Gen-Z Effect: New Opportunities of Employee Collaboration and Knowledge Sharing on Service Innovation in Malaysia

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ABSTRACT

The influence of Gen Z, known as the first generation of true digital natives, is now radiating outward, with the search for truth at the center of its characteristic behavior and consumption patterns. Technology has given these young people an unprecedented degree of connectivity among themselves and with the rest of the population. That makes generational shifts more important and speeds up technological trends as well. This concept paper discusses on Gen-Z and the new opportunities of employee collaboration and knowledge sharing on service innovation among Gen-Z workforce. Based on the finding of the literature, a conceptual model has been developed with the intention to fill the gap on the topic of Gen-Z research. The proposed conceptual model may indicate some limitations in term of validity and applicability. The use of statistical method is suggested in order to broaden our findings on the future research.

Keywords:
Employee collaboration; knowledge
sharing; service innovation; Gen-Z Effect;
knowledge management

1. Introduction

Generation Z also known as zoomers, is the demographic cohort succeeding Millennials and preceding Generation Alpha. They are also called the iGeneration, are born after 1994 and are about enter the workforce with different complexity and new talents. They are the cohort of post-Millennials born between 1995 and 2010. They comprise of the school going students, under-graduates and graduates. By 2020, Gen-Z population worldwide will reach 2.56 Billion (Figure 1). According to research from Bloomberg, Gen-Z will surpass the population of Millennials in 2019 which indicates that Gen-Z will make up 32% of the population compared to 31.5% of Millennials (Figure 2). Data from the Department of Statistics [5] shows that Gen-Z makes up 26% of Malaysia's population of 32.6 million people in 2019, which is around 8.476 million Gen Zers in Malaysia alone. Therefore, it is very relevant and important to understand how Gen-Z will bring to the table in terms of knowledge sharing and collaboration which leads to innovation and growth to any organization and the society overall. In order to prepare these new talents, it is timely to open up to new approaches that work for different generations as Gen-Z wants to choose what to learn and how they want to learn it in a way that feels right to them.

According to statistics, Gen-Z employees will account for 27% of the workforce by 2025, currently at 19.42% in 2021 (Figure 3). One key way that Gen-Z workers set themselves apart from previous generations is by taking a very values-driven attitude to their employment and job prospects.

According to Nielsen consumer survey, internet penetration among those aged 18-24 is high at 98% while 99% own a smartphone, giving them the freedom to learn on their own while guiding them on the type of skills required. This may create a more supportive learning journey that Gen-Z desires. They are also known as self-learners, are more comfortable absorbing knowledge online.
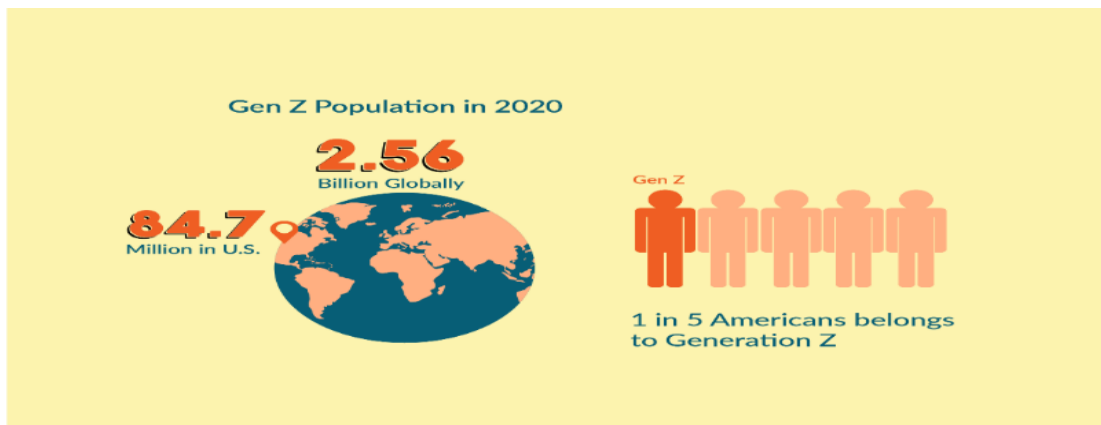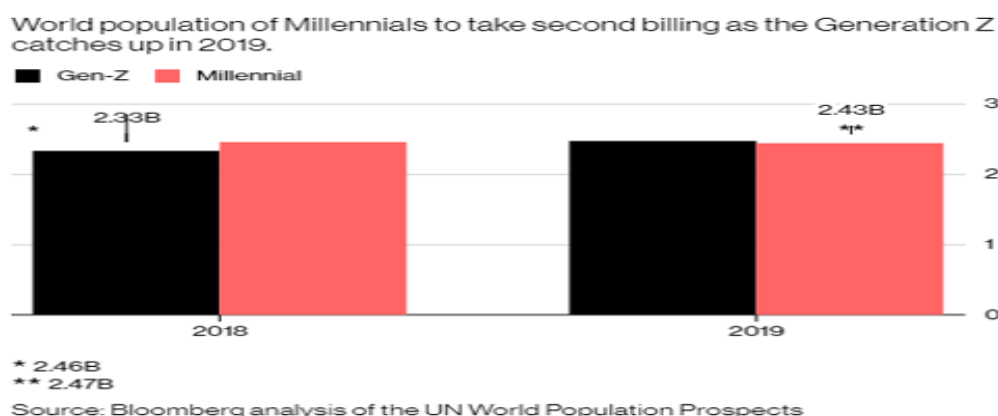

