



Research Article

Skills, Experience, and Well-Being: Drivers of Gen Z Work Readiness

Ruland Willy Jack Sumampouw^{1*}, Fadli Ali Talim², Herlina Desia Fitriyani³, Syahrul Effendi⁴, Andi Wiliam⁵

^{1,3} Management Study Program, Indonesian College of Economics, Jakarta

² Faculty of Economics and Business, Khairun University, Ternate

^{4,5} Department of Management, Faculty of Economics and Social Sciences, Bakrie University, Jakarta

Received: 14-06-2026; Accepted: 19-06-2026

Abstract

This study examines the influence of soft skills, hard skills, and internship experience on the work readiness of Generation Z, while exploring the role of psychological well-being. The research is motivated by the rising unemployment rate among university graduates, reflecting a mismatch between academic competencies and labor market demands. Using a quantitative approach, data were collected from Generation Z students and analyzed with Structural Equation Modeling–Partial Least Squares (SEM-PLS). The study's novelty lies in its integrated model that simultaneously investigates the effects of soft skills, hard skills, internship experience, and psychological well-being on work readiness. The results show that soft skills positively and significantly influence work readiness. Hard skills and internship experience significantly improve psychological well-being, whereas soft skills have no significant effect on psychological well-being. In addition, psychological well-being neither significantly affects work readiness nor mediates the relationships between soft skills, hard skills, internship experience, and work readiness. These findings suggest that Generation Z work readiness is primarily determined by competency-related factors rather than psychological mechanisms. Therefore, higher education institutions should prioritize soft-skill development and relevant internship programs to better equip students for labor market demands, while future research should explore other psychological and contextual factors influencing work readiness.

Keywords: Soft Skills, Hard Skills, Internship Experience, Psychological Well-Being, Work Readiness, Generation Z

JEL Classification: J24, M53, I23

How to cite: Sumampouw, R. W.J., Talim, F. A., Fitriyani, H. D., Effendi, S., Wiliam, A., (2026). Skills, Experience, and Well-Being: Drivers of Gen Z Work Readiness, *Journal of Business Orientation and Entrepreneurship (JOBS)*, 7(1), 93-105

Corresponding author: Ruland Willy Jack Sumampouw (ruland_wjs@stei.ac.id)



This is an open-access article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) international license

1. Introduction

Work readiness among university graduates in Indonesia remains a critical issue in the fields of economics and business, particularly in the context of increasing global competition and rapidly evolving labor market demands. According to data from Statistics Indonesia, approximately 1.01 million university graduates were unemployed in 2025, indicating a significant mismatch between graduates' competencies and industry requirements (BPS, 2025).

This phenomenon not only affects individuals' career prospects but also undermines national productivity and economic competitiveness. Furthermore, reports from the International Labour Organization highlight that youth unemployment rates remain consistently higher than those of other age groups, reflecting persistent challenges in the school-to-work transition process (ILO, 2024).

In this context, Generation Z, which constitutes a substantial proportion of Indonesia's population, plays a pivotal role in shaping the future workforce. This generation is often characterized by high technological adaptability and digital literacy; however, they also face challenges in achieving adequate work readiness, particularly in terms of non-technical competencies and practical experience (Schroth, 2019). Data from Statistics Indonesia indicate that Generation Z accounts for approximately 27.94% of the total population, making them a dominant force in the labor market (BPS, 2023). Despite their potential, several studies suggest that many graduates from this generation are not fully prepared to meet the complex and dynamic demands of the modern workplace (Succi & Canovi, 2020).

Work readiness is a multidimensional construction that encompasses an individual's ability to integrate knowledge, skills, and attitudes to effectively perform in a professional environment. Within the human resource management literature, work readiness is closely associated with the mastery of both soft skills and hard skills as key determinants of employability (Jackson, 2016). Soft skills, such as communication, teamwork, and adaptability, have become increasingly important in the digital economy, while hard skills remain essential as a foundation of technical competence (Robles, 2012). However, an imbalance between these competencies is often cited as a major factor contributing to graduates' lack of employability (Succi & Canovi, 2020).

In addition to skills, internship experience is widely recognized as a crucial factor in enhancing students' work readiness. Internship programs provide students with opportunities to gain real-world work experience, understand organizational culture, and develop professional competencies that are not always acquired through formal education (Silva et al., 2018). Empirical studies indicate that students who participate in internships tend to demonstrate higher levels of work readiness compared to those without such experience (Hora et al., 2020). Therefore, the integration of academic learning with practical exposure is essential to bridge the gap between education and employment.

