From Y to Z: Understanding the Evolving Workforce Preferences

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Abstract

Effective leadership methods in a workplace with a diverse workforce include recognising the unique features of each generation and addressing their motivation (Ahmad & Ibrahim, 2015). Managers of today must comprehend how to effectively oversee youthful, inexperienced staff members from Generation Z. Although these workers have many features in common with Generation Y, they also exhibit new behavioural patterns and distinct

generational attributes influenced by their experiences (Schroth, 2019). The purpose of this study was to examine the traits and inclinations of Generations Z and Y in the workforce, as well as the distinctions between them. The study included 84 people from North Macedonia who belong to these two generations and who have all worked at least one job.

The study's findings indicate that members of Generation Z are willing to assume leadership roles, expect regular feedback from their bosses, and envision themselves in managerial jobs. Members of Generation Y think of themselves as patient, skilled at multitasking, and seek a flexible work schedule. Unlike Generation Z, they emphasize social contacts with co-workers.

Both generations highly value opportunities for professional growth, chances for advancement with greater pay, and yearly bonuses; in fact, 93% of them ranked these as the most significant benefits they look for in a company.

The study's findings can assist businesses in building organizational cultures and tactics that are geared towards the youngest workers. They can also aid by giving managers the right kind of training to help them create leadership methods that work for these generations.

Keywords: generation Z, generation Y, workforce, characteristics, preferences

1. Introduction

Today's workforce is intergenerational, with employees from X, Y, and Z generations, presenting both opportunities and problems for organisations. It is getting more and more crucial to comprehend their traits in order to apply the proper management techniques. Since Generation Z, the youngest of these generations, was raised in the age of contemporary technology, they are deeply ingrained in the digital world and view technology as an integral part of who they are. It is essential to understand their attitudes towards work, which differ from those of Generation Y and X; otherwise, companies will face difficulties in hiring and retaining these employees (Gaidhani et al., 2019). While Generation Y shares many similarities with their younger colleagues from Generation Z, research identifies differences between them, indicating a need of awareness of these differences and the application of suitable strategies for a multigenerational workforce.

2. Literature Review

2.1 Generation Y and Z: Similarities and Differences

Although each member of a generation is unique, each generation has developed its own characteristics according to experiences, educational conditions, demographic and cultural phenomena, so these characteristics create group preferences for "how their leaders should motivate them". In order for employers to promote an environment of job satisfaction and employee retention, it is necessary for the employers to adapt to their generational preferences, especially around their values and beliefs. An important leadership role is supporting the growth and development of employees, but this is not an easy task in the presence of a

generationally diverse workforce (Ahmad & Ibrahim, 2015). According to Schroth (2019), today's managers need to understand how to best manage the young, inexperienced employees of Generation Z, not just because they share many of their characteristics with Generation Y but also have new behavior patterns and have unique generational characteristics shaped by their experiences.

In the research carried out by Harrington et.al (2015) Generation Y (born in the period 1980-1994) highlighted six most important dimensions by which they measure their career success, which they rated as exceptional important, namely: work-life balance (44%), job satisfaction (43%), salary growth rate (35%), achievement of personal goals (27%), work achievements (25%) and development of new skills (24%). Prasetya & Kartikawangi (2021) concluded from their research that they are willing to put in extra effort in their work, if their company shows concern for internal communication and makes efforts for them. The development of a good and comfortable working atmosphere by the company affects the engagement of employees belonging to Generation Y. Members of Generation Y would leave their jobs for the following reasons: to earn more money, to have better opportunities for career development, to pursue work more aligned with their passions and to have more flexibility/better work-life balance. They also noted that they feel more satisfied at work when their managers care about their well-being (Harrington et al., 2015).

Individuals belonging to Generation Z were born between 1995 and 2012 (Barhate & Dirani, 2022). "Generation Z was born and raised with social networks, they are digitally centric and technology is their identity" (Singh & Dangmei, 2016, p.1). The newest Generation Z, entering the labor market, has unique characteristics and behaviors, that bring a real challenge to managing this generation in the workplace and as a workforce. It is necessary to recognize that changes are coming, but also to start adapting immediately, because a new era in the workforce is coming, which for companies and employees brings changes in the work dynamics and company culture (Benitez-Marquez et al., 2022). Generation Z has grown up in security and social justice movements, with the use of smartphones and the popularity of social networks, and at the same time they lack work experience, which is why they present a special challenge to their managers, because they are not sufficiently prepared for the reality of workplace, unlike previous generations (Schroth, 2019).

