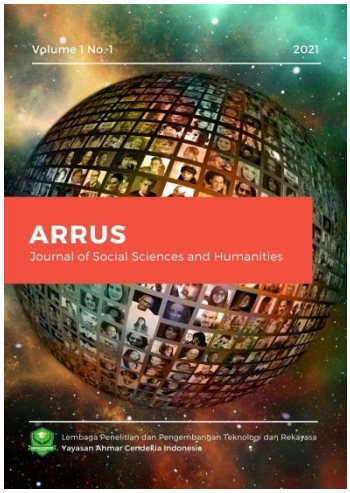
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REVIEW ARTICLE

Human Resource Development Strategies to Improve Gen-Z Employee Performance in Service Companies

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Abstract: This study examines human resource development strategies that can improve the performance and work achievement of Generation Z employees in service companies. This study employs a systematic literature review approach by analyzing scholarly articles, conceptual studies, and systematic reviews related to human resource development, Generation Z, employee performance, work achievement, digital HRD, job crafting, work-life balance, and organizational citizenship behavior. The data were obtained from selected Scopus-indexed references and relevant academic sources focusing on HRD and generational workforce issues. The review process was conducted through literature identification, screening, eligibility assessment, data extraction, and thematic synthesis. The results reveal that effective HRD strategies for Generation Z employees are not limited to training activities but also include goal-oriented learning, psychological well-being, job crafting, digital HRD, and behavioral development. The findings suggest that service companies need to design HRD strategies that connect development interventions with measurable performance outcomes. This study contributes to the HRD literature by integrating the means–ends perspective, psychological mechanisms, and digital transformation into a conceptual framework for improving Gen-Z employee performance in service organizations. This study also analyzed 30 peer-reviewed articles with active DOI.

Keywords: Human Resource Development, Gen-Z, Employee Performance, Service Companies, Digital HRD

1. Introduction

The transformation of the contemporary workplace has encouraged organizations to reconsider the role of human resource development (HRD) in improving employee performance and work achievement. HRD is no longer understood merely as a set of training activities but as a strategic process that connects individual development, organizational capability, and performance outcomes. Swanson (2022) emphasizes that HRD must be grounded in a systematic foundation that aligns individual needs, organizational goals, and performance improvement. Similarly, Wang et al. (2017) argue that HRD should be understood through the relationship between means and ends, where development interventions must be clearly linked to measurable organizational outcomes. This perspective is highly relevant for service companies because employee performance is often reflected through service quality, responsiveness, communication, customer interaction, and

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behavioral consistency. Therefore, HRD strategies in service organizations need to be designed not only to improve employee competence but also to ensure that competence is translated into work achievement and service performance.

The service sector has unique characteristics that distinguish it from manufacturing or product-based industries. Service performance depends heavily on human interaction, emotional labor, communication quality, adaptability, and customer-oriented behavior. Employees in service companies are expected to respond quickly to customer needs, maintain service standards, and demonstrate consistent professional behavior. In this context, HRD becomes a critical mechanism for developing the knowledge, skills, attitudes, and behavioral competencies required to support organizational competitiveness. Jacobs (2017) highlights that knowledge work requires employees to continuously learn, process information, and adapt to dynamic task demands. Ruona (2016) also explains that the evolution of HRD reflects changing workplace realities, including new forms of learning, work relationships, and capability development. These developments indicate that service companies require HRD strategies that are more adaptive, evidence-based, and aligned with changing workforce characteristics.

One of the most important workforce changes in recent years is the increasing presence of Generation Z in organizations. Generation Z employees have grown up in a digital environment and tend to demonstrate different expectations, learning preferences, motivational structures, and career orientations compared to previous generations. They are generally associated with technological familiarity, flexibility, rapid information access, and a preference for meaningful work experiences. However, they may also face challenges related to work commitment, consistency, psychological resilience, and adaptation to organizational demands. Waworuntu et al. (2022) show that work-life balance, job satisfaction, and performance are important issues among millennial and Gen-Z employees. This indicates that Gen-Z performance cannot be separated from the quality of their work experience and psychosocial conditions. Therefore, HRD strategies for Gen-Z employees need to integrate competence development with psychological, behavioral, and contextual mechanisms.

Previous studies have examined various aspects of HRD and employee performance. Some studies emphasize the importance of HRD foundations and conceptual clarity in linking development activities to organizational outcomes (Swanson, 2022; Wang et al., 2017). Other studies focus on job crafting, organizational citizenship behavior, learning orientation, and work-life balance as mechanisms that influence employee performance (Fernando, 2024; Lee & Lee, 2018; Rose, 2016; Waworuntu et al., 2022). In addition, recent literature has increasingly discussed digital HRD, artificial intelligence, automation, and human–robot interaction as emerging factors that reshape HRD practices (Ekuma, 2024; Kim, 2022; Thite, 2022). These references are also reflected in the uploaded Scopus reference list, which includes studies on HRD foundations, digital HRD, AI and automation, Gen-Z performance, and work-life balance . However, these studies are often discussed in separate streams and have not been sufficiently integrated into a comprehensive HRD strategy framework specifically aimed at improving Gen-Z performance in service companies.

