

EMPLOYEES' BEHAVIOR WITHIN LABOR MARKET: GENERATION Z VS. GENERATION Y

Professor PhD **Mihaela DIACONU**
University of Pitești, Romania
diaconu_m2005@yahoo.com

Associate Professor PhD **Amelia DUTU**
University of Pitești, Romania
pandelica.amalia@yahoo.com

Abstract:

Nowadays many companies around the world are facing the new generation of employees, identified as Z, with different expectations and aspirations that in some points are very different than those of the generation before, that is called Y. Taking into consideration the fact that attracting and retaining the talents within the company is becoming a high priority, representing the core component in developing and delivering the high value for the customers, a better employee generation profile understanding is of utmost importance in developing the most appropriate HR strategies. Thus, the purpose of this study is to create a profile pattern regarding the labor market entry and behavior for the two generations: Y vs. Z. In this respect a survey was conducted on 112 students from Arges County and the measurements was conducted in five directions: career expectations; selecting an employer, company and industry sector; career priorities; personal life towards professional life, what my generation is doing. The results of the study reveal the fact that there are many differences between the two generations with very well outlined profile patterns. The study is addressing to the HR practitioners but also to the scholars, proposing a new approaching way for profiling employees.

Key words: labor market behavior, generation Y, generation Z, generation profile

JEL classification: A14, J23, M12

1. INTRODUCTION

In the specialized literature, the word "generation" is of Greek origin and emerged from the "genos", and means "getting out of the best possible presence." Clarke (2012) cites of Özkan & Solma (2017, 151) stated the word refers not only to biological/conceptual birth, but also to continuous change over time in terms of origin. In other words, it describes the development of something new in the societies.

Kupperschmidt (2000) describes the generation concept as "a group that shares the birth-years and birth-places and critical-social events at the same time." While the classification is made for this concept, it is considered that there are groups of people who are born in the same time within the same age groups and share the same history and culture (Weingarten, 2009, 27). The start and end dates are not precise, but the generation periods generally cover 15-20 years (Stanley, 2010, 847).

A generation is made up of people who are the result of modeling specific factors at a certain time and which are political or cultural factors. Starting from the many points of view related to generations, their classification would be the following:

- The Silent Generation (1925-1944);
- Baby Boomers (1945-1964) – they are the generation that appreciates a stable job, and currently occupy leading positions in companies and collaborates with the younger generations that differ in behavior, ideals and values. (Thompson Augusto dos Reiss, 2018). They have received free higher education, and have benefited of low house purchase prices and currently have a large economic influence. They have the ambition to succeed, to advance and to win. They think hard work is the way to success and have the dream of having homes, cars, and material goods. Adopted from Seemiler & Grace (2016).

- Generation X (1965-1979) made up of skeptical, individualistic, work-addicted people who have created a career within the same company. Women in this generation are on the rise in employment in the labor market over the previous generation. The major objective is the balance between family and profession, involvement in supporting the professional development of children;
- Generation Y or millennials (1980-1994) - made up of flexible people more accustomed to change, capable of using digital technology and a wealth of information, pursuing autonomy and professional development within the organization they work in (Lemos,2012). It has modeled itself with the support of the technological revolution and considers computers, tablets and the web as essential tools for work and life;
- Generation Z (1995 -2010) - characterized by more flexible people in terms of professional and personal life, more collaborative, interactive, innovators. The phone has a determined role in their lives as it has replaced video games, paper, music player, etc. They propose to find solutions to the world's problems. They are loyal, caring, communicative, responsible, determined;
- Generation Alpha – (born after 2010), digital natives, a generation composed of people with behavioral features centered on creativity, dynamism, leadership, and a strong link to technology. (Thompson Augusto dos Reiss.a., 2018).

Starting from the context described above regarding the differences between generations highlighted by researchers, the present study is based on the following researches questions:

There are any differences between generations regarding the labor market approached?

