

## **HRM STRATEGIES IN MANAGING GENERATION Z TALENT: UNDERSTANDING THE NEEDS AND MOTIVATION IN THE WORKPLACE**

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### **ABSTRACT**

*The purpose of this study is to examine the challenges and talent management strategies in managing Generation Z in the workplace. Generation Z, as digital natives, brings significant changes that demand the adaptation of an integrated Human Resource (HR) strategy. The method used is qualitative with a literature review approach, which collects data from various scientific journals, books, and research reports. The results of the study show that companies face challenges in three main aspects: attracting, employing, and retaining Generation Z. In terms of attracting, the challenges are building a strong company image and positive reputation, as well as creating an efficient and digital recruitment process. In terms of employing, the challenges are conducting holistic skill assessments (covering both soft skills and hard skills), implementing an effective and engaging onboarding process, and managing Generation Z's expectations realistically. Meanwhile, to retain Generation Z, companies must address the high turnover rate by providing a positive work environment, clear career development opportunities, and competitive compensation and benefit packages. By implementing these strategies, companies can not only maximize the potential of Generation Z but also be better prepared to face the challenges and opportunities of an increasingly digital future of work.*

*Keywords: generation z; human resource management; employee motivation*

### **INTRODUCTION**

In today's competitive business landscape, effective talent management has become crucial for organizations seeking to maintain a competitive advantage. Talent management involves a range of strategies designed to attract, develop, and retain skilled employees who help achieve

organizational goals. A key aspect of this process is promoting employee engagement, which reflects the emotional commitment and dedication employees have towards their work, colleagues, and the company. Moreover, as competition for talent intensifies and job mobility increases,

companies are acknowledging the importance of strong retention strategies to retain top performers and reduce turnover costs (Arora & Babu, 2025).

Applying an effective talent management strategy requires significant cost and effort. Often, even a well-designed system does not run smoothly during implementation, so the results achieved are not what is expected. For employees to perform at their best, organizations need to align their strategy, culture, structure, and talent. This alignment is crucial for creating a strong and sustainable talent management culture (Sudrajat et al., 2023).

Fahma Diena Achmada et al., (2022) state Retaining incompetent employees will increase employee turnover, which ultimately disrupts service quality and the achievement of company goals. Company performance is highly dependent on how they utilize their resources, and one way is by retaining employees to maintain high loyalty. Since talented human resources are the key to success, companies must manage them as valuable assets that can provide added value and competitive advantage for

the sake of the company's growth and sustainability.

Generation Z, which includes individuals born between 1997 and 2012, is a demographic cohort that grew amidst a technological revolution and significant social transformations. Since their formative years, this generation has been familiar with digital technology advancements such as social media, the internet, and mobile devices (Ekasani, Deva; Kuswinarno, 2024).

When entering the professional world, Generation Z tends to prioritize flexibility, inclusivity, and a positive work environment. They actively seek out companies whose values align with their personal beliefs, particularly regarding social responsibility and environmental issues. In addition to financial compensation, they also demand opportunities for personal growth, mental health support, and a structured career path (Suseno et al., 2024).

The phenomenon demands a substantial adjustment of Human Resources (HR) strategies. Companies can no longer rely on a uniform ("one-size-fits-all") approach that may have been effective for previous generations.

To successfully attract, recruit, and retain the best talent from Generation Z, organizations need to gain a comprehensive understanding of their motivational factors, work patterns, and aspirations related to their jobs and careers (Amrullah, et al., 2025).

The successful implementation of a talent management strategy often correlates with superior company performance compared to its competitors. This is made possible by the company's ability to optimize the maximum potential of its talented employees, which directly drives an increase in productivity, innovation, and competitive advantage. Effective talent management plays a dual role: it enhances individual employee performance while also making a significant contribution to the overall performance of the organization. Additionally, internally developed employees tend to have a deeper understanding of the organizational culture and a higher level of loyalty, which in turn strengthens workforce retention and stability (Mujibi, Agis & Azmy, 2024).

## **LITERATUR REVIEW**

### **Talent Management**

Achmada et al., (2022) defines talent management as the implementation of an integrated strategy or system designed to optimize organizational productivity. This is achieved through the development of a systematic series of processes to attract, develop, retain, and maximize high-quality human resources. Talent management can be defined as a business strategy designed to retain skilled and capable employees. This practice has a dual significance: to support the development of existing employees and to attract talented individuals from outside the organization. Research proves that the prospect of growth and development within an organization is a primary motivation that influences the decision of prospective employees to apply, as well as a reason for current employees to show loyalty and stay with the company (Dwidienawati, 2022). In his research (Basuki & Ramadhania, 2021) found that “there is no single or contemporary definition of talent in one language; there are different talent perspectives.”

According to his explanation, “the meaning tends to be specific to an organization and is influenced by the nature of the work being performed.

