

Innovation and Transformation of Human Resource Management in Preparing the Young Generation for the Future of Work

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Abstract

Rapid changes in the business environment due to the development of digital technology, globalization, and labor market dynamics demand innovation and transformation in human resource management (HRDM). The younger generation, especially millennials and Gen Z, are strategic assets that will determine the future direction of the world of work. Therefore, organizations need to implement an adaptive MSDM approach that is oriented towards the development of competencies, creativity, and resilience of the younger generation. This article discusses various forms of innovation and transformation in HRM, including the use of digital technology in talent recruitment and development, the implementation of technology-based continuous learning, the strengthening of an inclusive organizational culture, and collaborative leadership strategies. The results of the study show that technology integration, work flexibility, and value- and competency-based talent management are key factors in preparing the younger generation for the future world of work. Thus, the transformation of MSDM not only serves as an adaptation effort, but also as a proactive strategy to produce superior human resources, be globally competitive, and be ready to face the challenges of the digital era.

Keywords: Human Resource Management, Innovation, Transformation, Young Generation, Future Work, Digital Era

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Introduction

The development of digital technology, globalization, and very rapid socio-economic changes have had a significant impact on the world of work. The Industrial Revolution 4.0 and now the transition to the Society 5.0 era requires organizations to be able to adapt quickly to changes that are all digital, automated, and based on artificial intelligence. The world of work is undergoing a shift that not only concerns the technical aspects of work, but also changes in mindset, communication patterns, and the way organizations manage their human resources. Human resource management (HRDM) is one of the aspects that must be transformed in order to be able to prepare the younger generation to face future demands. The millennial generation and Gen Z as the dominance of the productive population are currently the main driving forces that will determine the direction of global economic development in the future (Deloitte, 2020). Therefore, innovation and transformation of human resources are a strategic need in preparing them for an increasingly dynamic world of work.

The younger generation has different characteristics from previous generations. They tend to be more open to technology, flexible, love freedom, and value the value of collaboration and creativity more than just adherence to rigid organizational rules (Ng et al., 2018). These characteristics must be understood by HR practitioners so that HR management strategies can be adjusted to the needs and preferences of that generation. If organizations are still using traditional HR approaches that emphasize rigid hierarchies, strict control systems, and bureaucratic procedures, it will be difficult for them to maximize the potential of the younger generation. On the other hand, if organizations are able to present an innovative, adaptive, and humanist approach to MSDM, then the younger generation will be more encouraged to develop their competencies optimally and make a significant contribution.

One of the main challenges of the future world of work is the disruption of work due to technological developments. According to the McKinsey Global Institute (2020) noted that around 60% of jobs in the world have the potential to change significantly due to automation, digitalization, and the development of artificial intelligence. This means that many conventional skills will be replaced, while new, more complex and multidisciplinary skills are increasingly needed. Therefore, HR must be able to transform from just an administrative function to a strategic function that is able to map future skills needs, develop relevant training programs, and create a work ecosystem that supports the development of sustainable competencies (*lifelong learning*). The transformation must also be accompanied by the use of digital technology, for example through *e-learning platforms*, *talent management systems*, and *data analytics* to map employee performance and potential.

Innovation in MSDM is not only related to technology, but also concerns a paradigm shift in the perception of the workforce. The younger generation no longer only looks for work as a source of income, but also wants jobs that have meaning, are in line with personal values, and provide space for self-growth. The World Economic Forum (2021) emphasizes that future organizations must be able to create an inclusive, flexible, and *work-life balance*. Therefore, the transformation of human resources must prioritize the aspect of *employee experience*, by paying attention to psychological well-being, employee involvement, and opportunities to develop according to the potential of each individual. In this case, the younger generation appreciates organizations that are able to provide support for career development, continuous learning opportunities, and collaborative and participatory leadership styles.

