

# The Influencers: Generation Z's Impact on Human Resource

## Management Practices

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### Introduction

The labor force occupancy in the United States is on the cusp of change. In recent years the workforce has had to accommodate room for the most racially and ethnically diverse generation (Parker & Igielnik, 2020) known as Generation Z. Unlike its past processors, Gen Z is radically changing the foundation of workplace culture as well as the techniques and practices that managers across a multitude of fields use to attract, develop, and retain employees, specifically in Human Resource Management (HRM). No longer is power or financial motivation enough within the generation that values and subsequently demands all employers to carry out their organization's values, such as diversity, inclusion, and employee wellness. Human resource management is "the effective selection and utilization of employees to best achieve the goals and strategies of an organization, as well as the goals and needs of employees" (Werner, 2016). Thus, Generation Z's impact on the HRM process and the changes brought forth in each HRM criteria, such as recruitment, motivation, development, and retention, are vital to understanding better how to cohesively adapt, elaborate, and implement HRM strategies to reach organizational goals during the presented changes. The objective is not to alienate or uphold one generation above the other but to consider the benefits and consequences of the changing labor force and the need for HRM to adapt its management practices to encompass its organization's employees. The future of human capital lies within Generation Z; however, it is only by understanding the increasing generational diversity within the labor force, and its perspective, needs, values, and motivations can true potential be harnessed for future organizational success.

#### Objectives

- I. Identify Generation Z, their motivations, values, and work expectations.
- II. Identify why generational analysis is needed for the betterment of HRM.
- III. Identify ways the HRM process could better adapt its practices to include Generation Z
- IV. Identify the benefits and obstacles of obtaining generational diversity.

#### Why is Understanding Gen Z Important for HRM?

Gen Z is a generation ready for their voices to be heard. This cohort expects to be told a "why" behind every "no," and considering the data based on their education Gen Z as described by Wyatt Bradbury, author of "Understanding, Working With & Retaining: Young Professionals":

*The education system trains students to engage with authority and never simply to accept "no" without rationale. The transition to the professional world will undoubtedly take adjustment; supervisors clearly explaining how expectations are different and providing even a limited amount of context could be a satisfactory middle ground (p.15).*

Failure to reach this middle ground will lead to employees feeling a lack regarding their development, growth, importance, and learning within their place of employment and considering data supports that one-third of Gen Z is motivated by development opportunities and meaningful work (Schawbel, 2022), a misalignment of managements knowledge on Generation Z could lead to an organization's demotivating their young professionals thus proving the vitality of knowing who Generation Z is, their background, their key life influences, and overall general characteristics.

#### Managing Generational Diversity

❖ In order to facilitate generational team cohesiveness, Hahn (2011) offers strategies using the **ACORN imperative model**:

- A: Accommodate
- C: Create Choices
- O: Operate
- R: Respect
- N: Nourish

❖ **Prepare present management**

- The goal for those managing Generation Z is to be open-minded to the diverse viewpoints, cultures, new movements, and ideals present within this generation without letting such aspects impede organizational values (Green, 2019 & Bridges n.d.).