Members of Generation Z want a flexible work schedule and they aim to build several parallel careers. Technology wise, they create their own documents, databases, due web research, they preffer to have time for personal relationship in order to stay on the job. As for mentoring, they need constant feedback. They want to maintain their private life to be motivated and want to dress in comfortable clothes (Gaidhani et al., 2019). According to Schawbel (2014) members of Generation Z have an entrepreneurial spirit; they are less motivated by money/earning compared to Generation Y and more motivated by opportunities for advancement. They prefer personal communication with the manager instead of e-mails or via messenger and they want to be taken seriously and want to work with an honest leader who communicates openly with them. For Generation Z, the social aspect of their work environment is very important (Harris, 2020).

Both generations show similarities and differences in their preferences. A similarity between members of Generation Y and Generation Z is that they want to receive immediate feedback from their managers (Chillakuri, 2020), although the results of Harris's (2020) research do not support this finding for Generation Z. The main motivating factor of both generations is to have a job with an attentive and caring supervisor, and the least motivating factor is "the contribution to the company's success" (Marinšek et al., 2022). According to Gabrielova & Buchko (2021), the two generations have similarities and differences for key work and values. Namely, both generations are achievement-oriented, want continuous professional development and prefer a balance between work and private life.

Table 1. Differences in preferences between generations

	Generation Y	Generation Z
Job and wage security.	Goal oriented; optimistic; risk takers	Prefer safety; pragmatic; risk averse
Feedback	Frequent feedback	Continuous feedback
Teamwork	Collaborative	Competitive
Social interaction	Face to face communication	Communication via message

Source: Gabrielova & Buchko (2021)

Generation Z (63%) and Generation Y (64%) believe it is important to achieve a leadership position. Both generations value the most open communication/feedback, positive attitude and clear goals. Generation Z most values positive attitude (with 42% of importance), while members of Generation Y with the same percentage (42%) stated that open communication is important (Bresman & Rao, 2018). Members of Generation Z are motivated by the work itself and career advancement is important to them, while members of Generation Y are more focused on earnings and benefits (Dunne, 2022). According to Azimi et al. (2022) both generations value universalism and benevolence, but Generation Y is more likely to follow traditions and members of Generation Z value more incentives, hedonism and achievement. Marinšek et al. (2022) found that the biggest intergenerational differences in the motivation factors "non-monetary incentives" and "adequate and safe working conditions" are more important for Generation Z than for Generation Y. Members of both generations are innovative and proactive, but Generation Z is more courageous than Generation Y in taking risks (Rinaldi & Herlina, 2022).

When working with a multigenerational workforce, leadership strategies that work well include understanding their generational differences and working on their motivation (Ahmad & Ibrahim, 2015). In the past, some companies were unprepared for the arrival of Generation Y yet, according to Schroth (2019) it is not too late for companies to prepare for

Generation Z. For the integration of members of Generation Z in the workplace, managers may apply several strategies such as: providing a realistic job overview during the job interview process (positives and negatives of the job), clearly communicating the mutual expectations for the manager-employee relationship after employment, setting clear performance and resource goals, encouraging on-the-job learning, and creating a culture where feedback is valued, as well as the manager acting as a coach who guides the employee and provides him with emotional support in order to reduce the stress and anxiety of the employee during his development.

3. Methodology

The main aim of the research is to gain understanding in regards to differences and similarities between two generations which are/will become the main pool on the labor market. To gain more data and also some insights into the current status of working Generations Y and Z, Harris (2020) developed a survey divided into 7 parts with a total of 69 questions.There were questions based on Likert scales about personality characteristics, benefits, and communication preferences among other things. To study the differences between generation in depth, the author distributed Harris's (2020) already validated questionnarie to 84 people from both generations who have at least one employment and are based in Republic of North Macedonia. Out of 84 respondents, 68% were members of Generation Y and 32% from Generation Z. 75% of the respondents were females and the rest were males.

4. Research Results

The research shows the main differences observed between the two generations in terms of the following personality characteristics: a) 78% of Generation Z want to take the lead, where only 53% Generation Y agree to take the lead; b) 70% of Generation Y are patient, where only 56% Generation Z are patient, and c) % of Generation Z see themselves as managers, compared to 63% of Generation Y.

