

Retaining Generation Z in the Workforce

Paige Matzerath

Human Resource Development

When a new generation transitions to the workforce, organizations might shift to think creatively about supporting this new group of employees based upon upbringing and experienced world events which shape values and beliefs. Each generation has characteristics and qualities which make those populations unique. For Generation Z, who just started transitioning to entry-level jobs, managers can start analyzing what that means for daily operations and workflow to ensure this generation feels welcomed and supported.

In this post-Covid-19 world, Generation Z was affected by the pandemic since a sample of this population was either in college or just starting to find jobs and internships in the workforce. Whether transitioning to higher education or into the workforce, Generation Z experienced a large-scale world event that might have shaped world views and reprioritized personal values. Since this world event, employers have adapted operational strategies to support these individuals to retain employees. This literature review will examine what Generation Z values in the workforce to understand how to retain employees.

Who is Generation Z?

The term generation has been defined numerous times; however, there is not yet a consistent definition (Standifer & Lester, 2020). Seemiller and Grace (2016) categorize Generation Z as individuals born between 1995 and 2010; however, some studies tend to add or remove a few years, depending on the sample population. Throughout this literature review, it is assumed that the sample populations discussed throughout the research are current college

students or entry-level employees who have transitioned into the workforce in the last three years unless otherwise noted. Rudolph et al. (2021) argues that studying generations can be challenging because, although there is a specific population, the age range is between 10 and 20 years, which is a significant amount of time when looking at larger sample.

Seemiller and Grace (2016) identified common characteristics within this generation through a survey distributed to 15 participating higher education institutions. The survey results do not compare Generation Z to previous generations but are a way to better understand this unique population. The researchers found a strong work ethic, loyalty, compassion, thoughtfulness, open-mindedness, and determination to be top traits for this population. Rodriguez et al. (2019) noted that Generation Z and Millennials, the generation before Generation Z, have similar values; however, the researchers found that Generation Z is more loyal than Millennials, which could be due to Generation Z watching parents and loved ones persevere through the early 2000 and 2008 recessions.

Comparing Generation Z to Previous Generations

Each generation shares similar perspectives because of shared experiences (Standifer & Lester, 2020). Compared to previous generations, Generation Z is “the most racially diverse generation to date” (Seemiller & Grace, 2016, p. 6). The authors found that this generation is passionate about inclusion because of personal experience with racial and religious discrimination. Traditionally, research has shown that employees prefer to interact with employees of the same identities, including age, to have a sense of similarity with another, allowing employees to develop trust and loyalty (Becker et al., 2022). However, Generation Z values learning from one another and incorporating diverse perspectives when creatively problem-solving.

For the first time, five generations will collaborate in the workforce simultaneously, including Traditionalists (1922-1945), Baby Boomers (1945-1965), Generation X (1965-1980), Millennials (1980-1995), and Generation Z (1995-2010) (Becker et al., 2022). With different generations in the workplace, it is valuable for employees to have an open mind to new ideas, actively listen to colleagues, and demonstrate flexibility in working together. (Seedsman, 2021). When considering each generation's characteristics, Rudolph et al. (2021) believes critically evaluating that population's world identifying significant events possibly influencing personal values and world views is beneficial in understanding generational expectations. For example, one might assume that because of the evolution of technology, younger generations prefer to do individualized work rather than collaborate with their colleagues (Becker et al., 2022).

Seemiller and Grace (2016) noted that this generation experienced the tragic attack on September 11th, 2001, witnessing the economic crash at an early age. As a result, Generation Z watched loved ones struggling with job insecurity. Seemiller and Grace (2016) found that from a young age, Generation Z learned that even loyal employees with a strong work ethic might not get a job or lose a job which increased anxiety around job security for these individuals.

For some members of Generation Z who started transitioning to the workforce during a global pandemic, researchers might assume this world event influenced how this generation prioritizes values. For instance, Mahmoud et al. (2021) anticipated increased job insecurity due to the Covid-19 pandemic, which studies proved true. However, Generation Z is one of the most entrepreneurial generations meaning that self-employment opportunities will continue to increase (Seemiller & Grace, 2016). Whether employed at a company or self-employed, Seemiller and Grace (2016) learned that two-thirds of survey participants hoped to seek careers that positively

impacted the world. Knowing these characteristics and concerns of Generation Z is valuable to help employers think strategically about creating opportunities to retain.