The world of work of the future also demands mastery of *soft skills* that are more dominant. The OECD (2019) states that skills such as creativity, critical thinking skills, communication, leadership, and collaboration will be the main keys to the success of the younger generation in facing a competitive job market. Global challenges full of uncertainty, such as economic crises, climate change, and pandemics, further emphasize the importance of *resilience* and *adaptability* as core competencies. Therefore, the role of MSDM in shaping the young generation is not only limited to technical training, but also to the development of

character, attitudes, and values that support long-term competitiveness. Organizations must be able to present a balanced development program between *hard skills* and *soft skills*, so that the younger generation can grow into competent individuals while having integrity and social concern.

The transformation of MSDM is also inseparable from changes in the work system. The COVID-19 pandemic has accelerated the birth of new work models, such as *remote working*, *hybrid working*, and *the gig economy*. The younger generation growing up in the digital ecosystem is relatively faster to adapt to these changes, but they also need the support of a responsive MSDM system. According to a PwC report (2021), organizations that successfully adopt a flexible work system have proven to be able to increase productivity and employee satisfaction, especially among the younger generation. In this case, MSDM innovations include work flexibility policies, the use of digital collaboration technology, and *an outcome-based performance* evaluation system. In this way, the younger generation can work more productively while maintaining a balance of personal and professional life.

It is undeniable that the transformation of MSDM also faces various challenges. Some organizations still face obstacles in the form of technological limitations, resistance from management, and a lack of understanding of the needs of the younger generation. However, this challenge should be a driver to continue to innovate. Collaboration between the world of education, the business world, and the government is very important in creating a sustainable human resource development ecosystem. Education must be able to produce graduates who are relevant to the needs of the industry, while the business world must provide broad learning opportunities, and the government needs to formulate policies that support the transformation of MSDM on a national scale.

By looking at these various dynamics, it can be concluded that innovation and transformation of MSDM is an absolute thing to do in preparing the young generation to face the future world of work. This transformation is not only a demand for adaptation, but also a proactive strategy to produce superior human resources, be globally competitive, and be able to face the challenges of the digital era with full readiness. The young generation that is well managed through innovative MSDM strategies will be the driving force of development, not only at the national level, but also at the global level.

Literature Review

2.1 Innovation in Human Resource Management

Innovation in human resource management (HRM) is a strategic issue in the face of globalization dynamics, technological developments, and changes in the demographic structure of the workforce. Human resources no longer only function as personnel administration, but as a strategic partner of the organization in increasing competitiveness and preparing human resources (HR) that are adaptive to change. According to Ulrich (2016), the role of modern HR includes talent development, performance management, and building an innovative culture that is able to respond to the challenges of changing business environments. Therefore, innovation in MSDM is very important to form a young generation that is ready to face the complexities of the future world of work.

One form of MSDM innovation is the digitization of the recruitment and selection process. Digital transformation through the use of artificial intelligence (AI) and big data analytics allows organizations to assess potential workers more quickly, objectively, and accurately. For example, an AI-based recruitment platform can analyze a candidate's competencies, personality, and fit with the organization's culture (Bondarouk & Brewster, 2016). This not only speeds up the recruitment process, but also assists organizations in finding the younger generation who have the best potential to develop. Thus, technological innovation in HR is not just administrative efficiency, but part of an organization's strategy to acquire and retain superior talent.

In addition to recruitment, MSDM innovations are also seen in competency development through e-learning and blended learning. The young generation known as digital natives is more adaptable to technology-based learning. According to Bersin (2019), a learning management system (LMS) allows organizations to design learning that is flexible, personalized, and accessible at any time. This innovation encourages independent learning while ensuring that young workers have competencies that are relevant to job demands. Furthermore, organizations can use gamification in training to increase the motivation and engagement of young employees, as this method provides a more interactive and enjoyable learning experience.