The research gap in this study can be identified from conceptual, integrative, contextual, and technological perspectives. Conceptually, HRD studies have emphasized the importance of connecting development interventions with outcomes, but many studies still discuss HRD activities without clearly explaining how these activities produce performance improvement. The means–ends debate in HRD highlights the need to clarify whether HRD is treated merely as a development activity or as a strategic mechanism for achieving performance outcomes (Wang et al., 2017). Integratively, previous studies on Gen-Z performance often focus on psychological or behavioral variables such as learning goal orientation, psychological capital, job crafting, organizational citizenship behavior, work-life balance, and job satisfaction, but these variables are rarely synthesized into an HRD strategy framework. Contextually, the service sector requires specific performance indicators related to service quality, customer interaction, responsiveness, and behavioral consistency, yet HRD strategies for Gen-Z

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employees in this sector remain underexplored. Technologically, digital HRD, AI, automation, and human–robot interaction have been increasingly discussed, but their implications for Gen-Z performance in service companies are still fragmented.

Previous studies indicate several thematic areas relevant to this review, including HRD means–ends alignment, psychosocial well-being, learning goal orientation, job crafting, organizational citizenship behavior, digital HRD, artificial intelligence, automation, and service-sector performance., including HRD means versus ends, psychosocial well-being, learning goal orientation, job crafting, organizational citizenship behavior, digital HRD, AI, automation, and service-sector performance . These themes indicate that the study has strong potential to contribute to HRD literature by synthesizing fragmented evidence into a more structured conceptual framework. However, to meet the standards of a SINTA 2 journal article, the manuscript needs to be reorganized into a clearer IMRAD structure, with a sharper introduction, systematic literature review method, thematic synthesis, and concise conclusion. The template also requires the article to follow a formal structure consisting of introduction, literature review, research method and materials, results and discussion, conclusion, and references .

The novelty of this study lies in its attempt to synthesize HRD strategies for Gen-Z employees in service companies by integrating the means–ends perspective, psychological mechanisms, behavioral mechanisms, and digital HRD transformation. Unlike previous studies that examine HRD, Gen-Z, performance, or digital transformation separately, this study positions HRD strategy as a connecting mechanism between development interventions and performance outcomes. The study also emphasizes that Gen-Z employee performance in service companies should not be viewed only as a technical outcome but as the result of integrated development processes involving learning orientation, psychological well-being, job crafting, organizational citizenship behavior, and digital adaptation. This novelty is expected to provide a more comprehensive understanding of how HRD strategies can be designed to improve Gen-Z work achievement in service-based organizations.

Based on the research gap and novelty described above, this study aims to systematically review and synthesize the literature on HRD strategies that contribute to improving the performance and work achievement of Generation Z employees in service companies. Specifically, this study seeks to identify key HRD strategies, explain the mechanisms through which these strategies influence performance, and develop a conceptual synthesis model that links HRD interventions with Gen-Z performance outcomes. The findings are expected to provide theoretical contributions to HRD literature and practical insights for service companies in designing evidence-based HRD strategies for Generation Z employees.

2. Literature Review

2.1. Human Resource Development

Human Resource Development (HRD) refers to a systematic process designed to improve individual competence, organizational capability, and performance outcomes through learning, training, development, and organizational improvement activities. HRD is not merely a technical training function but a strategic mechanism that connects human capability with organizational effectiveness. Swanson (2022) explains that HRD is grounded in the effort to improve performance through structured learning and development processes. In this perspective, HRD should be understood as a system that integrates individual development, organizational goals, and measurable performance outcomes.

The conceptual development of HRD has also emphasized the relationship between means and ends. Wang et al. (2017) argue that HRD should not be viewed only as a collection of activities, such as training, coaching, or mentoring, but as a strategic process that links development interventions with desired outcomes. The “means” refer to the development activities or mechanisms provided by organizations, while the “ends” refer to the expected outcomes, such as improved performance, productivity, adaptability, and organizational

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effectiveness. This means–ends perspective is important because HRD programs may fail to generate meaningful outcomes if they are not designed coherently with organizational performance targets.

In the context of modern organizations, HRD has evolved in response to changes in work structure, technology, knowledge intensity, and employee expectations. Ruona (2016) states that HRD continues to evolve as organizations face new challenges related to workforce capability, organizational learning, and performance improvement. Similarly, Jacobs (2017) highlights that knowledge work requires employees to continuously develop learning capacity, information-processing ability, and adaptive competence. These developments indicate that HRD must be designed as a dynamic and strategic function rather than a routine administrative activity.

For service companies, HRD plays an essential role because service performance is highly dependent on employee behavior, communication quality, emotional control, customer responsiveness, and service consistency. Unlike product-based industries, service organizations rely heavily on human interaction as the main source of value creation. Therefore, HRD strategies in service companies must focus not only on technical competence but also on behavioral competence, psychological readiness, customer orientation, and adaptive problem-solving. This is particularly important for Generation Z employees, whose work behavior and learning preferences may differ from previous generations.

2.2. Generation Z in the Workplace

Generation Z refers to the cohort of individuals who grew up in a highly digitalized environment and entered the workforce during a period of rapid technological, social, and organizational transformation. This generation is generally associated with digital literacy, fast access to information, preference for flexibility, and sensitivity to meaningful work experiences. In the workplace, Gen-Z employees often expect clear feedback, learning opportunities, supportive work environments, and technology-enabled systems.

