

The Formation of Gen Z and the Impact on the Economy and Society

[Formarea Generației Z și impactul asupra economiei și societății]

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Abstract

This attempt is a sensitive one and means to shape a little bit more the image of the Generation Z and its impact in businesses and society. It's about a psychological approach, but straight linked to Economics, because it is needed of formation Gen Z and put together the generations involved in an economic activity towards getting profit and, at the same time, to bring happiness and satisfaction to the people working in. A survey of what is written by the HR organizations specialized in such analyses, the data provided based on polls or questionnaires, adding our own experience, lead to the conclusion that owner/entrepreneur, CEO or managers have to be properly informed, or to see themselves the characteristics of the people working within entities, in such a manner to form a functional working team towards getting profit, happiness for employees, or other goals proposed. Entities must go on.

Keywords: entity, Gen Z, HR, happiness, jobs valued, profitability, wellbeing.

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1. Understanding the issue in discussion

We are living in a messy world, full of challenges of a different nature, with communities and entities (firms/companies/organizations), composed of people of different nationalities, races, gender and, more recently considered, generations.

We'll see in the last part of this paper the importance of knowing the characteristics of each generation in businesses and social activities.

In short, the following known generations and their characteristics¹:

- a. Baby Boomers (born 1946-1964) known especially as "workaholics". They are considered loyal, that is working at few workplaces during their career instead of job hopping, providing stability, prestige and a status at their workplaces;
- b. Gen X (1965-1980) considered the generation of freedom and independence, being able to work independently;
- c. Millennials (1981-1996) represent the majority of the actual population and their major purpose is to ensure a balance between work and private/family life. In this respect, they are willing to change jobs, employers to achieve this balance, even this means a higher salary/pay elsewhere;
- d. Gen Z (1997-2010/2012) is digitally native. It is a generation who grew up with a fast access to world events at their fingertips. But the most important characteristic that impacts the business environment is that employees prioritize their mental health and the state of wellbeing within that entity over everything else. And, if it's about of "the Great Resignation" of a lower magnitude now, the Gen Z is not afraid to quit the job, exactly based on their mental wellbeing.

The Gen Z community/population will be in few years one of the biggest groups in workplace, accounting now 1/3 of the world population. Why is it very important to know the features of this Generation, especially at work? Because they have unique perceptions and experiences, quite different from the other generations at work now.

The main characteristics of the Gen Z could be considered the following ones²:

- a. They are very diverse, of race, gender, sexual orientation;
- b. They are digital natives and learn quickly how to operate with the new technologies;
- c. They have problems with their mental health challenges;
- d. They are politically progressive, even those on the right;
plus some features found for 2023³:
- e. They are money-driven and ambitious, the financial aspect is very important for them;
- f. They are prone to anxiety, exactly due the loneliness in which they act (themselves and their digital devices);
- g. They know to set boundaries, changing rules in working activities, maybe in slow motion, but aware of the importance of the tasks and scopes;

¹ The Homebase Team, "Gen Z in the Workplace: How Technology Can Increase Happiness at Work," *Homebase Blog*, May 2023, <https://www.joinhomebase.com/blog>, retrieved July 1, 2023.

² Anne E. Casey Foundation, "What Are the Core Characteristics of Generation Z," *AECF Blog*, 2021, <https://www.aecf.org/blog>, retrieved August 5, 2023.

³ Amelia Henderson, "7 Characteristics of Gen Z in 2023," *GWI Blog*, 2023, <https://www.blog.gwi.com/marketing>, retrieved August 6, 2023.

- h. They use intensively social media instruments, TikTok mostly, for more inspiration and see different new and even extravagant actions from all over the world;
- i. They are working with no "fear" and they do not calculate the risks, rather risk it.

Paraphrasing what Albert Einstein said (amongst other ideas), with direction towards what Gen Z should do, that is if we want to change what we act, we have to change how we think. And Gen Z, after all that has been said and written, it is the most able to accomplish this desire. The people of Generation Z (of some countries especially) grew up with the mentality instilled in their parents and grandparents running in the background, mentality of the type "if you want results, you have to work hard", mentality that paved the way to obsession, workaholism, burnout and depression, nowadays. Hence, the need to rewrite the script for this work-related realities.

But, more obvious, Gen Z saw their parents passing with difficulty through the Recession of 2008, COVID 19 and actual crisis. The new script means financial security and a savvy outlook to everything is happening around them.

The challenges occurred the last period have influenced and shaped Gen Z attitude towards work and participation to activities, in the sense of determining them to not make long-term commitments and to look for jobs that they consider suitable for their values or beliefs.

2. Methodology

In this paper we used second data from different HR analysis and counseling organizations, such as Deloitte, CNBC, Forbes, McKinsey, regarding the Gen Z (or Gen Zers) impact on the labor market and in businesses.

