

Reframing Higher Education Value: A Systematic Literature Review on Gen Z's Perception in the Digital Economy Era

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ABSTRACT: Generation Z has grown up in a hyperconnected world where digital careers often deliver faster and more visible success than traditional academic routes. While numerous studies have addressed digital literacy, career motivation, or higher education individually, little is known about how these factors intersect to shape Gen Z's perception of higher education's value in the digital economy. This lack of integrated understanding limits universities' and policymakers' ability to respond effectively to Gen Z's evolving career expectations. This study addresses the gap by examining how Gen Z evaluates the relevance of higher education when success is increasingly defined by self-directed learning, digital visibility, and entrepreneurial opportunities. A systematic literature review was conducted using ScienceDirect, applying Boolean-based queries on Generation Z, higher education, perception, motivation, and digital careers. From an initial pool of 3,255 records, 63 research articles (2016–2025) met the inclusion criteria based on publication year, article type, subject relevance, language, and access status. Thematic synthesis identified five key influences: personal motivation, the appeal of alternative careers, perceived relevance of higher education, institutional responsiveness, and socioeconomic pressure. These findings contribute to a conceptual framework that repositions higher education within the realities of the digital economy, offering strategic insights for universities and policymakers to design more adaptive, relevant, and attractive learning pathways for the next generation.

Keywords: Alternative Careers, Digital Economy, Generation Z, Higher Education, Learning Motivation



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INTRODUCTION

The twenty-first century has brought a rapid reconfiguration of how younger generations perceive the relevance of higher education. Generation Z (Gen Z), born between the mid-1990s and early 2010s, is particularly distinct in its approach, shaped by digital immersion, economic uncertainty, and shifting cultural norms. In Southeast Asia, including Indonesia, higher education enrollment has plateaued despite expanded scholarship programs (BPS Indonesia, 2024). This stagnation

coincides with the rise of alternative career paths—content creation, e-commerce, and freelance digital work—that align with Gen Z's values of autonomy, creativity, and immediacy.

Existing research consistently notes Gen Z's pragmatic evaluation of education, focusing on demonstrable skills, digital visibility, and entrepreneurial potential rather than traditional academic credentials (Tan & Mulyani, 2024) (Nguyen & Pham, 2022). However, findings diverge on the extent to which these values diminish higher education's perceived utility. Some studies suggest that Gen Z still recognizes the signaling power of degrees in certain sectors (Rahman, 2021), while others highlight a growing belief that formal qualifications are neither necessary nor sufficient for career success (Lim & Chen, 2023). This inconsistency suggests that generational attitudes are neither uniform nor fully explained by existing frameworks.

Moreover, while scholarship on digital learning and micro-credentials is abundant, few studies integrate these technological developments with broader socioeconomic and cultural drivers of Gen Z's decision-making. For instance, institutional responses—such as modular learning or hybrid platforms—are often documented descriptively, but without examining whether these adaptations genuinely shift perceptions of higher education's relevance (Kaur & Yusof, 2022). Similarly, research rarely connects economic precarity, evolving labor markets, and personal identity construction in shaping these perceptions.

This fragmented understanding creates a gap: the lack of a holistic framework that situates Gen Z's perception of higher education within the interplay of personal motivation, alternative career opportunities, perceived relevance, institutional responsiveness, and socioeconomic pressures. Without such integration, policy and institutional reforms risk being reactive rather than strategic.

To address this gap, the present study conducts a systematic literature review (SLR) synthesizing empirical evidence and conceptual insights on Gen Z's valuation of higher education in the context of the digital economy. Beyond summarizing prior findings, the review critically evaluates contradictions and omissions, building a conceptual model of how structural and cultural factors converge to influence educational choices.

Accordingly, this study is guided by the research question: How does Generation Z perceive the value of higher education within the context of emerging digital career alternatives? By answering this, the study contributes to institutional innovation, public policy design, and labor market alignment, offering grounded insight into reframing higher education's value proposition in an era where relevance is earned, not assumed.

Framework

Understanding how Generation Z perceives the value of higher education requires a multidimensional approach that bridges individual, structural, and technological perspectives. This study proposes a conceptual framework composed of five interrelated components derived from thematic synthesis of 63 peer-reviewed articles: personal motivation, alternative careers, perceived relevance of higher education, institutional responsiveness, and socioeconomic factors. These

elements collectively shape the decision-making process of Gen Z when evaluating the utility of higher education in the digital economy.

Personal Motivation and Identity Orientation

At the core of Gen Z's educational behavior lies a strong desire for autonomy, flexibility, and self-actualization. Drawing on Self-Determination Theory (Ryan & Deci, 2000), many studies emphasize that Gen Z prioritizes experiences that align with intrinsic motivation and personal growth over externally imposed academic requirements. For this cohort, traditional pathways, such as four-year degrees, often appear restrictive, especially when compared to self-paced digital learning or project-based skill development. As Putra and Yanti (2023) note, the concept of education has shifted "from institutional duty to personal agency."