### **Generation Z**

Some unique characteristics of the Generation Z workforce that employers should be aware of (Anthony Onesto, 2022) are as follows: a. Flexibility: Generation Z employees often seek flexible work arrangements that allow for a better work-life balance. They value options such as remote work and flexible hours. b. Inclusivity: Generation Z is highly aware of social issues, including climate change and economic inequality. They tend to choose employers based on the company's commitment to social responsibility and sustainability. c. Desire for Values: Generation Z values authenticity and transparency in the workplace.

They prefer employers who are genuine and open about their practices and policies. d. Personal Growth: Having grown up in a digital world, Generation Z is comfortable with technology and expects it to be integrated into their work environment. They are accustomed to using various

digital tools and platforms for communication and collaboration. e. Focus on Mental Health: Mental health and well-being are a primary concern for Generation Z. They value workplaces that prioritize mental health support and create a culture that promotes well-being. f. Career development orientation: Generation Z is highly concerned with personal and professional growth. They seek employers that provide opportunities for learning, development, and career advancement.

Human Resource Management (HRM) for Generation Z must be adapted to their needs. Generation Z (born 1997-2012) is the first generation to have grown up entirely in the digital era, which has changed the way they work, interact, and learn. Therefore, HRM development theories need to be updated to align with their expectations. Some relevant theories for managing Generation Z are an Experiential Learning Theory (Kolb): This theory states that learning is most effective through direct experience. For Gen Z, this means using methods such as simulations, on-the-job training, or practical projects. b. Maslow's Hierarchy of Needs: Maslow proposed

that humans have a hierarchy of needs, including the need for self-actualization. For Generation Z, who seek meaning in their work, their primary motivation is the opportunity to innovate and contribute to something bigger. c. Two-Factor Motivation Theory (Herzberg): Herzberg distinguished between motivators (such as recognition and achievement) and hygiene factors (such as salary and working conditions). For Generation Z, HRM strategies should place more emphasis on providing recognition and opportunities for skill development, rather than just on salary.

## **RESEARCH METHOD**

This article uses a qualitative research method with a literature review approach. Data and information were collected through a literature study by examining various relevant sources such as scientific journals, books, research reports, and articles from trusted websites (Sugiyono, 2019).

## **RESULT AND DISCUSSION**

### **Result**

#### **Challenges in Attracting Generation Z**

Attracting Generation Z to work for a company is not an easy task, given the fierce competition in the digital era and the demands of the "future of work" (Burnett & Lisk, 2021). Companies must be able to stand out by offering something different to attract the best talent from this generation. There are three main challenges that need to be addressed: (1) Building a Strong Company Image and Reputation Generation Z is deeply concerned with a company's values and reputation. They tend to be attracted to companies that have a positive image, are socially responsible, and care about the environment (Dorsey & Villa, 2020). In the digital age, where information is easily accessible through social media, companies need to proactively build and maintain a positive online image (Yağmur, 2024); (2) Creating an Efficient and Digital Recruitment Process Since they are accustomed to technology, Generation Z expects a recruitment process that is fast, easy, and mobile-friendly (Parry & Urwin, 2011). A complex

application process or slow communication can frustrate them. Companies must adopt digital technology such as Applicant Tracking Systems (ATS), artificial intelligence (AI) to screen candidates, and video interviews to increase the efficiency and effectiveness of the recruitment process (Horodyski, 2023); (3) Offering an Attractive Value Package In addition to competitive salaries, companies must also offer attractive benefits and other incentives. Generation Z values work flexibility, opportunities for personal development, and a positive work environment (Nurqamar et al., 2022). They also highly prioritize a balance between their work and personal lives, as well as autonomy in their work.

### **Challenges in Employing Generation Z**

After successfully attracting Generation Z's interest, companies face the next challenge: employing them. This process involves proper selection and effective onboarding to ensure that new employees, especially from Generation Z, can adapt to the digital work culture and contribute optimally.

1. Holistic Skill Assessment: Although Generation Z tends to be more tech-savvy, possesses good problem-solving skills, and is adaptable to change (Turner, 2015), they may lack work experience and face-to-face communication skills (Lyons & Kuron, 2014). Therefore, assessment methods must identify suitable candidates for the digital era, focusing not only on hard skills but also on soft skills such as effective communication, collaboration, creativity, and critical thinking. 2. Effective and Digital-Based Onboarding: A positive onboarding experience is crucial for Generation Z. They expect a process that is engaging, interactive, and gives them the opportunity to contribute from the very beginning (Tussing et al., 2024). An effective onboarding process helps new Gen Z employees adapt quickly, feel welcomed, and understand their roles. Companies can leverage digital technology, such as online learning platforms and mobile applications, to create a more appealing onboarding experience (Chillakuri, 2020). 3. Managing Expectations Realistically: Generation Z has high expectations for their jobs; they want to work for a company that provides

opportunities to learn, grow, and make a positive impact (Janssen & Carradini, 2021). However, they also need to understand the realities of the professional world. Companies must manage Gen Z's expectations realistically and provide the necessary support for them to succeed. Open and transparent communication between management and employees is essential for managing expectations and creating a positive work environment.

