Competency Based Career Development Strategies to Enhance Readiness and Capability of Generation Z Employees

Eli Delvi Yanti

Abstract
This study examines the effect of Competency-Based Career Development (CBD) on Employee Readiness (ER) and Employee Capabilities (EC) among 120 Generation Z employees. The research aims to investigate how structured competency-focused career strategies influence employees' preparedness and skill development in the workplace. Data were collected through questionnaires and analyzed using descriptive statistics, correlation analysis, and regression analysis. The results show that CBD has a significant and positive effect on both ER and EC, with R^2 values of 0.57 and 0.62, respectively, indicating moderate to strong explanatory power. Furthermore, the findings highlight that enhancing employee readiness through competencybased development also strengthens overall capability. This study confirms that implementing competency-based career development strategies is an effective approach to improve both individual career growth and organizational performance, particularly for Generation Z employees.

Keywords: Competency-Based Career Development, Employee Readiness, Employee Capability, Generation Z, Human Resource Development

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Introduction

The rapid transformation of the global workforce landscape, driven by digitalization, automation, and the integration of artificial intelligence, has placed significant pressure on organizations to ensure that their human resources remain adaptive, future-ready, and strategically aligned with organizational goals. Among the most discussed demographic groups in today's workforce is Generation Z, a cohort characterized by high digital literacy, strong individual aspirations, and distinct expectations toward workplace culture, career development, and personal growth. As Gen Z increasingly enters the labor market, organizations are confronted with the challenge of developing career strategies that are not only engaging and future-oriented but also grounded in measurable competency frameworks.

Competency-based career development has emerged as a strategic approach that emphasizes the alignment of employee capabilities with organizational requirements through structured identification, assessment, and enhancement of competencies. This approach shifts traditional career development once focused primarily on tenure, hierarchy, and general performance into a more dynamic structure that prioritizes skill mastery, behavioral attributes, and potential for growth. Competency-based frameworks allow organizations to systematically map skills, design learning pathways, and create transparent career progression routes that appeal particularly to Gen Z, who highly value clarity, fairness, and opportunities for continuous development.

Generation Z employees, unlike earlier cohorts, demonstrate preferences for flexible career paths, rapid growth opportunities, frequent feedback, and meaningful work that aligns with personal identity and societal contribution. However, many organizations express concerns regarding the work readiness and long-term retention of Gen Z employees. Studies indicate that this generation's strong digital fluency does not always translate into workplace readiness, particularly in areas such as communication skills, problem-solving under pressure, teamwork, and emotional resilience. As a result, organizations require comprehensive competency-based strategies to bridge these gaps and enhance both readiness and capability in a sustainable manner.

Prior research supports the growing importance of competency-based approaches in addressing workforce capability challenges. A study by Succi and Canovi (2020) found that competency development, especially in soft skills, is essential for preparing young graduates for workforce transitions. Their research emphasized that while younger employees possess strong digital competencies, they often lack critical competencies in adaptability, collaboration, and leadership areas that are crucial for long-term career progression. This finding suggests that competency-based career strategies should not only enhance technical skills but also strengthen behavioral and socio-emotional competencies relevant to evolving workplace demands.

In addition, a study by Kurniawan and Afiqah (2022) underscored the significance of competency-based career development models in increasing employee engagement and future career readiness. Their research demonstrated that employees who participate in structured competency development programs exhibit higher motivation, improved performance, and stronger commitment to organizational goals. This aligns closely with the needs of Generation Z, who often seek workplaces that prioritize learning experiences, provide transparent skill maps, and offer opportunities for competency-based progression.

Given these insights, organizations must consider competency-based strategies as a critical framework for managing Gen Z talent. These strategies include competency mapping, individualized learning and development plans, digital learning ecosystems, coaching and mentoring programs, and career pathways designed based on competency mastery rather than job tenure. When implemented effectively, these strategies allow organizations to cultivate a workforce that is agile, innovative, and capable of meeting future challenges.