❖ **Promote Workplace Connections**

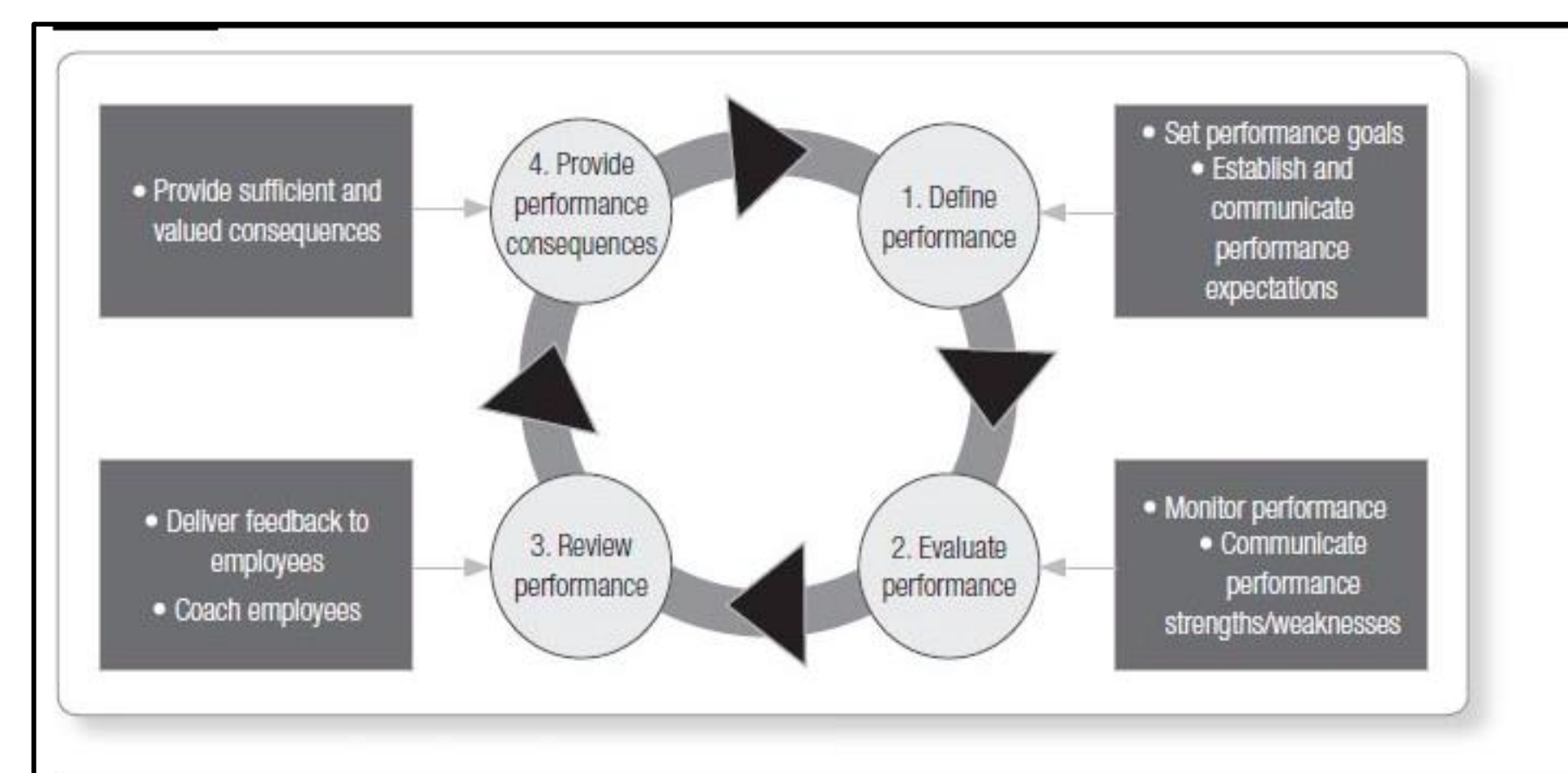
- In the effort to connect employees of all generations, organizations may benefit from once again focusing on team-building exercises such as making onboarding a community exercise.

- Reverse mentoring which is described as less- experienced workers taking the role of mentor instead of older seasoned employees and in turn showing them their own set of skills such as those in technology. This form of mentoring promotes connection by uniting members of different generations and enabling them to collaborate and communicate by erasing the barriers hierarchy parameters may present (Jayathilake et al. 2021).

### HRM Adaptations

#### Performance Evaluations

With the introduction of Generation Z within the workplace, management has had to adapt their performance evaluation systems from performance appraisal systems due to their ill fit with younger employees. The performance management process can be seen as goal-oriented and transparent by providing a clear plan of action and performance consequences. This system works best for evaluating Generation Z because this cohort is always in a learning mode and needs constructive feedback for optimal work effectiveness in an environment away from the constricts of standardized evaluations where managers and employees can forge connections and trust to regularly discuss work performances, expectations, and their strengths or weaknesses (Aggarwal et al., 2022 & Werner, 2016).



