IT IS TIME TO REALIZE GENERATIONS MATTER ON THE LABOUR MARKET. INTERESTING FACTS ABOUT GENERATIONS IN THE WORKPLACE

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Abstract

We live in a world where companies are directly affected by a series of changes. The paper aims to analyze the impact that the demographic factor has on companies with an emphasis on the labour market. From this perspective, the article will highlight the accelerated changes among generations. The objectives of the paper are as follows: (1) To analyze the characteristics of each generation - in relation to the theories existing in the literature at the moment and (2) to present a comparison between generations regarding personal and professional characteristics. The methodology used for this study is based on secondary data collection and analysis. Until now, studies have only shown the general aspects regarding generations. There are only a few studies that have begun to explore this area but they are not focusing on generations in the labour market. The preliminary results of the study are correlated to the need of understanding a multigenerational workforce as well as to position the human resource at the central level in terms of developing and implementing HR policies within companies.

Keywords: *generations, generational differences, motivation, employee*

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"Generations...Remember the Past. Create the PRESENT.
Inspire the Future."
" The first step for bridging the communication gap is to better understand
the other perspective."

1. Introduction

From an evolutionary perspective we can notice that there are a lot of changes regarding the labour market**.** Changing population age structures are shaping the trajectories of development in many countries, bringing opportunities and challenges (Cruz & Ahmed, 2018).

Demographic changes have a global impact and target all companies which are present on the labour market. There are 4 generations who are forced to work together on the labour market. This is a challenge for both companies and employees because on the one hand, companies must understand as much as possible the specificity of each generation in order to be able to meet their needs and on the other hand, employees must be aware of the differences between them, accept them and try to focus on the potential of each generation. In a competitive business world, where all the other resources can be easily copied, the employee remains the most stable and important resource for a company.

From the perspective of human resource management, if an employee is motivated and understood, the client will be satisfied and therefore the company will achieve its goals.

From another point of view "leaders should review their organizations' overall policies and procedures and include any factors that may affect employee performance. Asking employees from all generations to participate in this process is crucially important, especially if an organization is experiencing some generational problems." (Al-Asfour & Lettau, 2014, p.58-69).

2. Literature review
2.1. Generations explained

The term "generation" defines those persons who have lived in the same time period and who share the same principles and points of view. An extremely important issue is that generations are defined in different ways depending on the author regarding the year of birth and terminology. In the

following I will carry out an analysis of the different definitions given by several important research papers. Within this article, the generations will be classified as follows: Baby Boomers (1946-1964), Generation X (1965-1979), Generation Y (1980-1994) and Generation Z (1995-2015). Looking at the terminology we can notice that Baby Boomers are also known defined as Boomers, Generation X, the Baby Bust generation and Generation Y as Millennials, Baby Boom Echo, and the Nexters.

Table 1. Birth Years for generations

Source Generation	(Strauss & Howe, 1991)	(McCrindle & Wolfinger, 2010)	(Sezin Baysal, 2014)	(Ozkan & Solmaz, 2015)	Article in HR Club (2019)
Baby Boomers	1943 – 1960	1946-1964	**<u>1946 – 1964</u>**	1945-1964	1944 – 1964
Generation X	1961 – 1981	1965-1979	**<u>1965 – 1979</u>**	1965-1979	1965 – 1979
Generation Y	1982 – 2004	1980-1994	**<u>1980 – 1994</u>**	1980-2000	1980 – 1994
Generation Z	**<u>X</u>**	1995-2010	**<u>1995 –….</u>**	2000-…	1995-2015

Source: Personal adaptation after ((McCrindle & Wolfinger, 2010); (Ozkan, M., & Solmaz, B., 2015)

- Those born between 1946-1964 are known as "Baby Boomers" and are the ones who have retired or are about to retire soon.
- Those who are more focused on business, being known for their active social life are those born between 1965-1979 – Generation X.
- Millennials are known as children of globalization, and they are born between 1980-1994.
- The last but not least:" Generation Z" represents the newest emerging workforce who will fill up the workplace in the next years. They are born between 1995-2015.

2.2. Defining generations by author

It is essential to be aware of the fact that there are a few differences among researchers referring to the birth dates for each generation.As we can see in the findings presented above every author defines generations' period in his own way. We are going to discuss the period of each generation based on the following sources: Published articles, conferences, books.