The characteristics of Gen-Z create both opportunities and challenges for organizations. On the one hand, Gen-Z employees may contribute to innovation, digital adaptation, creativity, and new forms of collaboration. On the other hand, they may experience challenges related to work-life balance, job satisfaction, organizational commitment, and performance consistency. Waworuntu et al. (2022) found that work-life balance, job satisfaction, and performance are closely related among millennial and Gen-Z employees. This finding indicates that the performance of younger generations cannot be understood only through technical competence but must also be examined through psychosocial and organizational factors.

In addition, Krishna and Agrawal (2024) discuss the role of intrinsic and extrinsic rewards in shaping creative performance among millennials and Generation Z. Their study suggests that younger generations may respond differently to motivational factors, which has implications for HRD strategy design. HRD programs for Gen-Z should therefore consider not only formal training but also reward structures, learning motivation, recognition, career development, and meaningful work experiences.

Fernando (2024) further emphasizes the role of learning goal orientation in shaping psychological capital and performance goal orientation among Gen-Z employees. This indicates that Gen-Z performance can be influenced by how employees interpret learning, feedback, and performance expectations. When HRD programs encourage learning orientation, employees are more likely to perceive development activities as opportunities for growth rather than as pressure or evaluation. Therefore, HRD strategies for Gen-Z should be designed to strengthen learning orientation, psychological resilience, and constructive performance motivation.

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2.3. *HRD Strategy and Employee Performance*

Employee performance refers to the extent to which employees achieve work targets, demonstrate effective behavior, and contribute to organizational goals. In service companies, performance is reflected not only in task completion but also in service quality, responsiveness, communication, customer satisfaction, and contextual behavior. Therefore, HRD strategies must be aligned with the specific performance characteristics of service work.

HRD strategy contributes to employee performance through several mechanisms. First, HRD improves knowledge and skills through training and learning programs. Second, HRD strengthens motivation and engagement through career development, coaching, mentoring, and feedback systems. Third, HRD shapes work behavior by promoting organizational values, service orientation, and professional standards. Fourth, HRD supports adaptability by preparing employees to respond to technological and organizational changes.

The means–ends perspective provides a useful framework for understanding how HRD strategy influences performance. Wang et al. (2017) emphasize that HRD must clearly connect development activities with expected outcomes. If HRD programs are designed without clear performance targets, they may become routine activities that do not significantly improve employee achievement. Therefore, effective HRD strategy requires a clear mapping between organizational needs, employee capability gaps, development interventions, and performance indicators.

In service companies, this mapping is particularly important because performance outcomes are often behavioral and relational. Employees must be able to translate learning outcomes into service behavior, customer interaction, and problem-solving in real work situations. Thus, HRD strategy should not only focus on training delivery but also on transfer of learning, workplace support, coaching, feedback, and performance evaluation. This approach enables HRD to function as a strategic performance improvement mechanism rather than a limited training function.

2.4. *Work-Life Balance, Job Satisfaction, and Performance*

Work-life balance and job satisfaction are important psychosocial factors that influence employee performance, particularly among younger generations. Waworuntu et al. (2022) found that work-life balance, job satisfaction, and performance are interrelated among millennial and Gen-Z employees. This suggests that performance improvement cannot rely solely on skill development but also requires supportive work conditions that allow employees to maintain psychological well-being and motivation.

For Gen-Z employees, work-life balance may be especially important because this generation tends to value flexibility, autonomy, and meaningful work experiences. When employees experience poor work-life balance, they may face stress, reduced motivation, emotional exhaustion, and declining performance. Conversely, when organizations provide supportive work environments, employees are more likely to demonstrate commitment, engagement, and consistent performance.

Job satisfaction also functions as a mechanism that connects HRD strategy with performance. Employees who perceive development opportunities, fair treatment, supportive leadership, and meaningful work are more likely to feel satisfied and motivated. In service companies, job satisfaction may influence how employees interact with customers, respond to service problems, and maintain service quality. Therefore, HRD strategies for Gen-Z should integrate learning programs with broader organizational support systems, including feedback, recognition, career development, and work-life balance policies.

From an HRD perspective, work-life balance and job satisfaction can be positioned as psychosocial mechanisms that strengthen the relationship between development interventions and performance outcomes. Training may improve competence, but competence will not necessarily translate into performance if employees experience poor

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well-being or low satisfaction. Therefore, service companies need HRD strategies that combine competence development with employee well-being management.

2.5. *Learning Goal Orientation and Psychological Capital*

Learning goal orientation refers to an individual's tendency to develop competence by acquiring new skills, mastering tasks, and improving performance through learning. Psychological capital refers to positive psychological resources such as hope, efficacy, resilience, and optimism. These constructs are important in understanding how Gen-Z employees respond to HRD interventions and performance expectations.

Fernando (2024) highlights the mediating role of learning goal orientation in the relationship between psychological capital and performance goal orientation among Gen-Z employees. This indicates that learning orientation can function as a psychological pathway through which employees transform positive psychological resources into performance-oriented behavior. In other words, employees with strong psychological capital may be more likely to develop performance motivation when they also possess a strong learning orientation.