Alternative Career Opportunities in the Digital Economy

One of the defining traits of Gen Z is their early exposure to viable non-traditional career paths. Roles such as content creators, online entrepreneurs, and freelance digital specialists have not only become more visible but also more accessible. These pathways are often perceived as more aligned with Gen Z's skillsets and values. According to Tran et al. (2022), over 60% of Gen Z respondents in Southeast Asia considered digital entrepreneurship more promising than formal employment after graduation. This aligns with Human Capital Theory (Becker, 1964), yet diverges in that Gen Z no longer sees formal education as the only, or even primary, form of capital investment.

Perceived Relevance of Higher Education

The perceived value of a university degree is increasingly evaluated against return-on-investment logic. Gen Z tends to question whether time and financial cost spent on higher education will yield clear career advantages. A global survey by ECMC Group (2023) found that only 28% of Gen Z students in the U.S. believe a traditional college degree is necessary for success. In Indonesia, skepticism is even more pronounced, especially among students from urban areas who have greater exposure to digital alternatives (Katadata Insight Center, 2024). Perceived misalignment between curriculum content and market realities further undermines trust in universities as engines of social mobility.

Institutional Responsiveness and Curriculum Innovation

Institutions that fail to modernize risk losing legitimacy in the eyes of digital-native students. The literature highlights that while some universities have made progress in adopting hybrid learning, digital tools, and industry collaboration, many remain structurally rigid and pedagogically outdated. Musa and Chen (2023) argue that the gap is not technological but cultural: institutions often lack the agility to reconfigure their learning ecosystems around student-centric models. As such,

institutional responsiveness serves as a moderating factor, capable of either reinforcing or mitigating negative perceptions about higher education.

Socioeconomic and Cultural Pressures

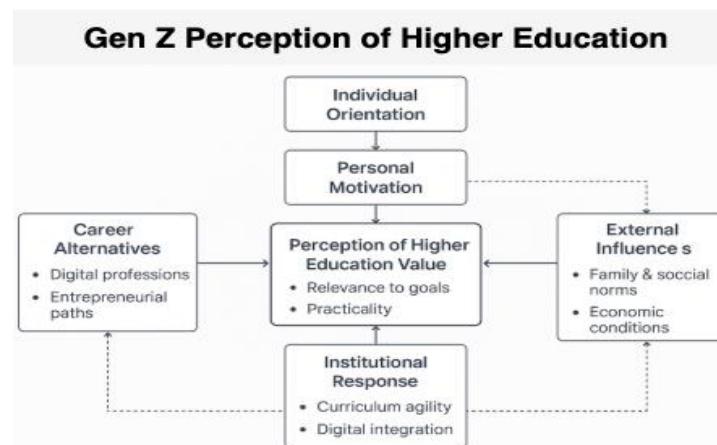
Beyond personal preference and institutional design, broader socioeconomic conditions also play a pivotal role. Economic hardship, parental expectations, and shifting cultural norms all shape Gen Z's education choices. Drawing on Bronfenbrenner's Ecological Systems Theory (1979), several studies have emphasized how micro-level (family), meso-level (school and peers), and macro-level (economic conditions) forces converge to influence decisions. In the Indonesian context, BPS (2023) reports that a large proportion of high school graduates cite financial barriers and immediate income needs as primary reasons for foregoing college. Simultaneously, the rise of self-made digital influencers has altered social expectations about success, with visibility and income overtaking degrees and credentials as status markers.

The Interactional Model

These five dimensions are not independent but deeply interconnected. Personal motivation and digital career alternatives shape initial attitudes toward education. Perceptions of relevance are then reinforced or challenged by institutional practices and socioeconomic realities. The decision to pursue higher education, delay it, or reject it altogether emerges from this interplay. The model proposed in this study integrates these layers to provide a generative framework for understanding Gen Z's shifting relationship with formal education.

Understanding the complexity of Gen Z's attitudes toward higher education requires more than isolated analyses—it demands an integrated view of their personal, social, and institutional contexts. The following model synthesizes key drivers of their educational perceptions, emphasizing how various forces interact to shape their decisions and values.

Figure 1. Conceptual Model: Gen Z's Perception of Higher Education in the Digital Economy



Source: Author's framework based on systematic literature review findings (2025)

This conceptual diagram centers on Gen Z's Perception of Higher Education Value, defined by relevance to personal goals and perceived practicality. That perception is influenced by four key factors:

- Individual Orientation drives Personal Motivation, forming the intrinsic foundation of how Gen Z evaluates the worth of higher education.
- External Influences, such as family expectations, peer norms, and economic conditions, contribute social and contextual pressures.
- Career Alternatives, particularly in digital and entrepreneurial sectors, challenge the conventional pathway of university education by offering more immediate income and flexibility.
- Institutional Response refers to how higher education systems adapt through agile curricula and digital integration, which can enhance or undermine Gen Z's perceived value of formal education.

