# BACHELOR THESIS

What does the new generation of employees really want from its employers, and what impact do these employees preferences have on HRM?

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AERES UNIVERSITY APPLIED OF SCIENCE

**Bachelor thesis**



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Nicole Lis

# Preface

This is the bachelor thesis of Nicole Lis about the topic: "what does the new generation of employees really want from its employers, and what impact do these employees' preferences have on human resource management?"

For this research, a detailed examination of the interviewees was carried out in order to answer the above question. This bachelor thesis is part of the fourth year of study of the International Equine Business Management degree programme at the Aeres University of Applied Sciences in Dronten (Netherlands) and serves to complete the studies.

I would like to sincerely thank a large number of people, companies and organisations who made writing this bachelor thesis possible. First, a big thank you goes to the staff of Aeres University of Applied Sciences, where I had interviewed most of the staff. Furthermore, my thanks go to all the other companies, such as Jsk and Leen Bakker, who were also on hand for interviews.

Through his supervision, Rinie Altena has been a good source of advice regarding all questions and difficulties. His coaching for preliminary research and the following bachelor thesis was very helpful both in terms of my personal development and in the development of the ideas for my bachelor thesis. Thank you! In this context, I would like me too thanks to Liesbeth Meijer, the second referee. She has, through her tips and suggestions, given me a broader perspective on the subject and supported me in the completion of the thesis. Thank you!

Dronten, 01.06.2018

Nicole Lis

Nicole Lis

# Contents

Nicole Lis

Nicole Lis

# Summary

This bachelor thesis addresses the question: "What does the new generation of employees really want from its employers and what impact do these employers' preferences have on human resource management (HRM)?" This research was conducted to obtain an overview of what the new generation wants, what companies want and how these preferences have an impact on HRM departments.

The relevance of this research is based on the fact that in recent years the world of work has undergone a fundamental change. Employees and companies demand new skills. Generations X, Y and Z also have an influential role here. Each human resources (HR) department in each company will be able to properly handle different generations, making businesses more effective and efficient.

A gap in the HR literature was identified regarding the social action context, the implementation context and the reflection context with respect to HR. The social action context was not taken into account and thus leads to the need for action. In the implementation context, people are neglected and regarded more as a resource. The reflection context, meaning and self-development as a result of modernization does not fit into the instrumental framework of HRM. All these connections require action. Another important point is the generational change in HRM, because every generation brings with it a change. It is therefore important to be prepared for the generational differences.

In order to get a better picture of what the new generation really wants, interviews were conducted with various staff (representing Generations Y and Z) from Jsk, Leen Bakker and Aeres University of Applied Sciences. The interviews revealed that the new generation of employees wants to be considered human rather than a means to an end. In the future, HR will have to focus more on human capital again.

The key conclusion is that the employees of the new generation seek greater recognition as humans rather than merely as resources. Furthermore, HR should focus more on the values of this generation and focus on human capital. This would allow HR processes to be more effective and better adapted to the new world of work. Another recommendation is that HR departments should use a summary table to assess their progress in this respect.

Nicole Lis

## Zusammenfassung

Das Thema dieser Bachelorarbeit lautet: "Was wünscht sich die neue Generation der Mitarbeiter von ihren Arbeitgebern und welchen Einfluss haben diese Präferenzen auf die Personalpolitik?" Diese Forschung wurde durchgeführt, um einen Überblick darüber zu erhalten, was die neue Generation will, was Unternehmen wollen und wie sich diese Präferenzen auf die Personalabteilung auswirken können.

Die Relevanz dieser Arbeit begründet sich mit der Tatsache, dass die Arbeitswelt in den letzten Jahren eine grundlegende Veränderung durchgemacht hat. Mitarbeiter und Unternehmen fordern neue Kompetenzen. Hierbei spielt der Generationswandel von Generation X auf Y und Z auch eine einflussreiche Rolle. Die HR-Abteilung eines jeden Unternehmens wird in der Lage sein, verschiedene Generationen angemessen zu behandeln, wodurch Unternehmen effektiver und effizienter werden.

