

# Challenges and Human Resource Strategies for Generation Z in the Digital Era

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## Abstract

Generation Z, as a workforce that has grown up in the digital era, faces a number of challenges that require special attention from the Human Resources (HR) function. This article explores these challenges, including rapid technological change, differences in values, and Generation Z's expectations for the work environment. We also discuss the HR strategies needed to respond effectively to these challenges, which involve a deep understanding of Generation Z's preferences, the adoption of modern technology, and the upskilling of digital skills. Additionally, this article discusses the importance of strengthening morals and ethics from a religious perspective, making Gen Z responsible warriors, accompanying Gen Z in utilizing AI technology, and building a positive personal brand for Gen Z to maintain their track record as a strategy to attract and retain Generation Z. By analyzing challenges and designing appropriate strategies, this article provides insight into how organizations can effectively manage the potential of Generation Z in the face of the ever-evolving dynamics of the digital era.

**Keywords:** Gen Z, Gen Z characteristics, Gen Z challenges, Gen Z HR strategies

## 1. INTRODUCTION

The ease of access to the internet has tied many individuals together, including how they make purchases. Individuals can easily search for and buy goods online anytime and anywhere. Furthermore, the rapid development of the internet and information technology has also influenced the marketing world. The internet has become a medium used by businesses and service providers to communicate information and deliver products and services to customers. Due to its open, flexible, informal, and interactive nature, the internet has become a valuable tool for disseminating information to customers. Customers can share their opinions about evaluations, experiences, and satisfactory and unsatisfactory services without time or

place limitations with the emergence of social media and mobile technology (Al-Jabri and Sohail, 2012; Wilcox and Stephen, 2013).

Generation Z, also known as digital natives, was born into a world with complete technology such as PCs, mobile phones, gaming devices, and the internet. They spend their leisure time exploring the internet; they prefer to stay home and play online games rather than going out and playing. Umstead (2017) stated that Gen Z is not only large in number but also powerful in purchasing influence as they are the first generation born into a world where mobile technology is ubiquitous.

Generation Z, or Gen Z, refers to individuals born between 1997 and 2012 and will play a significant role in cultural and social changes in the future. They have emerged as significant consumers and are entering the workforce in recent years. Gen Z enters society with distinguishing characteristics that set them apart from previous generations. They were born and raised in the digital era, where the internet, social media, and continuously advancing technology are prevalent. According to Gen Z, technological advancements should accelerate, and access to unlimited information is commonplace. Gen Z, or "digital natives," are accustomed to using smart devices, social networks, and everything connected to the internet (Pichler et al., 2021). Gen Z has direct access to digital technology, allowing them to witness significant social and political changes. They live in an era of globalization, where cultures and nations are interconnected in ways previously unseen. Gen Z has grown up amid economic uncertainty and increasingly complex climate change, influencing their views on careers, the environment, and social justice. They are also very diverse in terms of religion, ethnicity, sexual orientation, and gender identity, often becoming powerful agents of social change. Gen Z uses social media and online activism to voice important issues such as human rights, gender equality, and climate change.

The development of information technology has led to the application of the internet in an increasingly competitive industry. Educational and training institutions in Indonesia must be able to produce students who can meet the labor market requirements. Therefore, what must be prepared to face the Industrial Era 4.0? This revolution brings changes such as workers needing skills that cannot be achieved by AI, such as problem-solving. This is very important for everyone, especially Generation Z,

who will play a critical role in the industry in the 21st century. Soft skills are essential capabilities that every generation must possess, particularly Generation Z, who will participate in the Fourth Industrial Revolution and build human resources competencies. Dudung Haryadi, Director of Institutional Training Development at the Ministry of Labor, spoke at a public lecture titled "Generation Z and the Fourth Industrial Revolution" at the Pendopo Malowopati in Bojonegoro on Friday (October 19, 2018), which was cited by Kompas.com. He stated that besides technical skills, another critical aspect to develop in the workforce is soft skills or transversal skills. According to the World Economic Forum Report, mastery of soft skills represents 80% of the skills necessary for the workforce to compete in the era of the Fourth Industrial Revolution. Other technical skills are only needed on a smaller scale. Complex problem-solving, critical thinking, and creativity are three essential skills needed today.

