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Gen Z Empowerment Strategy in the Framework of Improving the Standard of Living in Indonesia Using SWOT Analysis

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Abstract

Indonesia's population is currently dominated by Generation Z, making up 27.94% of the total. However, with the economic recession of 2023, Generation Z has faced significant employment challenges, with 42.62% (or 4.3 million individuals) reported as unemployed in 2024, based on Sakernas data. Structural unemployment not only impacts economic growth and development but also poses mental health risks and threatens the productivity of an entire generation. This research aims to explore strategies for empowering Generation Z, leveraging their potential for innovation, creativity, and productivity. Using a qualitative, literature-based approach with SWOT analysis, this study examines both external (opportunities and threats) and internal (strengths and weaknesses) factors to develop alternative strategies. Key recommendations include certified entrepreneurship training through government and business collaboration, local material used to reduce costs, and digital marketing optimization. Additional strategies involve creating policies with stakeholders to support youth empowerment and leveraging government programs for talent and business capital. This research provides actionable insights to help unlock Generation Z's potential, improving their quality of life and contributing to sustainable national development.

Keywords

Gen Z, Empowerment, SWOT, Indonesian Gen Z

1. Introduction

Indonesia is the fourth country with the largest population in the world, namely 270.20 million people. Most of the population is dominated by Generation Z, popularly known as Gen Z, which reaches 75 million people or 27.94% of the total population in Indonesia. Generation Z is a generation group born from 1995 to 2012 (Bourke, 2019; Widodo et al., 2023; Yanescha, 2022), or the I generation; currently, Gen Z has entered the newest workforce. However, Gen Z has different characteristics from previous generations, especially in the world of work, such as not liking ethics, being too multi-tasking so they don't focus on a job, preferring instant work results without prioritizing the process, being more closed off, not wanting to be ordered and not dependent on others to help (Putra, 2016; Arneldy et al., 2022; Martiawan et al., 2023). Characteristics like this are not liked in the world of work because they create a gap or discrepancy with the work culture of previous generations; this makes it difficult for Gen Z to get a job, so the unemployment rate in the Gen Z group is classified as very high, namely 9.9 million people unemployed in 2024 (Ologbenla, 2021; Ekaputri et al., 2024). However, Gen Z is the future of Indonesia because they are entering a productive age and have potentials that previous generations did not have, such as they are a generation that knows technology and is familiar with sophisticated gadgets, likes to work in teams, and likes to share ideas, likes freedom and flexibility in working, have an independent attitude and want to prove their abilities to employers, prioritize work goals that have a positive social impact (Asif, 2021; Das & Malik, 2024; Chrisdwiandra, 2024).

Currently, Gen Z is experiencing a downturn due to unemployment. Long periods of unemployment will result in poverty, social inequality, and health disparities. Gen Z needs to be empowered so they can rise from the economic downturn. Empowerment is an effort to increase the dignity of certain groups who experience poverty and underdevelopment (Sudarmanto et al., 2020; Putranti et al., 2020). Based on the description of this background, the problem formulation in this research is how to empower the Gen Z group in Indonesia using SWOT analysis.

2. Methods

This research is qualitative, using methods of literature review, namely by summarizing the results of studies relevant to the research topic to produce information in the form of descriptive data contained in the literature studied. The aim is to analyze the comparison of existing theories with previous theories in the research literature (Snyder, 2019; Wijaya & Wahyudi, 2024). The literature used is from scientific articles of national and international reputation relevant to the topic to be reviewed. All articles used are sourced from the electronic data search engines Google Scholar, Emerald Insight, JSTOR, Scopus, and Science Direct.

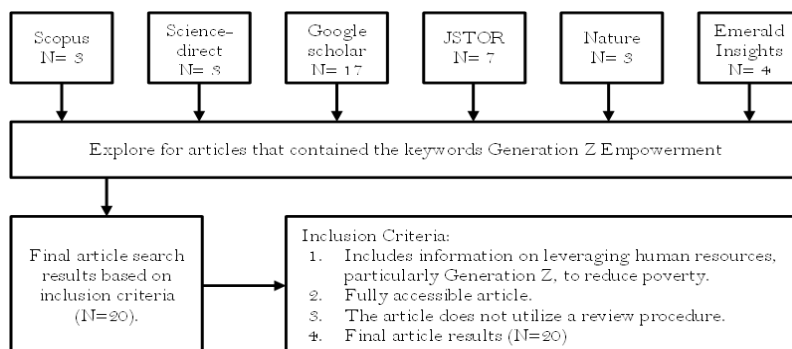


Figure 1. Article Filtering Flow Diagram

Furthermore, after processing the information, an analysis was carried out using the SWOT method (Strength, Weakness, Opportunities, and Threats) on the Gen Z group, which was analyzed in the form of threats and opportunities that influence the empowerment of Gen Z in Indonesia. This analysis systematically identifies various factors to formulate strategies for empowering Gen Z. This analysis is based on the logic that can maximize strengths and opportunities. Still, at the same time, it can minimize weaknesses and threats.