Fig.1. Gen-Z Population
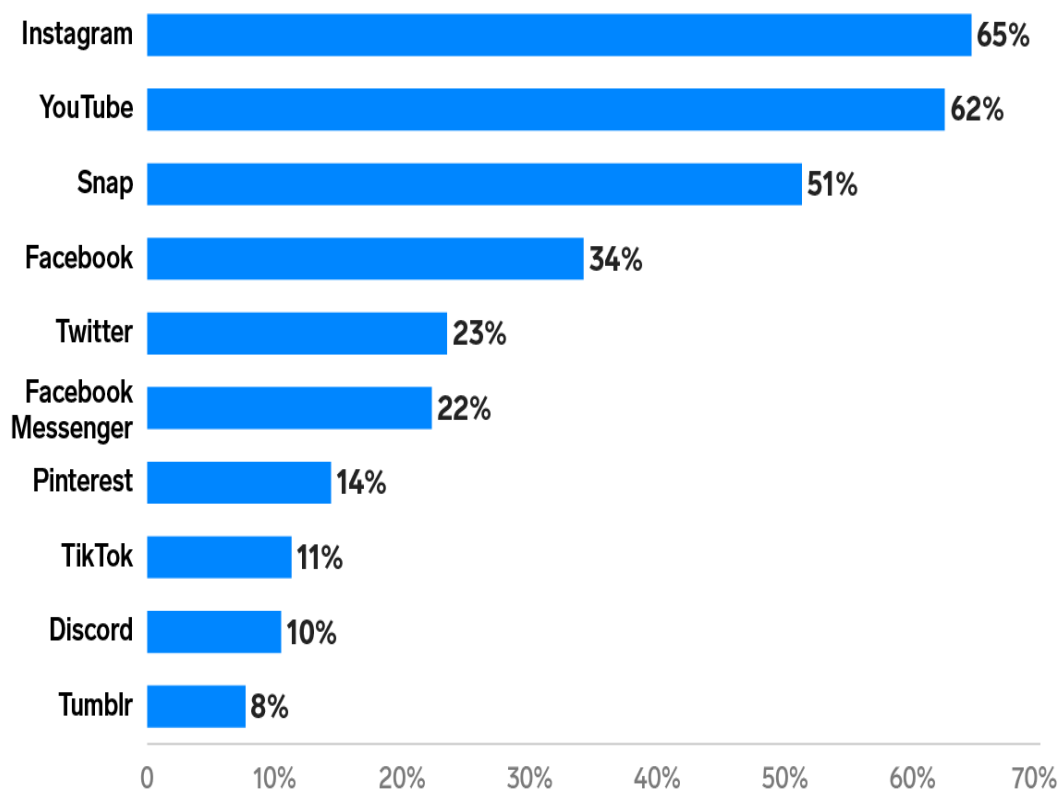

Fig.2. Gen-Z and Millennials Population

Fig.3. Gen-Z among the World Population

While Gen-Z understands that learning new skills will be critical to their economic relevance and employment, they may overlook the importance of skills like communication and collaboration that will be key to making good on the promise of lifelong learning. Therefore, it is crucial to focus on Gen-Z as to bridge the generational divides which undermine our ability to innovate in what is quickly becoming a "post-generational world". The Gen-Z will change the nature of the business by allowing faster technology innovation and interconnecting the global value chain of nearly ten billion human beings worldwide. This paper intends to look at the opportunities of employee collaboration and knowledge sharing on service innovation among Gen-Z employees. Hence to look at how Gen-Z fosters a culture of learning differently from other generations and contribute as knowledge workers towards organizational success and achieve operational excellence. Businesses need to understand the behaviour of the Gen-Z in order to reach them efficiently and effectively. The only source of the firm's competitive advantage is knowledge, hence it is crucial to study this unique generation on how they cut through large amounts of information and navigate seamlessly between online and offline worlds [12]. Refer to Figure 4 on Gen Zers and social media platform usages.