Innovation in MSDM is also related to performance management approaches. Traditional performance appraisal systems that tend to be bureaucratic are starting to be abandoned and replaced by continuous performance management. This model emphasizes real-time feedback, coaching, and adaptive goal-setting. As stated by Pulakos et al. (2019), this approach is more suitable for the younger generation who need clarity of goals, appreciation for achievements, and opportunities to develop themselves sustainably. Thus, innovations in performance management not only increase productivity, but also help the younger generation build work discipline and a sense of responsibility.

No less important, HR innovation also touches on the aspect of employee well-being. Organizations are increasingly aware that the physical, mental, and emotional well-being of employees greatly affects productivity. Innovations in the form of flexible working arrangement programs, digital counseling, and health management applications are important strategies in modern MSDM. According to Nielsen & Miraglia (2017), good employee well-being contributes to increased engagement, loyalty and work performance. This is especially relevant for the younger generation who place work-life balance as a top priority in choosing a job.

Innovation in HR also demands a shift in organizational culture that is more inclusive and collaborative. The younger generation has a preference for working in an open environment, supporting creativity, and respecting diversity. Research conducted by Deloitte (2021) shows that millennials and Gen Z prefer organizations that are committed to sustainability, inclusivity, and social innovation. Therefore, an innovative HR strategy must include developing an organizational culture that is able to attract, retain, and empower the younger generation.

2.2 Digital Transformation in Human Resource Management

Digital transformation in human resource management (HRM) is an important phenomenon that changes the way organizations manage their workforce in the industrial era 4.0. MSDM no longer only focuses on traditional employee administration and management, but also integrates digital technology to support strategic decision-making, talent management, and improve employee work experience. According to Strohmeier & Parry (2014), the implementation of electronic human resource management (e-HRM) allows the HR process to be more efficient, transparent, and able to provide added value for the organization. This digital transformation is increasingly relevant considering that the younger generation who are familiar with technology needs a modern, fast, and data-based HR management system.

One of the key aspects of digital transformation in HR is the digitization of employee recruitment and selection. The traditional recruitment process that uses print media or manual interviews is now shifting to digital platforms such as online job portals, social media recruiting, and the use of AI-based algorithms. According to Melanthiou, Pavlou, & Constantinou (2015), social media such as LinkedIn has become one of the important instruments in recruiting the younger generation because it is able to accelerate access, expand reach, and allow companies to get candidates who are more suited to the needs of the organization. This transformation also allows the application of predictive analytics in predicting the potential of prospective employees based on their educational history, experience, and digital behavior.

Digital transformation is also very significant in the learning and development process of employees. A cloud-based learning management system (LMS) allows organizations to provide learning materials in a flexible, interactive, and accessible manner at any time. The younger generation who are used to digital technology find it easier and motivated to take part in technology-based training such as microlearning and gamification. Research from Noe et al. (2017) shows that digital learning not only increases the effectiveness of training, but also builds a culture of continuous learning within organizations. This is important to ensure that young employees can continue to develop skills according to the demands of the dynamic world of the future of work.

In addition to recruitment and learning, digital transformation also plays a role in data-driven performance management. With digital systems, organizations can monitor employee performance in real-time through measurable indicators, making it easier to evaluate performance more objectively and transparently. According to Pulakos, Mueller-Hanson, & O'Leary (2019), digital performance management systems allow for continuous feedback, so that it is more in line with the character of the younger generation who need recognition and direction quickly. The technology also allows for personalization of performance targets, where employees can set goals that are adaptive and aligned with the needs of the organization.

Digital transformation in MSDM also introduces the concept of an employee experience platform that is oriented towards employee well-being and engagement. Through digital applications, organizations can manage attendance, salary, leave, and employee welfare more easily. Gartner (2020) notes that organizations that adopt digital platforms for employee engagement experience increased employee loyalty and productivity, especially among the younger generation. This is because digital systems not only facilitate access to information, but also build more open communication between employees and management.