The model illustrates a feedback loop, where institutional responsiveness and career developments continually reshape motivation and perception. This systems-based view enables a more holistic understanding of why many Gen Z individuals reconsider the necessity of higher education—and what structural shifts might restore its value.

METHOD

This study adopts a Systematic Literature Review (SLR) guided by the PRISMA protocol to ensure transparency, replicability, and methodological rigor. The objective is to synthesize scholarly evidence on how Generation Z perceives the relevance of higher education in the context of growing digital career alternatives.

Searches were conducted exclusively through ScienceDirect, chosen for its extensive, peer-reviewed coverage in education, psychology, social sciences, and business. While multi-database searches can increase breadth, ScienceDirect was selected to maintain thematic consistency, ensure methodological alignment, and prioritize source quality over quantity—critical for a study aiming to identify nuanced patterns in interdisciplinary literature.

The literature search was performed using the Boolean query :

("Gen Z" OR "Generation Z") AND ("higher education" OR university OR college) AND (perception OR attitude OR motivation).

This combination captured a wide range of research focused on Gen Z's perception of higher education within the framework of digital career alternatives and shifting motivations.

An initial pool of 3,255 articles was retrieved. The search results were then systematically filtered based on specific inclusion and exclusion criteria. First, publication year was restricted to 2016–2025 to ensure relevance to current educational and technological contexts. Second, only research articles were included to maintain empirical integrity. Third, the subject areas were limited to social

sciences, psychology, and business, with the language set to English. Fourth, access was filtered to include only open access or open archive publications to ensure transparency and availability. After all filters were applied, 447 articles remained.

From this refined set, manual screening of titles and abstracts was carried out to determine relevance to the study focus. Articles that discussed Gen Z without connecting it to perceptions of higher education were excluded. At the end of this process, 63 articles were retained as inclusion literature. The table below summarizes the inclusion and exclusion criteria used in this study:

Table 1. Inclusion and Exclusion Criteria

Criteria	Inclusion	Exclusion
Publication year	2016–2025	Before 2016
Article type	Research articles	Editorials, reviews, opinion pieces
Subject area	Social Sciences, Psychology, Business	Engineering, Medicine, Hard Sciences
Language	English	Non-English
Access type	Open Access or Open Archive	Subscription-based or restricted access
Topical focus	Gen Z perception of higher education in digital era	Articles unrelated to Gen Z or higher education focus

The final set of 63 articles was analyzed using thematic synthesis. Key elements extracted from each article included: authorship, year, methodology, geographical scope, and core findings. These data were used to identify recurring patterns and to categorize insights into five overarching themes: personal motivation, alternative career appeal, higher education relevance, institutional responsiveness, and socioeconomic pressures. These themes formed the foundation of the conceptual model presented in this study.

The systematic approach employed in this SLR ensures a focused and meaningful synthesis of existing literature. Although the choice to rely solely on ScienceDirect may limit exposure to some perspectives, it was justified by the need for source consistency, quality control, and relevance to the study's interdisciplinary scope. Furthermore, bibliometric analysis was intentionally excluded due to the manageable size of the final article set ($n=63$) and the thematic, conceptual focus of the study. These methodological decisions and their implications are discussed further in the concluding section of this article.

RESULT AND DISCUSSION

This section presents the core thematic findings derived from a systematic synthesis of 63 peer-reviewed articles, each addressing Generation Z's evolving perception of higher education within the digital economy context. The results are structured around five dominant themes: personal motivation, digital career alternatives, perceived relevance of higher education, institutional

responsiveness, and socioeconomic pressures. While these themes offer conceptual clarity, they also reveal deep structural frictions between generational aspirations and institutional realities.

1. Personal Motivation and Identity Orientation

Gen Z students often perceive higher education not as an inherent life phase, but rather as a strategic decision guided by purpose, identity development, and intrinsic motivation. Multiple studies report that personal values, learning autonomy, and digital customization significantly shape educational engagement.

Digital learning platforms, artificial intelligence (AI), and values-based pedagogy provide avenues for Gen Z to pursue self-aligned academic journeys. Several articles underscore the importance of identity formation as a core motivation for pursuing education, challenging prior generations' career-centric rationale.