However, work readiness is not solely influenced by external factors such as skills and experience; internal psychological factors also play a significant role. One such factor is psychological well-being, which refers to an individual's overall mental state, including aspects of happiness, life satisfaction, and the ability to cope with stress (Ryff, 2014). Individuals with higher levels of psychological well-being are more likely to exhibit confidence, motivation, and resilience, which are crucial for navigating the challenges of entering the workforce (Diener et al., 2020). Consequently, psychological well-being may function as an important mechanism that strengthens the relationship between competencies and work readiness.

Despite the growing body of literature examining the effects of soft skills, hard skills, and internship experience on work readiness, the findings remain inconsistent. Some studies report that hard skills significantly influence work readiness, while others suggest that their impact is less substantial compared to soft skills (Succi & Canovi, 2020; Hora et al., 2020). Moreover, most existing research treats psychological well-being as an independent variable rather than exploring its potential role as a mediating variable that explains how competencies influence work readiness (Diener et al., 2020).

This study identifies a research gap in the limited integration of soft skills, hard skills, and internship experience with psychological well-being as a mediating variable, particularly within the context of Generation Z in Indonesia. Such an integrative approach is essential to provide a more comprehensive understanding of the factors influencing work readiness. Furthermore, studies focusing specifically on Generation Z students in higher education institutions, especially within the field of economics and business, remain relatively scarce.

Based on the background, the problem formulation of this study is to examine how soft skills, hard skills, and internship experience influence work readiness, and to analyze the mediating role of psychological well-being in these relationships. Accordingly, the objectives of this study are to investigate both the direct and indirect effects of these variables on work readiness and to determine the extent to which psychological well-being strengthens these relationships.

This study addresses a gap in the literature by simultaneously examining the effects of soft skills, hard skills, internship experience, and psychological well-being on work readiness among Generation Z students in Indonesia. Unlike previous studies that primarily focused on the direct effects of competencies or treated psychological well-being as an independent predictor, this study integrates these variables into a single conceptual framework to provide a more comprehensive understanding of work readiness. Furthermore, the study contributes to the literature by empirically evaluating the potential mediating role of psychological well-being in the relationship between competencies and work readiness. Although the mediation effects were not supported, the findings offer important evidence that work readiness is influenced more directly by competency-related factors than through indirect psychological mechanisms. These results extend current knowledge on employability and work readiness in the context of Generation Z and emerging labor market demands.

2. Literature Review and Hypothesis

Literature Review

Work Readiness

Work readiness refers to an individual's ability to effectively perform in a professional environment by integrating knowledge, skills, and attitudes. In the context of Industry 4.0, work readiness has become increasingly important due to the dynamic nature of labor market demands and the need for adaptable human resources (Nurjanah et al., 2022). Recent studies highlight that work readiness is not only determined by academic achievement but also by practical competencies and behavioral attributes required in the workplace (Wilopo et al., 2025). Furthermore, work readiness is closely linked to employability, where individuals must possess a combination of technical, interpersonal, and cognitive skills to succeed in modern organizations (Signore et al., 2026).

Soft Skills

Soft skills are non-technical competencies that include communication, teamwork, adaptability, and problem-solving abilities. In recent years, soft skills have gained significant attention as critical determinants of employability and career success. A study by Mohammed and Ozdamli (2024) revealed that many graduates face employability challenges due to a lack of essential soft skills despite having adequate technical knowledge. Similarly, Romanenko et al. (2024) emphasized that soft skills are increasingly valued alongside technical competencies in the modern workforce. Empirical studies also demonstrate that soft skills play a vital role in enhancing work readiness. Ingsih et al. (2023) found that skills such as teamwork, creativity, and leadership significantly influence students' readiness for work. In addition, Aprilita and Pritasari (2024) reported that soft skills development is strongly associated with perceived work readiness among university graduates.

Hard Skills

Hard skills refer to technical competencies and knowledge that are acquired through formal education and training. These skills are essential for performing specific job-related tasks and are often used as a benchmark for evaluating candidates' qualifications. However, in the era of rapid technological advancement, the relevance of hard skills is continuously evolving, requiring individuals to update their competencies regularly (Lyu & Liu, 2021). Recent studies indicate that while hard skills remain important, they are often insufficient on their own to ensure work readiness. Employers increasingly expect graduates to combine technical expertise with interpersonal and adaptive capabilities (Succi & Canovi, 2020). Moreover, research suggests that the integration of hard skills with soft skills enhances overall employability and job performance in modern organizations (Signore et al., 2026).

Internship Experience

Internship experience is considered a crucial component in preparing students for the workforce. It provides opportunities for students to gain hands-on experience, develop professional skills, and understand workplace dynamics. According to Wilopo et al. (2025), internship experience significantly contributes to improving students' work readiness by enhancing both technical and interpersonal competencies. Furthermore, Syawitri et al. (2024) found that internship experience has a positive and significant impact on work readiness among Generation Z, as it enables students to bridge the gap between theoretical knowledge and practical application. Additional research also highlights that internships improve employability outcomes and increase students' confidence in entering the labor market (Hora et al., 2020).