Table 2. Respondent`s personality characteristics

Your characteristics	Generation	I totally disagree	I disagree	Neither agree nor disagree	I agree	I totally agree
You are comfortable with changes	Z	4%	0%	37%	41%	19%
	Y	2%	11%	32%	51%	5%
You are good in multitasking	Z	7%	4%	11%	37%	41%
	Y	2%	2%	9%	51%	37%
You need time to trust people	Z	0%	0%	19%	33%	48%
	Y	4%	4%	9%	46%	39%
You want to lead	Z	0%	11%	11%	41%	37%
	Y	2%	4%	42%	40%	12%
You are patient	Z	11%	11%	22%	26%	30%
	Y	4%	5%	21%	40%	30%
You see yourself in a managerial role	Z	4%	7%	11%	44%	33%
	Y	2%	5%	30%	44%	19%

Moreover, the importance of annual bonuses and number of vacation days is a common feature of both generations. The Generation Z points out that the annual bonuses, number of vacation days and health insurance are top three advantages that they expect from the employer company, while Generation Y highlights the annual bonuses, number of vacation days and flexible work schedule.

Table 3. Importance of employee benefits and perks offered by the company

How important to you are the company`s employee benefits	Generation	I totally disagree	I disagree	Neither agree nor disagree	I agree	I totally agree
Health insurance	Z	4%	4%	11%	11%	70%
	Y	2%	2%	12%	26%	58%
Days for annual leave	Z	0%	4%	11%	22%	63%
	Y	0%	4%	4%	26%	67%
Flexible work schedule	Z	0%	11%	19%	22%	48%
	Y	2%	4%	9%	32%	54%
Possibility to work from home	Z	15%	19%	26%	15%	26%
	Y	7%	2%	21%	28%	42%
Paid volunteer work	Z	11%	11%	37%	22%	19%
	Y	4%	4%	28%	33%	32%
Kitchen/cafeteria at work	Z	7%	19%	33%	22%	19%
	Y	4%	9%	30%	26%	32%
Gym/Exercise room on the premises	Z	44%	15%	19%	19%	4%
	Y	5%	19%	28%	28%	19%
Kindergarten in the working premises or free kindergarten for employees' children	Z	26%	26%	19%	22%	7%
	Y	11%	9%	19%	25%	37%
Unlimited Maternity/Paternity Leave	Z	4%	15%	30%	19%	33%
	Y	2%	11%	19%	30%	39%
Annual bonuses	Z	0%	0%	7%	26%	67%
	Y	0%	2%	5%	19%	74%
Opportunities for business trips	Z	0%	7%	30%	26%	37%
	Y	4%	4%	12%	37%	44%

When it comes to social interaction, Generation Z generally seems less interested in interactions with colleagues, as 51% consider it desirable/very desirable to have occasional conversations with colleagues about life outside of work and 52% to communicate on the phone with colleagues outside of work. Only 22% of Generation Z spoke positively about socializing with work colleagues and their families.

Table 4. Preferred interactions with colleagues

What kind of interactions with colleagues do you prefer?	Generation	Very undesirable	Undesirable	Neither desirable nor undesirable	Desirable	Very desirable
Casual conversations about your lives outside of work	Y	2%	14%	28%	49%	7%
	Z	7%	7%	33%	44%	7%
After work socializing with colleagues with drinks & dinner	Y	2%	0%	32%	58%	9%
	Z	4%	7%	48%	33%	7%
Socializing with colleagues and their families	Y	2%	9%	60%	25%	5%
	Z	4%	22%	52%	15%	7%
Telephone communication with colleagues outside of work	Y	0%	4%	60%	32%	5%
	Z	4%	15%	30%	41%	11%

Table 5. point to the conclusion that both generations attach great importance to the their manager`s characteristics. If analyzed individually, Generation Y rates open communication, setting clear goals, giving instructions, integrity and manager`s honesty as very important/extremely important, while Generation Z focuses on frequent feedback, mentoring skills, integrity and manager`s honesty.

