

# Approaching the labor market from a generational perspective

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**Abstract.** Generation research has grown even broader and has deeply extended in the last 30 years. It can be said that the use of research results related to generations in the human resources management is a certainty in to use the best recruitment, selection, and integration methods of employees, to implement the best methods and techniques of stimulating the employee's creativity and innovation in organizations, communication, etc. An important phenomenon emerged as a result of the generational conflict, which has been highlighted in recent years, is that of the young people named "idlers", i.e., those inactive on the labor market, called NEET.

## 1. Introduction

The study of human evolution at the individual, community, or even global level, as human society has been a constant concern of researchers from all areas of its existence. This has led, in essence, to the current human development. The study of human generations is subsumed to this idea. Thus, the research works on human generations have become a constant concern of the past decades.

The study of generations was originally associated with the artistic field (painting, sculpture, literature, etc.), historiography, etc. Subsequently, generation research has grown even broader and has deeply extended in the last 30 years. However, there are also opinions that consider the generational theory as a superficial view regarding human evolution, sometimes even of no scientific substance.

With all the existing controversies, it can be said that the use of research results related to generations in marketing is a certainty - to study the consumers behavior, in the human resources management - to use the best recruitment, selection and integration methods of employees, to implement the best methods and techniques of stimulating the employees creativity and innovation in organizations, communication, etc.

## 2. Essential Aspects of the Generational Theory

William Strauss and Neil Howe (1991)[1], experts in public policy, are the researchers who, at the beginning of the 1980s, defined a theoretical cycle of human generations for the United States of America starting with the year 1584. They define a social generation as an ensemble of all people born during about twenty years, a period they consider as equivalent to the stages of human life: childhood and adolescence, young age, maturity, and advanced age. These generations belong to cycles longer than 80-100 years that they call "saeculum." The end of each saeculum is marked by a crisis that is then followed by a recovery period characterized by the fact that the community institutions and values become stronger. The next generations conflict with the previous ones, this fact generating a weakening of the institutions and values of the previous saeculum, which leads to a tumultuous political

environment creating the probability of another crisis occurrence, this phenomenon being cyclically resumed. The succession of cycles has also been demonstrated in the evolution of countries other than the United States of America, which has led to an extensive and thorough study of generations.

Subsequent research made by the two authors has led to refinements and thorough approaches of the original theory. Also, other researchers from different fields of activity have approached this topic in their studies. Among them, we can remember the following: David Kaiser, Martin Keller, David Riesman, Douglas Coupland, etc.

Karl Mannheim spoke long before Strauss and Howe about generations, even in the 1930s. There are even some voices who believe that Mannheim is the father of the theory of generations, but he tackles generations differently, considering them as a succession of stages in the historical evolution of society, as well as from the perspective of the relations between them. He considers the generations as specific social-historical groups with defined development intervals that have particularities related to geographical or even to different countries and which have generational characteristics adapted to the historical developments in the respective territories. Subsequent studies have deepened this theory, have outrun the stage of sociological analysis and have led to its use and expansion in areas such as human resources management, marketing, psychology, sociology, etc.

William J. Schroer [2] is one of the American researchers who deepened aspects of the theory of generations initiated by Strauss and Howe, analyzing the characteristics of generations from the beginning of the last century up to present. He delimited the generations from the beginning of the 20th century by defining them as it can be seen in Table 1. It contains the years of birth and maturity, the current age, and the features of each generation briefly described.

**Table 1.** The generations from the beginning of the 20th century

<b>Generation</b>	<b>The interval of birth years</b>	<b>The interval of maturity years</b>	<b>The interval of the current age</b>	<b>Characteristics</b>
The Silent Generation	1925 - 1945	1943 - 1963	74 - 94	Born in a time marked by the Great Depression and World War II; They have a secure moral, are managing, responsible, hardworking, and love their family.
The Boomers	1946 - 1966	1964 – 1984	53 - 73	The optimistic generation that had significant economic opportunities specific to the post-World War II period; become individualists, oriented to their interests, and skeptical towards the media.
Generation X	1967 - 1976	1985 – 1994	43 – 52	It is the generation of children with divorced parents, raised by a single parent; it is considered the most educated generation ever so far, with the highest percentage of graduates; they are pragmatic but cautious; in Romania, it is sometimes called the generation of sacrifice, due to the fact that they have passed in there through the historical episode of 1989, a moment after which this generation found it very difficult to define itself, being formed and educated in communism, but living after 1990 in a totally different society.
Generation Y (Echo-	1977 - 1994	1994 - 2012	25 - 42	Technology-oriented generation; the individuals of this generation are creative, sophisticated in

Boomers, Millennials)				knowledge, skeptical of the traditional marketing elements, loyal to the brands they like; it is considered to be the generation that seeks mentoring, counseling, but also wishes respect, inclusively by the quality products and services it targets; it is the first generation of digital natives.
Generation Z	1995 - 2012	2013 - 2030	24 - 7	The individuals of this generation are growing up with the computer and mobile phone at hand; they have easy access to the internet; they are multi-tasking; they are getting bored quickly; in short, they are: digital, social, global, mobile, flexible, independent and visual; have entrepreneurship ability;
The Alpha Generation	2013 -	2013 -	6 -	It is a generation that is now born and the studies on it are still in progress; it is considered to be the most educated generation, willing to learn, best placed financially and the most longeval; they are oriented to the present, the past is less critical; are very social but on-line; it is difficult to communicate face to face with the individuals of this generation, even the communication with their parents being considered severe.