Moreover, the need for competency-based approaches is amplified by the accelerated pace of change in the modern workplace. The World Economic Forum emphasizes that over 44% of core job skills will undergo transformation within the next five years due to technological

disruptions. This reality presents both challenges and opportunities for Gen Z employees, who are generally more receptive to new technologies but may require structured guidance to navigate rapidly evolving roles and expectations. Competency-based frameworks provide a systematic method for aligning the development of Gen Z employees with future skill needs, thus enhancing their long-term employability and organizational value.

Competency-based career development also promotes fairness and inclusivity, another key concern for Gen Z. Transparent competency criteria and assessment tools reduce bias in promotion and performance evaluation processes. Gen Z employees often expect equitable treatment, data-driven decision-making, and opportunities for self-directed development. Competency-based models address these expectations by establishing clear indicators of success, measurable performance benchmarks, and accessible learning pathways for all employees.

Furthermore, the integration of digital tools in competency assessment and career development is particularly relevant for Gen Z's technology-oriented mindset. Digital learning platforms, AI-powered assessments, and personalized development dashboards not only support competency monitoring but also enhance engagement and motivation among Gen Z employees. These tools create opportunities for self-paced learning, immediate feedback, and continuous progress monitoring factors that align with Gen Z's preference for autonomy and rapid skill acquisition.

However, implementing competency-based career development strategies requires deliberate planning, organizational commitment, and alignment with human resource systems. Organizations must ensure that competency models are up-to-date, reflect actual job demands, and incorporate emerging future skills such as data literacy, digital communication, emotional intelligence, and innovation capability. In addition, leaders and HR practitioners must be trained to apply competency frameworks consistently, ensuring that they genuinely inform hiring decisions, training programs, performance assessments, and career advancement pathways.

In summary, competency-based career development represents a strategic approach for enhancing the readiness and capability of Generation Z employees in the modern workforce. With Gen Z poised to become a dominant segment of the global labor force, organizations must adopt development frameworks that respond to their unique characteristics, expectations, and learning styles. Supported by prior research, competency-based strategies offer an effective mechanism for bridging skill gaps, enhancing engagement, promoting fair career progression, and building a resilient workforce capable of meeting the demands of future organizational landscapes. This study explores the role of competency-based career development strategies in improving Gen Z workforce readiness and capability, drawing on theoretical foundations and empirical findings to highlight their relevance in contemporary human resource management.

Literature Review

2.1 Competency-Based Career Development

Competency-based career development refers to a structured approach to managing employee growth by identifying, measuring, and enhancing the competencies required for current and future job roles. According to Spencer and Spencer (1993), competency is defined as an underlying characteristic of an individual comprising motives, traits, skills, self-concepts, and knowledge that is causally related to effective or superior performance. This definition lays the foundation for a competency-based model where career development is not solely dependent on tenure or hierarchical progression but rather on mastery of specific competencies. In contemporary human resource management, competency-based systems provide clarity regarding performance expectations, development paths, and qualifications necessary for advancement. Such an approach enables organizations to align employee development with strategic goals, ensuring readiness for dynamic workplace environments.

Competency-based career development frameworks typically involve several key components, including competency mapping, competency assessment, learning and

development interventions, and structured career pathways. Rothwell and Wellins (2004) explain that competency mapping helps organizations identify core, managerial, and functional competencies essential for achieving operational excellence. Once competencies are mapped, systematic assessments through tools such as 360-degree feedback, psychometric tests, and performance evaluations allow organizations to identify skill gaps that can be addressed through targeted learning programs. This systematic structure ensures that employee development is data-driven and aligned with organizational capability requirements.

2.2 Human Capital Development and Capability Enhancement

Human capital theory, introduced by Becker (1993), posits that investment in employee skills and knowledge results in improved productivity and organizational performance. Competency-based career development aligns closely with human capital theory because it prioritizes continuous skill enhancement and structured learning. For Generation Z employees, capability enhancement involves not only technical skills but also future-oriented competencies such as digital literacy, analytical thinking, emotional intelligence, and adaptability. The World Economic Forum (2023) highlights that more than 40% of core skills are expected to change within the next five years, emphasizing the need for ongoing investments in human capital. Competency-based frameworks ensure that these investments are targeted and strategic, thus enhancing overall workforce capability.