Table 5. What manager characteristics are important to generations Z and Y

Which manager`s characteristics are important to you?	Generation	I totally disagree	I disagree	Neither agree nor disagree	I agree	I totally agree
Positive attitude	Z	0%	0%	7%	33%	59%
	Y	0%	0%	4%	37%	60%
Has open communication	Z	0%	0%	11%	26%	63%
	Y	0%	0%	0%	33%	67%
Sets clear goals & instructions	Z	0%	0%	7%	19%	74%
	Y	0%	0%	0%	21%	79%
Provides frequent feedback	Z	0%	0%	0%	48%	52%
	Y	0%	2%	4%	26%	68%
Stands out with intelligence	Z	0%	4%	33%	33%	30%
	Y	0%	2%	12%	49%	37%
Has integrity and is honest	Z	0%	0%	4%	37%	59%
	Y	0%	0%	0%	28%	72%
Has mentoring skills	Z	0%	0%	0%	44%	56%
	Y	0%	0%	4%	28%	68%
Shows passion for work	Z	0%	4%	26%	37%	33%
	Y	0%	4%	7%	46%	44%
Has a sense of humor	Z	4%	11%	22%	33%	30%
	Y	0%	2%	18%	32%	49%
Is creative	Z	4%	4%	19%	41%	33%
	Y	0%	2%	7%	47%	44%
Is a visionary	Z	0%	4%	7%	30%	59%
	Y	0%	2%	4%	30%	65%
Is flexible	Z	0%	0%	11%	52%	37%
	Y	0%	0%	2%	42%	56%
shows compassion and empathy	Z	0%	4%	30%	33%	33%
	Y	2%	0%	12%	39%	47%
Communicates with me more often	Z	0%	7%	48%	26%	19%
	Y	0%	4%	23%	37%	37%
Replaces e-mail communication with personal contact	Z	7%	22%	44%	7%	19%
	Y	4%	7%	25%	35%	30%
Shows more appreciation to their employees	Z	0%	0%	11%	33%	56%
	Y	0%	0%	7%	42%	51%

This research concludes that the most important Generation Z characteristics are 1. the desire to take the lead (78%) and their self-projection as managers (78%). This is in line with Dunne (2022) who discovered that career advancement is important to members of Generation Z. Members of Generation Z want frequent feedback from their managers (100%), the same as Gaidhani et al. (2019) and Chillakuri (2020). Generation Z does not care if their manager replaces e-mail communication with personal contact (74%), which is contrary to the finding of Schawbel (2014) who estimated that members of Generation Z prefer personal communication with the manager instead of e-mails or messenger.

Regarding interactions with colleagues, unlike members of Generation Z, Generation Y members prefer social interactions with colleagues, which is in line with the findings of

Gabrielova & Buchko (2021), who declared that members of Generation Y are more sociable, while members of Generation Z prefer texting. Generation Z Members want a more flexible work schedule (86%), consider themselves to be good at multitasking (88%) and are patient (70%). Both generations rate the possibility of professional development and the possibility of promotion with a higher salary, and the annual bonuses very highly, while 93% of both generations rated the latter as the most important benefit they expect from the company. These results from the Y Generation are consistent with the findings of Harrington et al. (2015), but are contrary to the findings of Marinšek et al. (2022) who determined that for Generation Z "non-monetary incentives" are more important as opposed to Generation Y.

5. Conclusion

All things considered, these results show how workplace expectations are changing and highlight clear generational disparities that businesses should take into account when creating their management and engagement plans. As Generation Z enters the workforce, their preferences for feedback, communication style, and work flexibility must be blended into organizational culture to maintain a motivating atmosphere. Businesses that adjust to these changing demands should see an increase in staff retention and satisfaction.

The results of the research can help companies in creating strategies and organizational cultures adapted to the youngest workforce, as well as adequate training of their managers in building leadership strategies adapted to these generations. They can also customize their professional development and reward programs to better recruit top talent by considering the values that separate Generation Z from Generation Y. In the end, adopting these realizations will promote organizational performance in general as well as generational harmony.

6. Limitations

This study has its own limitations, which are not to be disregarded. One could argue that one of the primary drawbacks of this study is the possibility of social desirability bias. The degree of candor supplied regarding organizational perspective and feeling cannot be taken for granted, even in cases when the replies are anonymous. Self-selection bias is another concern, which refers to the inability to determine if the replies are representative of all people in a particular business. The respondents' demographic location represents the final constraint. Since this research was limited to the Republic of North Macedonia, more studies should offer a more understandable examination of these variables.

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