Thus, this study was conducted from a labor market perspective. This particular approach was adopted because of the Romanian labor market volatility and taking into consideration the human resources crisis.

2. LITERATURE REVIEW: THE GENERATIONS PROFILE

2.1. GENERATION Z

Concerning Gen Z there is not only a point of view related to the year of its debut. Thus, it is talked about 1990 and after, 1995 and after, 2000 and after. Gen Z is also mentioned through different names: "Generation V", "Generation C", "Generation Cox", "Internet Generation", "Homeland Generation", or "Google Generation" (Mustafa, 2017). Apart from these, Strauss and Howe (1999) describe it as "The New Silent Generation". Other names of Gen Z found in literature are the following: mobile generation (Kapil & Roy, 2014) as they live with the Internet, social media, "selfie generation" because they are aware that their world is a digital environment that influences their features, and the world needs to be "better able to live"

Different studies of Generation Z (Ozkan & Solmez, 2017; Seemillee & Grace, 2016; Merriman, 2015) have highlighted some relevant features, as follow: (1) they are digital natives, attracted by immediate reward; (2) the focus concentration time is 8 seconds compared to 12-minutes specific to Generation Y; (3) they take less care of the material and are more interested in experience, expertise, and are more flexible; (4) they are identified as loyal, compassionate, thoughtful, open-minded, responsible, determined; (5) they are appreciated as being competitive, spontaneous, adventure some, curious; (6) the difficulties perceived by them are: uncertainty about the future, high individual expectations, anxiety; (7) they show preference for internet shopping due to the following factors: internet affect, product description, external factors, deals and product identity; (9) is the generation connected, informed and ready for business

According to the same researchers regarding the labor market approached, the Generation Z has some certain characteristics that should be considerate by the employers: (1) intuitively deliver on their constantly evolving needs; (2) they should be part of the solution; (3) demonstrate respect and loyalty before asking for it; (4) embrace social learning, direct learning, expect to be fully engaged, want to learn by working more than listening, are interested in designing their own

journey rather than the curricula and understanding why they acquire certain knowledge; (4) they are time management masters when it comes to using work tools in virtual space. (5) technology works as an extension of their identity and can skillfully manage the increasingly complex tools; (6) they have a great deal of affinity with technology manufacturers and are dependent on personal phones; (7) they represent a clear challenge for companies in the sense that they are confident and motivated individuals, but without being naive; (8) they are easily adaptable, quickly connect to company requirements. (9) they manifest preferences for healthy food and fresh food options; (10) they are optimistic about their financial future, get the most financial advice from their parents and are conservative about spending; (11) they are the perfect patients of the future due to their openness to technology that measures stress levels and genetic mapping technology; (12) they are the followers of online shopping using the phone because they can easily compare prices and make a good selection; the smartphone is the tool that helps them make transactions and make decisions; (13) they are targeting a wage level of about 3 times higher than that of current employees; (14) they are the followers of travel, they are found both in the local and global space and they expect employers to offer them the possibility of valorization in any place in the world; (15) They have inherited skepticism from parents, but not their pessimism. They are a generation that emphasizes happiness; (16) they have the ability to process information faster than other generations; (17) they rely heavily on social media for both socializing and schooling; (18) they prefer interaction with online friends over face to face interactions; they are the followers of the messages at the expense of telephony or email; Facebook holds the main position; (19) They are better multitaskers; (20) they are concerned about starting work in the labor market as early as possible and using the online version of vocational training to the detriment of classical education; (21) they earn their living through their own efforts at an early age based on fixed-term contracts;

2.2. MILLENNIALS OR GEN Y

The term "millennials" is known in several forms: in Sweden they are called Generation Curling, Generation Serious in Norway and John Paul II Generation in Poland. The Chinese call them „ken lao zu” or "the generation that eats the elderly", and the Japanese called them, nagara-zoku, "people who always do two things at once" according to Lyons (2016).