For HRD strategy, this finding has important implications. HRD programs should not only transfer knowledge but also shape how employees interpret learning and performance. If development programs are perceived as opportunities for growth, employees may become more motivated to improve their competence and achieve better performance. However, if development programs are perceived only as evaluation or pressure, they may reduce motivation and increase anxiety.

In service companies, learning goal orientation is particularly relevant because employees frequently face dynamic customer demands and unexpected service problems. Employees with strong learning orientation are more likely to view challenges as opportunities to improve rather than as threats. Therefore, HRD strategies should include coaching, mentoring, formative feedback, reflective learning, and performance support systems that encourage continuous learning among Gen-Z employees.

2.6. *Job Crafting and Organizational Citizenship Behavior*

Job crafting refers to employee-initiated changes in task, relational, or cognitive aspects of work to make the job more meaningful and aligned with personal strengths and preferences. Lee and Lee (2018) explain that job crafting has important implications for HRD because it enables employees to actively shape their work experiences and improve performance. In the context of service companies, job crafting is relevant because employees often need to adapt their behavior to different customer situations, service demands, and organizational expectations.

HRD strategies can support job crafting by providing autonomy, coaching, empowerment, and opportunities for employees to redesign aspects of their work in constructive ways. For Gen-Z employees, job crafting may be particularly meaningful because this generation tends to value autonomy, flexibility, and personal meaning in work. When employees are allowed to adjust their work approach while still meeting organizational standards, they may become more engaged, adaptive, and productive.

Organizational Citizenship Behavior (OCB) is another behavioral mechanism relevant to employee performance. Rose (2016) reviews OCB in the context of HRD and suggests that development practices can influence employees' willingness to engage in extra-role behavior. In service companies, OCB is important because service quality often depends on employees' willingness to help others, support colleagues, solve problems, and go beyond formal job requirements.

For Gen-Z employees, OCB may be strengthened through HRD strategies that build organizational commitment, social responsibility, teamwork, and meaningful work orientation. Development programs that emphasize collaboration, service values, and

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organizational purpose can encourage employees to contribute beyond formal tasks. Therefore, job crafting and OCB can be viewed as behavioral pathways through which HRD strategies influence performance and work achievement.

2.7. *Digital HRD, Artificial Intelligence, and Automation*

Digital transformation has significantly changed the way organizations design, deliver, and evaluate HRD programs. Digital HRD refers to the use of digital technologies to support learning, development, performance management, and organizational capability building. Thite (2022) argues that digital HRD requires organizations to rethink where HRD currently stands, where it should go, and how it should move forward. This indicates that digital HRD is not only about adopting technology but also about redesigning HRD strategy in response to changing work environments.

Artificial intelligence and automation have also become important topics in HRD literature. Ekuma (2024) provides a systematic review of AI and automation in HRD and shows that these technologies can influence development practices, evaluation systems, and organizational learning processes. AI can support personalized learning, competency mapping, performance analytics, and adaptive training systems. Automation can also change job structures and skill requirements, especially in service organizations where digital platforms and automated systems increasingly mediate customer interaction.

Kim (2022) discusses human–robot interaction and its implications for HRD. In service companies, human–robot interaction may reshape employee roles, task structures, and required competencies. Employees may need to develop new capabilities related to technology coordination, digital communication, service adaptation, and customer experience management. For Gen-Z employees, digital HRD may be particularly relevant because they are generally more familiar with technology and digital learning environments.

However, digital HRD should not be understood merely as technology adoption. Its effectiveness depends on how technology is integrated into HRD strategy and connected with performance outcomes. If digital tools are used without clear learning objectives and performance indicators, they may not improve employee achievement. Therefore, digital HRD should be aligned with the means–ends logic of HRD, where technology functions as a development mechanism that supports measurable performance improvement.

2.8. *Conceptual Relationship among HRD Strategy, Gen-Z, and Performance*

Based on the reviewed literature, HRD strategy can be understood as a multidimensional mechanism that influences Gen-Z employee performance through competence development, psychosocial well-being, learning orientation, job crafting, organizational citizenship behavior, and digital adaptation. The relationship between HRD strategy and performance is not direct in a simple linear sense but involves several psychological and behavioral pathways.

The means–ends perspective provides the foundation for connecting HRD interventions with performance outcomes. Work-life balance and job satisfaction function as psychosocial mechanisms that support the sustainability of performance. Learning goal orientation and psychological capital explain how employees interpret development experiences and transform them into performance motivation. Job crafting and OCB explain how employees translate development into adaptive and extra-role behavior. Digital HRD, AI, and automation provide technological mechanisms that reshape learning, evaluation, and performance support.

Therefore, this study proposes that effective HRD strategies for Gen-Z employees in service companies should integrate five key dimensions: performance-oriented HRD design, psychosocial support, learning-oriented development, behavioral empowerment, and digital HRD transformation. These dimensions provide a conceptual basis for synthesizing previous

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studies and developing a strategic HRD framework for improving Gen-Z performance in service organizations.

2.9. Hypotheses / Propositions

Because this study uses a Systematic Literature Review (SLR) rather than a quantitative survey, the study does not formulate statistical hypotheses. Instead, it develops conceptual propositions to guide the synthesis of literature.

