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DIGITAL COMPETENCY AND HUMAN RESOURCE MANAGEMENT STRATEGIES IN THE DIGITAL ERA: CHALLENGES FOR CAREER READINESS OF GENERATION Z

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Abstract

This study investigates how digital competency and the human resources management (HRM) strategies plays a role in increasing generation Z career readiness in facing the digital era. Because of the fast growth of digital technology, workforce needs have changed, asking workers to have responsive skills and strong digital literacy. This research employed a qualitative approach with a case study design involving Generation Z graduates in Indonesia. Data were collected through in-depth interviews and documentation, and analyzed using thematic analysis. The findings indicate that digital competency, including the ability to use digital tools, online communication platforms, and self-directed learning resources, plays a significant role in enhancing career readiness. In addition, HRM strategies such as training, mentoring, and digital-based performance evaluation effectively support skill development and employability. However, several challenges remain, including skill gaps, lack of practical experience, and limited access to high-quality training. This study concludes that integrating digital competency development with adaptive HRM strategies is essential to prepare Generation Z for the dynamic labor market in the digital era.

INTRODUCTION

The rapid advancement of digital technology has fundamentally reshaped the nature of work and organizational practices, particularly in the field of human resource management (HRM). The emergence of the digital era—marked by the integration of artificial intelligence, big data, and digital platforms—has shifted workforce demands from routine skills to more complex competencies, including digital literacy, adaptability, and lifelong learning (Agustina et al., 2023; Wahyudi et al., 2023). This transformation signals a paradigm shift in how individuals prepare for and sustain their careers in an increasingly dynamic labor market.

The significance of this issue is evident in the growing concern over workforce readiness, especially among Generation Z, who are currently transitioning from education to employment. Although Generation Z is often characterized as digitally native due to their exposure to technology from an early age, this familiarity does not automatically translate into professional digital competence required in workplace settings (Prasetyaningtyas et al., 2023). As a result, many graduates experience a mismatch between their skills and industry expectations, leading to challenges in employability and career adaptation. This condition highlights the urgency of developing more structured and relevant approaches to career preparation in the digital era.

In this context, human resource management plays a strategic role in bridging the gap between educational outcomes and labor market demands. Modern HRM is no longer limited to administrative functions but extends to strategic initiatives such as competency development, talent management, and performance optimization (Dessler, 2015). The integration of digital technology into HRM practices—such as e-training, digital mentoring, and online performance evaluation—has been shown to enhance efficiency and support continuous employee development (Sudiantini et al., 2023). Therefore, the development of digital competency becomes a critical component of HRM strategies aimed at improving career readiness.

Previous studies have examined various aspects of digital transformation in HRM. For example, research by Pujiyanti and Pramono (2023) highlights that technological advancements significantly influence employee skill requirements and organizational performance. Similarly, studies have emphasized the role of digital platforms in facilitating learning, communication, and career development opportunities (Jumawan & Mora, 2018; Agustina et al., 2023). However, most existing research tends to focus on organizational perspectives or general workforce trends, with limited attention to how digital competency and HRM strategies interact to shape individual career readiness, particularly among Generation Z in developing countries such as Indonesia.

This study aims to report how digital competency and human resource management (HRM) strategies contribute to the career readiness of Generation Z in the digital era, while also identifying the key challenges that hinder this process (Hamdani, 2019). By exploring the enabling factors and structural constraints, the study seeks to contribute to the development of more responsive HRM practices and context-relevant educational strategies.

RESEARCH METHODS

This study employed a qualitative approach with a case study design to explore the role of digital competency and human resource management (HRM) strategies in enhancing the career readiness of Generation Z in the digital era. A qualitative case study was chosen because it allows for an in-depth understanding of complex social phenomena within their real-life context, particularly in capturing individuals' experiences, perceptions, and interpretations related to career preparation and digital skills development (Noor, 2012).