In international contexts, different characteristics of this generation were underlined: (1) they are curious; (2) they always want to know the reasons for doing a certain task, why they need to invest time for a certain purpose; (3) as a rule, in the labor market they fulfill a certain role for a period of up to 3 years after they try new challenges; (4) they are considered the "digital natives" of the world, the first generation of "permanently connected" history, skilled in the field of technology (tech-savvy); (5) they are tolerant towards cultural diversity, accept globalization and are concerned about looking for something special at work; (6) they seek the balance between professional life and personal life; for them, equilibrium means everything; (7) they are open to the challenges of the system, interested in the immediate expression of what they think; (8) workplace is perceived as an attractive, interesting, fun experience; (9) they want an open and honest communication with the employer, they want their opinions on the development of the company; (9) they want flexibility in terms of work schedule and location; (10) they are interested in socializing at work and in creating family at work; (11) they want guidance to highlight their ambitions and ideas; (12) they want to enjoy and celebrate for both smaller and bigger successes; (13) they are interested in knowing the details of the goals set by the organization and how their work contributes to creating value for it; (14) they need the right manager who knows what they want from the team, they are result-oriented.

3. RESEARCH METHODOLOGY

The purpose of this study is to create a profile pattern regarding the labor market entry and behavior for the two generations: Y vs. Z. In order to reach this purpose a measuring scale was developed and tested by conducting a preliminary study.

The measurement scale development: based on the literature review, five directions of measurement were selected: career expectations; selecting an employer, company and industry sector; career priorities; personal life towards professional life, what my generation is doing. Also, 102 variables were selected. For rifling the scale, the University Consultative Council of The Business representatives were consulted; that is made up of 29 professionals from the most important companies from the County of Arges. After consulting the measurement scale, the final list has been reduced to 91 items as follow:

Table no. 1. The measurement scale construct

Directions of measurement	Variables
Career expectations and priorities, personal life towards professional life.	The importance of having a job The perception over the work Preference for working at home vs. working at company office Preference to working environment: traditional office vs. open space office Preference for flexible working schedule vs. fixed working schedule Preference for team working vs. independent working Preference for high risk taking and high salary vs. low risk taking and average salary Perceptions over working time and free time balance The most important aspects for professional accomplishment The expectation regarding the salary level
Selecting an employer, company and industry sector	The aspects that matters for choosing a company and industry The information sources used for selecting an employer
What my generation is doing	Usage of internet and social media networks Usage of the smartphone Usage of mass-media canals (TV) Concerns about environmental issues Concerns about social equity Concerns about poverty reduction The desire to change the world The generation characteristics The degree of optimism

The pilot study was conducted in Arges County and the data was collected from a sample of 112 students and pupil, 50.9% belonging to the Y Generation (aged between 25 and 41 years old) and 49.1% belonging to the Z Generation (aged between 16 and 23 years old). The variables within the study were measured using a five-step Likert scale, where step 1- *to a very small extent*, step 3 - *in-between*, and/or step 5 - *to a very great extent*.

4. EMPIRICAL FINDINGS

According to the research results both generations are very interested in finding a job in the next few years, as mean values emphasized (M Ys = 4.50, M Zs = 4.60). Regarding the perception over the work, the Y respondents consider that work comes first: (1) a way of satisfying the personal interests (M=5.00), (2) the opportunity of learning new things (M=4.98), and (3) personal development (M=4.92). On the other hand the Z respondents' considerate that work is: (1) the opportunity of learning new things (M=4.61), (2) a better future (M=4.58), and (3) personal development (M=4.30).

Both generations are intensive internet users. Still some differences were identified, regarding the social media networking usage. Most of the Ys are using social networks between 1-3

hours per day while the Zs are connected to these networks over three hours per day. Also, the Ys respondents are watching TV more 3 hours daily while the Zs respondents are using TV less than one hour per day.