Also, my own experience in higher education was very useful. From these sources, we've tried to, as much as possible, the features of Gen Z to be used in practice, in order to succeed to form a functional team and to achieve the goals for each part involved in.

Because it's about the work with people of different generations, races, gender, beliefs, our advice is, starting from the general characteristics of each group, to find a middle way to gather and put efficiently at work the human resource to the specific situation of the respective organization/firm/company.

We have to take into account that Millennials and Gen Z (Zers) are about to become the majority of the employees on the labor market.

3. The involvement of Gen Z within a company

To be relevant to Gen Z, companies need new attraction, integration and development strategies that put young people at the center of their efforts. Unlike Y (the Millennials), Gen Z is realistic, not idealistic, and seeks authentic interactions with employer brands that provide them with the rational and emotional case for understanding how they can contribute directly to the company's mission and indirectly to the wellbeing of society, as well as what is the added value they bring to the team.

As we already saw, to hire and work with Gen Z means to be surrounded by people with digitally skills, with technological knowledge and who are looking for possible changes, improvement in the working activity and to work for employees who align with their priorities.

But, another practice in the firms'/companies' activities: the necessity to work *only 4 (four) days a week*, of course in compensation with the same level of return and labor

productivity. Step by step, simulations of such a situation were carried out, such as in US, Canada, UK, Ireland.

Specifically, workers have had a free working paid day a week and, I already stated, at the same time to see if they could get as much done working more productive, more efficiently⁴. Speaking in economic terms, we are facing an intensive use of the workforce. But, of course, it must be a counterbalance, in the sense that an increase of productivity and a value-added is necessary, if the salary is the same for this reduced week-work.

In the specific practice, in the literature regarding this issue of human resources within a firm/company/organization, it is mentioned that the employees are looking for their happiness, altogether with the "welfare" of the entity^{5,6}.

One poll done by the HR School⁷, that is a point of view, revealed the fact that for Gen Z it is important to be happy according to their own values. More, Gen Z thinks that they are working for self-development of career.

We have to stop a little on Gen Z major priorities: to be up to date with the technological development, the career development and getting the desired happiness, specific for each of Gen Z⁸.

A most recent study by Deloitte Gen Z and Millennial Survey 2023 conducted in 44 countries, including Romania, reveals the fact that, indeed, the two generations in majority now are pursuing their careers and to be at the same thought with the community where they are working, but the personal problems, such as starting a family or purchasing a house take second place. Cost of living, salary raise, a promotion, or even chaging the job are in the top of the preoccupations of both Millennials and Gen Z⁹.

Continuing this aspect, mostly regarding the US employees, we must say that "th life" becomes the main part of life-work balance. The employees are in majority Millennials and Zers, who demand different compensations, such as paid leave and flexible hours. On the other hand, the entrepreneurs, CEOs, managers follow to make the businesses running and to adopt such measures of searching for a workable and understandable environment within the firm/company.

Remote work does not look anymore as a win-win strategy and the efforts to call back employees to office lead to negative effects, even to resignations.

In this respect, very recent analyses and opinions state that the so-called practice → theory of "the Great Resignation" would be decreasing, but persisting in a smaller magnitude, especially in the US. Starting from the realities in 2020, 2021, and even 2022, Anthony Klotz,

⁴ "Wall Street Journal," July 26, 2023, [access@interactive.wsj.com](https://www.wsj.com), retrieved July 30, 2023.

⁵ The Homebase Team, "Gen Z in the Workplace: How Technology Can Increase Happiness at Work," *Homebase Blog*, May 2023, <https://www.joinhomebase.com/blog>, retrieved July 1, 2023.

⁶ "Gen Z in the Workplace: How to Keep Them Happy," *Workplace Blog*, <https://www.workplace.com/blog>, retrieved August 1, 2023.

⁷ Simona Chirciu, "Ce își dorește Gen Z de la piața muncii (What Gen Z Wants from the Job Market)," *Mediafax*, March 2023, <https://www.mediafax.ro/social>, retrieved August 8, 2023.

⁸ C. Carusso, "Gen Z Values Happiness: What Does That Mean and How Can We Help Them Find It?," *LinkedIn Pulse*, 2021, <https://www.linkedin.com/pulse>, retrieved August 9, 2023.

⁹ "De ce românii din generațiile Millennials și Z amână sau chiar renunță la planul de a-și cumpăra o casă sau a-și întemeia o familie (Why Romanians from the Millennials and Z Generations Postpone or Even Abandon the Plan to Buy a House or Start a Family)," *HotNews – Economie*, August 2, 2023, <https://www.economie.hotnews.ro>, retrieved August 5, 2023.

at that time Management Associate Professor at Texas A & M University invented and sustained this term of "Great Resignation"¹⁰.