The study was conducted in Indonesia and involved 25 participants who belong to Generation Z, specifically individuals aged between 18 and 25 years who are in the transition phase from education to employment. Participants were selected using purposive sampling based on specific criteria, including recent graduates or individuals entering the workforce and those who have been exposed to digital technologies in academic or professional contexts. This sampling approach was intended to ensure that all participants possessed relevant experiences related to the focus of the study. To provide a clearer profile of the participants, their demographic information is presented in Table 1.

Table 1. Demographic Profile of Participants

No	Participant Code	Age	Gender	Educational Background	Current Status	Field/Experience
1	P1	22	Female	Bachelor's Degree	Job Seeker	Education
2	P2	23	Male	Bachelor's Degree	Employed	Administration
3	P3	21	Female	Diploma	Intern	Finance
4	P4	24	Male	Bachelor's Degree	Employed	IT Support
5	P5	22	Female	Bachelor's Degree	Job seeker	Marketing
6	P6	20	Male	Diploma	Student	Business Management
7	P7	23	Female	Bachelor's Degree	Employed	Education
8	P8	21	Male	Bachelor's Degree	Intern	Graphic Design
9	P9	24	Female	Bachelor's Degree	Job seeker	Administration
10	P10	22	Male	Diploma	Employed	Sales
11	P11	23	Female	Bachelor's Degree	Employed	HR
12	P12	21	Male	Bachelor's Degree	Job seeker	IT
13	P13	25	Female	Bachelor's Degree	Employed	Finance
14	P14	22	Male	Diploma	Intern	Logistics
15	P15	23	Female	Bachelor's Degree	Employed	Education
16	P16	20	Male	Student	Student	Business Management

17	P17	24	Female	Bachelor's Degree	Job seeker	Marketing
18	P18	22	Male	Bachelor's Degree	Employed	IT
19	P19	23	Female	Diploma	Intern	Administration
20	P20	21	Male	Bachelor's Degree	Job seeker	Design
21	P21	24	Female	Bachelor's Degree	Employed	Education
22	P22	22	Male	Diploma	Intern	Finance
23	P23	23	Female	Bachelor's Degree	Employed	HR
24	P24	21	Male	Bachelor's Degree	Job seeker	IT
25	P25	22	Female	Bachelor's Degree	Intern	Marketing

Data were collected through in-depth semi-structured interviews and supported by documentation. The interviews were conducted using open-ended questions designed to explore participants' experiences with digital competency, career preparation, and exposure to HRM-related practices such as training, mentoring, and performance evaluation. Each interview lasted approximately 30 to 60 minutes and was conducted either face-to-face or through online communication platforms. In addition, supporting documents such as participants' certificates from online courses, portfolios, and other relevant materials were reviewed to complement and validate the interview data.

The primary research instrument in this study was the researcher, supported by an interview guide developed based on key variables, namely digital competency, HRM strategies, and challenges in career readiness. To ensure the credibility and trustworthiness of the data, several validation techniques were applied, including triangulation of data sources, method triangulation through the use of multiple data collection techniques, and member checking, in which participants were asked to verify the accuracy of the interview results. Peer debriefing was also conducted to minimize potential researcher bias and enhance the reliability of the findings.

Data analysis was carried out using thematic analysis following the framework proposed by Miles and Huberman, which involves data reduction, data display, and conclusion drawing. The interview data were first transcribed and coded to identify key themes related to digital competency, HRM strategies, and career readiness. The categorized data were then organized into meaningful patterns to facilitate interpretation. Finally, conclusions were drawn and continuously verified by revisiting the data to ensure consistency, accuracy, and alignment with the research objectives.

RESULT AND DISCUSSION

The findings of this study are presented thematically to reflect key patterns emerging from the data. Three major themes were identified: (1) digital competency as a foundation for career readiness, (2) the role of HRM strategies in skill development, and (3) challenges and opportunities in the digital era. Each theme is supported by empirical data and interpreted using relevant theoretical perspectives and previous studies.

The findings indicate that digital competency constitutes a foundational dimension of career readiness among Generation Z, shaping not only technical capability but also psychological preparedness and perceived employability. Participants consistently demonstrated that their ability to utilize digital tools and platforms influenced their confidence, autonomy, and readiness to engage in professional environments.