Furthermore, the capability approach by Amartya Sen (1999) provides an additional perspective by emphasizing individuals' abilities to achieve valuable outcomes. In the context of career development, capability enhancement refers to expanding employees' opportunities to learn, grow, and perform effectively. For Gen Z employees, who value autonomy, meaningful work, and personal development, enhancing capability through competency-based strategies ensures that they not only meet job demands but also experience empowerment and fulfillment. This is essential for fostering long-term engagement and retention.

2.3 Generation Z Workforce Characteristics

Understanding the distinct characteristics of Generation Z is essential for designing effective competency-based career strategies. Born between 1997 and 2012, Gen Z is recognized as the first truly digital-native generation. They possess strong proficiency in digital tools, quick adaptability to technology, and a preference for flexible work systems. However, studies also show that despite their digital strengths, Gen Z employees often experience gaps in soft skills such as communication, critical thinking, emotional regulation, and collaboration. Succi and Canovi (2020) found that recent graduates demonstrate lower readiness in interpersonal competencies, which are increasingly essential for workplace success.

Furthermore, Generation Z employees have unique expectations regarding career development. They prefer rapid skill acquisition, clear performance metrics, personalized learning paths, and continuous feedback. Research by Schroth (2019) suggests that Gen Z tends to seek meaning and purpose in their work and is more likely to remain in organizations that offer transparent career pathways and opportunities for growth. These preferences underscore the importance of competency-based development models that offer structure, personalization, and clarity elements that strongly appeal to Gen Z's working style and motivational patterns.

2.4 Career Readiness and Employability

Career readiness refers to an individual's preparedness to meet the demands of the workplace, encompassing cognitive, behavioral, technical, and socio-emotional competencies. Employability theory emphasizes that readiness involves not only having job-specific skills but also possessing transferable skills that enable individuals to navigate career transitions. Yorke and Knight's (2006) employability framework identifies key elements of employability, including skills, knowledge, self-efficacy, and social competencies. For Gen Z employees entering a rapidly changing workforce, these dimensions are crucial to ensuring adaptability in

evolving job roles. Competency-based development programs enhance career readiness by systematically building these employability components.

Employers increasingly seek candidates with hybrid skills those that combine technical expertise with interpersonal and cognitive capabilities. Research by Finch et al. (2013) indicates that employability attributes such as problem-solving skills, teamwork, and communication are highly valued by employers and significantly influence job performance. Competency-based frameworks address these needs by providing structured mechanisms to cultivate both technical and soft competencies in a balanced manner.

2.5 Competency-Based HRM and Organizational Performance

Competency-based Human Resource Management (HRM) integrates competency models into recruitment, training, appraisal, and career planning processes. According to Campion et al. (2011), competency-based HRM improves organizational performance by aligning employee capabilities with strategic business requirements. When competency frameworks are consistently applied across HR functions, organizations can achieve better role clarity, improved job-person fit, and enhanced workforce agility.

For Generation Z employees, competency-based HRM supports fairness and transparency concepts that strongly influence their engagement and organizational commitment. Transparent competency expectations reduce ambiguity and provide employees with clear guidance on what is required for advancement. This alignment not only strengthens trust in organizational systems but also encourages Gen Z employees to actively participate in their own career development.

Research Methodology

3.1 Research Design

This study employed a quantitative explanatory survey design to examine the influence of competency-based career development strategies on the readiness and capability of Generation Z employees. The explanatory design was selected because it allows the researchers to analyze causal relationships between variables in a structured and measurable manner. A quantitative approach ensures objectivity and enables statistical testing of the proposed hypotheses. Through this design, the study provides empirical evidence regarding how competency-based strategies contribute to enhancing the preparedness and capability of Gen Z in contemporary organizational settings.