Which social media platforms Gen Z checks on a daily basis

Platform	Percentage
Instagram	65%
YouTube	62%
Snap	51%
Facebook	34%
Twitter	23%
Facebook Messenger	22%
Pinterest	14%
TikTok	11%
Discord	10%
Tumblr	8%

Source: Business Insider survey

BUSINESS INSIDER

Fig.4. Gen-Z and Social Media Platforms

2. Literature Review

This section pays great attention to all of the study's links and goes through each one in depth. Firstly to look at the general review of Gen-Z. This generation demands the people they work for, buy from, and invest in have good environmental, social, and governance (ESG) records and Gen-Z will certainly drive the worldwide push toward sustainable investing. They identify with social concerns, and this applies to their financial choices as well. According to Figure 5, ESG is said to be a factor in 80 percent of investing choices. Governments and companies should not underestimate Gen-Z's strength as they become advocates for issues such as equality and environmental issues. The emphasis is on products rather than experiences. In comparison to other groups, Gen-Z consumers place a higher value on material products than on activities such as travel, according to the survey. When it comes to shopping, they prioritise quality over cheap, and they prefer to pay with cash or their phones. While this generation enjoys a wide choice of commodities, it is conscious of what it consumes. According to the same report, more than half of people who have reached the legal drinking age do not drink, posing a major issue for the liquor business. Gen-Z might be the first group in which the majority of people follow a meat-free diet.
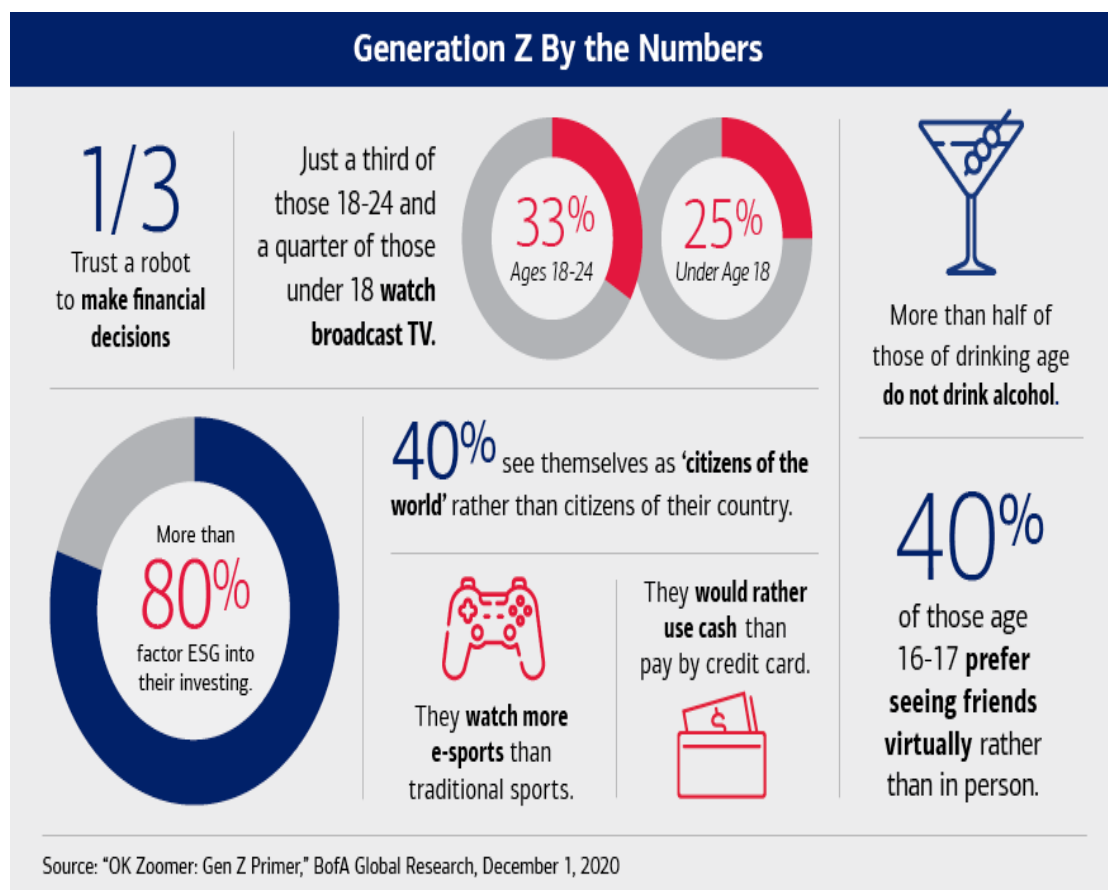

Fig.5. Gen-Z by the Numbers

3. Knowledge Sharing

Knowledge sharing (KS) as the action in which employees spreading the relevant information to others within the organisation [1]. Knowledge sharing needs good interpersonal communication which has always been an important aspect of developing relationships, dating back to the dawn of