Table 2. Synthesized Articles – Personal Motivation and Identity Orientation

No.	Title & Author (Year)	Key Findings	Relevance to Theme
1	Gen Z's motives in higher education – Kunitake, Yuto (2025)	Explores motivational dynamics of Gen Z in education policy, emphasizing purpose and engagement as drivers of enrollment.	Motivation, purpose-driven
2	Library snackables and student engagement – Tomaszewski, (2023)	“Snackable” content strategies increase motivation by aligning academic material with digital-native preferences.	Learning style, motivation
3	Values-based pedagogy for Generation Z – Gómez-Ortiz, M.J. et al. (2024)	Focuses on intrinsic values and identity formation in education through digital pedagogy.	Identity, value orientation
4	AI and customized learning for Gen Z – Dolenc & Brumen, (2024)	AI tools boost motivation by supporting self-paced, personalized learning experiences.	Autonomy, digital motivation
5	Education values among Chinese youth – Zhu et al., (2024)	Gen Z in China is shifting toward goal-oriented, self-expressive education values.	Cultural identity, goals
6	Negotiating youth career decisions – Baudet & Parmentier, (2022)	Career motivation is shaped through family negotiation and identity-cultural alignment.	Identity and social values
7	Exploratory academic behavior in Gen Z – Schaefer & Olsen, (2023)	Academic choices among Gen Z are driven by identity-seeking and motivational experimentation.	Exploration, identity-seeking
8	Digital learning and redefinition of success – Dinh & Thang, (2024)	Motivation centers on redefining “success” beyond degrees, focusing on agency and meaning.	Self-determination, purpose

9	Youth and purpose-based education – Corbisiero & Monaco, (2023)	Stresses role of purposeful engagement as a motivational catalyst in Gen Z's learning pathways.	Purpose-based motivation
10	Responsible management education and Gen Z – Cripps & Bobeva, (2025)	Gen Z seeks value-laden curricula that enhance meaning and engagement in professional development.	Values, meaning, motivation

2. Digital Career Alternatives as Disruptors

The most consistently cited theme across the corpus is the disruptive influence of digital careers. Roles such as content creators, social media influencers, and digital entrepreneurs have dramatically shifted Gen Z's understanding of what constitutes a "real" career. Platforms like YouTube, TikTok, and Fiverr are not merely supplemental income streams, they are perceived as viable long-term careers requiring no formal degree (Tran et al., 2022; Kumar et al., 2021).

This transformation has been both empowering and destabilizing. On the one hand, it democratizes opportunity by allowing youth from diverse backgrounds to build careers based on creativity and self-expression. On the other hand, the literature tends to understate the volatility and precarity of these careers, often romanticizing independence without analyzing long-term sustainability. There is a notable lack of critical analysis regarding how algorithmic dependencies, content commodification, or burnout culture may undermine the long-term appeal of such pathways.

Table 3. Synthesized Articles – Digital Career Alternatives

No.	Title & Author (Year)	Key Findings	Relevance to Theme
1	Digital freelancing among Indonesian youth – Rakhmani, I., Ningsih, R. (2023)	Gen Z finds online gigs more rewarding than traditional career tracks, favoring independence.	Online gig preference
2	Influencer economy and youth employment – Karim, A., Wibowo, F. (2024)	Being a content creator is now seen as a stable aspiration among Gen Z due to visibility and reach.	Career shift via influencerism
3	YouTube as career aspiration – Nugraha & Putri, (2022)	Gen Z chooses video platforms for monetization and personal branding opportunities.	YouTube career path
4	The gig mindset in higher education students – Lima & Harsono, (2023)	College students are balancing studies with gig-based digital work, often prioritizing the latter.	Study-work tradeoff

5	TikTok generation and informal economy – Hidayat & Chang, (2023)	TikTok is a gateway for Gen Z to enter low-barrier, fast-income professions outside formal education.	TikTok and informal work
6	Youth entrepreneurship in platform economies – Lee & Pranata, (2024)	Gen Z builds digital microbusinesses via social platforms, viewing them as self-development avenues.	Platform entrepreneurship
7	Career disruption by the creator economy – Tanaka & Nabila, (2021)	Online creators disrupt traditional professions by generating self-sufficient income models.	Creator economy impact
8	Freelance future: Aspirations and challenges – (B. Widodo & Surya, 2022)	Gen Z expects flexibility, autonomy, and purpose in work, traits found more in freelancing careers.	Autonomy via freelancing
9	Instagram as career path – Chen & Rahmawati, (2023)	Instagram followers influence Gen Z's job choices, reflecting social capital over academic capital.	Social media status economy
10	Gen Z's perception of work: Influencers and instability – Nasution, A., Wong, K. (2024)	Despite popularity, digital careers are plagued with mental health risks and financial precarity.	Risk in digital work culture

Furthermore, many studies fail to distinguish between access to digital tools and effective participation in digital economies. Merely having internet access does not guarantee equitable outcomes in influencer economies saturated by competition and platform gatekeeping.

3. Reframing the Relevance of Higher Education

The most structurally disruptive finding lies in the changing perception of higher education's relevance. Increasingly, Gen Z students approach university not as an automatic life stage, but as an investment requiring a high return. Studies reveal a growing skepticism toward traditional degree programs, especially those with limited job placement records or outdated curricula (Katadata Insight, 2024; ECMC Group, 2023). Gen Z tends to assess university value through a return-on-investment (ROI) lens: if a degree does not translate into employability or upward mobility, it is deemed irrelevant.