#### Training and Development

When considering Generation Z, this cohort prefers direct communication, transparency, and constant feedback; Generation Z may also benefit from management considering an interactive training style or behavior modeling. Werner (2016) illustrates this model as a method where trainees observe a model or their trainer performing the desired skills where both parties perform the following steps:

1. Firstly, the trainer will perform the targeted behavior correctly
2. Follow up by a discussion on the training itself and critical components of the behavior.
3. Thirdly, the trainee will practice the targeted behavior through role-playing with their trainer.
4. Lastly, the trainee will immediately receive feedback and reinforcement for the behavior demonstrated (Werner, 2016).

#### Recruiting & Attracting Generation Z Key Points

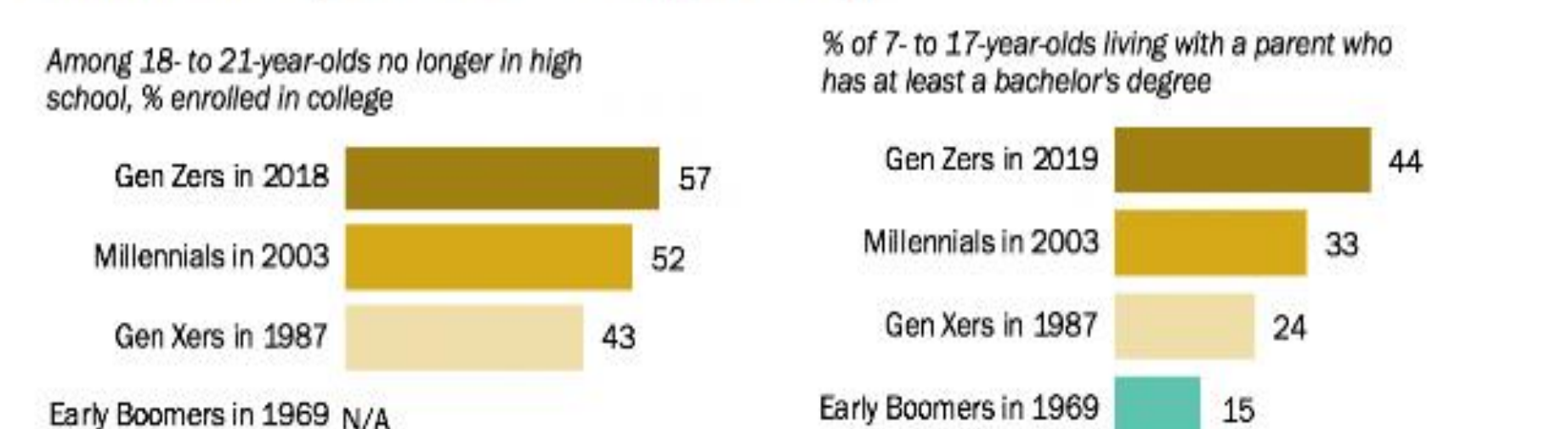
- Facilitate intrinsic rewards over extrinsic rewards
- Know Gen Z's work preferences and values.
  - Emphasize upward mobility & transparency such as:
    - Essential job responsibilities
    - Expectations for hours worked, & Travel
    - Working conditions
    - Growth
    - Top positive and negative aspects associated with performing the job
    - Top positive and negative aspects of working for the organization
- Organizations must proactively showcase to their potential employees who they are, their organizational values, and how the organization puts those values into action