Es wurde recherchiert, dass der HR-Bereich einen blinden Fleck hat. Dieser beinhaltet den sozialen Handlungskontext, den Umsetzungskontext und den Reflexionskontext bezogen auf HR. Ein weiterer wichtiger Punkt ist der Generationswandel in Bezug auf HRM, denn jede Generation bringt eine Veränderung mit sich. Hier muss man auf die Generationsunterschiede gefasst sein.

Um ein besseres Bild von dem zu erhalten, was die neue Generation wirklich will, wurden Interviews mit verschiedenen Mitarbeitern (Generation Y&Z) von Jsk, Leen Bakker und der Aeres University of Applied Science durchgeführt. Die Interviews ergaben, dass die neue Generation der Mitarbeiter als Mensch betrachtet werden will und nicht als Mittel zum Zweck. HR muss den Fokus in Zukunft wieder verstärkt auf Human Capital legen.

Konkludierend gesagt hat die Ausarbeitung dieser Bachelorarbeit gezeigt, dass die Mitarbeiter der neuen Generation eine größere Wertschätzung des Menschlichen wollen, anstatt ein Verständnis vom Menschen als Ressource. Zudem sollte HR sich mehr auf die Werte dieser Generation konzentrieren und den Fokus auf Human Capital richten, um so HR-Prozesse besser und effektiver anpassen zu können. Eine weitere Empfehlung ist, dass HR-Abteilungen eine Übersichtstabelle nutzen, um zu prüfen, ob sie auf dem richtigen Kurs sind.

Nicole Lis

# 1. Introduction

In this first chapter, the subject of this preliminary-research will be introduced. First, the broader context and relevance as well as the theoretical framework and the knowledge gap will be discussed. Then, the research questions and sub-questions, the goals, the materials and methods, and the plan will be formulated. Finally, the competencies that the author wishes to improve will be described.

## 1.1    Broader Context

The emergence of Human resource management (HRM) began during the Industrial Revolution. Human resource management is everything an organisation does to make its employees productive. At the same time, HRM must ensure that the employment relationship is in balance and meets social norms and expectations (Kluijtmans & Kampermann, 2017).

Human resources are the resources that a company has through its employees in terms of knowledge, skills and motivation. These resources are handled by human resource management in companies, which focuses on all company-related activities associated with human resources. In this context, the terms human capital or manpower are often used synonymously. Employees are not like material resources; the staff consists of people with individual needs and desires. Ideally, the human resource manager tries to respond to these needs and connect employees to the goals of the company. This effort allows the company to increase its competitiveness through motivated and efficient employees (GS Lexikon, n.d.).

In recent years, the world of work has begun to change fundamentally. Employees and entrepreneurs are demanding new skills and approaches as a result of advances in digitisation and globalisation. Additionally, demographic changes continue; people from the era of high birth rates, who are now 50 to 65 years of age, are increasingly withdrawing from working life and thus create gaps in the workforce. These gaps cannot be filled by the generations with low birth rates in terms of numbers.

HRM has also undergone a generational change over the years. Since its appearance, there have been four generations: the Baby Boomer Generation, Generation X, Generation Y and Generation Einstein (Z). To better understand the different generations, see Table 1: Division of four generations (Jolink, Korten, & Verhiel, 2009). According to a classic definition by Wilhelm Dilthey, "a generation is a circle of individuals who, depending on the same great facts and changes as in the age of receptivity, are united in a homogeneous whole, despite the diversity of other factors" (Georg-August-Universität-Göttingen, n.d.).

Nicole Lis

Simply, a generation is a group of people who were born at around the same time. However, generation cannot simply be defined by age, because there are so-called distributions. That is, it is possible that someone who is clearly assigned to a particular generation by the year of birth shows characteristics of another generation (Mihovilovic & Knebel, 2017). Generational partners share common beliefs, values, practices and a place in history. Adults thus pass on their colouring to their children, who then react in a certain way in their identity-forming era with its own characteristic events, creating a new generation. Generation-forming events or trend breaks are often of a large nature. Wars, an economic crisis or social or cultural upheaval are examples of generational events (Bontekoning et al., 2009). At least as important, however, are the events of the previous generation. After all, the new generation has not consciously experienced these events and can therefore find it difficult to understand how the previous generation reacted to them.