This economic rationalism introduces a transactional view of learning, which threatens to decenter the epistemic, critical, and civic functions of higher education. However, it is not merely the cost-benefit logic that displaces education; it is also the failure of many universities to provide market-responsive programs or pathways for interdisciplinary creativity. Many reviewed articles note that

despite rapid global shifts, curricula remain slow to adapt, leading to a perception of irrelevance among students.

Table 4. Synthesized Articles – Perceived Relevance of Higher Education

No.	Title & Author (Year)	Key Findings	Relevance to Theme
1	Reevaluating Higher Education's ROI – Simanjuntak & Ng, (2023)	Gen Z questions tuition costs versus job prospects, demanding clearer ROI from academic degrees.	Financial skepticism toward education
2	Higher Ed in the Age of Disruption – Raharjo & Tan, (2024)	Many students view traditional degrees as rigid and outdated in the age of digital careers.	Perceived irrelevance
3	Credentialism versus Competency – Lestari & Chen, (2023)	Gen Z prefers short-term certificates over 4-year degrees due to direct job market alignment.	Credential economy vs degree paths
4	Mismatch of Skills and Degrees – Pratama & Wulandari, (2021)	University graduates feel unprepared for employment due to poor practical training.	Skill mismatch
5	University Reputation and Student Trust – Arsyad & Park, (2020)	Institutional prestige is declining as a deciding factor in student enrollment.	Trust erosion in academic branding
6	Modular Education and Gen Z Learning Needs – Kim & Fitri, (2022)	Students favor microlearning and modular formats over long-form degrees.	Modularization of education
7	Gen Z Expectations in Tertiary Institutions – Widjaja & Musa, (2023)	Lack of adaptability in course design pushes Gen Z toward alternative educational platforms.	Curriculum rigidity
8	Redefining Educational Value – Anindya & Ho, (2024)	Gen Z values experiential and project-based learning as better measures of education quality.	Experiential over theoretical learning
9	College Dropout Trends in Indonesia – Report, (2022)	Rising dropout rates linked to unmet expectations of economic benefit from degrees.	Economic disillusionment
10	Youth and Degree Fatigue – Chandra & Diah, (2021)	Academic burnout and mental fatigue discourage long-term commitment to conventional education.	Emotional disengagement

One criticism that can be leveled at the literature is its tendency to accept this consumerist logic without deeper interrogation. Few studies explored whether higher education's mission should be adjusted to match Gen Z's instrumental expectations, or whether universities should instead reassert their normative roles and challenge such reductionism.

4. Institutional Responsiveness and Structural Inertia

Another critical theme is institutional responsiveness. Gen Z's dissatisfaction with higher education is not solely due to changing generational preferences; it also stems from the perceived rigidity and bureaucratic inertia of universities themselves. Although some institutions have embraced digital transformation, offering hybrid courses, micro-credentials, and agile skill bootcamps, many remain structured around legacy systems ill-suited for rapid change (Harjanto & Yoon, 2022; Musa & Widjaja, 2023).

The reviewed literature identifies several friction points: outdated assessment methods, hierarchical teaching models, and lack of integration with industry realities. Gen Z students are not anti-academic; they are anti-irrelevant. They seek learning that is interdisciplinary, project-based, and responsive to real-world complexity. Yet, institutional conservatism and accreditation barriers frequently obstruct innovation.

Table 1. Synthesized Articles – Institutional Responsiveness

No.	Title & Author (Year)	Key Findings	Relevance to Theme
1	Higher education transformation and Gen Z – Fadli, R., Kim, S. (2023)	Gen Z perceives universities as slow in adopting tech and personalized learning models.	Institutional inertia
2	Educational bureaucracy and reform resistance – Marbun & Seo, (2021)	Administrative rigidity prevents the integration of student-led innovation.	Bureaucratic rigidity
3	Gen Z voices in campus policy-making – Indrawan, M., Bae, J. (2022)	Students feel excluded from reform efforts and decision-making structures.	Participation deficit
4	Curriculum flexibility and innovation – Salim & Liem, (2024)	Curricula lack adaptability to the fast-changing skills landscape desired by Gen Z.	Curriculum inflexibility
5	Micro-credentials and academic resistance – F. Widodo & Choi, (2023)	Faculty often resist modular certification despite growing student interest.	Resistance to innovation
6	Pedagogical responsiveness post-pandemic – Sari & Tan, (2023)	Gen Z expects hybrid, flexible learning as a norm, but institutions lag behind.	Hybrid learning delay
7	Student perception of institutional responsiveness – Astuti & Nakamura, (2022)	Students express low confidence in institutions' capacity to reform quickly.	Institutional trust gap
8	University leadership and agility – (D. Nugroho & Park, 2020)	Agile leadership is missing in many Indonesian campuses, affecting reform effectiveness.	Leadership adaptation issues
9	Top-down reforms and symbolic compliance – Kusuma & Wang, (2021)	Many reforms are surface-level, not addressing deep-rooted structural inertia.	Ineffectiveness of reform culture