P1: HRD strategies that clearly connect development interventions with performance outcomes are more likely to improve Gen-Z employee performance in service companies.

P2: Work-life balance and job satisfaction function as psychosocial mechanisms that strengthen the relationship between HRD strategy and Gen-Z employee performance.

P3: Learning goal orientation and psychological capital mediate the relationship between HRD interventions and performance-oriented behavior among Gen-Z employees.

P4: Job crafting and organizational citizenship behavior serve as behavioral mechanisms that translate HRD strategy into improved work achievement.

P5: Digital HRD, artificial intelligence, and automation support Gen-Z employee performance when they are integrated with clear learning objectives and measurable performance outcomes.

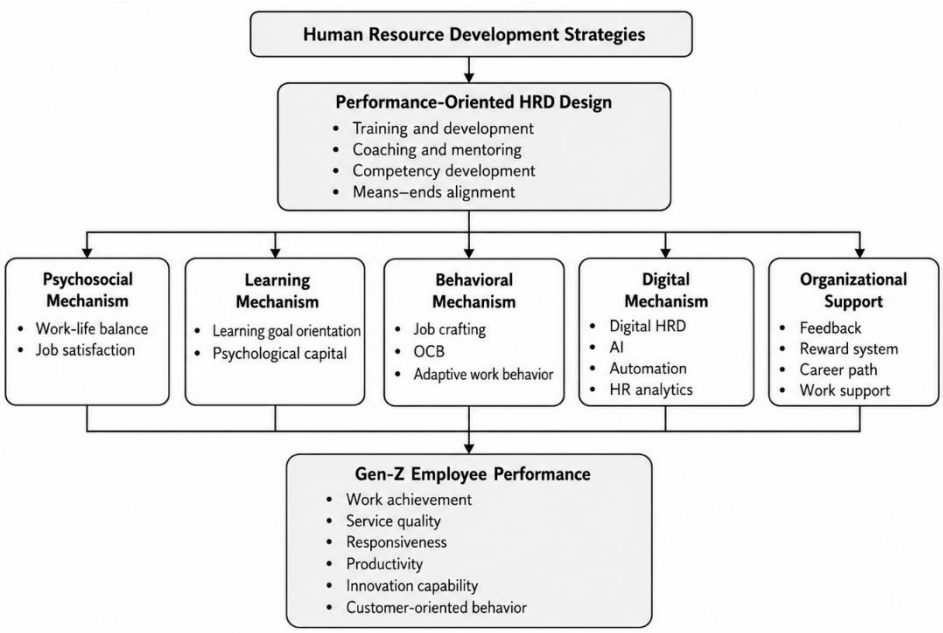


Figure 1. Conceptual Framework of HRD Srategies for Gen- Z Employee Performance

3. Research Method and Materials

3.1. Research Design

This study employed a Systematic Literature Review (SLR) design to identify, evaluate, and synthesize scholarly evidence on human resource development strategies for improving the performance and work achievement of Generation Z employees in service companies. The SLR approach was selected because it enables researchers to systematically collect, classify, and interpret previous studies related to HRD, Gen-Z employees, employee performance, digital HRD, job crafting, work-life balance, and organizational citizenship behavior.

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Unlike traditional narrative reviews, an SLR follows structured procedures that include literature identification, screening, eligibility assessment, data extraction, quality evaluation, and thematic synthesis. This method is appropriate for the present study because the existing literature on HRD, Gen-Z, and employee performance remains fragmented across several conceptual and empirical domains. Therefore, the SLR design allows this study to integrate previous findings into a more coherent conceptual framework.

The unit of analysis in this study consisted of scholarly articles, systematic reviews, conceptual papers, and empirical studies that discuss HRD strategies and their relationship with employee performance, particularly in the context of Generation Z and service-based organizations.