Thus, staff are becoming scarce resources. New generations of employees can choose between multiple employers, resulting in the phenomenon of job hopping. In order to find suitable employees, companies must attract attention and intensively search for candidates. The competition for talent will be greater in the future. As a result, companies must think about what added value they can offer prospective employees. Previously, company cars and status symbols were more lucrative incentives. These values have been replaced by flat hierarchies and work-life balance for the new generation.

Karin Manuel investigated how employers can attract and retain generation Y and found that generation Y frequently change jobs not on principle, but because they are not sufficiently stimulated or challenged in organisations. Many organisations are still classically organized, this has rather negative effects for the persons, because they are looked human as a machine. Generation Y are against the structure and the bureaucracy that is inherent in organisations. Generation Y have a variety of interests and want the space in their work (HRzone, 2017).

The situation must be examined closely to understand the effect the new generation has on HRM (Mihovilovic & Knebel, 2017). For the synthesis of the ways in which generation Y can impact HRM, or the directions in which HRM is being pushed to change, HR managers and generation X, Y employees will be interviewed. This preliminary study considers the impact of the future generation on HRM, which is constantly changing.

The question of whether HRM must adapt to the new generation will be analysed in this work. This work will not speak of only one client, but of a larger group of various interested parties.

Nicole Lis

## 1.2 Relevance

*Figure 1 Percentage of generation Y, X and Babyboomer*



Quelle: crowdsourcingblog.de
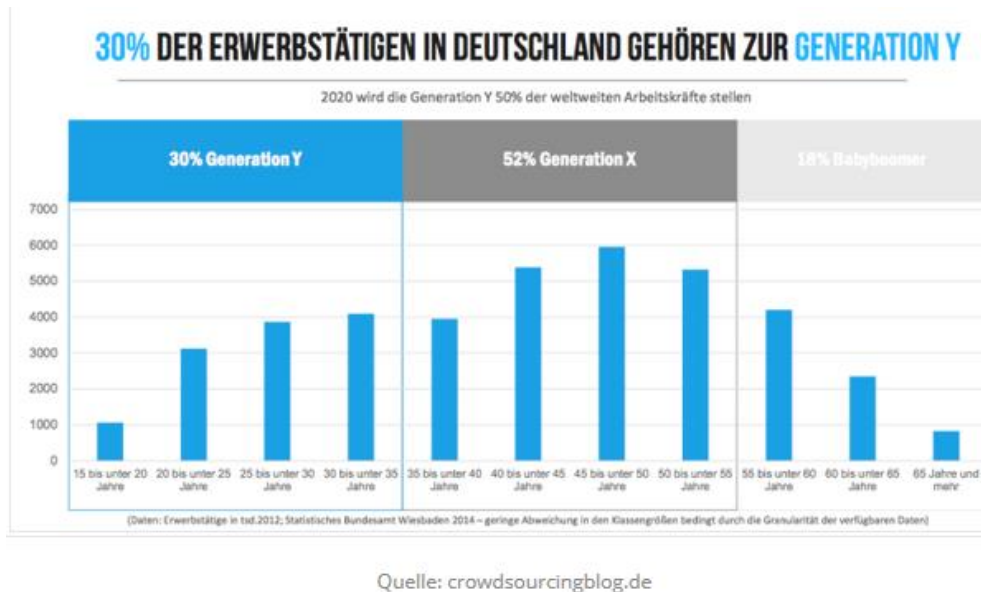
This preliminary-research will consider the area of HRM, which is applicable to every company. The findings may help better optimise HRM. Changes in HRM and in the generations must be considered. What values do new generations have? What do companies need to adjust to? What does inter-generational cooperation look like, and what is the point of friction? The expression friction refers here to the employees of the different generation in an enterprise work together. Every generation has her own norms and values and these can sometimes lead to frictional points among the employees or also between superior and employee. What does it look like when a young generation starts working in a company that still adheres to the values of an older generation? The diagram above figure1 shows that in 2020, Generation Y will provide 50% of the world´s workforce. In many companies, staff be very tight in the next few years as the Baby Boomers leave and cause a widespread shortage of skilled workers. As Generation Z enters the workforce with its own ideas, it is time to think about the values of the new generation and prompt companies to adapt to them (Brühl, 2014). This uncertainty increases the importance of this pre-research. With these findings, the author will be able to advise HRM on current and future actions. Every HRM in any business will be able to treat different generations properly, making businesses much more effective and efficient.