In the article published in *Mediterranean Journal of Social Sciences*, the author (Sezin Baysal, 2014) frames the generations as follows: Baby Boomers:1946-1964, Generation X: 1965-1979, Generation Y:1980-1994, Generation Z 1995-[…]. It is important to notice that generation Z has not been sufficiently studied so far, which is why the author did not mention a year ending this generation.
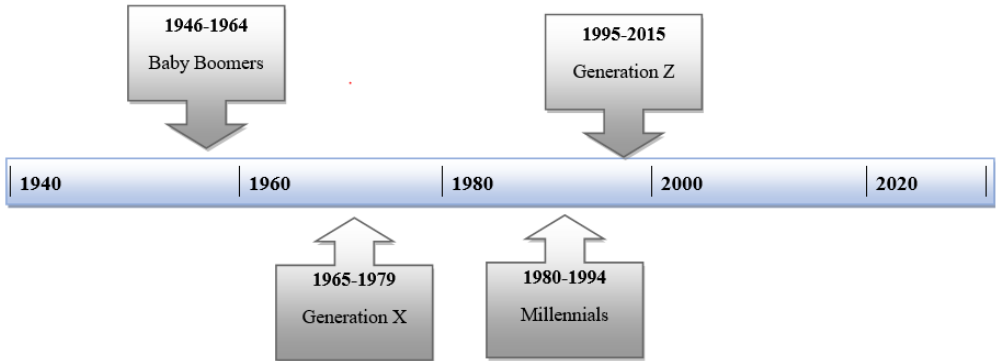
This article highlights the fact that *"Each young generation, who replaces the old generation, comes along with its own characteristic feature and value judgment". (Sezin Baysal, 2014)*

The chart presented below illustrates the gradual change in generation's age: Baby Boomers (named as only Boomers):1946-1964; Generation X: 1965-1979; Generation Y (the author is using the term "Millennials to define this generation):1980-1994; Generation Z:1995-2010(McCrindle & Wolfinger, 2010)"

"Generation concept is defined as a group that shares important and vital events at the same birth year and critical developments within these events. Consuming habits and individually basic social values of every generation are formed with the effect of environment and values that surround it on growing period ". (Ozkan & Solmaz, 2015). The title of the article is "The changing face of employees" and it defines generations as follows: Baby Boomers:1945-1964; Generation X:1965-1979; Generation Y:1980-2000; Generation Z:2000- no end date.

In the following I will take into consideration the conference organized in Bucharest (2019) by the HR Club. The main subject of the conference was the importance of generations and they pointed out the following periods of time: Baby Boomers:1944-1964; Generation X:1965-1979; Generation Y:1980-1994; Generation Z:1995-2015. Based on the information presented above, we will consider in this article the following periods:

Fig. 1. The generations defined

Table 2 presents a more detailed perspective about the periods of the generations which were taken into consideration in the present paper. Another important aspect is related to the age people have in 2020 and the period of generations. If we take a quick look at the generations, we will see that the oldest one is 74 years old and the youngest is 5 years old. The period is also essential, we can see that a generation lasts between 14-20 years.

Table 2. Periods of generations used in the article

Generation	Baby Boomers	Generation X	Generation Y	Generation Z
Birth date	1946-1964	1965-1979	1980-1994	1995-2015
Age in 2020	74-56	55-41	40-26	25-5
Period	18 years	14 years	14 years	20 years

Source: Author's findings

2.3. Theories of generations

According to (Williams & Page, 2011) a generation is defined as being a group of persons who experience the same events at the same age. In other words, they share a similar social, economic and historical environment.

On one hand, every generation is defined by its unique experiences, history, lifestyles and values, which are meant to influence their behaviors at the workplace and on the other hand, because every generation is different, having employees from different generations has created opportunities but also challenges for companies (Gursoy, Chi, & Karadag, 2013).