**By the year 2020 Generation Z is going to comprise 1 in 5 employees**

#### Who is Generation Z

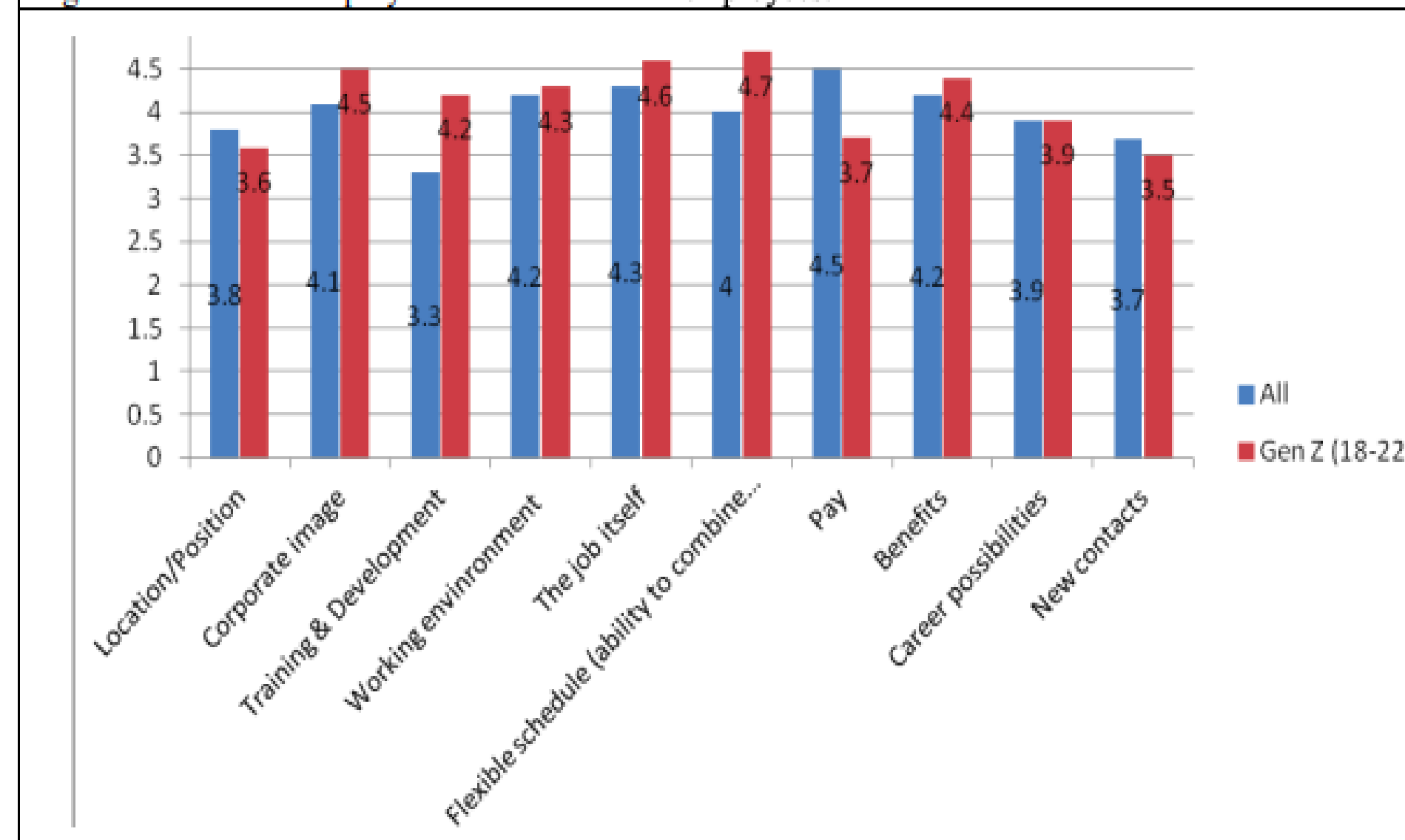
- The generational cohort born between 1995-1997.
- Present ages (28-24 years old)
- The most racially and ethnically diverse generation.
- True technology natives with little to no notion of a world before widespread technology and access to Wi-Fi (Parker & Igielnik, 2020).
- The most educated generation with 57% enrolled in a two-year or four-year college (Pew Research Center).

#### Gen Zers more likely to be enrolled in college and to have a college-educated parent than Millennials, Gen Xers at a comparable age