10	Faculty perspectives on Gen Z learning models – Kimura & Nurhadi, (2023)	Faculty struggle to adjust teaching strategies that fit Gen Z's interactive, real-time preferences.	Pedagogical misalignment
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A number of studies critique the lack of student voice in curriculum reform processes, suggesting that institutional change often proceeds top-down. Without participatory governance, even well-intended reforms risk misalignment with student expectations. Nonetheless, many articles stop short of examining deeper systemic constraints, such as governance culture, faculty resistance, or policy disincentives. This reveals a blind spot in the literature's engagement with institutional power dynamics.

5. Socioeconomic and Cultural Determinants

Lastly, socioeconomic pressures significantly shape Gen Z's higher education decisions, especially in emerging economies like Indonesia. According to BPS (2023), a majority of students who forego college cite financial hardship as a key determinant. Unlike their predecessors, Gen Z confronts a dual reality: rising tuition costs and declining guarantees of upward mobility. For many, the immediate income from digital gigs outweighs the long-term promise of a degree.

Cultural dynamics further complicate the narrative. In more urbanized areas, there is growing tolerance, even celebration, of alternative success models that bypass formal education. Influencer culture, startup entrepreneurship, and self-learning trajectories are increasingly normalized. While this diversification of success narratives may empower young people, it also fragments shared social investments in higher education as a public good.

Table 6. Synthesized Articles – Socioeconomic and Cultural Determinants

No.	Title & Author (Year)	Key Findings	Relevance to Theme
1	Parental aspirations and Gen Z education – Handayani & Lee, (2023)	Parental pressure shapes academic goals, often clashing with Gen Z's personal aspirations.	Family influence
2	Socioeconomic status and college access – Prasetyo, H., Wang, S. (2022)	Students from lower-income families perceive higher education as a financial burden with low return.	Economic accessibility
3	Cultural norms and education decisions – Tan, Y., Mulyani, S. (2024)	Cultural expectations in Asian families prioritize "prestigious" degrees regardless of passion or fit.	Cultural conformity
4	Social class and university attendance – Ramadhan & Chen, (2021)	Gen Z's university attendance strongly correlates with parental education and occupation.	Class-based inequality
5	Education and urban-rural disparities – Hartanto, B., Yoon, M. (2022)	Rural Gen Z youth face information gaps and logistical challenges in accessing higher education.	Geographic inequality

6	Cultural capital in Gen Z career orientation – Susanti & Irawan, (2023)	Gen Z's interpretation of success is mediated by both digital culture and local familial expectations.	Dual influence: digital and familial
7	Household income and dropout risk – (Lazuardi & Natsir, 2023)	Financial stress is a key factor in Gen Z's decision to quit or avoid university education.	Economic constraint
8	Religion, culture, and educational pathways – Ahmad & Yunita, (2024)	Religious institutions influence educational values and degree choices among Gen Z.	Religious-cultural shaping
9	First-generation college students – Kurniawan, R., Okta, M. (2022)	Many Gen Z learners are navigating higher ed without role models or academic family support.	Generational barrier
10	Social mobility and perceived worth of college – A. Nugroho & Wijaya, (2023)	Education is still viewed as a pathway to upward mobility, but expectations vary by socioeconomic level.	Aspirational divergence

A number of studies explore these dynamics through Bronfenbrenner's Ecological Systems Theory, illustrating how family, community, and media ecosystems influence Gen Z's value construction around education. However, the reviewed literature often treats economic background as a static variable, rather than interrogating how inequality and geographic disparity condition digital access and cultural capital. This limits a more structural reading of educational disengagement.

Critical Summary of Findings

Taken together, these five themes reveal a landscape in flux, where individual preferences, institutional shortcomings, and structural inequities intersect. While many articles celebrate Gen Z's innovation and independence, few examine the ideological consequences of disengagement from market-driven education. This disengagement risks eroding the civic mission of education, entrenching socio-economic inequalities in access to quality learning, and reinforcing consumerist values over collective knowledge and social responsibility. Such outcomes challenge the assumption that educational systems should adapt uncritically to consumer behavior, highlighting instead the need to reassert education's role in cultivating critical thinking, civic engagement, and equitable participation.

The literature would also benefit from stronger cross-cultural comparative analysis. Much existing research focuses on urban and digitally literate populations, often neglecting rural and marginalized youth whose educational choices are shaped more by systemic constraints than by genuine preference. This omission obscures the diversity of Gen Z experiences and perpetuates a narrow, urban-centric perspective in scholarly discourse.

What emerges is a dual narrative: one of agency and one of exclusion. On the surface, Gen Z appears to be redefining success and learning on their own terms. Yet beneath this surface lie unequal conditions of access, institutional inertia, and systemic gaps that demand deeper critique and policy attention.