One participant stated:

> *"I feel more confident applying for jobs because I already know how to use tools like Excel, Google Docs, and even design platforms like Canva. These skills are always required in job descriptions."* (Participant 7)

This excerpt illustrates how applied digital skills function as a form of practical capital in the labor market. The participant's emphasis on job requirements indicates an awareness of industry expectations, suggesting that digital competency contributes not only to skill possession but also to strategic career positioning. In line with van Laar et al. (2020), digital competency extends beyond basic technical proficiency to include the ability to apply digital tools effectively in task-oriented and professional contexts. The expressed confidence can therefore be interpreted as an indicator of career readiness, as it reflects both competence and self-efficacy—two key components of employability.

Another participant highlighted the role of self-directed learning in developing digital competency:

> *"I learned many things from online courses and YouTube tutorials. Without those, I think I would not be ready to compete in the job market."* (Participant 12)

This finding underscores the significance of informal and autonomous learning pathways in the digital era. The participant's reliance on online platforms reflects a shift from institutionalized learning to self-regulated skill acquisition, which is increasingly necessary in rapidly evolving digital environments (Bersin, 2018). This aligns with the concept of lifelong learning emphasized by OECD (2019), where individuals are expected to continuously update their competencies through flexible and technology-mediated learning opportunities. Similarly, Prasetyaningtyas et al. (2023) argue that digital platforms play a crucial role in facilitating independent learning, thereby enhancing individuals' readiness for career development.

However, the findings also suggest that digital competency is unevenly developed and highly dependent on individual initiative. While some participants actively engage in self-directed learning, others may lack the motivation, guidance, or access required to develop similar competencies. This indicates that digital competency, although essential, is not automatically acquired even among digitally native generations (Arismunandar & Khair, 2020). Such variation highlights the need for structured support systems, including educational and organizational interventions, to ensure more equitable skill development.

Overall, these findings suggest that digital competency should not be viewed merely as a technical requirement, but rather as a strategic and multidimensional asset that integrates technical skills, self-directed learning, and adaptive capacity. It plays a pivotal role in enhancing individuals' confidence, competitiveness, and ability to navigate the complexities of the contemporary labor market, thereby positioning it as a critical foundation for career readiness in the digital era.

The second theme highlights the importance of HRM strategies—particularly training, mentoring, and performance evaluation—in enhancing digital competency and career readiness. Rather than functioning as isolated interventions, these strategies play **complementary and interconnected roles** in supporting individuals' transition into the workforce.

Training as Skill Development and Workplace Familiarization

Training emerged as a primary mechanism for developing both technical and contextual understanding of workplace practices. Participants emphasized that training not only improved their digital skills but also helped them understand how these skills are applied in real work settings.

One participant explained:

> *"The training I joined during my internship really helped me understand how the workplace works, especially using digital systems."* (Participant 3)

This statement illustrates that training serves a dual role: first, as a **skill enhancement tool**, and second, as a means of **workplace socialization**. Through training, participants were able to bridge the gap between theoretical knowledge and practical application. This aligns with Dessler (2015), who identifies training and development as core HRM functions aimed at improving employee competence. In the digital era, such training increasingly incorporates digital platforms and tools, making it more relevant to current

organizational demands (Sudiantini et al., 2023).

Importantly, training also contributes to **reducing uncertainty**, as individuals become more familiar with digital systems and workflows, thereby increasing their readiness to perform job-related tasks.

Mentoring as Guidance, Feedback, and Confidence Building

Mentoring was identified as a critical support system that complements formal training by providing personalized guidance and continuous feedback. Unlike training, which is often structured and time-bound, mentoring offers an ongoing relational process that supports both skill development and psychological readiness.

A participant stated:

> *"Having a mentor made a big difference. I could ask questions and get feedback, especially when I didn't understand how to use certain tools."* (Participant 15)

This finding demonstrates that mentoring plays at least three key roles:

1. **Facilitating knowledge transfer**, particularly tacit knowledge that is not easily acquired through formal training,
2. **Providing immediate feedback**, which accelerates learning and skill correction,
3. **Enhancing confidence,** by creating a supportive environment where individuals feel safe to ask questions and make mistakes.