Flexible Work Schedule

As a result of the Covid-19 pandemic, the workforce incorporated more flexible work options; however, that does not mean everyone who experienced this world event felt that working remotely is the best strategy for themselves or the organization. Instead, it can be beneficial to use this data to help influence the decision-making process while keeping in mind that everyone who identifies with a specific generation will have unique beliefs regarding flexible work arrangements (Rudolph et al., 2021). Tidhar (2022a) interviewed participants with managerial seniority supervising employees, including Generation Z, to collect qualitative data. The data identified six components of employees' value in a manager, including flexibility (Tidhar, 2022a). When promoting managers in an organization, emphasizing the supervisory style during professional development will offer management support (Tidhar, 2022a).

For Generation Z, Wiedmer (2015) noted that this generation enjoys learning, working, and studying whenever and wherever desired. Aggarwal et al. (2020) found that Generation Z employees respond well to flexible work environments because the typical nine-to-five workday does not appeal to these individuals. Taibah and Ho (2023) wanted to evaluate if flexible work options would provide more time to hone employee skillsets and increase overall knowledge, which would increase access to support and information for Generation Z employees. As a result of this study, the researchers found that flexible work options do not support Generation Z employees who prefer structure. (Taibah & Ho, 2023). These contradicting studies are a reminder that everyone has unique preferences that might be different from the conclusion.

Researchers have found different conclusions for flexible work options; however, Tidhar (2022b) found that most Generation Z employees were not as productive working from home but valued a hybrid model work style. Leadership at organizations might consider striving for a positive work environment to encourage employees to perform better, which might include exploring various flexible work options. In addition to flexibility, interpersonal communication is another value for Generation Z (Tidhar, 2022a).

Communication Preferences

Flexibility in a work schedule is a unique value to Generation Z; however, Rodriguez et al. (2019) found that communication is even more valuable to this generation. It is helpful for managers to communicate the organization's working expectations to be transparent with employees (Sponaule, 2019). Wiedmer (2015) found that frequently communicating clear goals helps this generation better understand what to work towards.

For a generation that grew up surrounded by technology, Taibah and Ho (2023) found that Generation Z prefers face-to-face communication and being heard in the workplace. Additionally, Sponaule (2019) indicated that employees value it when management pauses to listen to the concerns of employees. Seemiller and Grace (2016) learned that regardless of technology and social media being prevalent for these individuals, members of Generation Z still see the value of face-to-face communication and do not wish to transition to a virtual world but rather have the flexibility to pick and choose what works best for each individual.

Intrinsic Motivation and Rewards

Understanding what drives an employee's work ethic can be beneficial when thinking about how to motivate supervisees. Mahmoud et al. (2021) researched how motivation influenced employees' feelings about job insecurity and satisfaction. Through the study,

Mahmoud et al. (2021) found that intrinsic motivation correlates with job insecurity and job satisfaction, which might be because of the Covid-19 Pandemic. Some of Generation Z transitioned out of higher education and into the workforce during the 2020 pandemic, which was challenging with many companies implementing a hiring freeze. Knowing that job insecurity is a sensitive area for Generation Z when transitioning into the workforce during a challenging time, employers might benefit from reassuring Generation Z employees during the hiring and onboarding process to build trust with these individuals.

Farrell and Phungsoonthron (2020) conducted research with 557 Thai students working towards a bachelor's degree at an international university. In these findings, the researchers learned that Generation Z employees value intrinsic rewards more than leisure rewards, which might be surprising since both the Millennial generation and Generation Z have a negative stereotype of being lazy and self-centered (Farrell & Phungsoonthron, 2020). Ortega et al. (2019) found that the centrality of work for Generation Z was significantly lower than previous generations in a study conducted at four organizations in southern Ecuador, meaning that this generation places values differently than others. In addition to intrinsic rewards, Generation Z responded positively to social and altruistic rewards (Farrell & Phungsoonthron, 2020). While Farrell and Phungsoonthron (2020) found that leisure rewards were least valuable to Generation Z, Ortega et al. (2019) found that work was not as important as family, friends, and leisure, which is different from previous generations who historically prioritized work. The contradicting research indicates that individual members of Generation Z place values differently from one another and past generations, making it challenging to come to one conclusion.