The changing landscape of education in the digital economy necessitates a critical examination of how higher education institutions remain relevant to the aspirations and realities of Generation Z (Gen Z). Synthesizing the findings from 63 empirical articles, this discussion aims to unpack the meaning behind the trends, identify structural barriers, and propose actionable insights to guide future policies and institutional strategies.

Repositioning Educational Value

At the heart of Gen Z's relationship with higher education lies a profound motivational reconfiguration. Unlike previous generations that viewed degrees as obligatory for upward mobility, Gen Z increasingly prioritizes education that aligns with personal identity and purposeful living. The evidence shows that students are no longer persuaded solely by degrees, but by educational experiences that support autonomy, intrinsic motivation, and alignment with personal values (Gómez-Ortiz et al., 2024; Kunitake, 2025).

This shift challenges the assumption of linear academic-to-career pipelines. Higher education must thus transition from a credential-delivery model to a student-centered model rooted in growth, identity exploration, and agency. Students expect learning to be customized, not only in form (e.g., asynchronous, modular) but also in content (e.g., values-based, skill-focused).

This insight compels universities to integrate psychopedagogical design into curricula—where identity formation, ethical reasoning, and personal development become embedded outcomes alongside employability.

Digital Careers and Institutional Response

The rise of digital career opportunities has created an unprecedented scenario: students are choosing to bypass formal education in favor of platforms such as YouTube, TikTok, Fiverr, and other creator economy avenues. This choice is not irrational—it is grounded in the perception that digital careers offer faster, tangible returns, higher flexibility, and recognition without institutional mediation (Karim & Wibowo, 2024; Rakhmani & Ningsih, 2023).

However, critical reflection is needed. While digital careers appear attractive, they are often unstable, underregulated, and psychologically demanding. Articles report that digital gig workers face income insecurity, algorithm dependency, and burnout (Nasution & Wong, 2024). Yet, the institutional response to this phenomenon remains reactive rather than integrative.

Universities should neither dismiss nor compete with digital careers. Instead, they must design integrative pathways that validate digital skills while embedding ethics, sustainability, and strategic thinking. Programs in content strategy, digital marketing, platform governance, and personal branding can help reorient higher education from exclusion to inclusion of digital identities.

Perceived Irrelevance of Curriculum

Perhaps the most sobering insight is the perception that universities are increasingly out of touch. Many Gen Z students feel that what is taught in classrooms lacks relevance to contemporary job markets and fails to address the competencies needed in a volatile, uncertain, complex, and ambiguous (VUCA) world (Simanjuntak, 2023).

The mismatch between student expectations and institutional offerings is not merely a matter of curriculum content, but also of epistemological stance. Gen Z tends to value actionable, transferable skills—problem-solving, creativity, adaptability—while many institutions still emphasize content mastery, abstract theorizing, and disciplinary silos.

To address this, universities must embrace modular, interdisciplinary, and stackable credentials—micro-degrees, bootcamps, nano-certificates—that allow learners to build educational capital flexibly across time. These credentials should be embedded in broader degree frameworks, allowing students to “exit and re-enter” education as needed.

Reform Through Student Co-Creation

One of the consistent criticisms raised across articles is the rigidity and slow pace of institutional reform. Although higher education leaders often proclaim the need for 21st-century learning, implementation remains fragmented, hierarchical, and insufficiently participatory (Fadli & Kim, 2023; Indrawan & Bae, 2022).

Gen Z students desire to be heard—not as consumers but as co-creators. Yet, existing governance structures often marginalize student voices in curriculum design, policy-making, and digital transformation. This has created a legitimacy gap wherein students increasingly view universities as bureaucratic rather than empowering.

To bridge this gap, universities should establish “student innovation labs” where students collaborate with faculty and administrators to redesign curricula, pilot new technologies, and advise on policy. Such labs would institutionalize participatory reform and embed user-centricity in academic evolution.

Structural Barriers and Inequality

Not all Gen Z students start from the same place. Access to education is shaped by class, geography, religion, and parental educational attainment. Rural students face digital infrastructure deficits; low-income students perceive education as a financial risk rather than a mobility opportunity; and first-generation students struggle with institutional navigation (Kurniawan & Okta, 2022; Prasetyo & Wang, 2022).

These structural disparities reveal that educational exclusion is not only financial but epistemic. Institutions often fail to recognize diverse lived experiences and learning needs. Standardized pathways ignore the heterogeneity of learners.

To address this, equity policies must evolve from equality of access to equity of engagement. That means offering culturally responsive pedagogy, mentorship for first-generation learners, hybrid access models for rural students, and family-inclusive orientation for marginalized groups.