Regarding the data in Table 1, the following aspects should be specified:

a. The field literature defines the Boomers as having two stages: Boomers I or Baby Boomers (1946-1954) and Boomers II or Generation Jones (1955-1966); for the United States, these periods have different generational characteristics, but for Romania we believe that this is the generation born during communism, and from this perspective the two periods, Boomers I and Boomers II, have similar generational features; at the same time, we consider that, for Romania, the end of the Boomers generation is 1966 and not that mentioned by the American researchers (1965); therefore, we consider that 1967 is the first year of Generation X, this being the one in which children were born after the entry into force of the Decree no. 770 of 1966 for the regulation of the interruption of pregnancy, legal regulation which led to doubling the number of children born in 1967 as compared to 1966; these children have specific generational characteristics: they are always in competition (they started their life in the context of competition for places available in kindergartens, schools, lyceums, facultie, etc.), they planned the resources of any kind they had (the generation that best understood the phrase "make economies at ...") and have had a transitory period of childhood / adolescence / youths of significantly different historical stages (communism and democracy, the period of transition to capitalism) through the December Revolution from 1989; in Romania, this generation is called the Generation of Sacrifice as, after the historical moment 1989, they were forced to learn to live in a completely new society, thus requiring great efforts to adapt in economic, cultural, social, civic, emotional way, etc. [3].

b. Generation Z is a generation that has just entered the labor market, so their employee behavior is still under analysis; however, studies have shown that due to their "multi-tasking" skills they are willing to work more individually than in teams, thus being characterized by a developed entrepreneurial spirit.

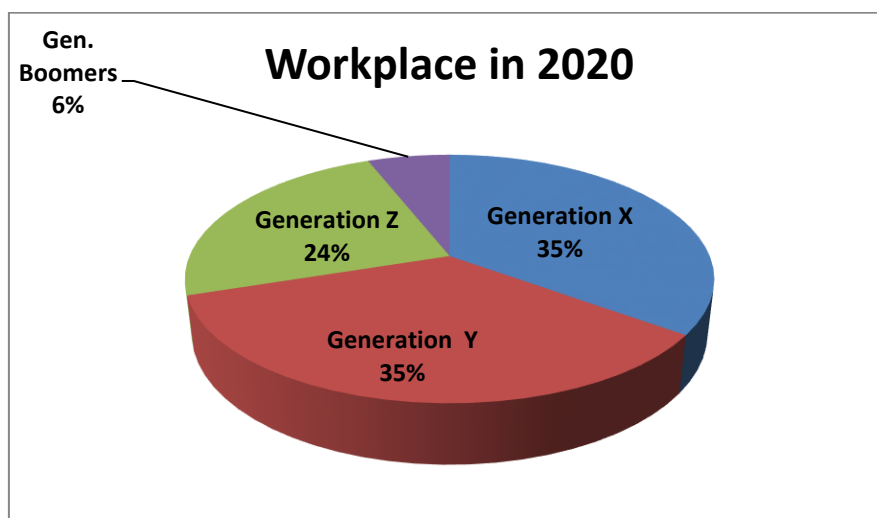
c. Mark McCrindle[4] calls the Alpha Generation (this is the most common name) as Tech Generation or Net Generation; McCrindle considers this to be the most educated and dynamic generation of mankind; also, he estimates that another feature of this generation is longevity, and from the family's point of view, the individuals of this generation will form families late and will be very preoccupied with the study, they will be those who will experience the transition from auditory and visual to a kinesthetic process; specialists studying the generational features of those in the Alpha Generation

believe that its members will be difficult to motivate and provoke; at the same time, the technology, whose evolution is explosive, will be the one that will create a gap between the generations Z and Alpha; many studies are in progress and disputes have arisen regarding the physiological availability of the human body to process the high level of information that members of this generation are accessing, the limitation of the physiological rest time, the time necessary to be spent in nature, without "intelligent devices", the detachment from the realities of everyday life because of the virtual world they are constantly accessing (in many cases even preferring it to the real one), the loss of orientation towards their own interests etc; we appreciate that there are still many uncertain things regarding the characteristics of the Alpha generation and many unknown factors, the studies that have been made so far have an estimated value; just pursuing and analyzing the evolution of this generation at different stages of life will define their indubitable features.