## 1.3 Theoretical framework

The theoretical framework is based on existing knowledge of the subject. First, how HRM works in principle and an overview of its processes and tools will be explained. The second

9

Nicole Lis

step will discuss characteristics of different generations and how to accommodate different generation in an organisation. The third step will discuss how to get a match between organisation and generation Y. The fourth step elaborates on firm and flex contracts.

### 1.3.1   Human Resource Management (HRM)

The purpose of this section is to present an overview of how human resource management is developed and how it works.

The history of HRM provides insight into how HRM emerged and how it has developed to this day. Human resource management began with factories, which were a product of the Industrial Revolution. After the termination of slavery, machines became responsible for much of work. From then on, every company has used the five-M model: man, material, machine, minutes and money.

It is important to be careful with the five Ms, as it has been proven in the past that a careless approach can lead to an economic fiasco. The best example of this is the second war, during which the economy suffered deeply. The first M in the model represents the human, the most important factor. For a business to be effective and efficient, it needs the right people in the right positions. Since the beginning, for the productive use of materials, machines, minutes and money, people have been responsible for achieving the goals of organisations and companies.

In the 19th century, after steel and oil changed the US economy, it was clear that the management of employees needed to become its own business function. This led to the rise of HRM, which has continued to this day, and its effects and developments.

The 1920s experienced an economic boom; it was difficult to find good workers and it was even more challenging to keep them. At this time, it was important for HRM to treat employees well, a priority that has continued to the present day.

In the thirties, due to the global economic crisis, superiors were not fair to employees. Workers had to endure all treatment. If supervisors treated their employees poorly, employees were not allowed to oppose. Personnel development did not take place.

After the Second World War, during the fifties, the US industry experienced a lack of workers. This was because one third of the top managers had died, and there were no followers. Thus, HR departments developed a large number of revolutionary recruitment and development programs.

Nicole Lis

In the seventies, there was once again a large number of workers, so companies began gradually eliminating the post-war programs for recruitment and training. During the eighties, the US slid into a deep recession, and workers clung to their jobs. Instead of investing in human resources, new hires and staff development were taken over by line managers in the companies. These managers had neither the time nor the suitable education for these additional tasks.

At the end of the nineties, the HR department again experienced a short rise, with focus on recruitment and employee retention. This was due to the dot-com boom, in which companies competed for labour to meet their growing workforce needs. In 2001, as the economy broke down, the dot-com bubble broke as well. As a result, companies saw no reason to hire staff. Increasing productivity, wages and salaries were stagnating, and human resources were losing the impact it had throughout the dot-com boom.

In 2015, the effects of the 2008 crisis were not fully overcome, and a large proportion of people on permanent contracts were unwilling to quit their jobs despite not feeling comfortable in their employment. Thus, top managers did not see any great need in personnel programs, although initiatives that closed the human resources department required justification (Harvard Business Manager, 2017).

The term HRM emphasises the fact that people in organisations are seen as human resources and must also be managed in the same way (Becker & towards Verheijen, 2012). However, reality shows that HRM is not inspired by human but by economic motives. The assumption is that the human-capital approach offers the best guarantee for the success of the organisation.

This means that organisations invest in human capital that has the most added value for strengthening their competitive position. As a result, (a) HRM does not get the best out of people in the organisation, because certain categories of people are excluded, and (b) in many organisations, a combination of HRM and personnel management is offered (Verhijen, 2012).

Dirk Jan Verheijen speaks of the blind spot of HRM, which he investigates by going back to the source of HRM. He has come to the following three conclusions that are important for this research:

(1) The social context of action has been left out of the picture. The perspective of social issues can no longer be overseen and leads to a focus on social management, resulting in increased regulations and procedures. HRM can therefore only repeat what it has already done. The development of (a) humans, (b) the organisation and (c) his own field of expertise has come to a standstill.