This article will discuss the characteristics and issues faced by Gen Z. It is hoped that this understanding can help us know how to interact with Gen Z. Additionally, good comprehension can assist Gen Z in facing challenges as the next generation of the nation.

## **2. RESEARCH METHOD**

This article employs a descriptive analysis method, which analyzes and explains recent phenomena or issues by referencing published literature. Gathering information from various written sources, reading carefully, and noting relevant information are essential parts of the information-gathering process, known as literature study. To ensure the organization and completeness of the data obtained, managing research material also becomes an important skill. This literature review uses qualitative descriptive analysis methods. Based on relevant references, this research elaborates or explains the challenges of human resource competencies in facing the changes of the digital age.

## **3. RESULTS AND DISCUSSION**

### **Characteristics of Gen Z**

The characteristics of Generation Z, according to Gazali, can be described as follows:

- a. **Multitasking:** Generation Z can perform many tasks simultaneously, typing on a laptop while listening to music from the internet, accessing social media through gadgets, searching for important references to complete tasks, and watching TV.
- b. **Technology:** They are a generation that is heavily reliant on technology, especially that based on the internet. They may spend three to five hours every day accessing social media.
- c. **Open-minded:** This generation is open to new things and enjoys trying new experiences due to social media.
- d. **Audio-visual:** This generation is more open to new things and enjoys experimenting with various forms of media.
- e. **Creative:** They become creative due to the abundance of information accessible through their devices.
- f. **Innovative:** They are dissatisfied with the status quo, so they strive to find ways to make their lives easier.
- g. **Critical:** Because they can access a wide array of sources randomly, they can be critical in their reading due to the variety of sources they engage with.
- h. **Collaborative:** The competitive nature seems to end in their hands. They are more inclined to collaborate with other generations to solve problems.

### **Strengths of Gen Z**

Gen Z possesses various strengths and weaknesses, as identified by researchers. First is their technological capability. Being digital natives surely allows Gen Z to navigate technology competently, which helps them overcome difficulties and seize opportunities in a changing world. Next, it is noted that Gen Z has a high level of creativity. Due to their easier access to information, such as knowledge, they can come up with new ideas that might be cheaper than those of previous generations. All aspects of life, from art to culture, will be influenced by the high capabilities and creative outputs produced, generating innovative solutions in both business and scientific fields.

In addition to these two aspects, Generation Z is known for having a strong social awareness. Gen Z is sensitive to the social phenomena around them because they are an open generation toward information. Gen Z tends to care deeply about social issues such

as the environment, equality, and justice. They engage in social movements and strive to make the world a better place (Dobrowolski et al., 2022; Jaciow & Wolny, 2021).

### **Weaknesses of Gen Z**

Despite their strengths, Gen Z also exhibits weaknesses. The first weakness is their deep dependence on technology. This reliance is inevitable for digital natives. This dependence on digital devices is often associated with high technological skills. Gen Z may find it challenging to communicate face-to-face and tend to be indifferent to the conditions and situations around them due to their strong attachment to technology. This indifference yields an impression of selfishness toward their environment, which was less prevalent in the digital era. It obstructs them from building genuinely deep interpersonal relationships. In addition, due to technological advancements, Gen Z is often described as less diligent. They become accustomed to instant results, making them less trained in facing challenges that require perseverance, especially when dealing with long-term tasks. This results from technology making work easier and providing quick outcomes. Gen Z is also referred to as the "Strawberry Generation" because they tend to complain and give up easily when faced with difficulties. Gen Z enjoys varied activities that challenge them to discover new and unusual experiences.

Another weakness of Gen Z is Information Overstimulation. Because they always have access to digital information, they can find themselves in an era flooded with information. Overstimulation and the challenge of filtering for relevant and accurate information are two negative effects that can affect Gen Z.

Another weakness of Gen Z includes limited oral communication skills. The rapid advancement of information and communication technology has made communication easier without the need for face-to-face interactions. As a result, Gen Z lacks oral communication skills, which are still considered important in the workplace and social contexts, as they prefer communicating via text messages and social media instead of engaging in direct interactions.