Psychological Well-Being

Psychological well-being refers to an individual's mental and emotional state, including aspects such as self-confidence, life satisfaction, and resilience. In the context of career development, psychological well-being plays a significant role in shaping individuals' readiness to face workplace challenges. Recent research by Signore et al. (2026) indicates that psychological resources such as resilience and optimism significantly enhance employability and proactive career behavior. Similarly, Diener et al. (2020) emphasize that individuals with higher psychological well-being tend to demonstrate better performance, adaptability, and career success. Furthermore, psychological well-being can act as a supporting mechanism that strengthens the impact of skills and experience on work readiness.

Hypothesis

The Effect of Soft Skills on Work Readiness

Soft skills play a crucial role in shaping an individual's readiness to enter the workforce, particularly in today's dynamic and collaborative work environment. These competencies, including communication, teamwork, adaptability, and problem-solving, enable individuals to effectively interact with others and respond to workplace challenges. In the context of human capital theory, soft skills can be viewed as intangible assets that enhance an individual's productivity and employability (Becker, 1993). In recent years, employers have increasingly emphasized the importance of soft skills due to the evolving nature of work, which requires not only technical expertise but also interpersonal and cognitive abilities. According to Succi and Canovi (2020), soft skills are among the most critical factors influencing graduate employability, as they determine how effectively individuals can apply their knowledge in real-world settings. Furthermore, Ingsih et al. (2023) found that students with higher levels of soft skills demonstrate significantly better work readiness, particularly in terms of adaptability and teamwork.

H1: Soft skills have a positive effect on work readiness.

The Effect of Hard Skills on Work Readiness

Hard skills represent the technical competencies and knowledge required to perform specific job-related tasks. These skills are typically acquired through formal education and training and serve as a fundamental requirement for entering the workforce. From a competency-based perspective, hard skills provide the necessary foundation for individuals to perform effectively in their respective fields (Lyu & Liu, 2021). However, in the rapidly changing labor market, the relevance of hard skills extends beyond mere technical proficiency. Individuals must be able to apply their technical knowledge in practical situations and continuously update their skills to remain competitive. Succi and Canovi (2020) argue that while soft skills are increasingly emphasized, hard skills remain essential for ensuring job performance and productivity.

H2: Hard skills have a positive effect on work readiness.

The Effect of Internship Experience on Work Readiness

Internship experience is widely regarded as one of the most effective ways to prepare students for the transition from education to employment. Through internships, students gain practical experience, develop professional skills, and become familiar with workplace norms and expectations. Experiential learning theory suggests that learning through direct experience enhances knowledge retention and skill development (Kolb, 1984). Recent studies emphasize the

importance of internship experience in improving work readiness. Hora et al. (2020) found that internships provide students with valuable opportunities to develop both technical and soft skills, which are essential for employability. Similarly, Syawitri et al. (2024) reported that internship experience has a significant positive effect on work readiness among Generation Z, as it enables students to apply theoretical knowledge in real-world contexts.

H3: Internship experience has a positive effect on work readiness.

The Effect of Soft Skills on Psychological Well-Being

Soft skills are closely associated with individuals' emotional intelligence and interpersonal relationships, both of which are key components of psychological well-being. Individuals who possess strong communication and social skills are more likely to build positive relationships, manage stress effectively, and maintain emotional stability. According to Diener et al. (2020), social and emotional competencies significantly contribute to individuals' overall well-being and life satisfaction. Similarly, Signore et al. (2026) emphasize that soft skills enhance psychological resources such as resilience, optimism, and self-confidence. These psychological resources are essential for coping with challenges and maintaining mental well-being in both personal and professional contexts.

H4: Soft skills have a positive effect on psychological well-being.

The Effect of Hard Skills on Psychological Well-Being

Hard skills contribute to psychological well-being by enhancing individuals' sense of competence and self-efficacy. When individuals possess strong technical abilities, they are more confident in their capacity to perform tasks and achieve desired outcomes. This sense of competence is a key determinant of psychological well-being. Lyu and Liu (2021) argue that technical competence plays an important role in shaping individuals' confidence and career satisfaction. Similarly, Diener et al. (2020) highlight that competence and achievement are closely linked to higher levels of well-being. Signore et al. (2026) also suggest that individuals with strong competencies are more likely to experience positive psychological outcomes, including motivation and resilience.

H5: Hard skills have a positive effect on psychological well-being.