Regarding the generation concerns, the Ys are preoccupied by: (1) the poverty reduction (M=4.18), (2) the environmental issues (M=3.69) and (3) social equity (M=3.58). For the Zs poverty reduction and the environmental issues have the same importance according to the mean value (M=4.47). Both generations are preoccupied to the same extent to change the world.

Table no. 2. The criteria for choosing a job

Variable	Ys Mean value	Zs Mean value
company fame	3.52	3.03
company image	3.74	3.52
operational sector	3.03	4.38
number of employees	3.00	3.45
paid salary	4.01	4.07
overtime payment	3.72	3.52
performance related payment	3.52	4.00
perks offered – company car and mobile phone	3.49	2.92
private medical insurance	4.98	4.19
professional development opportunity	3.40	4.70
available training programs	3.50	4.60
working environment	4.49	4.69
job stability	4.01	3.74
recommendation regarding job offers (friends, family etc)	3.50	3.67

Source: Results are based on SPSS data base analysis

According to the mean values determined for the two generations, one can notice the fact that the Y generation grants a higher importance to the employer's image and fame. On the other hand, for the individuals of this generation, the overtime payment is important, the perks offered and also private medical insurances. Not lastly, this generation values job stability more. On the other hand, the Z generation value more working for large companies and the operational sector is also very important. The individuals belonging to this generation appreciate more results oriented companies and who offer professional development opportunities and internal training programs. It is to be noticed the fact that the salary paid by these companies is a criterion almost equally important for both generations.

Table no. 3. Working environment preferences

Variable	Ys Mean values	Zs Mean values
working at home more than at the company's office	3.43	3.49
working in open space offices	3.98	4.10
flexible schedule	3.43	3.98
team work	3.50	3.89
average salary and job stability	3.52	2.52
high salary and job insecurity	3.29	3.49
spending less time with the family and friends to earn more money	2.98	3.00
spending less time with the family and friends to reach professional goals	3.00	3.58

Source: Results are based on SPSS data base analysis

According to the research results the Z generation has higher preferences for work flexibility. This generation individuals appreciate more the employers who offer a more flexible work time as well as the possibility to work from home. As well, these ones prefer a higher salary even if the job is not secure / stable for a longer period of time. Although, according to the search

results, these ones have the tendency to create a balance between family and professional life, one can notice the fact that these ones are still willing to sacrifice the time spent with family and friends in order to reach professional development.

On the other side, the Y generation is open up to a lower extent to work from home during a flexible work time. One can notice that the individuals belonging to this generation prefer job stability over higher salary. Also, these ones are willing to a little extent to sacrifice the time spent with family and friends in order to have extra earnings and to reach professional goals.

The optimism level within the present research was measured through a 7 levels measurement scale where level 1 represents very pessimistic and level 7 very optimistic. According to the resulted average results, the Z generation (M=6.45) is more optimistic than the Y generation (M=5.49).

5. CONCLUSIONS

The purpose of this study was to create a profile pattern regarding the labor market entry and behavior for the two generations: Y vs. Z. To the international level, many studies have been performed in various national contexts in order to identify the characteristics of the two generations. Interestingly, the results of these studies are sometimes contradictory indicating quite different features within the profiles of the two generations. This variability in results is determined directly by cultural factors of the national context where each of the study was conducted.

The present research was done within the particular context of Romania and its results show aspects which were emphasized in other national contexts as well. Obviously, there are differences in the profiles of the two generations as long as these ones are regarded from the perspective of the future employee. The Y generation individuals prefer a rather traditional work environment, while treasuring the job stability, employer image and notoriety. On the opposite, the Z generation individuals are attached to values associated to flexibility and work freedom; they treasure professional development opportunities.

This research is a preliminary study and it is aimed to support HR managers from the Romanian companies in attracting and retaining the talents within companies. Still, this research should be regarded within the limitations determined by the reduced respondent sample and also by the Romanian particular contexts within which the research was conducted. In the near future, the present study will be expanded to a more representative sample size; also a further research direction is a comparative study within more national contexts.