human interaction. Individuals form bonds with each other through giving and receiving messages which have an impact on the recipient. If the communication is correctly received, a connection is likely to form [10]. Gen Zers has an upper hand now in creating and developing a new era of knowledge sharing and interpersonal communications. This can be explained further using the information in Figure 6. According to Figure 6, Gen Zers make up 40% of all customers by 2020, 76% of the Gen Zers are worried about the planet, 60% want their work to make a difference, 30% already donated to an organization and just over 1 in 10 want to start a charity. Gen Zers are the new disrupters to the world of knowledge sharing.
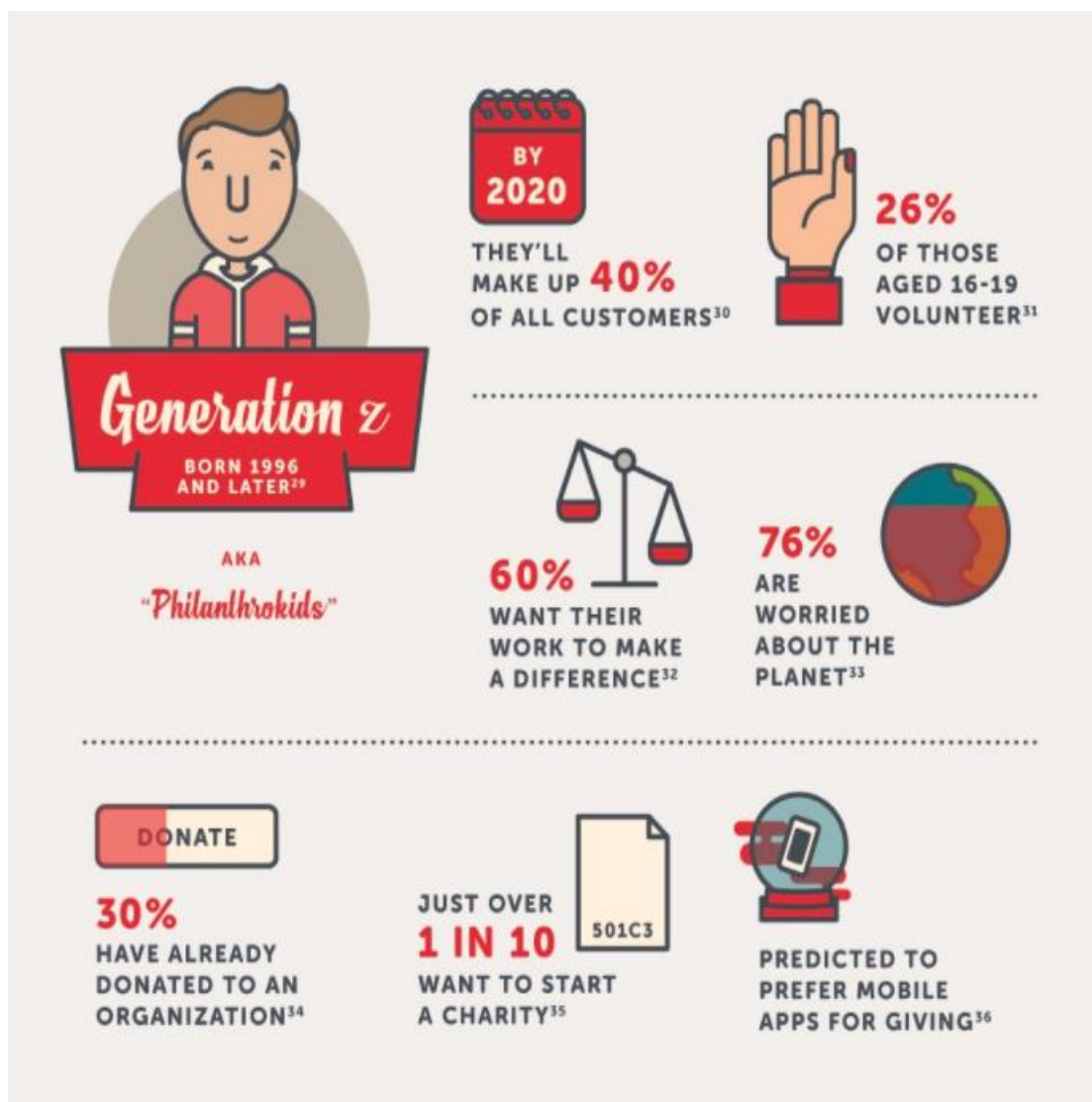

Fig.6. Gen-Z and Knowledge Sharing Virtues

4. Employee Experiences (EX)

As mentioned, through knowledge sharing, a variety of organisation phenomena can be known. By sharing of knowledge, collaboration [14], this will lead to a joint-decision making to problem resolution where power is shared and stakeholders of the organisation take collective responsibility for the actions taken and the followed outcomes of it. In the recent PwC survey on the Gen Zers, it is found that the Arab Gulf is one place where millennials and Gen-Z are growing increasingly dominant.