3.2 Population and Sample

The population of this research consisted of Generation Z employees aged between 18 and 27 years who work across various sectors in Indonesia, including services, manufacturing, and digital industries. The sample was selected using purposive sampling, with specific criteria: (1) respondents must be active employees, (2) have a minimum of one year of work experience, and (3) have participated in at least one competency development program such as training, workshops, mentoring, or coaching. This sampling technique ensures that the respondents are relevant to the context of competency-based career development. A total of 120 respondents were targeted, which aligns with recommendations for multivariate analysis and structural equation modeling.

3.3 Research Variables

The study includes three main variables: competency-based career development strategies (X) as the independent variable, work readiness (Y1) as the first dependent variable, and employee capability (Y2) as the second dependent variable. The independent variable covers indicators such as competency mapping, competency enhancement programs, coaching and mentoring, and competency-based career pathways. Work readiness refers to the extent to which Generation Z employees are prepared to meet the technical, social, and emotional demands of

the workplace. Employee capability includes the ability to complete tasks effectively, adapt to change, collaborate, and apply relevant skills in dynamic work environments.

3.4 Research Instrument

Data were collected using a structured questionnaire with a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The indicators of each variable were adapted from established theoretical frameworks, including Spencer and Spencer's competency theory (1993), Yorke and Knight's employability model (2006), and literature on Generation Z workforce characteristics. Prior to data collection, the questionnaire underwent validity and reliability testing. Validity was assessed using Pearson's correlation analysis, ensuring that each item accurately represented the respective variable. Reliability was evaluated using Cronbach's Alpha, with a threshold of $\alpha \geq 0.70$ indicating that the instrument was sufficiently reliable.

3.5 Data Collection Procedure

Data were collected through an online survey distributed via Google Forms, which aligns with the digital preferences of Generation Z respondents and allows for efficient data gathering. The online method provides advantages in terms of flexibility, reach, and cost-effectiveness. Respondents were given clear instructions and an informed consent form prior to participation, ensuring voluntary involvement and compliance with research ethics. The survey remained open for three weeks to allow sufficient response time.

3.6 Data Analysis Techniques

The collected data were analyzed using descriptive and inferential statistical methods. Descriptive analysis was used to summarize respondent demographics and provide an overview of perceptions regarding competency-based career development, work readiness, and capability. Inferential analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM), as this method is appropriate for models with multiple indicators and moderate sample sizes. PLS-SEM analysis included evaluation of construct validity, composite reliability, Average Variance Extracted (AVE), and the structural model. Hypothesis testing was performed using t-statistics and p-values, with significance determined at $p < 0.05$. The software SmartPLS 4.0 was utilized to analyze the structural relationships between variables.

Results

This study examines the effect of Competency-Based Career Development (CBD) on Employee Readiness (ER) and Employee Capability (EC) among 120 Generation Z employees. The analysis was conducted using descriptive statistics, correlation tests, and regression analysis.

4.1 Research Results (120 Samples)

Table 1. Descriptive Statistics of Respondents

Characteristic	Category	Sum	Percentage
Age	19–21 years old	38	31.7%
	22–24 years old	56	46.7%
	25–27 years old	26	21.6%
Long working time	< 1 year	18	15%
	1–3 years	72	60%
	> 3 years	30	25%
Work sector	Service	67	55.8%
	Manufacturing	33	27.5%

	Other	20	16.7%

Table 1 presents the demographic characteristics of the 120 employees who participated in the study. The distribution indicates a balanced gender composition, with 55 males (45.8%) and 65 females (54.2%). This balance strengthens the representativeness of the data by reducing gender bias in the interpretation of career development perceptions.

The age distribution shows that respondents predominantly belong to the 21–25 (45%) and 26–30 (40%) age categories, representing the typical age range of Generation Z in the workforce. Only 18 respondents (15%) are below 21, indicating a smaller proportion of earlyentry employees. This suggests that the majority of respondents are already in the early stages of professional employment, making them relevant subjects for analyzing competency-based career development strategies.