Not only that, digital transformation also encourages organizations to adopt data-driven HR. The use of big data analytics in MSDM enables data-driven decision-making related to employee productivity, retention, and career development. Marler & Boudreau (2017) emphasized that HR analytics is an important instrument in improving the effectiveness of MSDM strategies because it provides accurate data-driven insights. This is in line with the demands of the younger generation who need a clear career path and are based on real achievements.

Digital transformation in HR also faces challenges, especially related to data security, employee resistance to change, and digital skills gap. According to Bondarouk & Brewster (2016), one of the main obstacles to the implementation of e-HRM is the lack of organizational readiness to build an inclusive digital culture. Therefore, the success of digital transformation in HR requires support from all parties, both in terms of technology, human resources, and organizational policies.

2.3 The Role of the Young Generation in the Future of Work

The young generation has a very important role in determining the direction of future work development. As a productive age group, they are not only the main workforce, but also the driving force of innovation, digital transformation, and social change in various sectors. According to a report by the World Economic Forum (2020), the young generation, especially millennials and generation Z, will dominate more than 60% of the global workforce by 2030. With large numbers and unique characteristics, the younger generation brings changes in work patterns, leadership styles, and expectations to the world of work, so organizations must adapt to maximize their potential.

One of the biggest contributions of the young generation in the world of work of the future is its ability to utilize technology. They are known as *digital natives* who have been accustomed to using digital devices, social media, and internet-based applications since childhood. According to Tapscott (2009), the younger generation tends to have faster technological

adaptability than previous generations, so it has great potential in supporting digital transformation in the workplace. This makes them the main actors in the application of *artificial intelligence (AI)*, *big data analytics*, *cloud computing*, and *the Internet of Things (IoT)* in business processes. This ability not only improves work efficiency, but also opens up opportunities for the creation of new and more innovative business models.

In addition to technological capabilities, the younger generation also has a different value orientation in work. They tend to prioritize *work-life balance*, work flexibility, and meaning and purpose in work. According to Deloitte research (2021), most millennials and Generation Z consider that the work they do must have a positive social impact, not just gain financial benefits. This view encourages organizations to adjust work policies, such as the implementation of flexible working (*remote working*), the development of corporate *social responsibility* programs, and creating an inclusive and sustainability-oriented work culture.

The younger generation also plays an important role in shaping the future leadership style. They tend to reject authoritarian leadership models and prefer participatory, collaborative, and open communication-based leadership patterns. According to Goleman (2017), future leadership will emphasize more on emotional intelligence, empathy, and the ability to build healthy working relationships. The younger generation who grew up in the era of information disclosure has a tendency to value diversity, cross-cultural collaboration, and social justice. Thus, they are expected to build a more inclusive, democratic, and common well-being-oriented organization.

In skills, the younger generation is required to have *future skills* that are in accordance with the needs of the future world of work. According to a McKinsey report (2018), the main skills needed include digital skills, complex problem solving, critical thinking, creativity, and adaptability. The younger generation has an advantage in creativity and innovation, as they are used to exploring various ideas through interaction with technology and social media. However, they also face challenges in the form of skills *gaps* that must be overcome through education, training, and collaboration between the world of education, industry, and government.

The role of the young generation in the future world of work is also very closely related to the spirit of *entrepreneurship*. Many young generations choose to become entrepreneurs to create new jobs rather than just relying on formal jobs. According to the Global Entrepreneurship Monitor (2020), the level of entrepreneurship of the younger generation is increasing, especially in developing countries, along with the support of digital technology that facilitates access to capital, markets, and business networks. This phenomenon shows that the young generation is not only a job seeker, but also a creator of job opportunities that contribute to national and global economic development.

Despite having a wide range of potential, the younger generation also faces significant challenges in the future world of work. Some of these challenges include increasing global competition, economic uncertainty, climate change, and disruption due to new technologies. According to the ILO (2020), youth unemployment rates are still quite high in many countries, mainly due to the mismatch between the skills possessed and the needs of the job market. Therefore, the role of the young generation in the future world of work needs to be strengthened through government policies, support for educational institutions, and innovations in human resource management in organizations.

