

Generation Z is the First “Digital” Generation in the Labor Market

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Abstract – The article is devoted to the analysis of the behavior of generation Z (Zoomers, “Zetas”) in the labor market. In the near future, representatives of this generation will be the most numerous group represented in the labor market, so the analysis of their features, value orientations, career preferences and other characteristics is very important for building effective HR-strategies of work with this category of personnel. The motivation system of Zoomers is not identical to that of previous generations and should be oriented to some trends, such as search for deep meanings, changing dynamics of the labor market, work-life balance.

Keywords — Generation Z, zoomers, labor market, motivation, motivational programs, career orientations

I. INTRODUCTION

Each generation is distinguished by specific behavioral traits, a system of values and value orientations, including the choice of career trajectory, management style, motivation, etc. These generational differences are caused by many factors, primarily socialization factors, and they are especially noticeable now, in the digital age, due to very dynamic changes due to technical innovations. At present, the representatives of generation Z occupy a prominent place on the labor market, and their specific characteristics as workers, managers and consumers should be considered to build effective interaction. At the same time, it is necessary to separate myths and stereotypes formed in society about this generation, those features that are inherent in young people as a social group, and specific features of representatives of generation Z. This understanding will help to avoid mistakes and unjustified expectations in the process of interaction with young people belonging to Generation Z.

II. PROBLEM STATEMENT

According to Maria Bagryantseva, co-founder of Graph Visual Communications agency, in a joint study by Graph Visual Communications agency and YounGo project of headhunting company KONTAKT INTERSEARCH RUSSIA “Generation Z: myths and realities” “the representatives of Generation Z are the first who “grew up 100% on the Internet” and this determines their behavior in many spheres of social life [1]. The Internet is the natural habitat of the Zoomers, “where they communicate, and visual language becomes paramount” [1]. According to various

studies, for Zoomers, the virtual world is a second real world, and the boundary between these worlds is quite conventional [2]. The main feature of generation Z is constant “communication” with a smartphone, which becomes the main means of access to the Internet [3] and forms the habit of mobility, speed, and convenience of obtaining information, which leads to the formation of specific behavioral patterns and socio-psychological mechanisms.

III. DETAILS

In two years’ time, Generation Z will be the largest generation on the planet and will therefore play a prominent role in the labor market. Therefore, HR services are faced with the question of how to best communicate with the Zoomers and get the most out of their work. Let's consider some aspects of HR activities focused on working with the Zoomers, such as motivation issues and closely related career orientations of the Zoomers.

According to a joint study by Graph Visual Communications agency and YounGo project of headhunting company KONTAKT INTERSEARCH RUSSIA “Generation Z: myths and realities” [1], among 778 respondents (CEOs, HR directors, senior and middle managers of Russian companies), the main motivator for Generation Z representatives is money (45% of respondents believe so), followed by “professional development” (22% of respondents), then “flexible schedule” (16% of respondents) and “career growth” (15% of respondents).

This point of view is also confirmed by Ilya Efimov [4], founder of the Vpodarok project, Russia's largest company implementing motivational and marketing programs, who confirms that monetary incentives do stimulate many employees and are some kind of universal motivator, but non-material motivation should not be forgotten. The expert notes that, of course, any methods of motivation should be chosen considering the specific situation and specific tasks, but there are some trends that should be considered in their work. Such trends include the following:

- Search for deeper meanings
- Changing labor market dynamics
- Work-life balance.

Let's take a closer look at these trends.

Search for deep meanings. The values of social responsibility, conscious attitude to production, consumption,

leisure are very important values for the representatives of generation Z. Employees want their activities to be important for society and the environment, they want to interact with projects that have social significance or help make the world a better place. For example, these are environmental friendliness in the production of goods/services, inclusiveness as a value of corporate culture, innovativeness, charity, etc.

Changing labor market dynamics. Zoomers are focused on continuous, ongoing learning as a prerequisite for career advancement in an environment of constant technological change. Mastery of new technologies is the key to career success, especially for the generation that has grown up with the Internet. Therefore, HR services should take care of creating a training system that allows employees to develop their careers.

Work-life balance. According to a study conducted by The Workforce Institute at Kronos “IS GIG ALWAYS GREENER? Gen Zers are split down the middle on whether they prefer traditional or gig work” three in five (61%) consider flexible schedules extremely or very important to them in their workplace, and one in four Generation Z (26%) would work harder and stay longer at a company that supports flexible schedules [5, 6]. Work is an important part of Generation Z's life, but not their whole life. Careers that allow them to continue to develop in other aspects of their lives are very attractive. For more than three in five Generation Z (63%), alignment with organizational culture and values is more important than salary terms and package. By comparison, this is true for less than half (48%) of baby boomers [7].

By the way, in the already mentioned survey of managers conducted by Graph Visual Communications agency and YounGo project of headhunting company KONTAKT INTERSEARCH RUSSIA “Generation Z: myths and realities” [1] the majority of respondents sufficiently agreed that Generation Z has a more pronounced orientation to work-life balance than employees over 30 (the average score for this indicator was 7.5 out of 10 possible) and a rather noticeable desire to work flexible hours (the average score for this indicator was 7.3 out of 10 possible).