Tech-savvy employees need a digital partnership with their business that governs all workflows, from procurement requests to leave scheduling. Everything an employee does, from onboarding to training to off boarding to research, must belong under the digital banner. Employee experiences (EX) that are similar to those of customers are gaining traction, and EX has become as important to post-pandemic customers as CX. That may be the most succinct summary of the Gen-Z worker's mindset: "Treat me like a client if you want to get me, keep me, and make me the best I can really be" [7]. The Gen Zers are new trend-setters in the collaborative world. It is expected that Gen-Z will exceed the Millennial's Income by early 2030s (Figure 7).
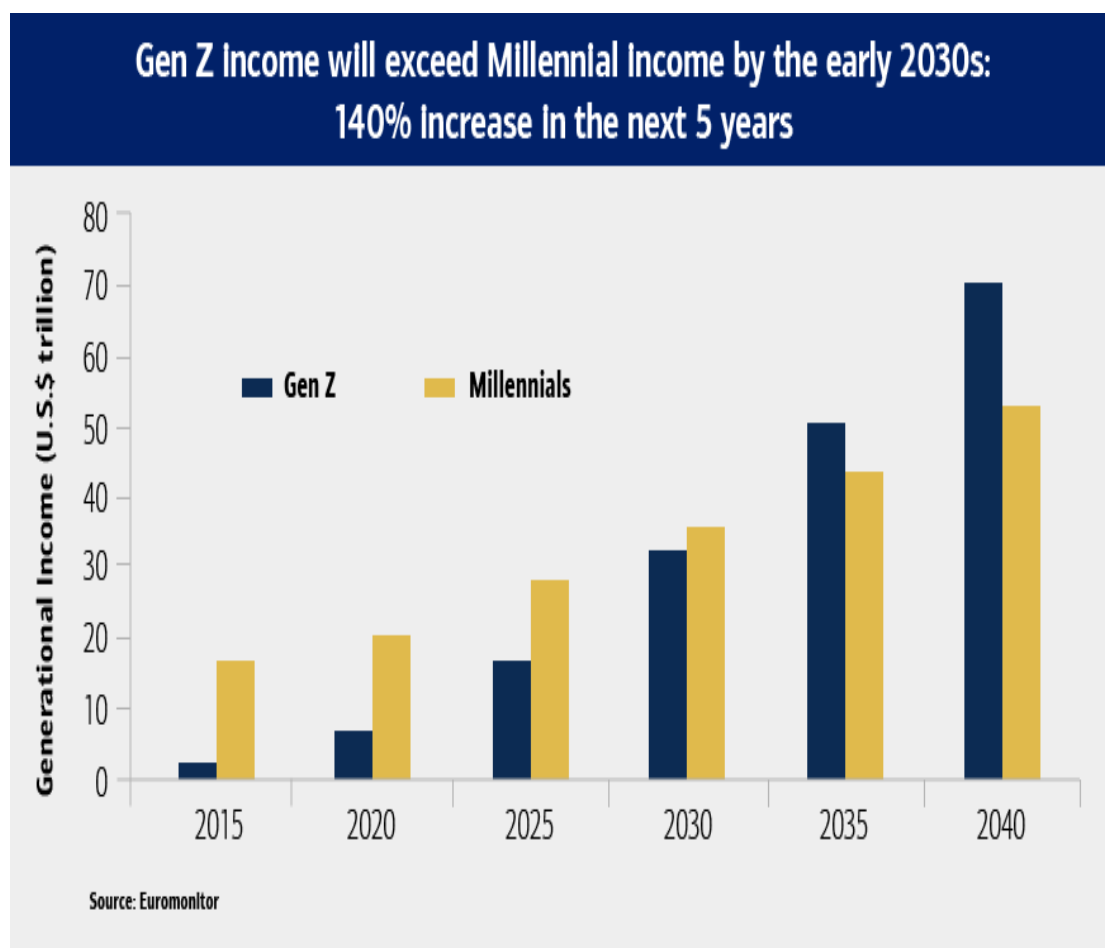

Fig.7. Gen-Z and Millennial Income Comparison

5. Service Innovation

According to Carlborg *et al.*, [3], it has identified three phases on service innovation which are formation phase (1986-2000), maturity phase (2001-2005) and the multidimensional phase (2006-2010). The research topic of service innovation is covering more areas which include leadership, strategy, and management in service innovation [9]. Here, the service innovation issues became more concerned and the need for practices and basic knowledge to manage the organisational activities also increasing. As the workforce has different generations working together (Figure 8), good communications have to be established well first between the different generations of workforce before looking into service innovations. There are various approaches to establishing a positive corporate culture. For example, corporate leaders might establish and encourage channels