### **Challenges Faced by Generation Z**

People generally view Gen Z as resilient; however, some argue that Gen Z is not as strong as previous generations. One factor contributing to this negative view is their tremendous dependence on technology. Generation Z was raised in an era of advanced technology and often heavily relies on electronic devices and social media. This overwhelming dependence on technology can diminish their ability to face challenges in life outside of the technological world. They struggle with direct interaction without technological assistance and are vulnerable to stress.

One negative perception of Gen Z is the high social media pressure. While Gen Z is actively advocating for social issues, social media use can also put them under emotional and mental stress due to judgments, social comparisons, and expectations set through social media. Moreover, Gen Z is more likely to portray their lives on social media, sometimes in a false manner, such as using “smart” cameras to enhance their appearance, aiming to create a particularly attractive self-image.

One of their ways to convey their dreams is by showcasing what they do not have, which can give the impression that Generation Z lacks strong ambition and is merely seeking shortcuts to navigate their issues.

Uncertainty about the future also presents challenges for Generation Z. The rapid technological changes and unstable economic conditions can lead Generation Z to feel uncertain about their future. This uncertainty can undermine their resilience, making them feel anxious or overwhelmed. The lack of direct experience further supports this; many Gen Z spend extended periods engaged in solitary indoor activities and connected to technology, leading them to lack the necessary skills to debate or interact with others directly. This diminishes their opportunities to confront immediate challenges or learn from failures that could foster resilience through direct experiences.

### **Challenges in Managing Gen Z Human Resources**

Managing Human Resources (HR) for Gen Z can pose particular challenges for management (Bertsch et al., 2022). Here are some challenges that may be encountered in managing Gen Z HR:

1. High Expectations

Gen Z typically has high expectations regarding career growth and personal advancement. They often seek opportunities to gain new experiences, face challenging tasks, and take on more responsibilities. They can easily leave their jobs to find better and more fulfilling work if their expectations are not met. For this reason, Gen Z is referred to as the "job-hopping generation." Therefore, to meet these expectations, management must provide a clear career path and ongoing growth opportunities.

2. Rapidly Evolving Technological Skills.

Generation Z inherently possesses strong technological knowledge and skills, but on the flip side, technology is evolving rapidly, which encourages them to keep pace with technology to avoid being perceived as stagnant or outdated. In facing this, management must ensure that Gen Z employees continuously receive training and skill updates to remain relevant and competitive in an increasingly digital work environment.

3. Effective Collaboration and Communication:

Generation Z has grown up in the era of digital relationships and often prefers to communicate through text messages or social media rather than directly. Conversely, they prefer to collaborate in groups to achieve certain tasks, such as playing games, that require mutual support to win. Considering this, management should prioritize teamwork and effective intergenerational communication within the organization. This includes helping individuals communicate effectively and understand generational differences.

4. Flexibility and Equity

Gen Z typically seeks ways to balance work and personal life. They highly value work schedule flexibility and opportunities to contribute to important projects without sacrificing their personal lives. Management must consider these needs and create policies that allow for flexible work arrangements and balanced work environments.

5. Direct Feedback and Recognition

Gen Z interacts on a daily basis using social media and receiving instant reactions. In such circumstances, Generation Z has become accustomed to receiving rapid

feedback and immediate recognition without having to wait for long periods. When they enter the workplace, they expect their needs for feedback to be fulfilled indirectly. To ensure that Gen Z employees remain motivated and engaged in their work, management must provide clear, constructive, and immediate feedback.

#### 6. Involvement and Participation

Gen Z desires to be involved in decision-making and make a significant impact within the organization. Generation Z's ability to find solutions encourages them to continually improve their knowledge and skills. Management should encourage Gen Z workers to participate actively, value their ideas and perspectives, and provide space for them to innovate and make a positive impact.

### **HR Strategies for Gen Z**

Every era has its own identity that characterizes each group and distinguishes them from other generations. Every interested party needs to understand the traits and tendencies of each generation to provide inclusive services to all. Intergenerational gaps can become serious problems in society if not addressed. Generation Z, born in an era of advanced technology with the ubiquitous presence of artificial intelligence (AI) across various life sectors, is supported by the internet that accelerates technological development. Therefore, Generation Z certainly has significant differences and will bring a new flavor to life order. Ignoring the importance of understanding each generation is not a wise action, as it can lead to losing significant generations.