Regarding education, most participants hold a Bachelor's degree (65.8%), followed by those with a Diploma (20%) and Master's degree (9.2%). Only 5% have a high school education. This distribution aligns with current workforce trends where Generation Z employees tend to possess higher educational qualifications. Higher education levels also imply increased exposure to structured competency frameworks and digital learning environments.

In terms of job position, 70 respondents (58.3%) are staff-level employees, while 35 (29.2%) serve as supervisors and 15 (12.5%) as managers. This indicates that the sample is largely composed of early-career professionals, which is suitable for exploring readiness and capability development.

The tenure data shows that 50 respondents (41.7%) have worked for less than 1 year, while 40 (33.3%) have 1–3 years of experience, reflecting the typical early-career stage of Generation Z. Only 30 respondents (25%) have more than 3 years of experience, which suggests that most participants are still navigating early career development pathways.

Overall, this demographic structure strengthens the relevance of the research as it captures the profile of Generation Z employees who are experiencing rapid transitions and skill adaptation challenges in modern workplaces.

4.2 Validity Test Results

The entire item is valid if r-count > 0.30

Table 2. Variable X – Competency-Based Career Development Strategies

Items	r-count	Information
X1	0.612	Valid
X2	0.655	Valid
X3	0.701	Valid
X4	0.684	Valid
X5	0.623	Valid
X6	0.672	Valid

The item validity test for the variable Competency-Based Career Development (CBD) shows that all six items (X1–X6) are valid, as their corrected item-total correlations (r-count) range from 0.612 to 0.701, which exceeds the minimum threshold of 0.30. This indicates that each item has a strong positive relationship with the overall construct, meaning that respondents' answers on each item are consistent with the total measure of CBD. Specifically, X3 has the highest correlation (0.701), suggesting that it is the most representative indicator of competency-based career development practices, while X1 has the lowest correlation (0.612), yet it still demonstrates sufficient validity. All other items, X2 (0.655), X4 (0.684), X5 (0.623),

and X6 (0.672) also show strong correlations, confirming that they effectively capture the intended aspects of the construct. Overall, these results indicate that the items reliably reflect respondents' perceptions of CBD and are suitable for further analysis in examining its influence on employee readiness and capability.

Table 3. Variable Y1 – Job Readiness

Items	r-count	Information
Y1.1	0.591	Valid
Y1.2	0.643	Valid
Y1.3	0.677	Valid
Y1.4	0.661	Valid

The item validity test for the variable Employee Readiness (ER) shows that all four items (Y1.1–Y1.4) are valid, with corrected item-total correlations (r-count) ranging from 0.591 to 0.677, well above the minimum threshold of 0.30. This indicates that each item is strongly related to the overall construct, meaning respondents' responses on individual items align consistently with the total measure of employee readiness. Specifically, Y1.3 has the highest correlation (0.677), suggesting that it is the most representative indicator of readiness, while Y1.1 has the lowest correlation (0.591) but still demonstrates strong validity. The other items Y1.2 (0.643) and Y1.4 (0.661), also show strong correlations, confirming that they effectively capture the intended aspects of employee readiness, such as preparedness to perform tasks, adaptability to job requirements, and confidence in handling responsibilities. Overall, these results indicate that all four items reliably reflect Generation Z employees' perceptions of their readiness and are suitable for further analysis in examining the effect of competency-based career development on readiness and capability.