of communication via which employees can share feedback and make suggestions to one another. This not only boosts productivity and encourages creativity, but it also fosters personal and professional development through a supportive and open environment.
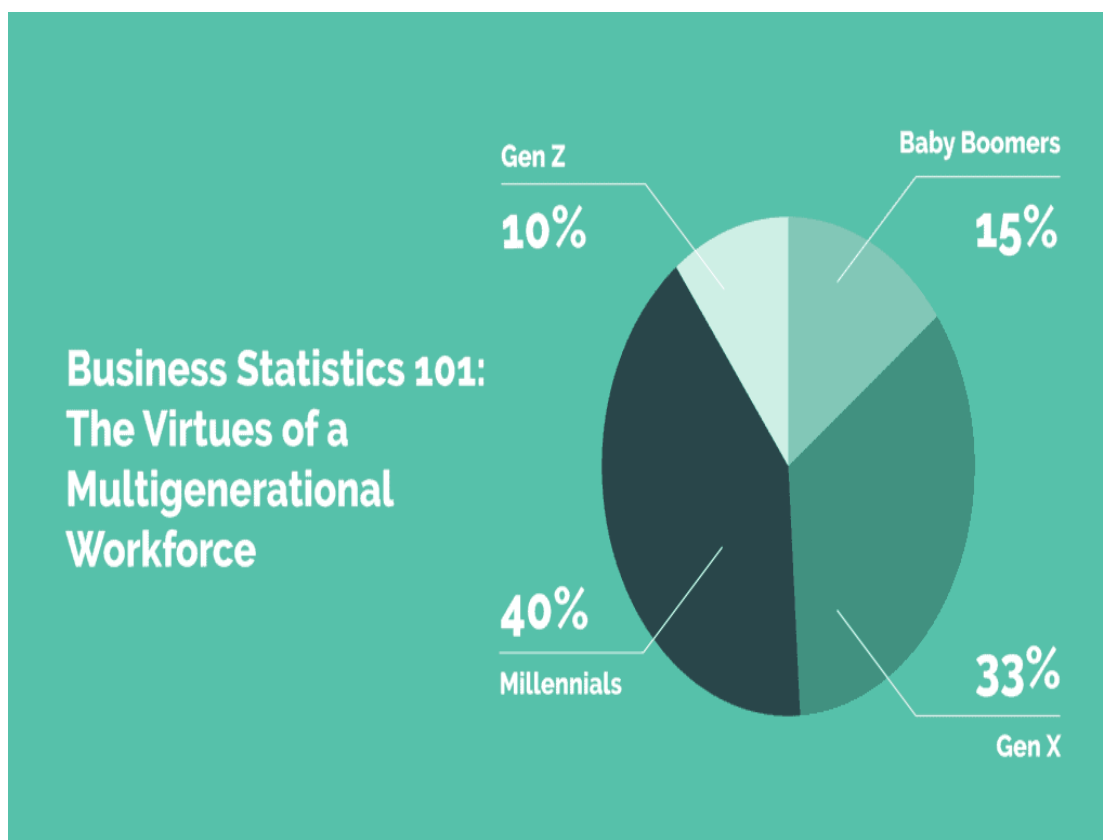

Fig.8. The Multigenerational Workforce

6. Employee Collaboration and Service Innovation

Participative work environment—one that encourages and values employees' ideas, shares new knowledge and information; without penalizing them for potentially ineffective ones highly encourages the employee collaboration as employees feel empowered [2]. They will be motivated to develop new ways of providing service, facilitating the alignment of an organisation's internal capabilities and external objectives [8]. Gen-Z is a generation that is radically inclusive. They don't differentiate between friends they met on the internet and friends they meet in person. They are constantly flowing between communities that employ the high level of mobilisation technology allows to promote their causes. Online communities are important to Gen Zers because they enable people from all walks of life to connect and mobilise around common causes and interests. In our survey, 66% of Gen Zers feel that communities are formed by causes and passions rather than by economic origins or educational levels. This figure is significantly higher than the corresponding figures for millennials, Gen Xers, and baby boomers.) Gen Zers believe it is normal for everyone to belong to various groups (52% vs. 45%), and they have no qualms about switching groups [6]. This will enable better employees' collaboration and service innovation will be attainable in organizations whether offline or online with the help of Gen Zers as this generation have deep connectedness with technology and spends time constantly on their phones compared to other generations [Figure 9].
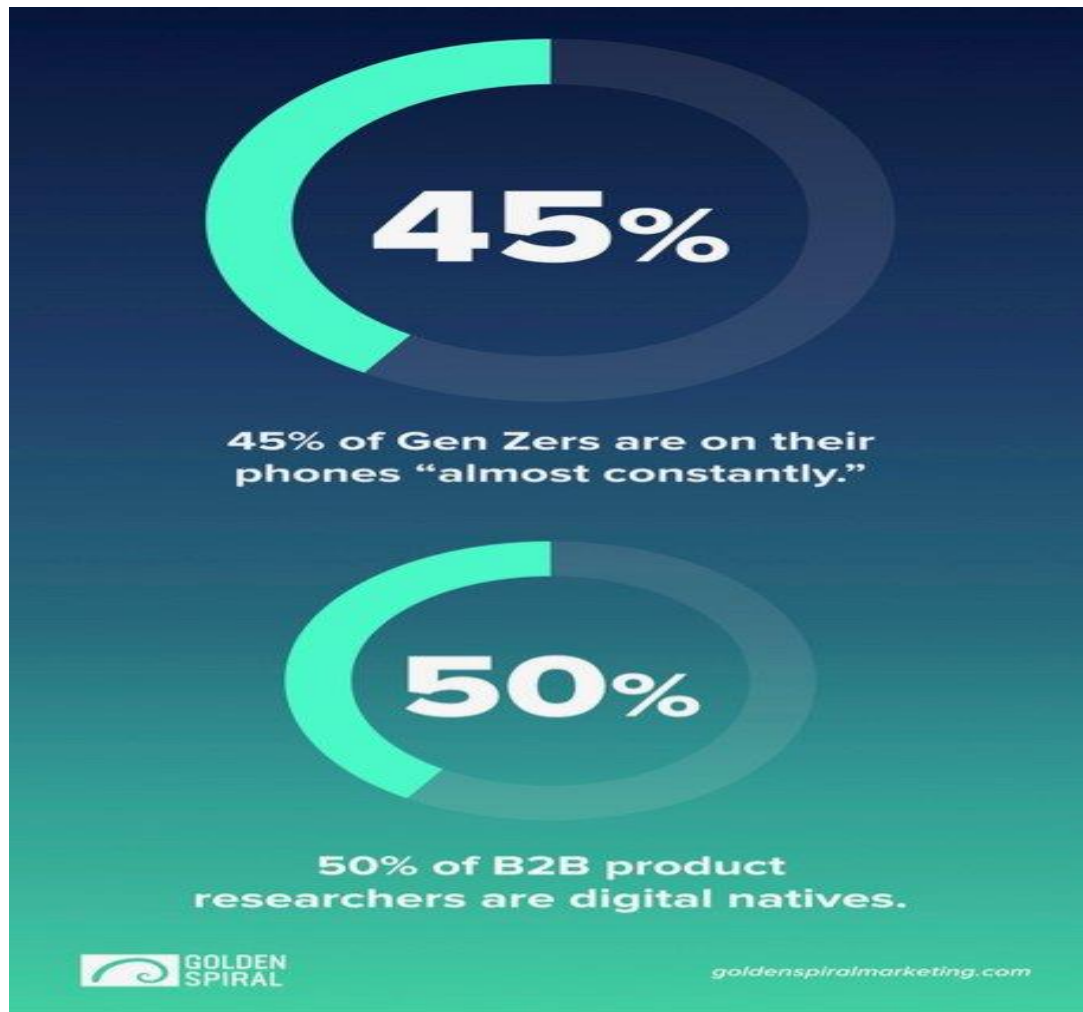
Fig.9. Gen Z and Phone Usages