REFERENCES

1. Beloit Mindset List. (n.d.) (2019), in *Beloit College online*, retrieved from <https://www.beloit.edu/mindset/2019/>
2. Cook, V. (2015), *Engaging Generation Z Students*. Center for Online Learning Research and Service, University of Illinois Springfield, retrieved from https://sites.google.com/a/uis.edu/colrs_cook/home/engaging-generationz-students
3. Elmore, T. (2010), *Generation Y: Our last chance to save their future*, Atlanta, GA:Poet Gardener
4. Elore, T. (2016), *What's happening to college students Today? I have a sad story to tell you*, PsychologyToday, retrieved from <https://www.psychologytoday.com/blog/artificialmaturity/201511/what-s-happening-college-students-today>
5. Grace, M. & Seemiler, C., (2016), *Generation Z Goes to College*, San Francisco, CA. Jossey-Bass
6. Kapil Y., Roy A. (2014), *Critical Evaluation of Generation Z at Workplaces*, International Journal of Social Relevance&Concern, Volume 2, Issue1, pp.10-14.
7. Kupperschmidt, B.R. (2000), *Multigenerational employees: strategies for effective management*, The Health Care Manager, Vol. 19 No. 1, pp. 65-76

8. Lemos, C.A.H (2012), *Youth, generations and work: broadening the debate*, Organ. Soc., Salvador, v.19, n.63, p.739-743 <https://www.bncollege.com/Gen-Z-Research-Report-Final.pdf>
9. Lyons, Kate (2016), *Generation Y, Curling or Maybe: what the world calls millennials*, The Guardian [8 March 2016]: <https://www.theguardian.com/world/2016/mar/08/generation-y-curling-or-maybe-what-the-world-calls-millennials>
10. Merriman, M (2015), *Rise of Gen Z-new challenge for retailers*, EY-Building a better working world
11. Mohr, Kathleen, A. J. and Mohr Eric S. (2017), *Understanding Generation Z Students to Promote a Contemporary Learning Environment*, Journal on Empowering Teaching Excellence, Volume 1 Issue 1
12. Özkan, M Solmaz ,B (2017), *Generation Z - The Global Market's New Consumers- And Their Consumption Habits: Generation Z Consumption Scale*, European Journal of Multidisciplinary Studies, Volume 2, Issue 5
13. Özkan, M Solmaz ,B (2015), *The Changing Face Of The Employees- Generation Z And Their Perceptions Of Work*, Procedia Economics and Finance 26 (2015) 476 – 483
14. Seemiller, C., & Grace, M. (2016), *Generation Z Goes to College*. New York, NY: Jossey-Bass
15. Sladek, S. ve Grabinger, A. (2013), *Gen Z: The First Generation of the 21st Century has Arrived!*, http://xyzuniversity.com/wp-content/uploads/2014/02/GenZ_Final.pdf
16. Stanley, D. (2010), *Multigenerational Workforce Issues and Their Implications for Leadership in Nursing*, Journal of Nursing Management, pp. 846–852.
17. Strauss, W. & Howe, N (1999), *Generations: The history of America's future, 1584 to 2069*, New York: Quill/William/Morrow
18. Thompson Augusto dos Reiss.a. (2018), *Study on The Alpha Generation And The Reflections of Its Behavior in the Organizational Environment*, Quest Journals Journal of Research in Humanities and Social Science Volume 6 ~ Issue 1 (2018) pp.: 09-19, ISSN(Online) : 2321-9467 www.questjournals.org/ATE
19. Villa, D.(2017), *The State of GEN Z 2017 Meet the Throwback Generation*, The Center for Generational Kinetics
20. Weingarten, R.(2009), *Four Generations, One Workplace: A Gen X-Y Staff Nurse's View Of Team Building in The Emergency Department*, Journal Of Emergency Nursing, Volume 35, pp. 27–30.OF