In other words, these generational differences can produce benefits, such as improved customer experience, as well as challenges, such as conflict among employees(Clark, 2017). Similarly work tensions and conflicts are inevitable if employees from different generations fail to understand and accept the unique and different characteristics of each group, and to embrace their similarities(Angeline, 2011).
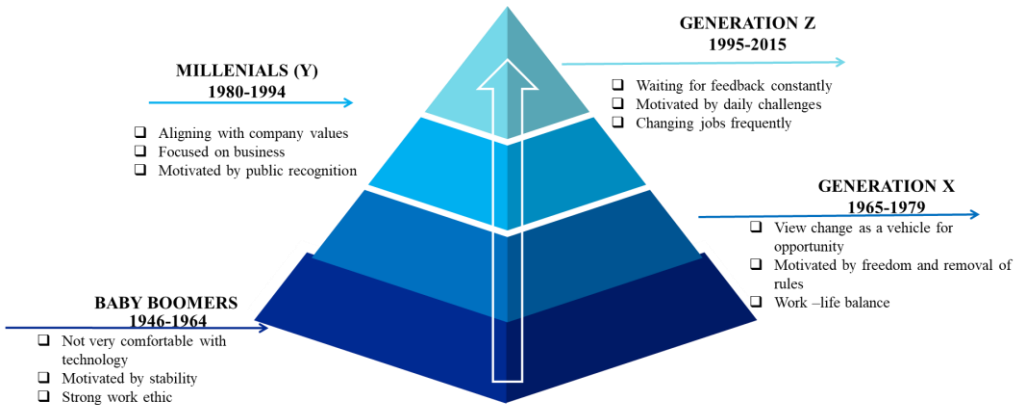
These differences have important work implications because employees are more likely to remain with a company and get involved in their activity when they are satisfied with their workplace and how the strategies are adopted in the company(Benson & Brown, 2011) .

2.4. Understand Generational Differences

The term generation can be defined as those persons who share similar experiences and are affected by the same events. They live in the same time period and inevitably develop motivations, ideas and similar values being influenced by each other. I think this is an extremely important fact that companies must take into account today. Without a good knowledge of the employees, respectively of the needs of each generation, the companies will not be able to reach high standards.

The findings in Fig.2. present some essential characteristics regarding each generation. As we can see, there are a few significant differences between generations: For instance, Baby Boomers are motivated by stability while Generation Z by daily challenges. From another perspective, Millennials are focused on business compared to Generation X which consider the work-life balance aspect very important. Based on the studies made in this field, Table. 3 explains the differences between generations regarding personal and work characteristics, perspectives, work commitment and motivation.

Fig. 2. Generational Difference - an overview

Source: Author's findings based on(Al-Asfour & Lettau, 2014; McCrindle &
Wolfinger, 2010)

Table 3. Generational differences

Generation	Baby Boomers	Generation X	Generation Y	Generation Z
Birth years	▪ 1946-1964	▪ 1965-1979	▪ 1980-1994	▪ 1995-2015
Age (in 2020)	▪ 74-56	▪ 55-41	▪ 40-26	▪ 25-5
Personal characteristics	▪ Dedicated	▪ Independent	▪ Open-mind	▪ Open to new experiences
Work characteristics	▪ Not very comfortable with technology ▪ Comfortable with the rules ▪ Reticent to changes	▪ Very serious ▪ Competitive ▪ Risk taker	▪ Team oriented ▪ Good at multitasking ▪ Entrepreneurial skills	▪ Comfortable with technology ▪ Want fun in the workplace ▪ Open to changes
Perspective	▪ Optimistic	▪ Skeptical	▪ Hopeful	▪ Ambitious
Work is	▪ A "must do"	▪ A commitment	▪ A difficult challenge	▪ An exciting adventure
Changing jobs	▪ Almost never	▪ Only if necessary	▪ Sometimes	▪ Regularly
Motivated by	▪ Being valued and needed ▪ Stability.	▪ Freedom and removal of rules	▪ Public recognition	▪ Daily challenges

Source: Author's findings, 2020 based on (Angeline, 2011; Gursoy et al., 2013)

Each generation is represented by different characteristics, and based
on the information presented above I can make the following statements:

✓ Generation Z is more comfortable with technology than Baby Boomers.
✓ Generation X started to be more independent compared to the oldest generations. This generation prefers to work alone, considers personal and professional life very important and at the same time they need flexibility at their workplace.
✓ Generation Y, being also defined as Millennials or Echo Boomers, tends to have more employers and more careers, workplace stability not being such an important aspect for them. At the same time, this generation is eager to use and integrate technology in their professional life, as well as in their personal activities on a daily basis.
✓ The newest generations are more open to change their job and to try new experiences than Baby Boomers.
✓ In present, younger generations are more motivated by daily challenges and public recognition than Baby Boomers who are more focused on stability.
✓ Baby Boomers are devoted to their workplace, being also willing to perform more difficult tasks. They consider the salary as an essential factor in their motivation, being at the same time considered the most loyal generation of the job among those currently found on the labor market.
✓ The most distinctive features of Generation Z are independence, freedom, individualism, dependence on technology and speed. Generation Z is a generation adapted to technology, because its members had access to technology from a very young age. Generation Z prefers to interact on social networks, compared to previous generations who prefer direct interaction.