Ilya Efimov [4] suggests that HR managers can respond to the need for work-life balance by providing certain days off and the opportunity to work outside the office. Already now 1% of employers practice a four-day work week as a response to the demand for work-life balance. And by 2035, according to experts [4], the statistics may change significantly, as discussions about the need to increase rest time to increase labor productivity are becoming more active. As far back as Henry Ford found that reducing the working week from 60 to 40 hours leads to increased productivity, as better rested workers, and work more productively. And in 2018, the World Economic Forum website reported that a New Zealand company (200 employees) tested a four-day workweek for 2 months. It turned out that employees became 20% more productive during the working days. Also noted, according to the report, were “lower stress levels, higher levels of job satisfaction, and improved work-life balance” [8]. A significant majority of the country's citizens – 78% – have a positive attitude to the idea of reducing working days to four per week. These are the results of a sociological survey of the job search service Work.ru conducted on behalf of RIA Novosti [9].

So, how do you motivate the Zetas after all?

Ilya Efimov [4] offers the following set of intangible motivation tools:

- Comfort, the possibility of remote work and the provision of additional working days
- Team spirit, for example, corporate events (especially since, according to statistics, this is the most popular tool for incentivizing employees). In addition, it is noted that team building (for example, organizing outdoor activities, workshops, thematic games that help employees feel like a team) is also good to use as a way to congratulate employees under 30 years old
- Training that can be paid for by the organization
- Career development
- More freedom - less control over the process, and evaluation of the result directly
- Humanity, trusting conversations with the manager, public praise.

This toolkit can be fleshed out based on the following recommendations for attracting and retaining zoomers [10]:

Humanity, trusting conversations with the manager, public praise

- Communicate the goal. This is important because one of the Zetas' main fears (the second biggest) is the fear of being “stuck” in a job in which they find no satisfaction. And this satisfaction is not only tangible (remuneration, employment conditions, seniority pensions, employee rights, job security), which is obviously very important, but also intangible (social aspects such as opportunities for collaboration, social events, places to work together and team building). In addition, they also consider “higher-order drivers” such as organizational values, corporate giving programs, career paths, further education, training and personal development. It is no longer enough to provide a fair day's pay for a fair day's work. This generation wants to know that their contributions have impact and matter: nearly one in two (45%) [11] want work that has meaning and purpose beyond getting paid.
- Create a culture. Workplace culture is an important part of creating a thriving workplace where people feel valued and that they belong. Members of Generation Z consider “peer relationships” to be one of the top three reasons for getting or keeping a job, and a collaborative work environment an extremely or very important part of their current or potential workplace. In today's world, the problem of loneliness is acute (as the flip side of the dominant values of individualism) and, among other things, because of this, zoomers seek a workplace to fulfill their social needs.
- Encourage diversity. Jobs that include diversity and opportunities for advancement that do not limit the employee to a narrow task are crucial for Generation Z: Zoomers consider “opportunity for advancement” in work an extremely or very important priority and one of their top three must-haves when choosing and changing jobs. One in two Zoomers (50%) want the opportunity to learn new skills and gain new

experiences [10]. For Generation Z, change is like the air they breathe. They keep up with changing technology, move more frequently than previous generations, come from an education system that offered a wider choice of subjects than ever before. At this stage of their lives, diversity is all they know. The reality is that the retention rate of younger employees will always be lower than that of the older generation. But this percentage can be increased, for example, by increasing the transparency of decision-making and giving younger employees more responsibility in their jobs.

- Look for opportunities to learn and grow. Generation Z heard the mantra of continuous education throughout school and embraced it. According to a survey conducted by the MIR payment system and RBC Group “Young Generation in Russia” [12], two-thirds of Zoomers in Russia are interested in additional training. Training and development are always important for employee engagement, and more than three in five Gen Z (63%) [11] believe that career development opportunities are an extremely or very important attribute of the workplace. After all, many Zoomers are working in industries and with technologies that didn't even exist when they were in high school, such as blockchain, robotics, VR, and nanotechnology. Therefore, the key to staying relevant in changing times is continuous learning. This will allow employees to do their current jobs effectively and allow them to work towards a future that may, after all, only be a few years away. More than half of Generation Z workers (52%) [10] consider career development through additional professional training to be extremely or very important. Training is more than a productivity tool, it's a retention tool. Generation Z is motivated to stay longer when their employer invests in them. Their preferred training methods are on-the-job coaching/mentoring and internal or external training courses. This is partly due to their learning styles (kinesthetic and visual rather than literal and procedural) and their motivation for learning that is social, collaborative, interactive and fun. But we need to remember that Zoomers are a “digital” generation who consume and process content (including educational content) in a different way than older generations. Today, there is a predominance of visual and hands-on learning styles over the auditory format that has traditionally dominated the classroom and auditorium. Effective engagement in the learning environment has shifted from verbal to visual, from sitting and listening to practicing, and from curriculum to learner [13]. According to various studies [2], the following are important content characteristics for members of Generation Z:

- Values, socially relevant messages
- Local Influencers, representatives of a narrow, user-referent social group, rather than well-known celebrities. According to data obtained because of a study conducted by the MIR payment system and RBC