7. Market Orientation, Knowledge Sharing and Service Innovation

First, Customer orientation is the understanding of target customers to create distinctive value for them. Competitor orientation act as the understanding of the weakness, strength and capabilities of the firms' principal and possible competitors while inter-functional coordination refers to the employee's understanding towards their organisations using the inter-resources to produce the distinctive values for their target customers. Additionally, to facilitate and share knowledge among employees, the firm must possess the three dimension of market orientation and only then the employees have the market-sensing capability to fulfil the market's need [15].

For example, Figure 10 shows the comparison between Gen-Z and Millennial on their online purchases attitude. The impact of Gen Zers on the market orientation is very distinctive although they are a young lot and newest on the workforce front.
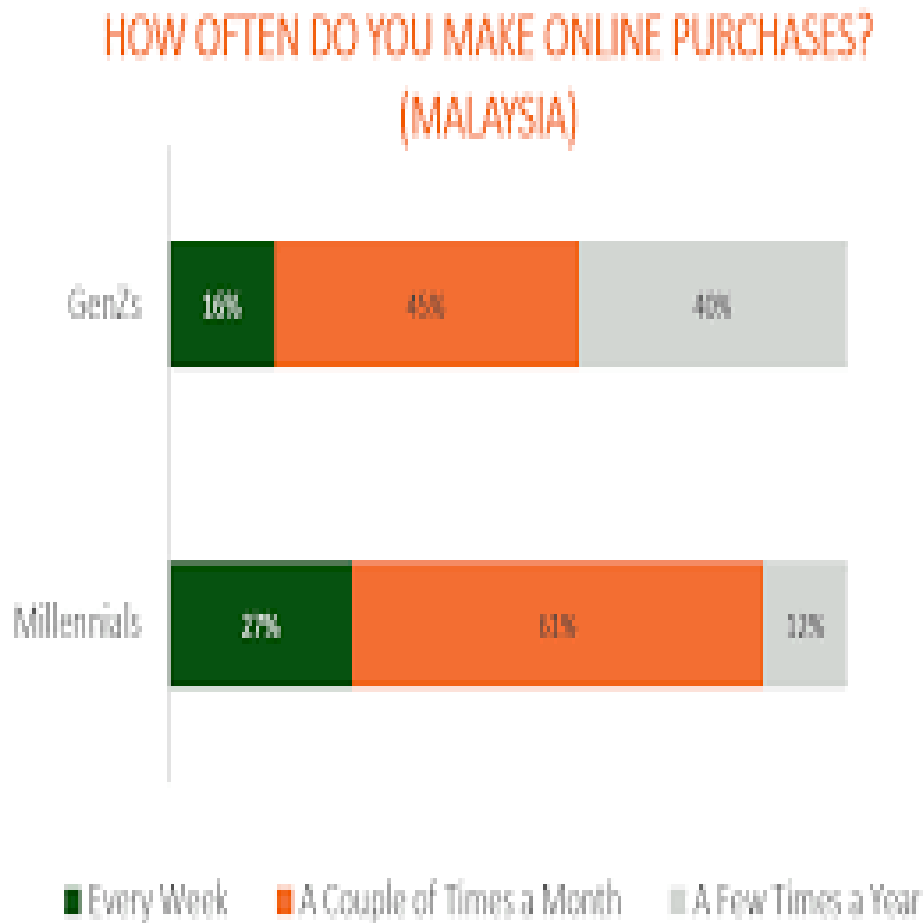
Fig.10. Gen-Z and Millennial on Online Purchases