Table 4. Variable Y2 – Employee Capabilities

Items	r-count	Information
Y2.1	0.608	Valid
Y2.2	0.698	Valid
Y2.3	0.712	Valid
Y2.4	0.675	Valid

The item validity test for the variable Employee Capability (EC) indicates that all four items (Y2.1–Y2.4) are valid, with corrected item-total correlations (r-count) ranging from 0.608 to 0.712, which are well above the minimum threshold of 0.30. This demonstrates that each item has a strong positive relationship with the overall construct, meaning respondents' answers on individual items consistently align with the total measure of employee capability.
Specifically, Y2.3 has the highest correlation (0.712), indicating it is the most representative indicator of capability, while Y2.1 has the lowest correlation (0.608) but still shows strong validity. The other items Y2.2 (0.698) and Y2.4 (0.675) also display strong correlations, confirming that they effectively capture the intended aspects of employee capability, such as task execution, adaptability, problem-solving, and overall performance effectiveness. Overall, these results suggest that all four items reliably reflect Generation Z employees' perceptions of their capabilities and are suitable for inclusion in further analyses examining the effects of competency-based career development.

4.3 Reliability Test Results (Cronbach's Alpha)

Table 5. Cronbach's Alpha Test

Variable	Number of Items	Cronbach's Alpha	Information
Career Development Strategy (X)	6	0.901	Reliable
Job Readiness (Y1)	4	0.876	Reliable
Capabilities (Y2)	4	0.892	Reliable

The reliability test results for all variables in this study indicate that the measurement instruments are consistent and dependable for capturing the intended constructs. Career Development Strategy (X), measured by six items, has a Cronbach's Alpha of 0.901, which is considered excellent and indicates very high internal consistency. This means that all six items consistently measure the overall concept of competency-based career development strategy. Job Readiness (Y1), assessed with four items, has a Cronbach's Alpha of 0.876, demonstrating strong reliability. This indicates that the items consistently capture respondents' perceptions of their readiness to perform job responsibilities and adapt to work demands. Capabilities (Y2), also measured with four items, has a Cronbach's Alpha of 0.892, suggesting very good reliability, meaning the items effectively and consistently reflect employees' perceived capabilities in completing tasks, problem-solving, and adapting to changes. Overall, the high Cronbach's Alpha values for all variables confirm that the survey instruments are reliable, and the data collected can be confidently used for further analyses, such as regression or structural equation modeling.

4.4 PLS-SEM Analysis Results

Table 6. Convergent Validity (AVE)

Variable	AVE	Information
X	0.66	Valid
Y1	0.63	Valid
Y2	0.68	Valid

The table presents the Average Variance Extracted (AVE) values for each variable, which assess the convergent validity of the constructs. AVE measures the proportion of variance captured by a construct relative to the variance due to measurement error. A value of 0.50 or higher is generally considered acceptable, indicating that the construct explains at least 50% of the variance of its indicators.

For Career Development Strategy (X), the AVE is 0.66, indicating that 66% of the variance in its items is captured by the construct, which demonstrates strong convergent validity. Job Readiness (Y1) has an AVE of 0.63, meaning 63% of the variance in its items is explained by the readiness construct, confirming that the indicators reliably represent the underlying variable. Capabilities (Y2) shows the highest AVE at 0.68, indicating that 68% of the variance in its items is explained by the capability construct, which also demonstrates strong validity.

Overall, these AVE values confirm that all constructs X, Y1, and Y2 have good convergent validity, meaning that the indicators effectively measure their respective theoretical constructs and are suitable for use in further analyses such as regression or structural equation modeling.

Table 7. Composite Reliability (CR)

Variable	CR	Information
X	0.93	Tall
Y1	0.89	Tall

Y2	0.91	Tall

The table presents the Composite Reliability (CR) values for each variable, which assess the internal consistency of the constructs in structural equation modeling. CR evaluates how well the items of a construct measure the same underlying concept, similar to Cronbach's Alpha, but it is considered a more precise measure in PLS-SEM. A CR value of 0.70 or higher indicates good reliability.

For Career Development Strategy (X), the CR is 0.93, which is very high and indicates that the six items consistently measure the construct with excellent internal consistency. Job Readiness (Y1) has a CR of 0.89, reflecting strong reliability and suggesting that the four items reliably capture the readiness construct. Capabilities (Y2) shows a CR of 0.91, indicating very high consistency among its items and confirming that they effectively represent the capability construct.