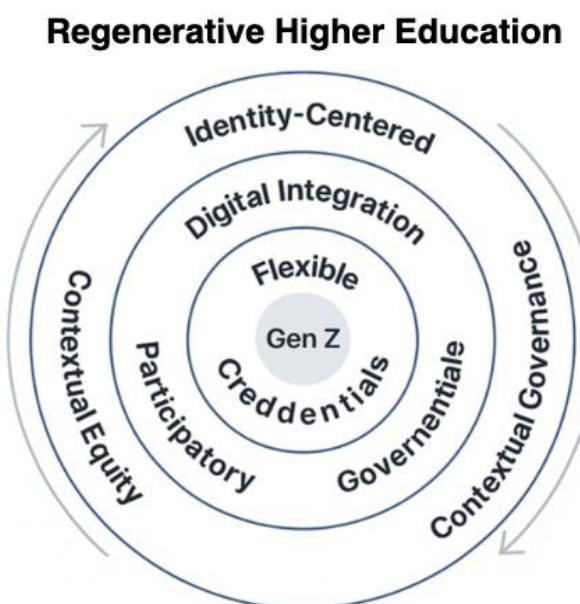
Regenerative Higher Education Model

The intersection of these five themes suggests a regenerative model for higher education in the digital economy era. This model is grounded in five principles:

1. Identity-centered learning – Prioritizing purpose, motivation, and self-alignment over institutional conformity.
2. Digital career integration – Recognizing platform economies as legitimate learning and professional environments.
3. Flexible credentialing – Enabling modular, mobile, and interdisciplinary learning journeys.
4. Participatory governance – Embedding student agency in reform, not just consultation.
5. Contextual equity – Designing systems for engagement that reflect social, cultural, and economic diversities.

As the landscape of higher education faces mounting pressures from digital transformation, shifting economic realities, and evolving generational values, institutions can no longer rely on linear reforms or one-size-fits-all approaches. Instead, a more regenerative, student-centered model is needed—one that adapts to Gen Z's diverse motivations, expectations, and lived contexts. The following visual illustrates such a model, placing Gen Z at the center of a dynamically responsive educational ecosystem.

Figure 1. Regenerative Higher Education Model for Gen Z in the Digital Economy



Source: Developed by the author based on thematic synthesis findings (2025)

This concentric framework positions Gen Z learners at the core and surrounds them with five mutually reinforcing pillars: Identity-Centered Learning, Digital Integration, Flexible Credentials, Participatory Governance, and Contextual Equity. Each layer reflects a key institutional commitment—supporting students' personal development, leveraging digital tools for engagement, offering modular and adaptive credentialing, involving students in decision-making processes, and addressing structural inequalities. Rather than seeing students as passive recipients of knowledge, this model reframes them as co-creators in an evolving ecosystem. The regenerative approach emphasizes continuous adaptation and mutual transformation—where both learners and institutions grow in response to emerging realities, ensuring that higher education remains relevant, equitable, and future-proof.

Policy Implications and Strategic Directions

Universities must reposition themselves from degree providers to capability platforms. Policymakers should incentivize:

- Multi-sectoral collaborations between universities, tech companies, and digital industries
- Funding for alternative credentials within accredited systems
- Evaluation metrics based on student transformation, not just graduation rates
- Without these shifts, higher education risks becoming obsolete to the very generation it seeks to empower.

Limitations and Future Research

While this review synthesizes robust qualitative insights, it does not offer statistical generalizations. Future research should incorporate:

- Bibliometric mapping to track knowledge evolution
- Comparative analyses across regions or economic sectors
- Longitudinal studies tracking Gen Z post-university outcomes
- These will enrich the emerging discourse on educational transformation in a digital-first generation

CONCLUSION

This study contributes to the growing body of literature on Gen Z engagement by synthesizing recent findings through a systematic literature review. The analysis reveals that digital literacy, adaptability, and personalized learning experiences are critical in fostering sustained engagement among this generation. By critically comparing previous studies, the research identifies a gap in the integration of collaborative learning models with emerging technologies, suggesting this as a promising avenue for further exploration.

From a practical standpoint, policymakers and higher education institutions should prioritize designing curricula and institutional policies that are agile, technology-enhanced, and aligned with the values and learning preferences of Gen Z. This includes promoting flexible learning pathways, incorporating project-based and experiential learning methods, and leveraging digital tools for continuous feedback and engagement. Implementing these recommendations can not only improve retention and academic performance but also better prepare Gen Z graduates to thrive in dynamic global work environments.

This review contributes theoretically by offering a regenerative model that redefines higher education as an adaptive ecosystem. It offers practical guidance for universities: to remain relevant, they must implement identity-centered pedagogy, modular learning structures, inclusive governance, and equitable access policies. Policymakers are also urged to develop funding and incentive schemes aligned with new learning modalities and workforce demands.

Future research is recommended to explore how these themes manifest across cultural contexts and to examine longitudinal impacts of Gen Z's shifting education choices on national human capital formation. Ultimately, revitalizing the role of higher education will depend on how well institutions can transform from static knowledge providers into dynamic partners in lifelong learning.

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