3. Results

3.1. Definition and Principles of Differentiation

Empowerment means providing power or strength to groups who are weak or do not have the power to live independently, especially in meeting basic needs or basic needs of daily life such as food, clothing, housing, education, and health (Sarjiyanto et al., 2022). The main goal of empowerment is to provide strength to weak groups who are powerless. Helplessness can result from internal conditions (their own perception) or due to external conditions (oppression by unjust social structures) (Habib et al., 2021). The goal is that once empowered, they can become more prosperous and capable of meeting their essential living needs. Ultimately, this will create an independent society not only economically but also socially and culturally, extending to the autonomy to determine their political rights.

The fundamental principles of community empowerment, as outlined by Achmad et al. (2021), emphasize several key aspects. First, activities managed by the community must achieve a break-even point to ensure sustainability. Second, active community involvement is essential throughout all stages, from planning to implementation. Third, human resource training is mandatory, particularly when physical development projects are undertaken. Fourth, maximizing the use of available resources is crucial to enhance cost efficiency. Lastly, there should be a connection that bridges macro-level government interests with the micro-level needs of the community.

Community empowerment can be achieved through three primary strategies. First, it involves planning and policy-making to ensure equal access to resources, services, and opportunities in community life. Second, social and political actions are utilized to build effective power within communities. Third, education is employed to raise awareness and disseminate knowledge, enabling individuals to acquire skills and strengthen their capabilities (Trijono, 2001). Additionally, the 5 Ps approach can be implemented to enhance empowerment: Enabling, by fostering a supportive climate for potential growth; Strengthening, by building community knowledge and problem-solving abilities; Protection, by safeguarding weaker groups from exploitation and unequal competition; Support, by guiding and aiding communities in fulfilling their roles and responsibilities; and Maintenance, by preserving balance and equitable power distribution among societal groups (Mustanir et al., 2023). These strategies collectively aim to uplift marginalized communities and empower them to thrive.

3.2. Generation Z and its Characteristics

Generation Z is a generation that was born around 1996 to 2010. Gen Z is a generation that does not directly feel the impacts of the post-monetary crisis and conventional analog technology. Gen Z lives where all internet facilities, cellular technology, and digital technology already exist and are not connected stably, so they are not technologically illiterate (Sirmayanti et al., 2022). Generation Z, as characterized by Dolot (2018), displays several distinct traits. They are highly ambitious and optimistic, with a strong desire to succeed and achieve their dreams. They favor practicality and instant solutions, reflecting their inclination for

efficiency. Freedom holds significant value for this generation, whether in opinion, creativity, or self-expression, complemented by their high self-confidence. Gen Z tends to be detail-oriented and employs critical thinking, facilitated by their ability to easily access information through digital devices. They have a strong desire for recognition and are highly adept in digital and information technology. Furthermore, they are open to new developments and possess an inherent drive for continuous personal growth.

3.3. Identify Gen Z Weaknesses

Generation Z has various advantages; however, according to research by Marquez et al., 2022 Gen Z has a low interest in entrepreneurship, namely only 11.6%; Gen Z was born in the era of digitalization where in this era, they have been spoiled by various kinds of digital facilities, starting from the internet, digital wallets, and various easy accesses in life (Ariani, 2020). This turns out to form a different personality character in Generation Z; Gen Z has a nature that tends to be individual and egocentric, does not focus on one thing because it has a multi-tasking habit, does not appreciate the process because they are used to an easy life, prioritizes money, has difficulties controlling impulses (difficulty waiting for anything, especially those related to their desires), has difficulty experiencing failure.

Several factors contribute to the difficulty Generation Z faces in securing employment, leading to higher unemployment rates within this group, as outlined by Hakim et al. (2024). First, the education system for Gen Z differs significantly from previous generations, and their skills, often centered on the digital realm, do not always align with current industry demands. Second, competition for entry-level positions has intensified due to the increasing number of new graduates, while job opportunities have not grown proportionally. Third, a lack of work experience hinders many Gen Z individuals, as not all have access to opportunities that provide the necessary experience. Fourth, unrealistic expectations regarding job type, salary, and working conditions create obstacles, as many companies cannot meet Gen Z's high demands for flexibility, comfort, and lucrative positions. Lastly, while many Gen Z individuals pursue higher education, the qualifications they obtain are not always relevant or necessary in the job market, further complicating their employment prospects.

