gen Z mindset indirectly influences the adoption of work culture. In other words, Gen Z plays a more effective role in adopting work culture, and adaptive leadership directly influences both sustainability and work culture.

Despite limited empirical evidence of Gen Z's direct impact, this study highlights Gen Z's emerging influence in the workplace. It asserts that flexible leadership is crucial for managing intergenerational change. The key findings indicate that Gen Z's openness, creativity, and adaptability are increasingly shaping organizational approaches, serving as catalysts for fresh perspectives and innovation. While these traits have a modest mediating effect and are not yet strong enough to significantly define organizational sustainability or culture, their potential impact is becoming more apparent. Leaders remain the primary drivers of change, but Gen Z mindsets are beginning to inform new leadership styles and workplace practices. Executives noted in interviews that as Gen Z receives guidance, mentoring, and targeted development, their strategic contribution to work culture and sustainability is likely to grow. In summary, Gen Z's mindset as a mediating influence is evident and is gradually being realized.

Interpretation of Key Findings

The interpretation of the main findings, based on the discussion, shows that adaptive leadership is the most potent factor influencing organisational dynamics, particularly in shaping Gen Z mindsets and work culture, which in turn promotes organisational sustainability. The study demonstrates that although Gen Z's openness, adaptability, and digital orientation greatly aid the adoption of contemporary workplace culture, their impact on organisational sustainability is indirect, arising mainly from cultural internalisation rather than direct strategic action. This implies that Gen Z's role in businesses is still developing and that they need leadership support, mentoring, and structured guidance to turn their creative potential into real contributions to long-term performance. In addition to shaping Gen Z's mindset and promoting intergenerational harmony, adaptive leadership is crucial to this process because it fosters a work environment that is conducive to innovation and cultural integration. Furthermore, the results emphasise that adopting a work culture is a crucial strategy for achieving sustainability, supporting the notion that norms, values, and routine behaviours serve as the

cornerstone of resilient organisations. The evidence indicates that Gen Z's expanding presence and changing expectations are gradually influencing leadership practices and organisational approaches, even though their attitudes do not significantly affect the correlations evaluated. Overall, these results highlight the importance of strong cultural adoption and flexible leadership in maintaining organisational performance, even as Gen Z emerges as a force.

CONCLUSION

The study's findings show that adaptable leadership has been crucial in influencing Gen Z's mindset, embracing workplace culture, and enhancing organisational sustainability. According to this study, Gen Z's mindset strongly shapes their adoption of an ideal work culture, even if it has no direct effect on organizational sustainability. The younger generation has a greater impact on workplace culture, which influences employee engagement and performance, than they do on sustainability. Instead, adaptive leadership has demonstrated encouraging outcomes in promoting organizational sustainability, influencing Gen Z perspectives, and highlighting a work culture.

An adaptive leadership style is an essential foundation for directing organizational development toward targeted goals, especially given the generational shift in the workplace and the ways external dynamics affect the organization's existence. This shows that the most significant impact on organizational sustainability is the development of work culture. These factors highlight the importance of internalizing culture into company values for organizations to survive in the long run. The lack of a significant mediating effect of the Gen Z mindset suggests that this generation still needs significant direction, empowerment, and mentoring to contribute more to adaptive leadership and organizational sustainability.

This study also has limitations that warrant further exploration. This study profiled respondents who primarily worked offline, thus offering an opportunity for future research to incorporate this into hybrid and virtual contexts. Based on these findings, this study has significant implications for various parties. Adaptive leadership must be consistently applied by all leaders within organizations by providing opportunities for younger generations to participate in all aspects of their work, prioritizing flexibility and outcomes-based thinking, and fostering innovation. Adaptive leadership must also strengthen the work culture through leadership training, the internalization of corporate culture, and the implementation of an inclusive, collaborative work system. Through mentoring, coaching, and leadership development programs, organizations can enhance Gen Z's capabilities to become change agents and foster organizational sustainability.

Incorporating a more representative survey sample across industries and regions, this research can be expanded. The model can also include other relevant variables, such as digital literacy, employee engagement, and organizational agility. These additions can enhance understanding of the younger generation's role in organizational sustainability. Another opportunity in a virtual context also

reinforces the younger generation's preference for adopting new systems to sustain organizational performance and to combine virtual and in-person cultures.

Policymakers can use the findings of this study in policy briefs. This will help inform the design of employment and human resource development policies that are responsive to generational changes. Such policies are critical given the large number of immigrants expected to work in Balikpapan and the new Indonesian Capital (IKN), the smart city transformations underway there, and future economic dynamics. As this research notes earlier, policymakers can gain insight and take mitigation measures to embrace the intergenerational shift and mitigate any implications.

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