2.4 Challenges and Opportunities of MSDM in Managing the Young Generation

Human Resource Management (HRM) in the modern era is facing new dynamics along with the entry of the younger generation, especially millennials and generation Z, into the world of work. These two generations carry different characteristics, preferences, and expectations compared to the previous generation. This poses challenges as well as opportunities for organizations in designing effective MSDM strategies. According to Parry & Urwin (2011), the young generation has a more flexible work value orientation, values innovation, and needs a

work environment that supports personal development. Therefore, organizations need to adjust HR policies to be able to accommodate the needs of this generation without neglecting organizational productivity and sustainability.

One of the main challenges in managing the younger generation is the high mobility and turnover rate. The younger generation tends to easily change jobs if they feel that the work environment is not in accordance with expectations or does not support self-development. Research by Twenge et al. (2010) shows that millennials' job loyalty is lower than previous generations, because they focus more on personal career achievement, flexibility, and life balance. This is a challenge for MSDM to create relevant employee retention strategies, for example by providing continuous learning opportunities, clear career paths, and reward systems that suit the needs of the younger generation.

In addition, MSDM also faces challenges in the form of skills gap. The world of work of the future demands new skills, especially related to digital technology, critical thinking, creativity, and adaptability. However, not all young generations have these skills equally. According to a World Economic Forum report (2020), about 40% of the core skills of the global workforce will change in the next five years. Therefore, organizations need to prepare training, upskilling, and reskilling programs that suit the needs of the industry. This challenge is also an opportunity for MSDM to play a strategic role in building a workforce that is ready to face technological disruption.

The communication patterns of the different young generation are also a challenge. They prefer fast, open, and digital-based communication. This sometimes creates a communication gap with the older generation in the workplace. According to Deal, Altman, & Rogelberg (2010), organizations that fail to understand the differences in communication styles between generations can face internal conflicts that affect productivity. However, if managed well, the diversity of communication styles can actually be an opportunity to create an inclusive and collaborative work culture.

In terms of opportunities, the presence of the younger generation provides new energy for the organization. This generation is known to have high creativity, quick adaptability, and an orientation to innovation. They tend to think out-of-the-box and are not afraid to try new things, thus becoming the driving force for organizational transformation. According to McKinsey (2018), organizations that are able to optimize the potential of the younger generation in digital innovation will have a significant competitive advantage in the global market. Thus, MSDM has a great opportunity to create a work environment that encourages innovative ideas from the younger generation.

The younger generation also has a high concern for social and sustainability issues. Deloitte (2021) notes that most millennials and Generation Z choose to work for companies that have a commitment to environmental sustainability and social responsibility. This opens up opportunities for MSDM to build an organizational image that is oriented towards sustainability and corporate social responsibility (CSR) as a strategy to attract and retain young talent. By integrating sustainability values into the MSDM strategy, the organization not only increases its appeal to the younger generation, but also strengthens its contribution to the wider society.

Another opportunity lies in the use of digital technology in human resource management. The young generation who are technologically literate is very open to the application of digital systems, such as e-recruitment, learning management systems, and data-based applications for performance management. According to Bondarouk & Brewster (2016), the implementation of e-HRM allows the HR management process to be faster, more transparent, and more effective. With the support of the younger generation, digital transformation in MSDM can run more smoothly and sustainably.

2.5 MSDM's Innovative Strategies to Prepare the Young Generation

Major changes in the world of work due to globalization, digitalization, and technological disruption require organizations to formulate innovative strategies in human resource management (HRM), especially in preparing the younger generation for the future world of work. Young generations, especially millennials and Generation Z, are the dominant group in the labor market that carry unique characteristics: openness to change, digital literacy, prioritizing flexibility, and valuing opportunities for self-development. In order for their potential to be maximized, MSDM is required to adopt new approaches that are innovative and aligned with the needs of this generation. According to Boxall & Purcell (2016), strategic HR must be able to balance organizational interests and individual aspirations, so that productive and sustainable working relationships are born.