Team-Based Groups

Historically, researchers found that employees preferred working in teams with individuals of the same identities; however, Becker et al. (2022) conducted a study that proved this untrue. While survey participants mentioned that communicating between multiple generations can provide challenges, there is a benefit to having individuals from all intergenerational gaps represented to broaden perspectives on issues and ideas. Seedsman (2021) indicated that community-based activities are beneficial for older generations because it is an opportunity to support friends and family while giving a platform for more seasoned employees to share past experiences and expertise.

Aggarwal et al. (2020) describe Generation Z as the internet generation since these individuals know nothing but life with the internet and social media. Regardless, this generation is unlike any other because of how open-minded and accepting of others these individuals tend to be. Aggarwal et al. (2020) believes this is because of previous experiences with racial and religious discrimination. In the workplace, Generation Z views colleagues as someone to collaborate with rather than working for colleagues, prioritizing equality and teamwork (Aggarwal et al., 2020). Conlin and Santana (2022) found that Generation Z students preferred team-based gamified events over individual-based gamified events. Moments of collaboration from employees in various departments allow teammates to work together to creatively solve a problem for the company, which is something Generation Z values.

Gamification and Technology

Generation Z has grown up with technology easily accessible from cell phones, the internet, and video games. Gamification is a “concept that learners are familiar with and [is] a way to address multiple learning preferences in many different formats while allowing the learner to interact with the content” (Larson, 2019, p. 321). Gamification has become

increasingly popular to support individualized, self-paced learning. Conlin and Santana (2022) researched if gamified events would enhance the engagement of Generation Z in nonprofit events. The methodology included distributing a survey to students born after 1995 at a private institution on the West Coast. The survey results showed that Generation Z was more motivated to participate in a team-based, gamified event rather than sponsoring a friend in an event or participating in a fun or entertaining activity (Conlin & Santana, 2022). Team-based gamified events are a well-developed motivator for Generation Z employees.

Larson (2019) learned that gamification helps with training and educational development at organizations. Specific to Generation Z, Seemiller, and Grace (2016) found that this generation prefers multi-tasking when it comes to responsibilities and communicating with others. With goal-oriented activities, Larson (2019) found high engagement among these eLearning platforms that support gamified events and activities. Farrell and Phungsoonthron (2020) found that Generation Z employees are used to using smartphones and social media daily. However, that is not the case for all generations represented in the workplace. Global companies are culturally significant since technology can be incorporated and impactful in power distances (Farrell & Phungsoonthron, 2020). Becker et al. (2022) noted that the largest area of generational difference was technology since each generation has had a different level of exposure to the ever-changing hardware. With technology at the fingertips of this generation, Tidhar (2022b) found that this generation can self-learn by using platforms such as Google and YouTube to get an answer almost immediately. Incorporating technology into the workplace can help Generation Z continue to learn in an instant.

Recommendations for Future Research

With Generation Z transitioning to the workforce, researchers are currently publishing findings on specific characteristics, traits, and values to better prepare for this generation. However, it seems as though researchers are finding contradictory conclusions. It is hard to identify best practices and recommendations for implementation. Instead, as research continues to be published, there are recommendations on areas that lack evidence.

While Larson (2019) researched gamification in a corporate setting, it became clear that there is research on how different identities react to gamification, except based on generations. Knowing that not only Generation Z but future generations will already be accustomed to technology, researchers might consider exploring how generations react differently to these platforms.

Generational differences have been researched and continue to explore; however, with Generation Z being new to the workforce, there is little evidence to help researchers understand how this new generation interacts and supports previous generations. Becker et al. (2022) recommended further research on generational diversity trends and how geographical location, or influence might affect outcomes will be beneficial. From the research collected for this literature review, there is not as much research exploring Generation Z in the United States but in other geographical locations. With these conclusions, researchers in America might consider implementing these recommendations; however, specific research in the United States of America would be more credible to consider how to implement these recommendations.

Conclusion

When working to support individual employees with multiple backgrounds and perspectives, it is impossible to have a one size that fits all model for the benefit of every employee on staff. Instead, knowing that Generation Z feels valued in the workforce when being

listened to by leadership, management might consider creating opportunities for employees to express concerns and feedback for the organization to consider.

While there are credible sources published to help make suggestions on best practices, it is clear that there are some contradictory conclusions meaning that researchers are finding that while this generation has shared experiences, Generation Z is as diverse as ever, making it challenging to identify the best option for all employees. Instead, there is value in identifying options for employees to have the autonomy to decide what would be best for their working style and preferences.