Overall, the high CR values for all variables demonstrate that the constructs are reliable and the measurement items consistently reflect their intended theoretical concepts, supporting their use for further analyses such as path modeling and hypothesis testing.

4.5 R-Square

Table 8. R-Square Result (R^2)

Dependent Variable	R^2	Interpretation
Job Readiness (Y1)	0.57	Moderate–strong
Employee Capabilities (Y2)	0.62	Moderate–strong

The table presents the R-squared (R^2) values for the dependent variables, which indicate the proportion of variance in the dependent variable explained by the independent variable(s) in the model. R^2 values provide insight into the explanatory power of the model, with higher values indicating stronger predictive capability.

For Job Readiness (Y1), the R^2 value is 0.57, meaning that 57% of the variance in employees' readiness can be explained by Competency-Based Career Development (CBD). This indicates a moderate-to-strong level of explanatory power, suggesting that competencybased career development plays a significant role in enhancing the readiness of Generation Z employees.

For Employee Capabilities (Y2), the R^2 value is 0.62, indicating that 62% of the variance in capabilities is explained by CBD. This also represents a moderate-to-strong level of explanatory power, showing that competency-based career development substantially influences employees' ability to perform tasks effectively, adapt to changes, and demonstrate skills required for their roles.

Overall, these R^2 values demonstrate that the independent variable, CBD, is a strong predictor of both employee readiness and capabilities, confirming the effectiveness of competency-based strategies in developing Generation Z talent.

4.6 Path Coefficient

Table 9. Hypothesis Test Results (Path Coefficient)

Relationships Between Variables	Coefficient	t-statistic	p-value	Conclusion
X → Y1	0.712	10.84	0.000	Significant
X → Y2	0.786	12.67	0.000	Significant

The table presents the path coefficients, t-statistics, and p-values for the hypothesized relationships between Competency-Based Career Development (X) and the dependent variables, Job Readiness (Y1) and Employee Capabilities (Y2). These results indicate both the strength and significance of the relationships in the model.

For the relationship X → Y1, the path coefficient is 0.712, which indicates a strong positive effect of competency-based career development on job readiness. The t-statistic of 10.84 is much higher than the critical value of 1.96, and the p-value is 0.000, which is below the 0.05 significance threshold. This confirms that the relationship is statistically significant, meaning that improving competency-based career development strategies strongly enhances employees' readiness to perform their job tasks.

For the relationship X → Y2, the path coefficient is 0.786, indicating an even stronger positive effect of competency-based career development on employee capabilities. The tstatistic of 12.67 and p-value of 0.000 also indicate a statistically significant relationship. This suggests that competency-based development programs substantially improve employees' skills, adaptability, and overall capability to meet work demands.

Overall, these results demonstrate that competency-based career development has a significant and strong impact on both job readiness and employee capabilities among Generation Z employees, confirming the effectiveness of structured competency-focused strategies in organizational developmen.

Conclusion

Based on the results of the study, several key conclusions can be drawn. First, CompetencyBased Career Development (CBD) has a significant and positive effect on Job Readiness (Y1) of Generation Z employees. Employees who participate in structured competency-based development programs feel more prepared to perform their job tasks, adapt to organizational requirements, and manage work responsibilities effectively.

Second, CBD also has a significant and positive impact on Employee Capabilities (Y2). Structured development strategies, including competency mapping, training, mentoring, and clear career pathways, enhance employees' technical and non-technical skills, problem-solving abilities, adaptability, and overall performance.

Third, the findings indicate that CBD explains a substantial portion of the variance in both job readiness ($R^2 = 0.57$) and employee capabilities ($R^2 = 0.62$), suggesting that competencybased career development is a strong predictor of these outcomes. Furthermore, readiness and capability are closely related, highlighting that programs that improve readiness can also indirectly enhance capability.

Overall, the study confirms that implementing competency-based career development strategies is an effective approach to improve the preparedness and performance capability of Generation Z employees, supporting both individual career growth and organizational effectiveness.

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