#### 1. Strengthening Morals and Ethics According to Religion for Each Gen Z.

Because in whatever activity, the highest degree is moral. And every Gen Z soul has the nature to become a morally upright creature of God. Uphold the highest values of religion to conduct all activities in this world, always remembering moral, ethical, and courteous frames in facing a digital world full of surprises.

#### 2. Building a Warrior Mentality

Every individual possesses different types of intelligence, which is a universal truth. Society generally uses IQ (Intelligence Quotient) as a measure of a person's intelligence. IQ measures the ability to think, problem-solve, and adapt to new situations. IQ is divided into four categories: average, with an IQ range



of 90-109; above average, with an IQ range of 110-119; intelligent, with an IQ range of 120-129; and genius, with an IQ above 130.

Many believe that a person's success can be measured by their academic achievements. However, this theory is not always true, and there is little evidence supporting that academic success automatically leads to life success. Examples include figures like Bill Gates (Microsoft owner) and Tiger Woods (the youngest world golf champion), who are considered unsuccessful in school but achieved great success.

Dr. Howard Gardner investigated that there are other forms of intelligence that cannot be measured by standard IQ tests. His research resulted in the concept of multiple intelligences, which consists of eight basic types of intelligence, later expanded to nine types. These forms of intelligence involve verbal-linguistic, logical-mathematical, spatial-visual, bodily-kinesthetic, musical, intrapersonal, interpersonal, naturalistic, and existential. Thus, it is essential to understand that intelligence is not limited to measures of standard IQ but encompasses various capabilities, competencies, and skills.

### 3. Guiding the Use of Artificial Intelligence (AI)

Artificial intelligence, also known as AI, is a model of human intelligence that is mechanized. AI is a system that combines human intelligence with machines to think like humans and perform human tasks. AI requires data and experience to solve problems, but the advantage of this system is that its intelligence continuously develops as it seeks data from anywhere and learns independently without human commands, which is through experience when used by humans. AI will not cease to evolve. It is not a foreign object; it exists within computers, gadgets, and other common examples of AI.

Facebook, e-commerce recommendations, and virtual assistants are a few instances of AI application. Facebook can recognize people's faces, offer recommendations for e-commerce products, and virtual assistants such as Google Assistant can log agendas, send messages, and understand user preferences to tailor actions accordingly.

Even artificial intelligence is now capable of producing artwork, such as paintings. Since AI can take over some human jobs, this is not always a negative aspect. Although AI has supplanted some human roles, Generation Z must wisely leverage AI to expedite task completion. Generation Z is being prepared to harness AI prudently to confront the challenges of their era. Because everyone is connected to the internet, technology 4.0 is rapidly evolving. Gathering data, conducting analysis, making conclusions, and decision-making can all be done by Google. For instance, based on data about us, Google will provide recommendations. Technology now governs everything; internet sensors can detect sounds, movement, temperatures, etc. Autonomous vehicles can navigate roads and park without a driver.

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## **CONCLUSION**

In the digital era, Human Resources (HR) face various unique challenges from Generation Z as the primary workforce. These challenges involve the dynamics of rapid technological changes, the need to adapt to transforming work environments, and differing values and expectations from Generation Z. To address these challenges, careful and responsive HR strategies are necessary to ensure alignment between organizational needs and the characteristics of Generation Z.

The strategies implemented must include a deep understanding of Generation Z's preferences, skills, and expectations. The adoption of modern technology, training in digital skills, and enhancing intergenerational communication and collaboration are key to ensuring the productivity and job satisfaction of Generation Z. Moreover, creating an inclusive work environment, providing space for self-development, and designing flexibility policies can be effective strategies to attract and retain Generation Z.

By recognizing and managing the challenges faced by Generation Z in the digital era, HR teams can bridge intergenerational gaps, foster an innovative work culture, and optimize Generation Z's contributions to achieving organizational goals. Well-directed and adaptive HR strategies are crucial in addressing the complexities of the continuously evolving digital work environment.

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