### **Challenges in Retaining Generation Z**

The high turnover rate among Generation Z poses a unique challenge for companies. Retaining talented employees from this generation requires the right strategy to meet their needs and expectations within the context of the "Future of Work". Companies need to create a positive, supportive, and inclusive work environment. Generation Z values collaboration, flexibility, and a balance between their personal and professional lives (Amrullah et al., 2025). An inclusive workplace that embraces and respects diversity is also very important to Generation Z

(Macovei & Martinescu-Badalan, 2022). Companies need to foster a pleasant work culture where employees feel valued and empowered. Research by Amrullah, (2025) shows that work-related stress is a trigger for turnover in companies. Generation Z has high ambitions and wants opportunities to advance in their careers (Kirchmayer & Fratričová, 2020). Therefore, companies need to provide sustainable career development opportunities. They expect structured career development programs, mentoring, and the chance to take on greater responsibilities. Companies need to provide clear career paths and continuous development opportunities to meet Generation Z's ambition and desire to keep learning and growing. A clear career path within a company has a positive influence on employee performance (Franciska et al., 2023). Third, companies need to offer competitive compensation and benefits. Although not the only motivating factor, compensation and benefits are still important for Generation Z. They expect fair salaries, attractive benefit packages, and recognition for their contributions (WEF, 2020). Companies must ensure



that the compensation and benefit packages they offer are in line with industry standards and are appealing to Generation Z, considering factors such as work-life balance, flexibility, and career development opportunities.

### **Talent management implementation strategy**

To address the challenges of managing Generation Z in the digital era, companies need a comprehensive and innovative HRM strategy. Here are some solutions that can be implemented (Amrullah et al, 2025) :

1. Building a Strong Employer Brand: Companies must build a positive image by highlighting social values, environmental responsibility, and CSR commitments. This can be done through social media, campaigns, or volunteer programs. Furthermore, it is crucial to maximize their digital presence on various platforms to attract tech-savvy Gen Z, for example, by creating creative videos or utilizing LinkedIn. 2. Optimizing the Recruitment Process: Technology is key in recruitment. Companies should use tools like ATS, AI, and video interviews for a more efficient process. Additionally, the application process

must be simplified. Gen Z expects ease, such as one-click applications or concise forms, as well as opportunities for internships and training. 3. Prioritizing Career Development: Career development must be a priority. Companies need to provide programs relevant to Gen Z's needs, including technical and soft skills training, mentoring, and opportunities to apply their skills in real-world projects. Offering a clear career path and opportunities to take on greater responsibility is essential to motivate them. 4. Creating a Supportive Work Environment: Companies must foster a flexible, collaborative, and innovative work environment. Offering options such as remote work and flexible hours is important. Communication should be open, and the use of digital collaboration tools (like Slack or Microsoft Teams) is highly valued by this generation. 5. Providing Competitive Compensation and Benefits: While not the only factor, competitive compensation and benefits are still crucial for attracting and retaining Generation Z. Companies must offer fair salaries, attractive benefits packages, and proper recognition for employee



contributions. Benefit packages should also be tailored to Gen Z's needs, such as flexibility and mental health support.

### **Discussion**

Generation Z, with their unique characteristics and expectations as digital natives, is driving significant changes in the workplace landscape. Their presence demands an adaptation of HRM strategies focused on the "Future of Work," where flexibility, digital technology, and continuous development are key.

This article has holistically examined HRM strategies for managing Generation Z, including employer branding, recruitment, career development, the work environment, compensation and benefits, and leadership roles. The study indicates that companies need to respond to the needs of Generation Z by building a strong and authentic company image. This involves highlighting positive values, social responsibility, and environmental concerns through digital platforms, optimizing the recruitment process. Companies should use digital technology to increase efficiency and reach a wider pool of potential candidates, Providing relevant career

development programs. This means offering opportunities to improve skills, develop potential, and achieve career goals, Creating a positive and supportive work environment. Companies should foster flexibility, collaboration, and innovation in the workplace, offering competitive compensation and benefits. This includes ensuring fair salaries, attractive benefit packages, and recognition for employee contributions. The last is Implementing an adaptive leadership style. Leaders should provide support, guidance, and opportunities for Generation Z to grow.

By implementing the right HRM strategies, companies can not only maximize the potential of Generation Z but also prepare themselves to face the challenges and opportunities of an increasingly digital future of work.

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