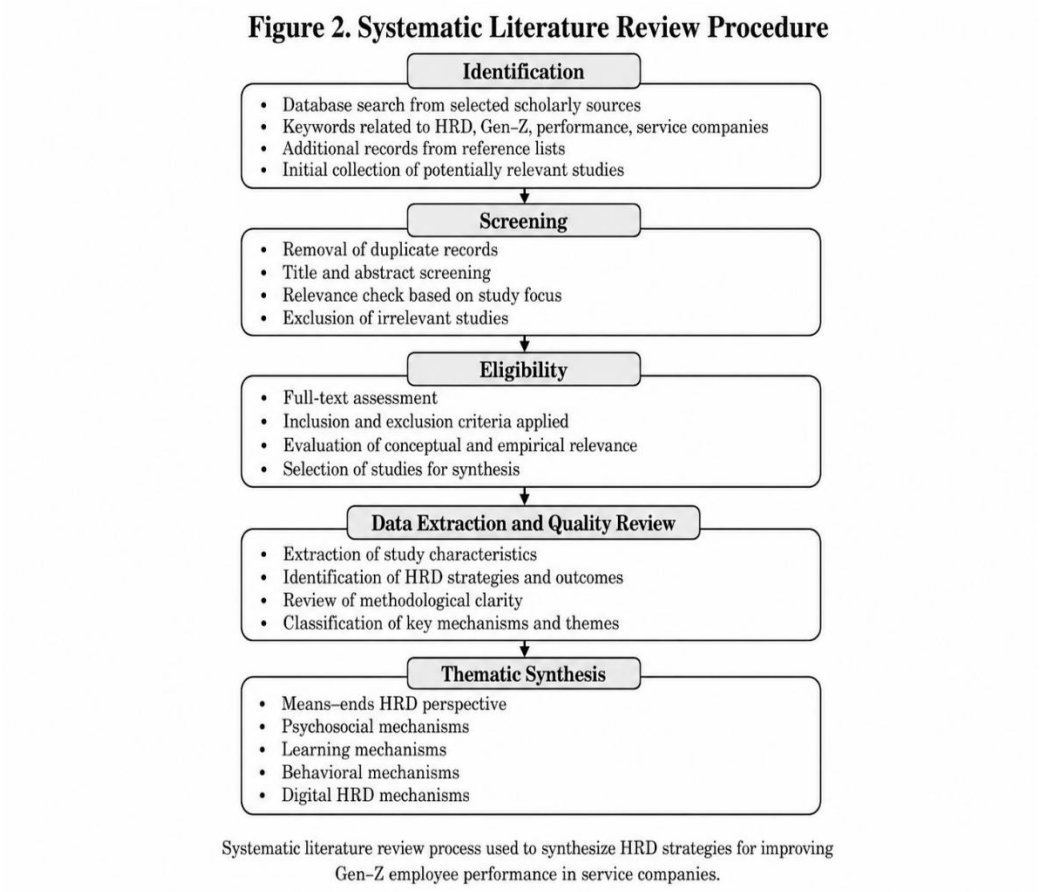


Figure 2. Systemic Literature Review Procedure

3.2. Literature Search and Selection Criteria

The literature search was conducted using structured keywords, including "human resource development," "HRD strategy," "employee development," "Generation Z employees," "Gen-Z performance," "service companies," "employee performance," "job crafting," "organizational citizenship behavior," "work-life balance," "job satisfaction," "digital HRD," "artificial intelligence in HRD," "automation," and "human–robot interaction." The search focused on peer-reviewed journal articles, systematic reviews, conceptual papers, and empirical studies relevant to HRD strategy and employee performance.

The inclusion criteria were studies that discussed HRD or employee development, examined employee performance or work-related outcomes, were relevant to Gen-Z or young employees, and provided valid bibliographic information including DOI. Studies were excluded if they were non-academic sources, had no clear relationship with HRD or employee performance, discussed Gen-Z without workplace relevance, or lacked sufficient

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bibliographic clarity. The selection process involved identification of literature, screening of titles and abstracts, full-text eligibility assessment, and final selection of studies for synthesis.

Table 1. Selected Literature with DOI

No.	Author(s)	Year	Main Focus	DOI
1	Page et al.	2021	PRISMA guideline for systematic reviews	https://doi.org/10.1136/bmj.n71
2	Tranfield et al.	2003	Systematic review in management research	https://doi.org/10.1111/1467-8551.00375
3	Snyder	2019	Literature review methodology	https://doi.org/10.1016/j.jbusres.2019.07.039
4	Xiao and Watson	2019	Guidance for conducting SLR	https://doi.org/10.1177/0739456X17723971
5	Wang et al.	2017	Means–ends definition of HRD	https://doi.org/10.1108/PR-11-2015-0306
6	Ruona	2016	Evolution of HRD	https://doi.org/10.1177/1523422316660968
7	Jacobs	2017	Knowledge work and HRD	https://doi.org/10.1177/1534484317704293
8	Thite	2022	Digital HRD	https://doi.org/10.1080/13678868.2020.1842982
9	Ekuma	2024	AI and automation in HRD	https://doi.org/10.1177/15344843231224009
10	Kim	2022	Human–robot interaction and HRD	https://doi.org/10.1177/15344843211068810
11	Lee and Lee	2018	Job crafting and performance	https://doi.org/10.1177/1534484318788269
12	Rose	2016	OCB in HRD	https://doi.org/10.1177/1534484316655668
13	Waworuntu et al.	2022	WLB, satisfaction, and performance	https://doi.org/10.33019/society.v10i2.464
14	Krishna and Agrawal	2025	Creative performance of millennials and Gen-Z	https://doi.org/10.3390/admsci15010011
15	Nabahani and Riyanto	2020	Gen-Z job satisfaction and motivation	https://doi.org/10.46799/jss.v1i5.39
16	Al-Hanawi et al.	2019	HRD challenges and opportunities	https://doi.org/10.1186/s40985-019-0112-4
17	Parker et al.	2017	Work design research	https://doi.org/10.1037/apl0000106
18	Tims et al.	2012	Job crafting scale	https://doi.org/10.1016/j.jvb.2011.05.009
19	Rudolph et al.	2017	Job crafting meta-analysis	https://doi.org/10.1016/j.jvb.2017.05.008
20	Zhang and Parker	2019	Job crafting theory	https://doi.org/10.1016/j.obhdp.2019.07.001
21	Podsakoff et al.	2000	OCB review	https://doi.org/10.1177/014920630002600307
22	Luthans and Youssef-Morgan	2017	Psychological capital	https://doi.org/10.1146/annurev-orgpsych-032516-113324
23	Avey et al.	2011	PsyCap meta-analysis	https://doi.org/10.1002/hrdq.20070
24	VandeWalle	1997	Goal orientation	https://doi.org/10.1177/0013164497057006009
25	Bakker and Demerouti	2017	Job demands–resources theory	https://doi.org/10.1037/ocp0000056
26	Schaufeli et al.	2002	Work engagement and burnout	https://doi.org/10.1023/A:1015630930326
27	Christian et al.	2011	Engagement and performance	https://doi.org/10.1111/j.1744-6570.2010.01203.x
28	Bondarouk and Brewster	2016	HRM and technology	https://doi.org/10.1080/09585192.2015.1043544
29	Marler and Parry	2016	e-HRM and strategic HRM	https://doi.org/10.1080/09585192.2015.1091980
30	Zhang and Bartol	2010	Employee creativity	https://doi.org/10.5465/amj.2010.48037118