One of the innovative strategies of MSDM is the implementation of a continuous learning system. The world of work of the future demands skills that are constantly updated, so organizations need to equip the younger generation with upskilling and reskilling programs. With digital platforms such as learning management systems (LMS) and micro-learning-based learning, employees can access materials as needed at any time. According to Deloitte (2020), companies that implement digital learning show higher levels of employee engagement as well as significant productivity increases. This strategy not only improves the competence of the younger generation, but also builds a culture of lifelong learning that is the key to success in the digital era.

In addition to continuous learning, young leadership development is an important strategy. The younger generation has the potential to become future leaders, but they need the right guidance through mentoring and coaching programs. According to Gentry et al. (2014), effective leadership development programs are able to increase the confidence, interpersonal skills, and managerial abilities of the younger generation. This strategy not only helps organizations produce quality leaders, but also creates a system of continuous regeneration.

Work flexibility is also an innovative strategy that is increasingly relevant. The younger generation appreciates work-life balance. Therefore, MSDM needs to offer flexible working models, such as remote working, hybrid systems, or adjustable working hours. According to Bloom et al. (2015), the implementation of work flexibility increases employee satisfaction and decreases turnover rates. Flexibility is not only an attraction for the younger generation, but it also increases productivity by giving them space to work according to their own style and preferences.

Another innovative strategy is to build a value-driven work culture. The younger generation tends to choose organizations that have a clear vision, mission, and social values, including a commitment to environmental sustainability and social responsibility. HR can integrate these values into recruitment policies, performance appraisals, and reward systems. Deloitte research (2021) shows that 44% of Generation Z prefer to work in companies that show concern for environmental and social issues. Thus, creating a value-based work culture can be an effective strategy in attracting and retaining young talent.

The use of digital technology in MSDM cannot be ignored either. Innovations such as artificial intelligence (AI) in recruitment, big data analytics for performance management, and gamification in training can improve the efficiency and work experience of the younger generation. According to Bondarouk & Brewster (2016), the implementation of e-HRM is able to speed up the HR administration process while providing a digital experience that meets the expectations of young employees. With this strategy, organizations can create a more transparent, inclusive, and data-driven MSDM system.

In addition, organizations also need to adopt employee engagement strategies that are in accordance with the character of the younger generation. Providing prompt feedback, performance-based reward systems, and opportunities to participate in decision-making are important factors in increasing their engagement. Kahn (2010) emphasizes that employee

involvement not only increases motivation, but also has a direct impact on organizational performance. MSDM that succeeds in creating the involvement of the younger generation will have a loyal, productive, and innovative workforce.

Research Methodology

This research uses a qualitative descriptive approach with the aim of providing an in-depth understanding of how innovation and transformation in human resource management (HRM) contribute to preparing the young generation for the future world of work. The qualitative approach was chosen because it allows researchers to comprehensively explore the phenomenon and interpret the meaning behind MSDM strategies, policies, and practices in the context of the readiness of the younger generation.

3.1 Research Design

The research design used is a case study approach, focusing on educational institutions, organizations, and companies that have implemented innovative MSDM strategies for the development of young talent. According to Yin (2018), the case study method is appropriate when researchers want to examine contemporary phenomena in depth in a real-life context.

3.2 Research Subjects and Informants

The main subjects in this study are HR managers, educators, and young employees (aged 20–30 years) who are directly involved in the process of innovation and transformation of MSDM. The purposive sampling technique was used to select 20 key informants, consisting of 10 HR practitioners in private companies, 5 academics, and 5 young employees. The selection of informants was made based on their relevance, experience, and contribution to the research topic.

3.3 Research Location and Time

This research was carried out in Medan, Indonesia, in the period of July to October 2025, involving the cooperation of higher education institutions and organizations focused on developing young talents.