3.4. SWOT Analysis to Create a Gen Z Empowerment Strategy

SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) is a method of strategic planning that includes assessing strengths, weaknesses, opportunities, and threats, which form the basis for evaluation. SWOT analysis can be an effective tool in optimizing Generation Z's potential. This discussion will focus on identifying internal and external factors that can influence Gen Z's success.

Table 1. SWOT Analysis Table

Strength	Weaknesses
<ul style="list-style-type: none"> ● High curiosity and proficient in technology (especially those related to the internet) ● Has high creativity and resourcefulness ● Local potential that can be take advantage of for creative purposes ● Very strong support from the Government and business groups. ● Easy access to information and solutions through gadgets and AI Tech. 	<ul style="list-style-type: none"> ● Dependence on digital technology ● Limited social skills due to personal traits ● Lack of mental resilience due to being pampered with good facilities and technology ● Job market competition is increasingly tight and difficult ● Lack of work experience because Gen Z is known as the spoiled generation so not many companies are willing to accept them. ● There is limited land that generation Z can use to develop their business. ● Gen Z has limited financial capabilities to be able to start a business independently.
Opportunities	Threats
<ul style="list-style-type: none"> ● Opportunities to start a business using social media, e-commerce and other digital media. ● More and more organizations and companies are paying attention to the needs and preferences of generation Z. ● Increased awareness of global issues provides opportunities for Gen Z to engage in social change. ● Having a state leader from the youth group can lead to policies that promote Gen Z's needs and potential, such as promoting a creative economy. 	<ul style="list-style-type: none"> ● Difficult to find work. ● Misuse of personal data is concern in the digital age, as all apps require personal data verification. ● Limited capital. ● Intense competition and rapid economic change. ● Lack of investor confidence in Gen Z to be able to manage a business. ● Misuse of technology includes cyberbullying, a violation of online privacy that can damage Gen Z's mental health. ● There is a stigma that local potential do not have good quality among consumers.

The most visible thing about Gen Z is that it is the first generation that grew up with internet culture, social media, smartphones, and various other digital facilities, which have shaped their characteristics and behavior, which is different from previous generations. Through this SWOT analysis, strategic steps can be obtained that can be taken to optimize the potential of Gen Z and help them achieve success in various aspects of life, namely by maximizing weaknesses and external challenges or threats.

The analysis of strengths, weaknesses, opportunities, and threats has led to several empowerment strategies for Generation Z. Leveraging strong support from the government and business groups, along with opportunities from organizations focusing on Gen Z, strategies include collaborating with the government and entrepreneurs to organize certified entrepreneurship training, establishing incubation centers to nurture talents, and supporting start-up entrepreneurs. Additionally, Gen Z's high creativity and the potential of local raw materials, combined with digital platforms like social media and e-commerce, encourage strategies such as creating products from local materials to reduce costs, diversifying

business products, and optimizing digital marketing and e-commerce. Addressing weaknesses and opportunities, a collaborative approach with stakeholders is proposed to produce supportive policies and work with regional governments to provide land or spaces for Gen Z businesses. In tackling threats, entrepreneurship is seen as a solution, utilizing verified e-commerce platforms to ensure data security, along with government programs like smart card facilities and MSME development initiatives for talent growth and business capital. Lastly, addressing weaknesses and threats involves designing effective work systems to boost productivity, fostering mental health support systems in education and workplaces, and encouraging Gen Z's involvement in creative economy sectors such as culinary, fashion, beauty, and film industries. These strategies aim to empower Gen Z by addressing their unique strengths and challenges.

Empowerment efforts can be carried out with strengthening, protecting, and supporting approaches. According to (Ravichandran & Dixit, 2024), a facilitator must be needed to strengthen, protect and support young entrepreneurs. The existence of an incubation center is a solution as a forum that brings together students (the majority of whom are Gen Z) and entrepreneurs to create support for start-up entrepreneurs by facilitating various knowledge and creating motivation to develop. A similar thing was expressed by Ghufron et al. (2023) that empowering the younger generation can be carried out by collaborating between business actors and the Government to create new types of business, accommodate the younger generation's skills, and fulfil entrepreneurial facilities and infrastructure.

4. Conclusion

Based on this description, it can be concluded that Generation Z has the potential to become more prosperous, empowered, or have the strength to meet life's needs. The empowerment strategy is carried out through a SWOT analysis by mapping strengths, weaknesses, opportunities, and threats. Strengths and opportunities can be maximized through a holistic approach and support in skills development; the negative impact of threats and weaknesses of Gen Z can be minimized by increasing mental health awareness and encouraging them to use technology responsibly. The limitation of this research is that it can only identify empowerment based on literature from relevant articles. The results of this research are the basis for developing business management knowledge related to empowering Generation Z. Recommendations that can be given to future researchers can develop the concept of empowerment for other generations.

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