These roles are consistent with HRM literature, which highlights mentoring as an effective strategy for professional development and organizational integration (Robbins & Judge, 2017). In this study, mentoring appears to function as a bridge between competence and confidence, reinforcing individuals' readiness to engage in workplace tasks.

Performance Evaluation as Feedback and Continuous Improvement Mechanism

Although less explicitly mentioned by participants, performance evaluation—particularly in digital formats—emerged as an implicit mechanism that supports career development. Digital-based evaluation systems allow individuals to monitor their progress, identify skill gaps, and receive structured feedback.

One participant reflected on their experience with digital evaluation systems:

> *"In my internship, we had a system where our work was reviewed online, and we could see feedback directly from the supervisor. It helped me understand what I did wrong and what I needed to improve."* (Participant 11)

This excerpt illustrates how digital performance evaluation functions as a real-time feedback mechanism, enabling individuals to engage in continuous self-improvement. The accessibility of feedback through digital platforms allows participants to reflect on their performance more systematically and make necessary adjustments in a timely manner.

Another participant emphasized the role of evaluation in tracking personal development:

> *"Sometimes we had weekly evaluations, and I could see my progress. It made me more aware of my strengths and weaknesses."* (Participant 6)

This finding highlights that performance evaluation also contributes to self-awareness and reflective learning, which are essential components of career readiness (Handoko, 2018). By recognizing their strengths and identifying areas for improvement, individuals are better positioned to develop targeted skills that align with workplace expectations.

Within the HRM framework, performance evaluation serves as both a regulatory and developmental tool, guiding individuals toward continuous improvement. In the context of the digital era, such systems often utilize online platforms, enabling more transparent and real-time feedback processes (Riyanto, et al, 2023). This aligns with the broader shift toward digital HRM practices that emphasize data-driven decision-making and continuous performance monitoring.

These results are consistent with previous research by Pujiyanti and Pramono (2023), which emphasizes that HRM strategies in the digital era must be adaptive, continuous, and technology-driven. In this study, HRM strategies not only enhance digital competency but also shape individuals' confidence, adaptability, and overall career readiness.

The findings suggest that performance evaluation complements training and mentoring by providing a structured

mechanism for feedback and reflection. While training builds initial competencies and mentoring supports ongoing learning, evaluation ensures that development is continuously assessed and aligned with performance standards, thereby reinforcing career readiness in a systematic and measurable way.

3. Challenges and Opportunities in the Digital Era

Despite the advantages of digital competency and HRM strategies, the findings reveal that participants face several structural and individual challenges in achieving career readiness. These challenges are not isolated but interconnected, reflecting broader systemic issues in education, access, and individual capacity. Three major challenges were identified: (1) skill mismatch between education and industry, (2) digital inequality and access constraints, and (3) uneven self-directed learning capacity.

3.1 Skill Mismatch between Academic Preparation and Industry Expectations

One of the most prominent challenges identified in this study is the gap between academic learning and workplace demands. Participants frequently reported that the knowledge and skills acquired during their formal education were not fully aligned with industry requirements.

A participant noted:

> *"What we learned in campus is sometimes different from what companies need. We have to learn many things again by ourselves."* (Participant 9)

This excerpt highlights the phenomenon of **skill mismatch**, where graduates possess theoretical knowledge but lack practical and industry-relevant competencies. This condition reflects what human capital theory identifies as a misalignment between education outputs and labor market needs. According to Wahyudi et al. (2023), such discrepancies are common in developing contexts, where curricula often lag behind rapid technological changes in industry.

From an HRM perspective, this gap increases the burden on individuals to independently acquire additional skills, thereby shifting responsibility from institutions to individuals. Consequently, career readiness becomes uneven, depending on each individual's ability to compensate for these deficiencies.