3.4 Data Collection Techniques

Research data was collected through three main techniques:

1. Observation
Observe firsthand HR practices and programs related to training, leadership development, and the implementation of HR digital systems in selected organizations.
2. Interview
Semi-structured interviews with HR managers, educators, and young employees to gain perspectives on the effectiveness of MSDM strategies in increasing the readiness of the younger generation to face the world of work.
3. Documentation
Collection and analysis of documents such as organizational reports, training modules, HR policies, and other supporting documents to strengthen the data obtained.

3.5 Data Analysis Techniques

The data analysis used the interactive model of Miles and Huberman (1994) which consisted of three stages:

1. Data Reduction
Sorting, focusing, and simplifying raw data from interviews, observations, and documentation.

2. Data Presentation

Organize data in the form of narrative descriptions, matrices, and charts to find patterns and relationships.

3. Conclusion Drawn/Verification

Interpret the meaning of data to produce valid conclusions regarding MSDM innovation and its role in shaping the readiness of the younger generation.

Results and Discussion

Results

Based on the results of research conducted through interviews, observations, and documentation analysis in several educational institutions, companies, and organizations that have implemented innovation-based human resource management (HRM) strategies, a number of important findings were obtained that illustrate how transformation in HRM can increase the readiness of the younger generation to face the future world of work.

First, the results of the study show the application of innovation in digital-based workforce recruitment and selection. Some organizations use e-recruitment and online assessment systems with the support of technologies such as artificial intelligence (AI) and big data analytics. This system facilitates the process of screening candidates in a faster, transparent, and objective manner. The younger generation who are familiar with technology feel more comfortable participating in the digital-based selection process compared to conventional methods. For example, through online test simulations and video-based interviews, companies can assess the candidate's technical abilities as well as soft skills. These findings show that digital transformation in the recruitment process is able to increase efficiency while accommodating the characteristics of a more flexible young generation.

Second, it was found that there was a transformation of learning and competency development through digital platforms. Most organizations utilize blended learning methods that combine face-to-face learning with online learning. In addition, microlearning is also applied, which is the presentation of material in a short, concise, and interactive form through applications. The younger generation who were the survey respondents stated that this method was more effective because it suited their learning style which tended to be fast, practical, and visual-based. Interview data shows that around 80% of respondents feel more motivated to participate in digital-based training than conventional training. This shows that the use of technology in human resource development not only increases efficiency, but also builds a spirit of continuous learning in the younger generation.

Third, this study also highlights the importance of strengthening soft skills and adaptability of the younger generation. In addition to technical skills, organizations began to emphasize communication, leadership, collaboration, and problem-solving skills. Observations in the field show that young employees involved in soft skills development programs experience increased confidence, teamwork skills, and conflict resolution skills in the workplace. Programs designed based on hands-on practice, such as role play, team projects, and business simulations, have proven to be more effective in building interpersonal skills than traditional lecture methods.

Fourth, related to the independence and readiness of the younger generation in facing the world of work, the results of the study show that there are positive changes after the implementation of innovation-based MSDM strategies. As many as 70% of the informants stated that they were better prepared to face the dynamics of work after receiving training that emphasized independence, discipline, and responsibility. This is reflected in their ability to make decisions, manage time, and complete tasks without relying too much on the instructions of their superiors. Thus, it can be said that MSDM innovation plays a significant role in fostering the confidence and readiness of the younger generation to enter the competitive world of work.

However, this study also found that there are obstacles and challenges in the implementation of MSDM innovations. First, there are still limitations in technology infrastructure in several small and medium-sized organizations, so the implementation of digital programs is not optimal. Second, there is resistance from some senior employees who are not used to digitalization, thus creating a gap between generations in the workplace. Third, there is still a competency gap between the skills possessed by the younger generation and the real needs of the global labor market. This challenge requires a more inclusive and adaptive strategy from various parties.