d. An important, topical, common element is the generational identity, with which all human generations are analyzed, described and characterized; although there are denials of it, "the specialized analyses identify three main elements that determine the" identity "of a generation, namely: (1) the socio-economic context in which the individuals were born and living, (2) the attitude towards family and parenting style, and (3) the relationship with technology." [5]

### 3. The approach of the labor market from a generational perspective

According to a ManpowerGroup [6] study conducted globally between February and April 2016, it emerged that, in 2020, the generation-based labor force will have the structure from Figure 1: 35% belong to X and Y Generations, 24% belong to Generation Z, and 6 % are from the Boomer generation.



**Figure 1 - Labor Market Structure on Generation in 2020**

As a result of the above, the existence of four generations with different characteristics on the labor market, the joint work in the same organization of the exponents of these four generations is a real challenge. Beginning in 2025, the Boomer generation will naturally withdraw from the labor market and will remain the three generations that are now active: X, Y, and Z. Moreover, with 2029, they will slowly make their presence on the labor market the first representatives of the Alpha generation. In 2050, generation X will exit this market, being replaced by the Y generation and completed by generations Z and Alpha. As a result, the overall characteristics of the labor market are constantly changing according to the characteristics of the predominant generation (s), the supply of labor is influenced by the generational specificity.

A constant feature of the economic life is related to the fact that the labor market is permanently assured with a labor force of a specific structure of age, studies, environment, etc. but, at the same time,

the characteristics of the supply are also influenced by the types of generations that are predominant. This requires modeling of the behavior of the exponents of labor demand, of the organizations, that are forced to adapt and change aspects of relationships with employees and potential candidates for the available work. This can be already noticed in the following areas of human resources management of companies:

- the recruitment, selection, and integration of staff
- the management of employee rewards
- the way of organizing work and rest time
- in terms of working conditions, the endowment of workplaces, work environment, etc.
- the communication with employees
- their involvement in the decision-making system;
- the organization of work - individually or in teams (including team building), but also in the way of organizing the work itself, of managing the organizational structure of the firm;
- the defining of the type of work and the work place;
- training at the workplace and the support of training outside of it, gaining the necessary skills etc.

All these aspects will be totally differently accomplished compared to the way in which these organizations are doing these activities at present, and this can be already noticed: attractive and interactive employment announcements, social media recruitment channels, flexible work schedules and fractions norms, homework, virtual offices, virtual internal communication systems, lifelong learning facilities, the existence of an employer brand etc.

#### **4. Particularities of the current labor market – the NEET category**

An important phenomenon, emerged as a result of the generational conflict, which has been highlighted in recent years, is that of the young people named "idlers", i.e. those inactive on the labor market, called NEET. This notion defines a category of individuals but has expanded as the name of an indicator that evaluates the labor market. The term NEET ("Neither in Employment nor Education and Training" or "Not in Employment, Education or Training") is used to describe the category of young people aged 15-29 who are neither employed nor follows an education or training program. In this category, NEET includes the unemployed in the mentioned age group, but also the inactive persons who are not included in the form of education or training.

The NEET's young people are sometimes referred to as the "lost generation" or "social parasites". They are young people who, even if they have completed a form of education, do not engage (for various reasons), obtain their income either from undeclared or illegal or non-taxed sources, make successive internships without subsequently employing in any of the firms, prefer to stay with their parents and be supported by them etc. There is also the category of those who are the result of school dropout, who have not completed any form of education and thus significantly limits their access to a job that could provide them a decent life.

Regardless of the manifestations of the NEET phenomenon, we consider that among the causes of its appearance and proliferation, there are elements related to the specifics of generations that can be detailed as follows:

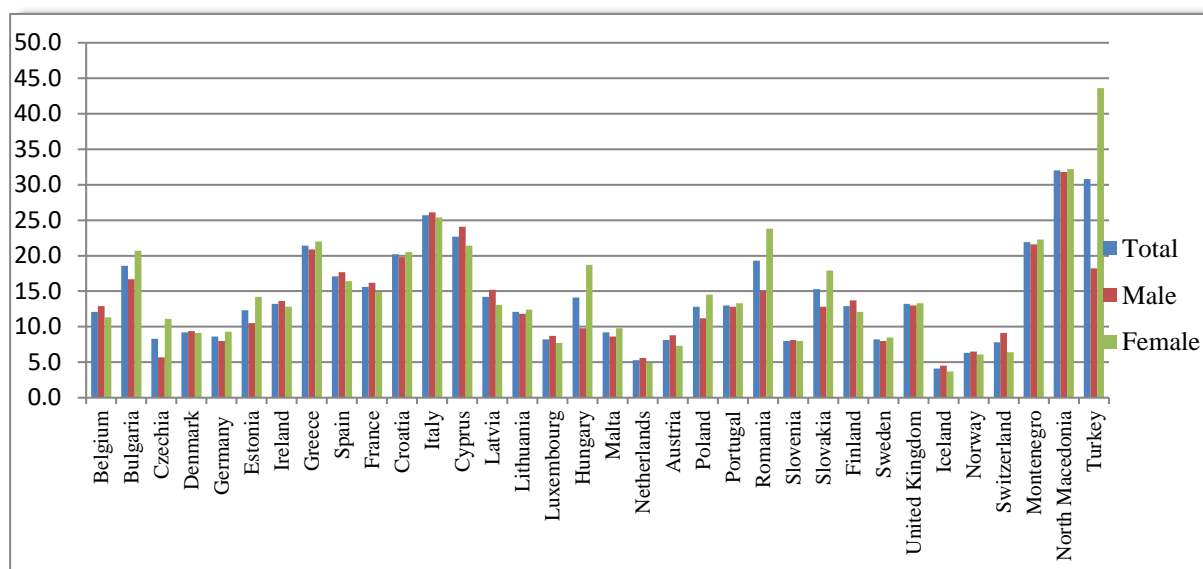
- the current education system is the result of the way of thinking and action of those in the Boomer and X generations and its adaptation to the demands of the generations Y and Z does not have the necessary pace for these last generations to consider the school as attractive and beneficial to their interests; this has led to the phenomenon of early school leaving, to the widely accepted idea of young people that information taught in school is useless for their active life at work, leading to frustrations and dissatisfaction, as well as to the attendance of the educational cycle with a minimum performance (far below the potential of their generation) which only provides them with a diploma (without correspondent in their knowledge); at the same time, the communication with teachers from Boomer and X generations, generations in the mature stage of human life, is deficient and ambiguous; because of this cleavage, there is even a generation-to-generation conflict; we believe that the Alpha generation is influenced by the current education system, but its effects on children can only be estimated, they will be evaluated at the time of their access to the labor market.

- similar to education, the systems and institutions in the economic, political, social, and cultural spheres created and developed by the older generations did not follow such rapid and profound development as compared to the particular development and characteristics of the current young generations: Y and Z;

- a characteristic of the Z generation, for example, is the orientation towards volunteering, which leads to their inclusion in the NEET category, but they are in fact useful for society, even if they are not active on the labor market; from this perspective, we believe that stimulating their entry into the labor market with part-time and flexible programs would provide the need and satisfaction of volunteering with integration into the active population, with the right benefits for the individual and society; in order to meet them, the employers can turn to partnerships with organizations where their employees can volunteer;

- the different types and ways of performing work offered by employers have led to a contradiction between their workforce needs and the expectations (wishes) of the younger generation; this has led to the following process: many young people are giving up or permanently looking for a job to meet their expectations; at the same time, their orientation towards individual work, on their own, without the constraints of an organizational system with strict procedures, with a manager to "give orders", with fixed work schedule etc., has turned many young people towards a freelancer type job that provides income from work (even if they are variable in time), but which is in the gray or black area in terms of declaring work and taxing it, which makes them appear in no official statistics.

The above elements are only a few aspects that prove the existence and causality of NEET. The phenomenon itself and its study are just at the beginning, but the economic effects of their existence in society have been continuously evaluated and monitored because they represent an essential resource for society. Thus, at the European level, for the year 2017, the average NEET share was 14.2% of the 18-24-year-olds (over 38 million people), is different in the European Union countries, as shown in Figure 2.



**Figure 2 - The share of NEET in the total population of the EU 18-24 years (2017)[7]**

For Romania, the situation is better than in countries such as Italy, Cyprus, Greece, and Croatia, this percentage being at the level of 19.3% (below 20%). However, it is alarming that almost a quarter (23.8%) of young women aged 18-24 are not active in the labor market.

All these young people, in addition to the economic, social, emotional issues they have at an individual level, generate, for society, a series of costs that are not, however, insignificant. Thus, Eurofound estimated, for 2011, the economic losses generated by the no-commitment of young people on the labor market, this being of 153 billion EUR, equivalent to 1.2% of European GDP, with variations

per each member country. In 2015, estimates led to about 142 billion euros, representing benefits or profits and taxes lost by each country[8]. These figures demonstrate the significant impact on the EU economy that the maintaining of a part of NEET in the inactive area may provide.

## 5. Conclusions

Aspects related to the generational approach of the labor market are becoming more and more apparent, and the researchers in the field are increasingly concerned, as well as the governments of the world concerned with the needs and interests of the citizens of the countries they lead. We believe it is of interest to deepen this topic and to find the most appropriate solutions for all parties involved: individuals, employers, communities, states, etc.

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