3.2 Digital Inequality and Limited Access to Resources

Another significant challenge is the unequal access to digital infrastructure and learning resources, which affects participants' ability to develop relevant competencies.

As one participant explained:

> *"Not everyone has the same access to good internet or paid courses. Sometimes it's difficult to keep up."*(Participant 18)

This finding reflects the issue of **digital inequality**, which encompasses disparities in access to internet connectivity, digital devices, and high-quality learning platforms. According to OECD (2019), digital access is a fundamental prerequisite for participation in the digital economy, and inequalities in access can lead to unequal skill development and employment opportunities.

This challenge suggests that digital competency is not solely an individual achievement but is also shaped by structural conditions. Even highly motivated individuals may struggle to develop their skills if they lack adequate resources, thereby limiting their career readiness.

3.3 Uneven Capacity for Self-Directed Learning

While the digital era offers abundant opportunities for autonomous learning, not all individuals are equally prepared to take advantage of these opportunities. The findings indicate that self-directed learning, although essential, presents its own challenges.

As highlighted earlier by participants who rely on online learning platforms, success in developing digital competency often depends on individual initiative. However, the absence of structured guidance can create difficulties for some individuals in identifying relevant skills, maintaining consistency, and evaluating their own progress.

This challenge can be understood through the lens of **self-regulated learning theory**, which emphasizes that effective independent learning requires skills such as goal-setting, self-monitoring, and reflection. Without these capabilities, individuals may struggle to fully benefit from digital learning environments.

At the same time, the digital era provides significant opportunities for those who are able to navigate it effectively. As one participant stated:

> *"Now we can join online courses from anywhere, even from international platforms. That really helps us improve our skills."* (Participant 21)

This statement highlights the **paradox of the digital era**: while access to knowledge is increasingly democratized, the ability to utilize that access effectively remains uneven. Research by Agustina et al. (2023) supports this view, emphasizing that online learning platforms offer flexible opportunities for skill development, but their effectiveness depends on users' engagement and learning strategies.

These challenges indicate that career readiness in the digital era is influenced by a combination of **structural constraints (e.g., education systems and access inequality)** and **individual factors (e.g., learning autonomy and adaptability)**. While digital competency and HRM strategies provide important support, their impact may be limited if these underlying challenges are not addressed.

These findings suggest the need for a more integrated approach, where educational institutions, organizations, and policymakers work collaboratively to reduce skill gaps, improve access to digital resources, and support individuals in developing effective learning strategies.

The integration of HRM theory and the digital skills framework is evident in the findings. Training and mentoring, as core HRM practices, enhance individuals' digital competencies, which in turn improve their employability and adaptability (Aditama, et al., 2020). However, challenges such as skill mismatches and unequal access to resources highlight the need for more inclusive and context-sensitive strategies.

These findings reinforce the argument that preparing Generation Z for the future workforce requires a collaborative effort between educational institutions, organizations, and policymakers to ensure that both competencies and opportunities are equitably developed.

CONCLUSION

This study concludes that digital competency and human resource management (HRM) strategies play a significant and interconnected role in enhancing the career readiness of Generation Z in the digital era. Digital competency functions as a foundational capability that strengthens individuals' confidence, adaptability, and ability to meet workplace demands. At the same time, HRM strategies—particularly training, mentoring, and performance evaluation—serve as key enabling mechanisms that support the development, application, and continuous improvement of these competencies. Training facilitates skill acquisition and workplace familiarization, mentoring provides guidance and confidence-building, and performance evaluation offers structured feedback for ongoing development. Together, these elements form a supportive framework that prepares individuals to navigate the complexities of the modern labor market.

However, the findings also reveal several challenges that hinder the achievement of career readiness. These include the mismatch between academic preparation and industry expectations, unequal access to digital resources, and variations in individuals' capacity for self-directed learning. Such challenges indicate that career readiness is influenced not only by individual competencies but also by structural and contextual factors. As a result, despite the availability of digital tools and HRM support, not all individuals are equally positioned to benefit from them, highlighting the need for more inclusive and aligned approaches in preparing Generation Z for the digital workforce.

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