Group “Young Generation in Russia” [12], Influencers with not very large audiences have stronger ties with young people. Bloggers with an audience of around 1,000 people have the highest commenting rate. Collaborations with them, despite the impressive cost of a unique contact, show the best results in terms of engagement and conversion rates

- Live, live interaction, not a recording
- AR/VR video
- Short (no more than 8 seconds) timing. Zoomers think in fragments and therefore perceive information in a very metered way. It takes them 8 seconds (for example, when viewing a publication in a news feed) to understand whether it is worth reading the whole text. But if Z people are interested in a certain issue, they will study it in detail
- Vertical (typical for social networks) video format
- Dynamic editing and fast frame changes
- Interactive in videos
- Newest technologies (such as dipfakes)
- Real stories, sincere “own” characters, life situations

In addition, it is important to understand what topics of training programs will be in greater demand among Zoomers. According to Vladimir Zhiganov [14], the following projects will be most in demand by members of Generation Z:

- Educational and entertainment content that forms skills that will become useful in the moment: cybersecurity, rules of behavior in the Internet space, as well as skills that allow them to experience “power over matter”, i.e., creative, culinary, and similar master classes
- Anti-stress. Such projects allow you to control emotions, systematize your day, “pump up” concentration and attentiveness
- Story management, i.e., anything that can be perceived as an aid in the growth of a particular character
- Basic psychological support and meditation, psychological unloading.

These conclusions are indirectly confirmed by the data obtained because of a survey conducted by the MIR payment and RBC Group “Young Generation in Russia” [12]. Among the topics of additional education, young people are most attracted by foreign languages - first, the youngest members of the generation, as well as information technology and psychology. Older respondents give preference to music lessons much less often than others. The respondents are least interested in culture and law.

Another curious trend is shown by the breakdown by gender, also given in the study. It turned out that young men are almost twice as much interested in IT as girls. Female respondents are twice as enthusiastic about studying psychology, design, photography, and literature. At the same time, among all age and gender groups, almost half of the respondents prefer online learning formats.

Experts [15] note that Zoomers' values at work are a sense of ownership and individuality. Internet environment and peer groups have a great influence on their career choices. Perceptions and experiences shape Generation Z's career perceptions and attitudes, while innovation and empowerment are important to them in terms of key management tools.

The typical learning style preferred by Generation Z is interactive and multimodal, and their key communication tools include hands-on learning and participation. Their leadership style is based on consensus and feeling, their influences and values are global and short-term needs, and their approach to management is based on a statement "this is what I think". Indeed, according to the study "Inspiring Leaders: What Generation Z has to offer" conducted by SHL company among 2,628 candidates from 42 countries [16], the Zoomers are excellent leaders with the following strengths:

- **Thinking style:** to solve strategic problems, the Zetas are guided by their own views of the world, using a predominantly deductive style of thinking. Older leaders, meanwhile, gravitate toward an inductive style of thinking, emphasizing the cognitive diversity and difference between mature and young leaders. We need to support and motivate this cognitive diversity that comes from combining intergenerational experiences
- **Behavioral style.** Zoomers are willing to disrupt the status quo, need support when faced with setbacks, and are more likely to favor the benefits of business over relationships and teamwork
- **Problem solving.** With increasing uncertainty in all areas of social life, young leaders demonstrate a willingness to lead change. The readiness to succeed in the face of challenges of all kinds can be seen as a strength of Zoomer leaders. While in low-risk environments, Zoomer leaders can succeed significantly and be open to change with structure and support in the organization, high-risk environments with blurred boundaries can strengthen their persistence.

IV. CONCLUSION

Today, employers and HR services are faced with the task of creating an environment in which the young (in this case, representatives of Generation Z) can demonstrate their strengths by investing in the development of feedback culture mechanisms, building boundaries, developing values, and creating opportunities to utilize the energy and initiative of the Zoomers. The desire for instant success (55% of responses), work-life balance (55%), preference to conduct business matters via messengers and correspondence (54%) - this is what exactly distinguishes today's youth from other generations, according to employers a joint study by Graph Visual Communications agency and YounGo project of headhunting company KONTAKT INTERSEARCH RUSSIA "Generation Z: myths and realities [1].

Financial prosperity for Zoomers is not important but allows them to get maximum pleasure from life and as soon as possible. Z people are not interested in career growth: they will not waste time on unloved work, status does not matter. They will never work 24 hours a day to grow up to a boss. Representatives of Generation Z strive for quick success, work for pleasure and sufficient income. It is important for

them to have time for traveling and entertainment. Freelancing and telecommuting are formats that are not available to everyone today. But when Generation Z enters the labor market, they will be the main ones.

Taking into account these and other features listed above, as well as taking into account the areas and directions in which young professionals feel most organic (for example, they have advantages over others in such areas as digital communication, social media marketing, programming and administration of information systems [1]) will help to build effective interaction in the labor market, given that from 2019, generations Y and Z make up the majority of the workforce, surpassing generation X and baby boomers for the first time [10], and in two years it will be the Zoomers who will be the largest generation on the planet.

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