The Effect of Internship Experience on Psychological Well-Being

Internship experience plays a significant role in enhancing students' psychological well-being by providing real-world exposure and reducing uncertainty about career paths. Through internships, students gain a clearer understanding of their career goals and develop confidence in their abilities. Research by Syawitri et al. (2024) indicates that internship experience positively influences students' confidence and mental preparedness for work. Similarly, Hora et al. (2020) found that internships help students develop a sense of purpose and direction, which contributes to their overall well-being. Wilopo et al. (2025) further highlight that internship participation reduces anxiety and increases self-efficacy among students, as they become more familiar with workplace expectations. Additionally, Silva et al. (2018) emphasize that practical experience enhances individuals' confidence and psychological stability. Therefore, internship experience not only improves work readiness but also strengthens psychological well-being.

H6: Internship experience has a positive effect on psychological well-being.

The Effect of Psychological Well-Being on Work Readiness

Psychological well-being is a crucial factor that influences individuals' readiness to face workplace challenges. Individuals with high levels of well-being tend to be more motivated, confident, and resilient, which are essential attributes for successful career transitions. Diener et al. (2020) found that individuals with higher psychological well-being demonstrate better performance, adaptability, and job satisfaction. Similarly, Signore et al. (2026) emphasize that psychological resources such as resilience and optimism significantly enhance employability and proactive career behavior. Furthermore, Wilopo et al. (2025) suggest that psychological well-being plays a key role in shaping students' confidence and readiness for employment. Syawitri et al. (2024) also found that students with higher levels of psychological well-being are more prepared to face workplace challenges. Therefore, psychological well-being serves as an important determinant of work readiness.

H7: Psychological well-being has a positive effect on work readiness.

The Mediating Role of Psychological Well-Being in the Relationship between Soft Skills and Work Readiness

Soft skills, such as communication, teamwork, adaptability, and emotional regulation, may contribute to work readiness not only directly but also indirectly through psychological well-being. According to Social Cognitive Theory (Bandura, 1997), individuals with strong interpersonal and self-management skills are more likely to develop self-efficacy, confidence, and resilience when facing challenges. These psychological resources enhance their overall psychological well-being by enabling them to build positive relationships, manage stress effectively, and maintain emotional stability. In turn, individuals with higher levels of psychological well-being tend to demonstrate greater motivation, optimism, and preparedness to cope with workplace demands and career transitions (Ryff, 2014). Therefore, psychological well-being may serve as an underlying mechanism through which soft skills strengthen individuals' readiness to enter the workforce. Based on this reasoning, the following hypothesis is proposed:

H8: Psychological well-being mediates the relationship between soft skills and work readiness.

The Mediating Role of Psychological Well-Being in the Relationship between Hard Skills and Work Readiness

Hard skills, as technical competencies, provide individuals with the ability to perform job-specific tasks. However, the extent to which these skills contribute to work readiness may depend on individuals' psychological conditions. Individuals who possess strong hard skills are more likely to experience a sense of competence and self-efficacy, which enhances their psychological well-being. According to self-efficacy theory, individuals who believe in their abilities are more confident and motivated to perform tasks effectively (Bandura, 1997). In this context, hard skills contribute to psychological well-being by increasing confidence and reducing uncertainty, which in turn enhances work readiness. Empirical evidence supports this relationship. Lyu and Liu (2021) found that technical competencies significantly improve individuals' confidence and employability outcomes. Diener et al. (2020) also emphasize that competence and achievement are closely linked to psychological well-being. Furthermore, Signore et al. (2026) suggest that individuals with strong competencies are more likely to develop resilience and optimism, which are essential for career success.

H9: Psychological well-being mediates the relationship between hard skills and work readiness.

The Mediating Role of Psychological Well-Being in the Relationship between Internship Experience and Work Readiness

Internship experience provides practical exposure that enhances students' competencies and understanding of workplace dynamics. However, beyond skill development, internships also play a significant role in shaping individuals' psychological well-being. Through real-world experience, students gain confidence, clarity about career goals, and reduced anxiety regarding employment. Experiential learning theory suggests that learning through experience not only improves skills but also influences individuals' attitudes and psychological states (Kolb, 1984). In this context, internship experience contributes to psychological well-being, which subsequently enhances work readiness. Empirical studies support this mediation mechanism. Syawitri et al. (2024) found that internship experience significantly increases students' confidence and mental preparedness for work. Similarly, Hora et al. (2020) highlight that internships help students develop a sense of purpose and career direction. Wilopo et al. (2025) also report that internship participation reduces anxiety and improves self-efficacy, which are important components of psychological well-being.

H10: Psychological well-being mediates the relationship between internship experience and work readiness.

3. Data and Method

Research Design

This study employs a quantitative research approach with a causal explanatory design to examine the relationships between soft skills, hard skills, internship experience, psychological well-being, and work readiness among Generation Z students. The quantitative approach is appropriate as it allows for the measurement of relationships between variables and hypothesis testing using

statistical techniques (Hair et al., 2021). The research aims to analyze both direct and indirect effects among variables, particularly the mediating role of psychological well-being.