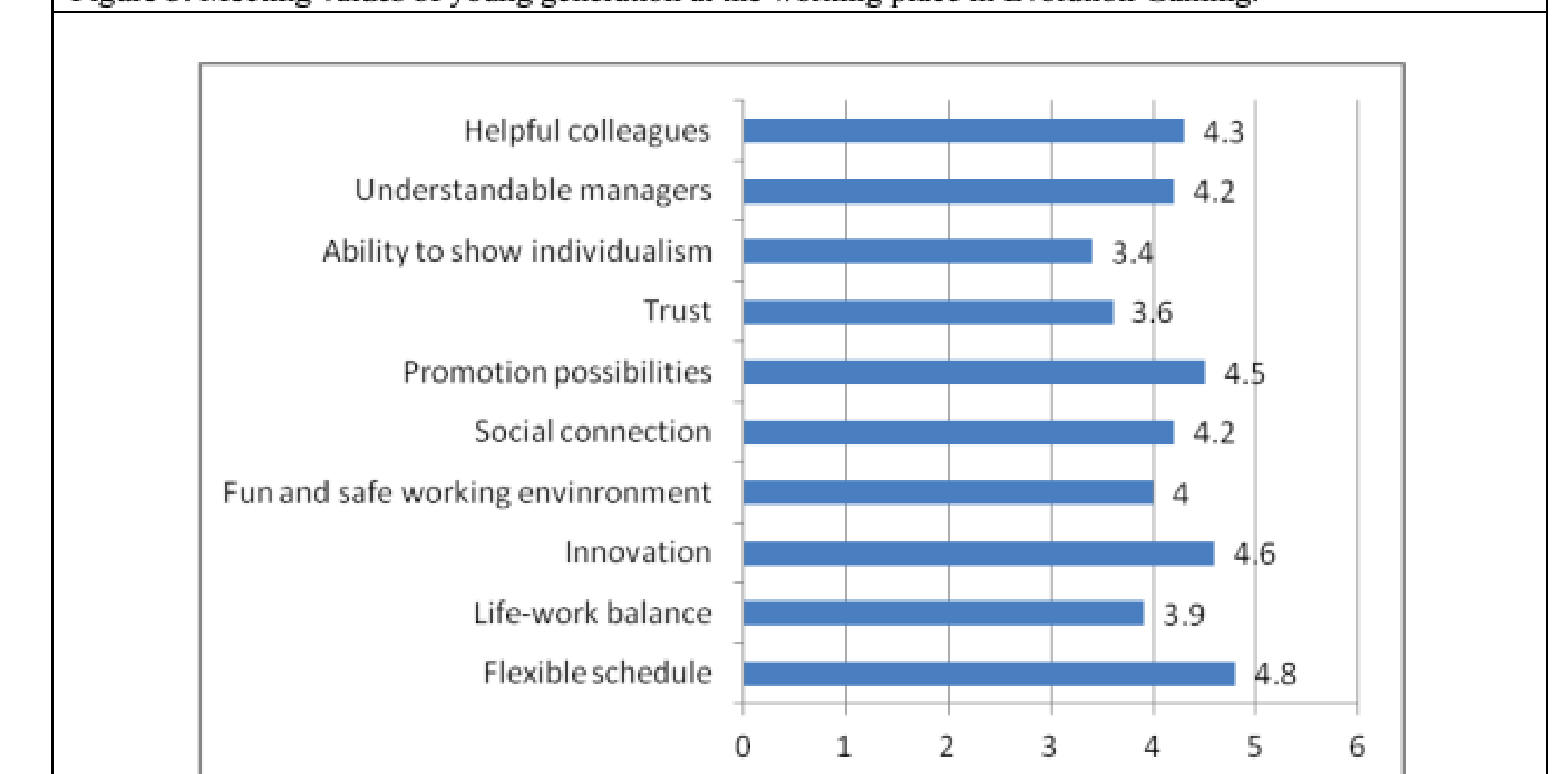
Note: Share living with a parent who has at least a bachelor's degree is limited to 7- to 17-year-olds living with at least one parent. Those without a parent in the household are excluded.  
Source: Pew Research Center analysis of 1987, 2003 and 2018 Current Population Survey October supplement and 1969, 1987, 2003 and 2019 Current Population Survey Annual Social and Economic Supplement (IPUMS).  
\*On the Cusp of Adulthood and Facing an Uncertain Future: What We Know About Generation Z So Far\*

Figure 2: Factors of employer's attractiveness to employees.



Source: Authors (Sidoruka & Chesnovicka, 2017).

Figure 3: Meeting values of young generation at the working place in Evolution Gaming.



Source: Authors (Maloni et al., 2019)