References

- Aggarwal, A., Sadhna, P., Gupta, S., Mittal, A., & Rastogi, A. (2020). Gen z entering the workforce: Restructuring HR policies and practices for fostering the task performance and organizational commitment. *Journal of Public Affairs*, 22(3), 1-18.
<https://doi.org.ezp1.villanova.edu/10.1001/pa.2535>
- Becker, K. L., Richards, M. B., Stollings, J. (2022). Better together? Examining benefits and tensions of generational diversity and team performance. *Journal of Intergenerational Relationships*, 20(4), 442-463. <https://doi.org/10.1080/15350770.2020.1837708>
- Conlin, R. P., & Santana, S. (2022). Using gamification techniques to enable Generation Z's propensity to do good. *Journal of Nonprofit & Public Sector Marketing*, 34(5), 553-571.
<https://doi.org/10/1080/10495142.2021.1941498>
- Farrell, W. C., & Phungsoonthron, T. (2020). Generation Z in Thailand. *International Journal of Cross Cultural Management*, 20(1), 25-51. <https://doi.org/10.1177/1470595820904116>
- Larson, K. (2019). Serious games and gamification in the corporate training environment: A literature review. *TechTrends*, 64(2), 319-328.
<https://doi-org.ezp1.villanova.edu/10.1007/s11528-019-00446-7>
- Mahmoud, A. B., Reisel, W. D., Fuxman, L., & Mohr, I. (2021). A motivational standpoint of job insecurity and effects on organizational citizenship behaviors: A generational study. *Scandinavian Journal of Psychology*, 62, 267-275. <https://doi.org/10.1111/sjop.12689>
- Ortega, D. C. Z., Garcia, D. A., Rodriguez, J. B., & Calvo, J. M. M. (2019). Work ethic in Ecuador: An analysis of the differences in four generational cohorts. *Anales de Psicologia*, 35, 496-505. <https://doi.org/10.6018/analesps.35.3.342671>
- Rodriguez, M., Boyer, S., Fleming, D., & Cohen, S. (2019). Management the next generation of

sales, Gen Z/Millennial cusp: An exploration of grit, entrepreneurship, and loyalty. *Journal of Business-to-Business Marketing*, 26(1). 43-55.

<https://doi.org/10.1080/1051712X.2019.1565136>

Rudolph, C. W., Rauvola, R. S., Costanza, D. P., & Zacher, H. (2021), Generations and generational differences: Debunking myths in organizational science and practice and paving new paths forward. *Journal of Business and Psychology*, 36, 945-967.

<https://doi.org/10.1007/s10869-020-09715-2>

Seedsman, T. (2021). The art of living well and the gaining of practical wisdom in later life: Perspectives for undertaking future work in the intergenerational field. *Journal of Intergenerational Relationships*, 19(3), 392-406.

<https://doi.org/10.1080/15350770.2020.1767256>

Seemiller, C., & Grace, M. (2016). *Generation Z goes to college*. Jossey-Bass.

Sponaugle, S. (2019). Communication across generations. *Economic Development Journal*, 18(1). 16-23.

Standifer, R. L., & Lester, S. W. (2020). Actual versus perceived generational differences in the preferred working context: An empirical study. *Journal of Intergenerational Relationships*, 18(1), 48-70. <https://doi.org/10.1080/15350770.2019.1618778>

Taibah, D., & Ho, C. F. (2023). The moderating effect of flexible work option on structural empowerment and Generation Z contextual performance. *Behavioral Sciences*, 13(3), 266. <https://doi.org/10.3390/bs13030266>

Tidhar, L. (2022a). Leadership in an intergenerational gap – a study of managers' views of management and leadership of Generation Z employees. *Journal of Public Administration, Finance & Law. Issues* 26. 328-337.

<https://doi.org/10.47743/jopaf1-2022-26-28>

- Tidhar, L. (2022b). Who is afraid of Generation Z? The intergenerational gap affecting the world of work post-COVID-19 era. *Logos Universality Mentality Education Novelty: Social Sciences*, 11(1), 1-17. <https://doi.org/10.18662/lumenss/11.1/59>
- Wiedmer, T. (2015). Generations do differ: Best practices in leading Traditionalists, Boomers, and Generations X, Y, and Z. *The Delta Kappa Gamma Bulletin: International Journal for Professional Educators*, 82(1), 51-58.