Population and Sample

The population of this study consists of undergraduate students categorized as Generation Z, particularly those who are in their final year or have recently graduated, as they are in the transition phase from education to the workforce. Generation Z refers to individuals born between 1997 and 2012 who are currently entering or preparing to enter the labor market (Schroth, 2019). The sampling technique used in this study is purposive sampling, which selects respondents based on specific criteria relevant to the research objectives. The criteria include students who have completed or are currently undertaking internships and are enrolled in business or economics-related programs. This approach ensures that respondents possess sufficient exposure to both academic learning and practical experience. A total of 200 respondents participated in this study and met the established criteria. According to Hair et al. (2021), the minimum sample size for SEM analysis is generally between five and ten times the number of indicators used in the model. Therefore, the sample size employed in this study was considered adequate for conducting SEM-PLS analysis and testing the proposed hypotheses.

Data Source and Data Collection Technique

This study uses primary data collected through a structured questionnaire distributed to respondents. The questionnaire is designed to measure the variables under study, including soft skills, hard skills, internship experience, psychological well-being, and work readiness. Data collection is conducted using an online survey method to ensure broader accessibility and efficiency. The measurement of variables is carried out using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), which is commonly used in behavioral and social science research to capture respondents' perceptions and attitudes (Sekaran & Bougie, 2016). The use of a structured questionnaire allows for consistency in data collection and facilitates statistical analysis.

Data Analysis Method

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. PLS-SEM was selected because it is suitable for analyzing complex relationships among multiple latent constructs, including direct and indirect effects, while accommodating prediction-oriented research objectives and non-normal data distributions (Hair et al., 2021). The analysis was conducted in two stages: evaluation of the measurement model (outer model) and evaluation of the structural model (inner model). The measurement model assessment included indicator reliability through factor loadings, convergent validity using Average Variance Extracted (AVE), internal consistency reliability using Composite Reliability (CR) and Cronbach's Alpha, and discriminant validity using the Fornell–Larcker criterion and Heterotrait–Monotrait Ratio (HTMT). The structural model evaluation involved examining collinearity through Variance Inflation Factor (VIF), coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and hypothesis testing using bootstrapping procedures to assess the significance of direct and indirect effects. Given that all variables were measured using self-reported questionnaires, common method bias was assessed using Harman's single-factor test to ensure that a single factor did not account for the majority of variance in the data. Detailed information regarding the sample characteristics, measurement instruments, and construct validation procedures is presented in the respective sections of the methodology and results.

4. Results

Multicollinearity

Multicollinearity is a situation where there is a strong correlation or relationship between two or more independent variables in a model. Models with high levels of multicollinearity have large standard errors, thus reducing the model's precision. PLS-SEM uses the inner Variance Inflation Factor (VIF) value to test multicollinearity. The ideal value, or one that indicates no problems, is less than 5.

Table 1. INNER VIF (Variance Inflation Factor) Values

	Job Readiness	Psy WB	Soft Skills	Hard Skills	Internship
Job Readiness					
Psy WB	3.728				
Soft Skills	3.844	4.297			
Hard Skills	3.478	3.797			
Internship	3.928	4.597			

Source: smartpls algorithm (2025)

The results of the inner VIF evaluation were found to be in the range of 3-4, or still below 5. Therefore, it can be concluded that the suggested value in the multicollinearity test is within the tolerable or acceptable limits.

Effect Size (f-squared)

The f-squared test is used to determine the effect size, or magnitude of influence, of a construct when there is a change in the R-squared value of a target construct. The f-squared test provides a value for the effect size, which is used to evaluate the substantial impact of predictor variables in the research model.

Table 2. F-Square Values

	Nilai F-Square	Conclusion
Soft Skills → Psychological Well-Being	0.051	Small Impact
Hard Skills → Psychological Well-Being	1.134	Large Impact
Intership → Psychological Well-Being	0.103	Moderate Impact
Psychological Well-Being → Kesiapan Kera	0.046	Small Impact
Soft Skills → Job Readiness	0.066	Small Impact
Hard Skills → Job Readiness	0.022	Small Impact
Innership → Job Readiness	0.023	Small Impact

Source: processed data (2025)

R-Square Value

The R-squared value, or coefficient of determination, can be viewed from two aspects. The first is how well the independent variable explains the dependent variable. The second is the strength of the prediction, measured by degrees from weak to strong (Hair et al., 2019).

Table 3. R-Square Value

	R Square	R Square Adjusted	Category
Job Readiness	0.890	0.885	Strong
Psychological Well-Being	0.893	0.891	Strong

Source: processed data (2025)

The R-square value in the current research model can be considered strong because there are values equal to or greater than 0.75. The conclusion based on the observed R-square value is that the research model is accurate for predicting the independent variables against the dependent variable, and the remaining values were not examined in this study.