Therefore, it will be no more "the Great Resignation", resignations will continue, BUT people prefer to keep their jobs, or the new jobs, considering that entrepreneurs/employers made investments to improve working conditions, jobs diverse and more inclusive, in a word to ensure wellness perks.

We change the analysis to a point of view regarding the financial side of happiness. How much does it cost the happiness? According to the conclusion of a study published in 2018 by a team of scientists from Purdue University (US), based on a Gallup poll worldwide in 164 countries, the threshold of happiness would be at an income of 95,000 dollars or the evaluation of (quality of) life and between 60,000 and 75,000 dollars for emotional well-being. Of course, these findings are only for individuals. Emotional wellbeing, or feelings, is about one's day-to-day emotions, such as feeling happy, excited, or sad and angry. Life evaluation, really life satisfaction, is an overall assessment of how one is doing and is likely more influenced by higher goals and comparisons to others. Beyond these points, it is considered that money will not improve the wellbeing¹¹.

Regarding the training/the formation within higher education, also based on analysis, polls, and on my own experience, Gen Z decides on its own what studies to follow, according to passions, vocations. Hence, it is important for teachers and tutors to see and encourage the vocational education, by studying the desired disciplines or sections. More, the teachers/tutors have to observe what is the level of knowledge and interest for the course presented. The main idea, we sustain this, is to present the defining elements of the course, the news in the field and, where it is necessary, certainly, the co-relations with the previous accomplishments and contributions in the respective domain.

Also, in the higher education formation, very important is to ensure the inclusion in the academic community, ensure flexibility of studying and preparing the practical tasks, and above all, we consider to encourage the communication with the others.

Educators/teachers, counselors, coaches, managers can help even more members of Gen Z realize that what they love and what makes them employable. They are going to school, to higher education institutions to study something they like, they love, something giving them satisfaction and happiness.

Besides the vocational domains, we observe that the attention is captured by aspects that interest them from the specialization they are following, punctual and novelty aspects. Comparisons with other countries, with other measures, strategies, even between different periods of time, are also welcome.

Self-confident in their own forces, digital natives by definition, and with unprecedented social tolerance, Gen Z youth have the chance to become successful managers searching for new approaches of the business, of thinking how to achieve the goals, avoiding boring (repetitive) activities) and being themselves examples of how activities should be done, if necessary.

As findings for the analysis done, important is both employers and Gen Z (in our case) to find career areas that exist or in early development at the intersection of passion and

¹⁰ "Marea Demisie' s-a încheiat. Oamenii sunt fericiți cu noile locuri de muncă, dar se și tem să mai renunțe la job-uri ('The Great Resignation' Is Over. People Are Happy with Their New Jobs, but They Are Also Afraid to Quit Them)," *Digi24*, August 5, 2023, <https://www.digi24.ro/stiri/economie>, retrieved August 8, 2023.

¹¹ Amy Patterson Neubert, "Money Only Buys Happiness for a Certain Amount," *Purdue University Newsroom*, 2018, <https://www.purdue.edu/newsroom>, retrieved August 2, 2023.

opportunities and to implement a comprehensive communication, video calls (when the work is from home) and onsite communications, we consider preferable.

Thus, in this stage of the existence and activity of Gen Z, we are talking about steps within higher education and also formation for work. The quasi-majority of Gen Z people interrogated considers that *it is very important to feel valued and empowered at work*.

The future is already happening, and it's happening fast. Often times, the relevance of Gen Z is underestimated because the financial power of this generation is lower for the moment. And the activity is and will take place with these two major generations of employees: Millennials and Gen Z.

Conclusions

This paper is a small contribution, both for generational analysis, especially those dominant now and in the near future, Millennials and Gen Z, as well as for the qualitative enrichment of Economics, mainly in co-ordination with other sciences.

Millennials and Gen Z representatives especially consider mental health policies and initiatives when it comes to potential future employers. It is observed that these measures are spreading more and more in the economic and social world.

This generation could become, through training and focused activity good CEOs and entrepreneurs. But, the first level is to *prepare a good professional plan to advance in career, mentors to guide and help them to get there and opportunities to grow their skills*.

However, the strength of generation Z is already manifesting itself, through its power of influence over the older generations but also through the non-alignment of young people with traditional social structures.

We have to be careful and to promptly observe the challenges and changes within entities' HR function, in order to offer tools, practical advices, which will lead to the optimum possible integration of the personnel in the company's objectives and strategy, rather to offer a theory in this issue, although the businesses/firms also need something like this.

Also, entrepreneurs/CEOs, HR departments and specialized firms in the domain have to pay attention to everything new that appears on the labor market. Only in the last two years, we witnessed and are witnessing the emergence of information related to movements on the labor market, actions and attitudes, both of entrepreneurs/CEOs and of employees, both at regional and at national levels.

Thus, the decisions in the field have to be made promptly, in order to avoid conflicts and to ensure the well-functioning of the firms.

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