Table 1. Research Findings on Innovation and Transformation of MSDM in Preparing the Young Generation

Aspects Examined	Key Findings	Impact on the Young Generation	Obstacles Encountered
Recruitment & Selection	Application of <i>e-recruitment</i> , <i>online assessment</i> , use of AI	The selection process is faster, transparent, and according to the native digital character	Limited access to technology in some organizations
Competency Development	<i>Blended learning</i> , <i>microlearning</i> , and app-based training	Increase learning motivation, flexibility, and learning effectiveness	Not all organizations have a digital training platform
Strengthening Soft Skills	Communication, leadership, collaboration, <i>role play</i> , and simulation programs	Increase confidence, teamwork, conflict resolution	Differences in interests and motivations between individuals
Independence & Work Readiness	Application of self-responsibility, discipline, and decision-making	The younger generation is more confident, able to manage time, and be independent	There is still a gap between the skills possessed and the needs of the global market
Common Constraints	Limited digital infrastructure, resistance of senior employees	Affecting the speed of implementation of MSDM innovation programs	Need government & education support to bridge the gap

Discussion

The results of this study strengthen the theory and previous findings that innovation and transformation in MSDM are strategic factors in dealing with increasingly complex changes in the world of work. According to Ulrich (2019), the transformation of human resources must move towards a more digital, data-based direction, and focus on developing human capabilities so that organizations remain relevant in facing global competition.

In terms of recruitment, the research findings show that the use of digital technology in the selection process has proven to be more efficient and accurate. This is in line with the opinion of Prikshat et al. (2021) who stated that *AI-based e-recruitment* systems allow organizations to conduct a more objective analysis of candidate competencies and reduce potential bias. In addition, the younger generation who are used to using technology feel more engaged and motivated when the recruitment process is done digitally.

Regarding human resource development, this research supports the view of Zhang & Jiang (2022) who emphasize that digital-based learning provides flexibility and effectiveness in improving the skills of the younger generation. Interactive learning through *blended learning* and *microlearning* not only makes access easier, but also more in line with the learning styles of millennials and Gen Z generations who tend to be visual, fast, and technology-based. Thus, learning transformation is the key in preparing the younger generation to face the challenges of the future world of work.

In addition to technical skills, the findings of this study also show the importance of *soft skills* in the modern world of work. The World Economic Forum (2023) emphasized that skills such as communication, collaboration, creativity, and critical thinking are among the *top 10 skills* needed in the future. Therefore, organizations that successfully integrate *soft skills*

development in the MSDM program have proven to be able to produce a younger generation that is more adaptive, innovative, and ready to face change.

However, the results of the study also confirm that there are challenges in the form of limited technology infrastructure, resistance of senior employees, and skills gaps of the younger generation. This shows the need for collaboration between the government, educational institutions, and the industrial sector to create a more inclusive human resource development ecosystem. Higher education needs to design a curriculum that is relevant to the needs of the job market, while the government must support the provision of adequate digital infrastructure.

Conclusion

Based on the results of the research, it can be concluded that innovation and transformation in human resource management (HRM) play an important role in preparing the younger generation to face the challenges of the world of work in the future. First, in the aspect of recruitment and selection, the use of digital technology through e-recruitment and the use of artificial intelligence (AI) is able to create a selection process that is faster, objective, and in accordance with the characteristics of the native digital generation. Second, in the aspect of competency development, the application of blended learning and microlearning methods provides a flexible, interactive, and in accordance with the individual needs of students, thereby encouraging the improvement of technical and non-technical skills.

Furthermore, through soft skills strengthening programs, the younger generation is increasingly skilled in terms of communication, collaboration, leadership, and problem solving, which are core competencies in today's world of work. The aspects of independence and work readiness also show an increase, where the younger generation is able to show an attitude of discipline, responsibility, and courage in making decisions independently.

This study also found a number of obstacles such as limited digital infrastructure, technology access gaps, and resistance from some senior workers in adapting to change. This obstacle shows the need for collaboration between the government, educational institutions, and the industrial world to strengthen the innovative MSDM ecosystem.

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