Goodness of Fit (GOF)

Next, before proceeding to hypothesis testing, the model fit, or goodness of fit (GOF), is reviewed. The purpose is to evaluate the model's accuracy. A good model fits well, meaning it captures data patterns well, while a poor model leaves a lot of "residual" or unexplained data.

Table 4. Goodness of Fit Values

	Saturated Model	Estimated Model
SRMR	0.076	0.076
NFI	0.662	0.662

Source: processed data (2025)

NFI values range from 0 to 1, with values closer to 1 indicating better model fit. The NFI value obtained in this study was 0.662, which falls below the commonly recommended threshold of 0.90 and therefore does not indicate a strong model fit. Nevertheless, PLS-SEM does not emphasize global goodness-of-fit measures to the same extent as covariance-based SEM. Consequently, model adequacy was evaluated using a combination of criteria, including SRMR, R^2 , effect size (f^2), and bootstrapping results. Since the SRMR value was 0.076, which is below the recommended threshold of 0.08, the model was considered acceptable for further structural analysis and hypothesis testing.

Hypothesis Testing

Hypothesis testing is conducted to determine whether the hypothesis is supported by examining path analysis and the results of specific indirect effects tests. Below is a diagram of the inner model from the PLS-SEM bootstrapping results, along with a description: The figure and table below show the results of PLS-SEM data processing during the bootstrapping stage to determine the results of direct hypothesis testing.

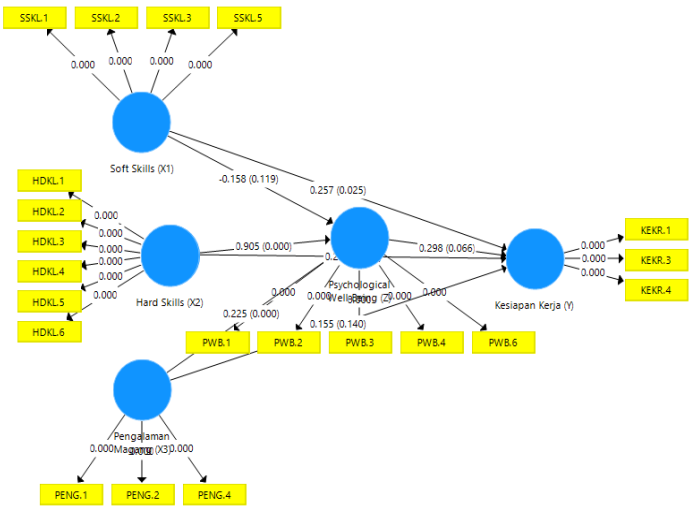


Figure 1. Inner Model Results

Table 5. Direct Hypothesis Test Results

H	Statistical Formula	Original Sample (O)	T Statistics (O/STDEV)	P Values	Conclusion
H ₁	Soft Skills -> Psychological Well-Being	-0.158	1.561	0.119	Rejected
H ₂	Hard Skills -> Psychological Well-Being	0.905	7.703	0.000	Acceptable
H ₃	Internship Experience -> Psychological Well-Being	0.225	3.711	0.000	Acceptable
H ₄	Psychological Well-Being -> Job Readiness	0.298	1.845	0.066	Rejected
H ₅	Soft Skills -> Job Readiness [FF1.1]	0.257	2.248	0.025	Acceptable
H ₆	Hard Skills -> Job Readiness	0.259	1.437	0.151	Rejected
H ₇	Internship Experience -> Job Readiness	0.155	1.476	0.140	Rejected

H ₈	Soft Skills -> Psychological Well-Being -> Job Readiness	-0.047	1.249	0.212	Rejected
H ₉	Hard Skills -> Psychological Well-Being -> Job Readiness	0.270	1.848	0.065	Rejected
H ₁₀	Internship Experience -> Psychological Well-Being -> Job Readiness	0.067	1.615	0.107	Rejected

Source: processed data (2025)

5. Discussion

The Effect of Soft Skills on Work Readiness

The findings of this study indicate that soft skills have a positive influence on work readiness. This suggests that individuals who possess strong communication, teamwork, and problem-solving abilities tend to be better prepared to enter the workforce. Soft skills enable individuals to adapt to dynamic work environments, collaborate effectively with others, and respond to challenges in a professional setting. This result aligns with previous studies which emphasize that soft skills are critical determinants of employability and work readiness. For instance, Succi and Canovi (2020) argue that soft skills play a more significant role than technical competencies in preparing graduates for the workplace. Similarly, Ingsih et al. (2023) found that students with well-developed soft skills demonstrate higher levels of readiness in terms of adaptability and interpersonal effectiveness.