8. Knowledge Sharing, Employee Collaboration and Service Innovation

Employees in a dynamic business environment must possess sufficient knowledge about their target customers in order to satisfy customers as employees who get knowledge from knowledgeable co-workers could become more competent in understanding about customer demands, and personalize services to meet customer's expectations [4]. With so much information at their fingertips, Gen Zers are more pragmatic and analytic in their decisions than prior generations had been. According to our survey, sixty-five percent of Generation Xers, Zers place a high emphasis on being aware of what is happening on all around them while being in control. This cohort of self-learners is much more diverse than previous generations. It's easier for these group members to absorb information online than it is for conventional educational institutions [6]. This is because Gen Zers has only seen their world through technology and not otherwise [Figure 11].
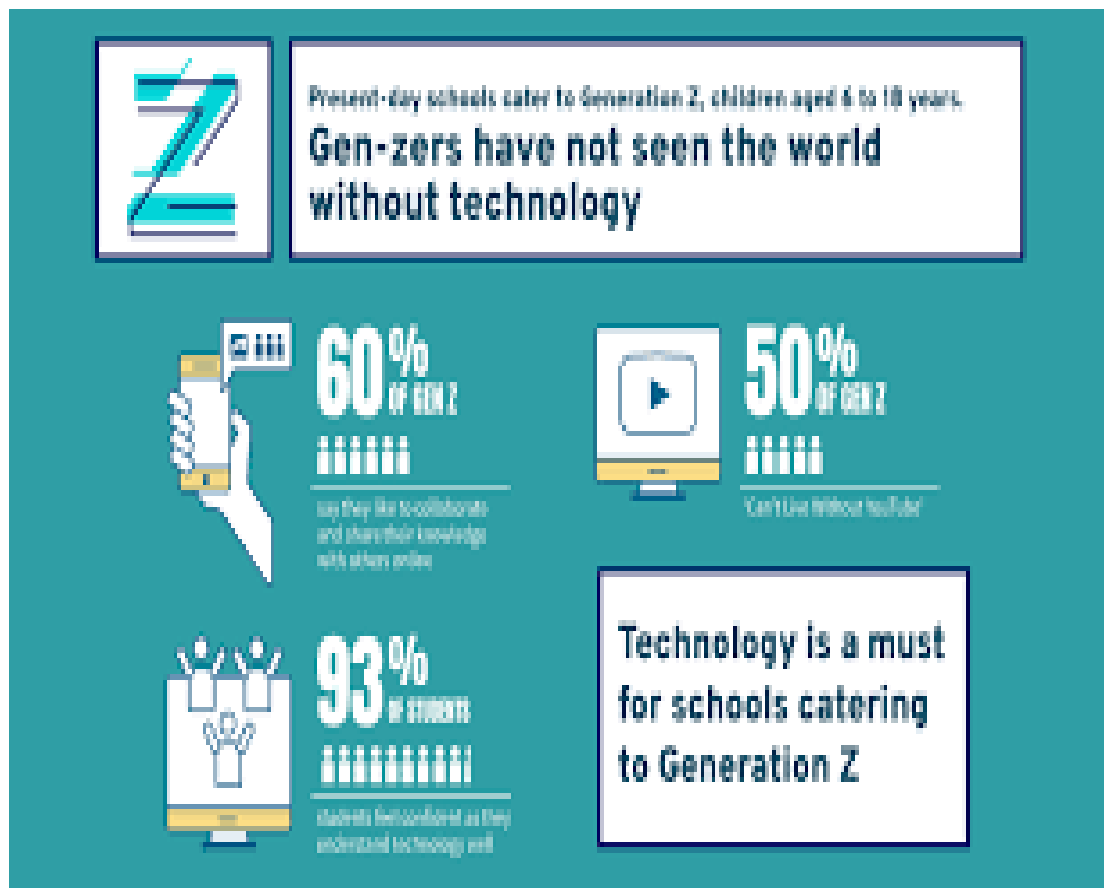
Fig.11. Gen-Z and Technology

9. Conclusion

Synergy is built when employees from different generations work together to utilise their complementary skills and competencies. With the entry of Gen-Z in the workforce, top management can tremendously gain by investing in plans that promote constructive involvement of different generations. Therefore, organizations should devise some distinctive strategies that they can help enhance Gen-Z employees' job satisfaction and engagement levels will reshape our society sooner than we expect, an era of global disruption, faster technology innovation and progress which will allow any human being to be connected on a global stage. According to Mark Sparvell, Senior Manager for Education Marketing at Microsoft, Gen-Z wants to do meaningful and purposeful employment. They're a socially aware generation that's concerned about their technological readiness, relying on technology to communicate, collaborate, and develop ideas. Organizations must learn to motivate and retain this special group of workforce comprising the new trend-setters, Gen Zers. This is due to the fact that the Gen-Z effect is a mind-blowing look at why we'll need to embrace Gen-Z as the world's last, best hope for tackling the world's largest challenges and opportunities during the world's greatest era of disruption, growth, and advancement [11]. This article emphasizes the importance on how businesses and organizations could engage in new opportunities of employee collaboration and knowledge sharing on service innovations with the new kids on the block, the incoming Gen Zers professionals [13].

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