(2) By exclusively implementing an adjustment policy, HRM neglects the changing context. People and society are thereby loosened from their development. HRM trivialises people as "resources" and runs an ever greater risk of personnel problems.

(3) The call for reflection, meaning and self-development as a result of modernisation does not fit into the instrumental framework of HRM. In the world of HRM, it is a strange reversal: employee status is seen as a predicate of the term "human" instead of vice versa. As Fowler states: "Human beings are ends in themselves and not means, so the intrinsic value of every human being is important" (Fowler & towards Verheijn, 2012).

In short, HRM was launched as an important, if not the most important strategic area of attention. The arrival of HRM was promising. Unfortunately, however, practice appears to be far behind the promise. It is therefore right to speak of a "gap between rhetoric and reality" (Truss, et al., 2012). The gap appears to be caused by the imbalance between social delivery and emancipation. With the evolution of the field, HRM has released the necessary paradox between emancipation and social preservation, which has led to fixation on social control. The result is that HRM has fallen into disrepair (Verhijen, 2012).

### 1.3.2 Generational differences/change & HRM

Social trends such as digitisation can have an impact on the daily lives of the population and thus on the generation as well. The first generation is influenced to grow up with such changes.

Every generation brings change, and it is important to be aware of generational differences. The different behaviours and values of two generations are often noticeable in generational conflicts. Young people join an organisation where the views of another generation are predominant, and different paradigms meet. Older generations insist on rules and norms of behaviour that are constrictive for the younger generations. Non-compliance with these norms of behaviour are disrespectful for the older generation. Generations and generational differences have always existed, but people live and work longer today. In 1900, the average life expectancy was 47 years; currently, it is approaching 80 years.

(Hofstede, towards Jolink, Korten, & Verhiel, 2009) calls the awareness of one's own values and of the values and manifestations of other cultures an important step in improving cooperation between cultures. (Lancaster and Stillman, towards Jolink, Korten, & Verhiel, 2009) have translated this reasoning to apply to generations in organisations. In the future, up to four generations may work in an organisation or a company. The different generations will have different values, convictions, experiences and motivations with regard to work. These

12

Nicole Lis

differences can lead to tension within the partnership and have a negative impact on the productivity of a company (Jolink et al., 2009).

Demographic change is not a socio-political future scenario, but a current ubiquitous reality. It does not just include the well-known shortage of skilled workers, but also involves the aging workforces, shortage of young talent and an impending leakage of knowledge (Troger, 2016).
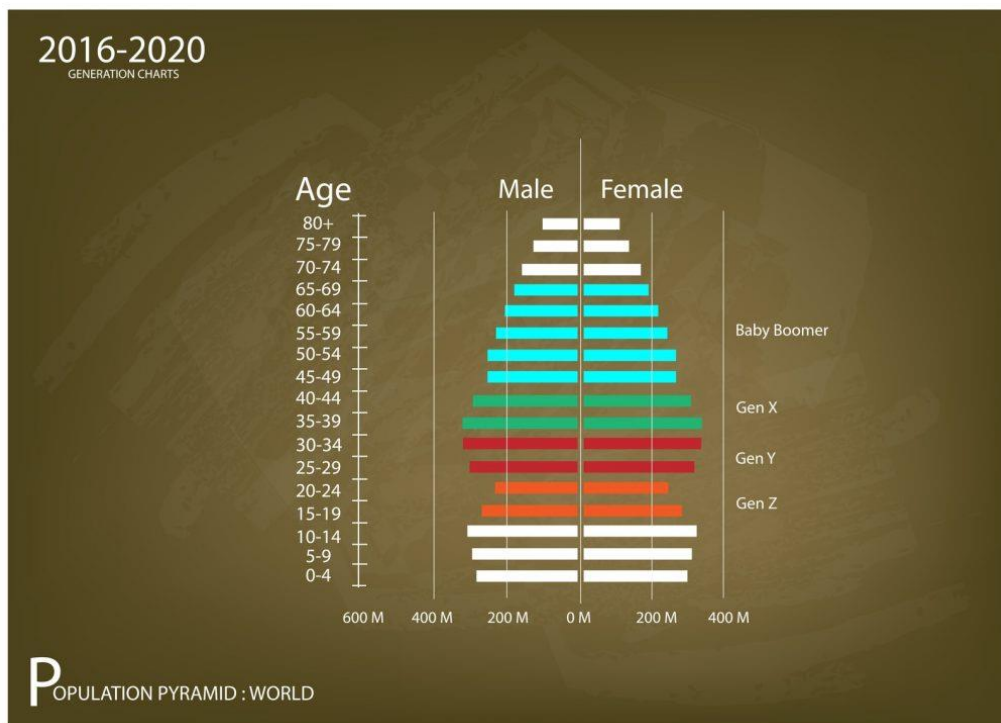