The Effect of Hard Skills on Work Readiness

The results also show that hard skills positively affect work readiness. This indicates that technical knowledge and job-specific competencies remain essential for individuals to perform effectively in professional roles. Hard skills provide the foundational knowledge required to complete tasks and meet organizational demands. This finding is consistent with previous research suggesting that hard skills are important contributors to employability. Lyu and Liu (2021) highlight that technical competence enhances individuals' ability to perform job-related tasks effectively. In addition, Signore et al. (2026) emphasize that hard skills are crucial for ensuring productivity, especially in industries that require specialized expertise.

The Effect of Internship Experience on Work Readiness

The findings reveal that internship experience has a positive influence on work readiness. This indicates that students who have participated in internship programs are more prepared to enter the workforce, as they have gained practical exposure and real-world experience. This result is supported by previous studies which highlight the importance of experiential learning. Hora et al. (2020) found that internships enhance students' understanding of workplace expectations and improve their practical competencies. Similarly, Syawitri et al. (2024) reported that internship experience significantly contributes to students' readiness by allowing them to apply theoretical knowledge in real work situations.

The Effect of Soft Skills on Psychological Well-Being

The results indicate that soft skills positively influence psychological well-being. This suggests that individuals with strong interpersonal and emotional competencies tend to experience higher levels of confidence, emotional stability, and overall well-being. This finding is consistent with prior research that emphasizes the role of soft skills in enhancing psychological outcomes. Diener et al. (2020) highlight that social and emotional competencies contribute significantly to life satisfaction and well-being. Additionally, Signore et al. (2026) argue that soft skills strengthen psychological resources such as resilience and optimism.

The Effect of Hard Skills on Psychological Well-Being

The findings also show that hard skills have a positive impact on psychological well-being. This indicates that individuals who possess strong technical competencies tend to feel more confident and capable in performing tasks, which contributes to their overall psychological condition. This result aligns with previous studies suggesting that competence is closely linked to psychological well-being. Lyu and Liu (2021) found that technical skills enhance individuals' self-efficacy and

confidence. Similarly, Diener et al. (2020) emphasize that a sense of competence and achievement plays a significant role in improving well-being.

The Effect of Internship Experience on Psychological Well-Being

The results indicate that internship experience positively affects psychological well-being. This suggests that students who have undergone internships tend to have higher levels of confidence, reduced uncertainty, and better mental preparedness for entering the workforce. This finding is supported by previous research showing that practical experience contributes to psychological development. Hora et al. (2020) highlight that internships help students gain clarity about their career paths and develop a sense of purpose. Similarly, Syawitri et al. (2024) found that internship experience enhances students' confidence and emotional readiness.

The Effect of Psychological Well-Being on Work Readiness

The findings reveal that psychological well-being has a positive influence on work readiness. This indicates that individuals with higher levels of well-being are more prepared to face workplace challenges, as they possess greater confidence, motivation, and resilience. This result is consistent with previous studies emphasizing the importance of psychological factors in employability. Diener et al. (2020) suggest that individuals with higher well-being demonstrate better performance and adaptability. Similarly, Signore et al. (2026) argue that psychological resources play a critical role in shaping career readiness and proactive behavior.

The Mediating Role of Psychological Well-Being

The findings further indicate that psychological well-being plays a mediating role in the relationship between soft skills, hard skills, internship experience, and work readiness. This suggests that the influence of competencies and experience on work readiness is not only direct but also occurs through individuals' psychological conditions. This result supports the theoretical perspective that psychological resources act as an important mechanism in transforming competencies into outcomes. Diener et al. (2020) emphasize that well-being enhances individuals' ability to utilize their capabilities effectively. Similarly, Signore et al. (2026) highlights that psychological well-being strengthens the impact of skills on employability.

6. Conclusion

This study examined the effects of soft skills, hard skills, internship experience, and psychological well-being on the work readiness of Generation Z students. The findings indicate that soft skills have a significant positive effect on work readiness, highlighting the importance of communication, teamwork, adaptability, and problem-solving abilities in preparing students for employment. In contrast, hard skills and internship experience were found to significantly influence psychological well-being, while psychological well-being itself did not have a significant effect on work readiness. Furthermore, the results revealed that psychological well-being did not mediate the relationships between soft skills, hard skills, internship experience, and work readiness, as all indirect effects were statistically insignificant.

From a theoretical perspective, these findings contribute to the work readiness and employability literature by suggesting that psychological well-being may not function as a universal explanatory mechanism linking competencies and experience to work readiness among Generation Z. While previous studies have often emphasized the positive role of psychological resources in career development, the present findings indicate that competency-related factors may exert a more direct influence on work readiness than indirect psychological pathways. One possible explanation is that Generation Z students prioritize practical competencies and employability skills when evaluating their readiness for work, thereby reducing the mediating role of psychological well-being. This finding extends existing knowledge by demonstrating that the relationship between competencies and work readiness may vary across contexts and populations.