3. Interesting facts about generations

Taking into consideration several actual studies I would like to highlight some interesting facts about generations according to a few studies.

1. "Nielsen Generational Lifestyle Survey" realized in 2015, by The Nielson Company: Global measurement and data analytics company.

- Millennials tend to change jobs more often than other generations. This change occurs on average after 2 years of activity in a company;
- A satisfied employee is a motivated employee;

- Although younger generations claim to make savings every month, they are not sure about their future financial stability.

2. "Millennials are so yesterday. Welcome Generation Z" realized by McHenryConsulting: Consulting firm specialized in the Professional Employer Organization (Tina Vigoa, 2019)
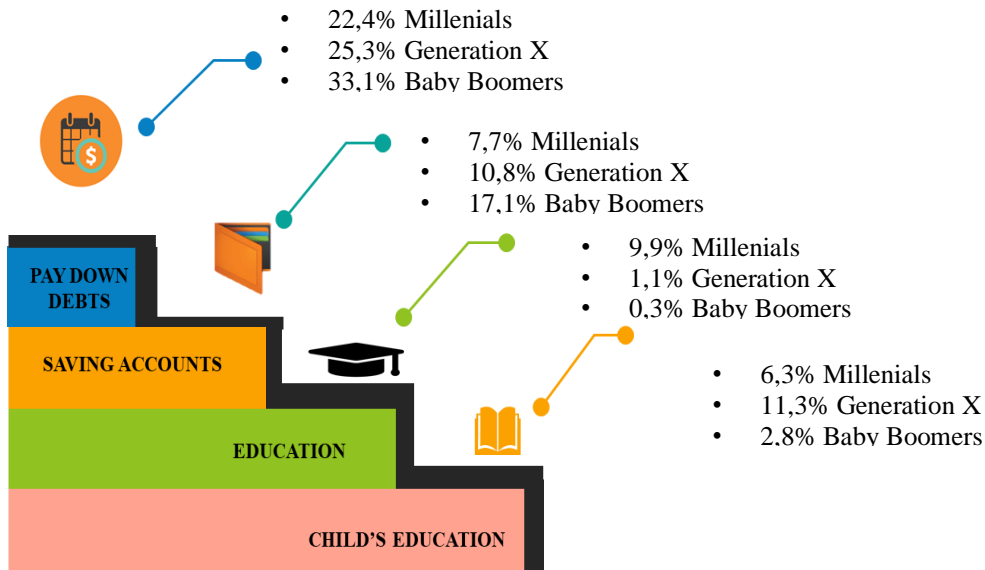
- Younger generations, especially Generation Z are connected most of the times to social networks;
- The missions of generations:
- Generation X:" Balance family time with work"
- Millennials:" Never confuse your life with your career"
- Generation Z:" We are the always on generation"

3. "How Different Generations Would Invest $10,000?"

The findings in Fig.3 is based on a survey from LendEDU (is a website that helps customers learn and compare financial products) which posed this exact question to 1,000 Americans in March 2018.

It is interesting to notice in the chart below, that 33,1 % of Baby Boomers would invest 10.000$ to pay down their debt, compared to 22,4% of Millenials and 25,3 Generation X. Unfortunately, only 9,9% of Millenials would spend the money for education. On the other hand, the other segment of education: child education: only11,3 % of Generation X would spend 10.000 $ for it. We can see that Baby Boomers are willing to spend more money on paying debts or saving accounts, while Generation Y and Generation Z are more focused on education.

Fig. 3. How different generations would invest 10.000$?