3.3. Data Analysis

The selected studies were analyzed using thematic synthesis. Thematic synthesis was chosen because it allows researchers to identify patterns, similarities, differences, and conceptual relationships across studies. The data extraction process focused on author, year, research focus, method, key construct, DOI, and relevance to HRD strategy and Gen-Z performance. The extracted findings were then grouped into four main themes: performance-oriented

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HRD strategy, psychosocial and motivational mechanisms, behavioral mechanisms, and digital HRD transformation.

The synthesis process was conducted by comparing how each study explained the relationship between HRD strategy and employee performance. Studies on HRD foundations were used to build the strategic logic of performance-oriented HRD. Studies on work-life balance, job satisfaction, psychological capital, and motivation were grouped as psychosocial and motivational mechanisms. Studies on job crafting and organizational citizenship behavior were grouped as behavioral mechanisms. Studies on digital HRD, AI, automation, and e-HRM were grouped as digital HRD transformation. These themes were then integrated into a conceptual explanation of how HRD strategies can improve Gen-Z employee performance in service companies.

4. Results and Discussion

4.1. HRD Strategy and Performance-Oriented Development

The systematic literature review shows that HRD strategies for improving Gen-Z employee performance in service companies must begin with performance-oriented development. HRD programs are effective when training, coaching, mentoring, and competency development are directly connected with organizational performance indicators. Wang et al. (2017) emphasize that HRD should be understood through a means–ends logic, where development activities function as means and employee performance becomes the expected end. This view is consistent with Swanson's HRD foundation and Ruona's explanation that HRD evolves in response to organizational and workforce changes (Ruona, 2016; Swanson, 2022).

In service companies, performance-oriented HRD is important because performance is reflected through service quality, responsiveness, communication, customer satisfaction, productivity, and work achievement. Training that is not connected to service outcomes may become a routine activity without measurable impact. Therefore, HRD strategies should begin with identifying performance gaps, translating these gaps into competency needs, designing relevant learning interventions, and evaluating whether the interventions improve service-related outcomes. This finding supports the argument that HRD should be treated as a strategic performance system rather than merely a training function.

For Gen-Z employees, performance-oriented HRD also provides clarity. This generation tends to value feedback, learning opportunities, and meaningful work. When HRD programs clearly explain the relationship between development activities and work outcomes, Gen-Z employees are more likely to understand the purpose of learning and apply new competencies in their work. Therefore, service companies need HRD strategies that connect learning objectives, job expectations, and performance indicators.

4.2. Psychosocial and Behavioral Factors in Gen-Z Performance

The review also shows that psychosocial and behavioral factors are central to Gen-Z employee performance. Gen-Z employees tend to value flexibility, feedback, meaningful work, job satisfaction, and supportive work environments. Waworuntu et al. (2022) show that work-life balance, job satisfaction, and performance are closely related among millennial and Gen-Z employees. Nabahani and Riyanto (2020) also found that job satisfaction and work motivation contribute to Generation Z's organizational commitment. These findings indicate that HRD strategies should not focus only on technical competence but also on psychological readiness, motivation, satisfaction, and well-being.

In service companies, psychosocial support is important because employees must maintain emotional stability, patience, and communication quality during service interactions. Competence developed through training will not fully translate into performance if employees experience poor well-being, low satisfaction, or lack of motivation. Psychological capital also plays an important role because it strengthens resilience, optimism, hope, and

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self-efficacy (Avey et al., 2011; Luthans & Youssef-Morgan, 2017). Therefore, HRD strategies should include not only technical training but also mentoring, coaching, feedback, recognition, and support systems that strengthen employee well-being.

Behavioral mechanisms explain how HRD strategies are translated into work achievement. Job crafting and organizational citizenship behavior are two important mechanisms in this context. Lee and Lee (2018) explain that job crafting has strong implications for HRD because it enables employees to adjust tasks, relationships, and work meaning to improve performance. Tims et al. (2012), Rudolph et al. (2017), and Zhang and Parker (2019) also show that job crafting is related to job resources, proactive behavior, and work outcomes. In service companies, job crafting allows Gen-Z employees to adapt their communication style, problem-solving methods, and service approach according to customer needs.

Organizational citizenship behavior also supports performance. Rose (2016) and Podsakoff et al. (2000) emphasize that organizational citizenship behavior supports organizational effectiveness through voluntary actions, cooperation, helping behavior, and commitment beyond formal job descriptions. In service companies, these behaviors are highly relevant because service quality often depends on employee willingness to help customers and colleagues beyond formal duties. Therefore, HRD strategies should provide autonomy, coaching, mentoring, teamwork, and empowerment so that Gen-Z employees can transform learning into adaptive service behavior.