From a managerial perspective, higher education institutions should continue strengthening soft skills development and providing meaningful internship opportunities to enhance students'

preparedness for the labor market. Universities are encouraged to integrate employability-oriented learning activities that combine academic knowledge with practical experience. Organizations should also collaborate with educational institutions to ensure that graduates possess the competencies required in contemporary workplaces. Future research is recommended to investigate alternative mediating variables, such as career adaptability, self-efficacy, employability, or career motivation, which may better explain the mechanisms through which competencies influence work readiness among Generation Z.

Recommendation

Higher education institutions in Indonesia should integrate employability-focused learning by embedding communication, teamwork, problem-solving, and adaptability skills into academic curricula. Universities are encouraged to strengthen partnerships with industry through structured internship programs, project-based learning, and career preparation activities. Career centers should provide mentoring and guidance to support students' transition into the workforce. Organizations should emphasize both technical and interpersonal competencies in recruitment and training programs while offering onboarding and mentoring support for new employees. Future research should explore alternative mediating variables, such as career adaptability, self-efficacy, and employability, using broader and more diverse samples.

Limitations and avenue for future research

This study has several limitations related to its scope, data, and methodology. The research focuses only on Generation Z students, limiting generalizability to other populations. The use of cross-sectional data restricts the ability to capture changes over time, while self-reported questionnaires may introduce response bias. Additionally, the SEM-PLS approach, although suitable for complex models, may not fully capture causal relationships. Future research is recommended to use longitudinal data, include more diverse samples, and incorporate additional variables or alternative analytical methods to provide a deeper and more comprehensive understanding of work readiness.

References

- Aprilita, K. P., & Pritasari, A. (2024). Soft skills and work readiness. *EMBISS Journal*.
- Aprilita, K. P., & Pritasari, A. (2024). The influence of soft skills development on perceived work readiness. *EMBISS Journal*.
- Ariyanto, A., Wahyudin, A., & Martono, S. (2020). The effect of soft skills on work readiness. *Journal of Economic Education*.
- Badan Pusat Statistik. (2023). *Statistik Indonesia 2023*. BPS.
- Badan Pusat Statistik. (2025). *Keadaan Ketenagakerjaan Indonesia*. BPS.
- Bandura, A. (1997). *Self-efficacy: The exercise of control*. W.H. Freeman.
- Diener, E., Oishi, S., & Tay, L. (2020). Advances in subjective well-being research. *Nature Human Behaviour*, 4(1), 7–14.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2021). *A primer on partial least squares structural equation modeling (PLS-SEM)* (3rd ed.). Sage Publications.
- Hora, M. T., Chen, Z., & Parrott, E. (2020). Problematizing college internships: Exploring issues with access, program design, and developmental outcomes. *Educational Researcher*, 49(7), 488–497.
- Ingsih, K., et al. (2023). Improving working readiness through mastering soft skills. *ResearchGate Publication*.
- Ingsih, K., et al. (2023). Improving working readiness through mastering soft skills.
- International Labour Organization. (2024). *Global Employment Trends for Youth 2024*. ILO.
- Jackson, D. (2016). Re-conceptualising graduate employability. *Higher Education Research & Development*, 35(5), 925–939.
- Lyu, Y., & Liu, J. (2021). Soft skills, hard skills, and employability. *Journal of Education and Work*.
- Mohammed, F. S., & Ozdamli, F. (2024). A systematic literature review of soft skills. *Behavioral Sciences*.

- Nurjanah, I., et al. (2022). Work readiness in Industry 4.0. *Jurnal Pendidikan Teknologi dan Kejuruan*.
- Robles, M. M. (2012). Executive perceptions of the top 10 soft skills needed in today's workplace. *Business Communication Quarterly*, 75(4), 453–465.
- Romanenko, Y. N., et al. (2024). Soft skills: students and employers crave. *Humanities and Social Sciences Communications*.
- Ryff, C. D. (2014). Psychological well-being revisited: Advances in science and practice. *Psychotherapy and Psychosomatics*, 83(1), 10–28.
- Schroth, H. (2019). Are you ready for Gen Z in the workplace? *California Management Review*, 61(3), 5–18.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill-building approach* (7th ed.). Wiley.
- Signore, F., et al. (2026). Soft skills and employability. *Education Sciences*.
- Silva, P., et al. (2018). Can internships boost employment? *Studies in Higher Education*.
- Succi, C., & Canovi, M. (2020). Soft skills to enhance graduate employability: Comparing students and employers' perceptions. *Studies in Higher Education*, 45(9), 1834–1847.
- Syawitri, W., et al. (2024). Internship and soft skills on work readiness. *KIJMS Journal*.
- Wilopo, C. C., et al. (2025). Internship experience and work readiness. *International Journal of Digital Entrepreneurship and Business*.