- 22,4% Millenials
- 25,3% Generation X
- 33,1% Baby Boomers

- 7,7% Millenials
- 10,8% Generation X
- 17,1% Baby Boomers

- 9,9% Millenials
- 1,1% Generation X
- 0,3% Baby Boomers

- 6,3% Millenials
- 11,3% Generation X
- 2,8% Baby Boomers

PAY DOWN DEBTS

SAVING ACCOUNTS

EDUCATION
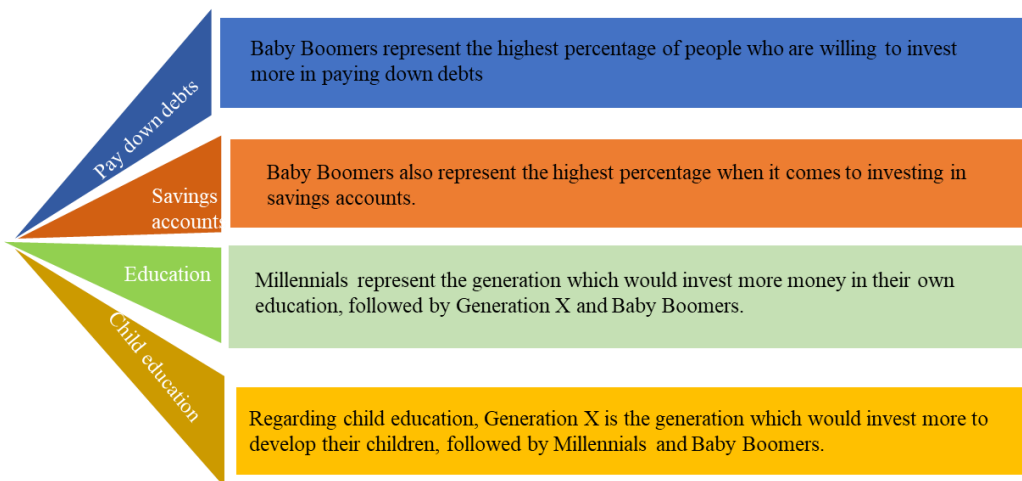
CHILD'S EDUCATION

Source: Personal adaptation after Visual Capitalist, 2018

I believe that the motivations of each one differs according to the generation to which they belong. Each generation is guided by certain values in life and most people tend to make major decisions based on these values. This fact is also demonstrated by the example presented above. In my opinion it is surprising to see that only a low percentage of respondents are willing to invest in education. On the other hand, I am not surprised at all of the highest percentage (33%) of respondents who would invest 10.000 $ in paying down debts. It is a known fact that Baby Boomers are more concerned about these aspects compared to Generation X and Y.

The findings in Fig.4. present from a detailed and comparative perspective the results presented in Fig.3.In this way, we can highlight several important aspects which are presented in the following figure.

Fig. 4. Comparative perspective: How different generations would invest 10.000$?

Pay down debts

Baby Boomers represent the highest percentage of people who are willing to invest more in paying down debts

Savings accounts

Baby Boomers also represent the highest percentage when it comes to investing in savings accounts.

Education

Millennials represent the generation which would invest more money in their own education, followed by Generation X and Baby Boomers.

Child education

Regarding child education, Generation X is the generation which would invest more to develop their children, followed by Millennials and Baby Boomers.

Source: Source: Personal adaptation after Visual Capitalist, 2018

4. Conclusion

In recent years, the new reality that has emerged around human resource management, caused by massive generational changes, has had an impact on many companies. In fact, dealing with these changes is considered to be one of the biggest problems that employers have been facing lately. The challenges of having multiple generations in the workplace are a growing concern for all organizations.

Such a diverse workforce has brought new challenges to human resources professionals, arguing that they have had to explore issues that influence employees' attitudes towards each other, towards work itself and to leaders. Each generation has its own unique values, beliefs, and habits and the most important thing is to be aware of them. In order to have good relationships with people from different generations it is mandatory to understand that every person is different.

The article adds value because it compares the definitions from several authors regarding the time periods of generations. Using relevant

examples this study indicates that each generation tends to react depending on the period in which they lived.

In conclusion I can say that it is not surprising to see people from different generations being side-by-side. So far there have not been many studies that analyze the relationship between generations at work. This article aims to clarify key issues related to generations in the workplace. The article highlights the theoretical part that addresses this topic as well as the practical part through studies conducted by specialized companies. Given the above-mentioned circumstances I believe that more studies are necessary in this area. It is essential to understand the importance of generations because they represent the present and the future challenge for fields such as work, school, and family and professional relationships, etc.

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