4.3. Digital HRD Transformation in Service Companies

Digital HRD transformation has become an important factor in developing Gen-Z employee performance. Thite (2022) argues that digital HRD requires organizations to rethink HRD design, implementation, and evaluation in response to digital transformation. Ekuma (2024) shows that artificial intelligence and automation influence HRD practices through personalized learning, competency mapping, skills development, and performance evaluation. Kim (2022) adds that human–robot interaction creates new HRD considerations related to technological readiness and work redesign.

Since Gen-Z employees are generally familiar with digital platforms, digital HRD can support flexible learning, online training, real-time feedback, HR analytics, and competency-based development. Digital learning systems allow employees to access development materials more flexibly, while AI and HR analytics can help organizations identify skill gaps and monitor employee progress. However, digital technology should not be adopted only for modernization. It must be linked to clear learning objectives and measurable performance indicators. Digital HRD will improve employee performance only when it is integrated into a coherent HRD strategy.

In service companies, digital HRD can improve responsiveness, innovation capability, and service efficiency. For example, digital training platforms can help employees learn service procedures faster, while analytics-based evaluation can help managers understand employee development needs. However, organizations should ensure that digital HRD does not reduce the human dimension of service. Technology should support employee learning and performance, not replace the importance of communication, empathy, and customer-oriented behavior.

4.4. Conceptual Synthesis

Overall, the findings indicate that HRD strategies for Gen-Z employees in service companies must be multidimensional and integrated. HRD should not be reduced to training programs because employee performance is shaped by the interaction between strategic development design, psychological support, behavioral empowerment, and digital transformation. This synthesis strengthens the contribution of the study because previous research often discussed HRD, Gen-Z, digital HRD, job crafting, work-life balance, and performance separately.

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Table 2. Thematic Findings of HRD Strategies for Gen-Z Employee Performance

Theme	Main Evidence	Interpretation	Performance Contribution
Performance-oriented HRD	HRD must connect development activities with measurable outcomes	HRD should be designed from performance gaps, not training routines	Work achievement, service quality, productivity
Psychosocial and motivational mechanisms	Work-life balance, job satisfaction, motivation, and psychological capital influence Gen-Z performance	HRD should integrate competence development with employee well-being	Commitment, motivation, consistency, emotional readiness
Behavioral mechanisms	Job crafting and OCB translate development into proactive behavior	HRD should encourage autonomy, coaching, teamwork, and empowerment	Responsiveness, adaptability, collaboration, customer-oriented behavior
Digital HRD transformation	Digital HRD, AI, automation, and HR analytics reshape learning and evaluation	Technology must be aligned with learning goals and performance indicators	Digital adaptability, innovation, learning efficiency, service improvement

By integrating these streams, this study proposes that Gen-Z employee performance in service companies is influenced by HRD systems that are performance-oriented, psychologically supportive, behaviorally empowering, and digitally adaptive. The practical implication of this study is that service companies should design HRD programs based on performance gaps and service outcomes. HRD programs should include structured training, coaching, mentoring, career feedback, job crafting opportunities, well-being support, and digital learning platforms. Organizations also need to evaluate HRD effectiveness by measuring service quality, responsiveness, productivity, innovation capability, and customer-oriented behavior.

The theoretical implication is that this study extends HRD literature by integrating the means–ends perspective with generational workforce characteristics, behavioral mechanisms, psychological mechanisms, and digital HRD transformation. This integrated synthesis provides a stronger conceptual foundation for understanding how HRD strategies can improve Gen-Z employee performance in service companies. Future empirical studies are needed to test the proposed conceptual framework using quantitative or mixed-method approaches.

5. Conclusion

This study concludes that HRD strategies play an important role in improving Generation Z employee performance in service companies. Based on the systematic literature review, effective HRD strategies are not limited to training activities but involve performance-oriented development design, psychosocial support, behavioral empowerment, and digital HRD transformation. HRD becomes more effective when development interventions are clearly connected with measurable performance outcomes such as service quality, responsiveness, productivity, innovation capability, and customer-oriented behavior.

The findings show that Gen-Z employee performance is shaped by four integrated mechanisms. First, performance-oriented HRD ensures that training, coaching, mentoring, and competency development are aligned with organizational outcomes. Second, psychosocial and motivational support strengthens job satisfaction, work-life balance, motivation, and psychological readiness. Third, behavioral mechanisms such as job crafting and organizational citizenship behavior help employees translate development experiences into proactive and adaptive work behavior. Fourth, digital HRD, artificial intelligence, automation, and HR analytics support flexible learning, competency mapping, and performance evaluation.

This study contributes theoretically by integrating fragmented HRD literature into a conceptual synthesis for Gen-Z employee performance in service companies. Practically, the

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study provides guidance for service companies to design HRD strategies that are evidence-based, digitally adaptive, psychologically supportive, and directly connected to service performance indicators. However, this study is limited to literature-based synthesis and does not include primary empirical data. Future research should empirically test the conceptual framework using quantitative or mixed-method approaches and examine the mediating roles

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