*Figure 2 Population Pyramid: World*

*Table 1: Division of four generations in the current workforce*

| Generation | Birth year | Situation characteristics in generation-forming period | Key words |
|---|---|---|---|
| **Baby Boomer Generation** | Born between 1945-1960 | The relatively prosperous post-war late fifties, the sixties and the early seventies | Build up and protest |
| **Generation X** | Born between 1961-1980 | Economic stagnation and youth unemployment in the late 1970s and early 1980s | Economy and security |

Nicole Lis

| Generation Y | Born between 1981-1995 | The economically prosperous and politically stable nineties mean that this generation has not experienced scarcity or crises | Anything can be done |
|---|---|---|---|
| Generation Einstein (Z) | Born after 1995 | The emergence of the 24/7 commercialized information society | Always ´online´ and can find everything |

In this research, we will deeply consider the so-called new generations Y and Z. Generation Y members have essentially different characteristics from the generation group that directs them, Generation X). Particularly in the higher-educated population in this generation, traditional values such as job security and a long career and promotion within an organisation play increasingly less of a role. The greatest difference compared to the previous generations is the great diversity of choices and opportunities offered to Generation Y. These starting young professionals need to develop responsibility and self-development earlier than their predecessors (Boschman & Groen, Hiltop, Korten, & Verhiel, 2009).

Research from Accountemps shows that Generation Y is motivated primarily by career development programs (36 percent of respondents) and secondly by flexible hours (31 percent). The main reasons for leaving an organization are the lack of career development (51 percent), money and salary (39 percent) and balance of work and private life (12 percent). Generation Y are job-hoppers; if they see more opportunities elsewhere, they easily switch over. Furthermore, they are impatient and quickly bored and are constantly looking for new challenges. Additionally, a social network that is intertwined with work is becoming increasingly important. Generation Y does not like to be tied down and shackled (Jolink et al., 2009).

### 1.3.3 Looking for a match

The purpose of this section is to examine a possible match between employer (organisations led by generation X) and employee (generations Y and Z).

**Employee perspective: the psychological contract as a basis**

The rise of the internet has made the world smaller. As a result, globalisation increased in the 1990s, putting extra pressure on organisations to work more innovatively and efficiently.

Initially, this seemed to be an opportunity for organisations to work with a highly educated and creative workforce, but in practice it was primarily a reason for organisations to have to reorganise and contract. In addition, other generations, with different characteristics and needs,

14

Nicole Lis

entered the labour market. These changes altogether drastically altered the definition of the psychological contract that young people have with an organisation (Hite and McDonald, towards Jolink, Korten, & Verhiel, 2009). The psychological contract is the dynamic experienced relationship that employees have with their employer and vice versa (Rousseau, towards Jolink, Korten, & Verhiel, 2009). Employees who are young and single look for factors different from those sought by employees who have worked for a company for 10-15 years. Whereas the psychological contract for the Baby Boomer Generation and Generation X was mainly based on loyalty and career perspectives in an organisation, this contract for young people is based on rapid development and accumulation of experience and the direct booking of results and steps within an organisation. Young people are more focused on building up expertise to be able to leverage future opportunities than on using that expertise to benefit the organisation they are currently working for (Jolink et al., 2009).

**Organizational perspective: young talent management as a Just-In-Time system**

A more Anglo-Saxon approach considers talent management from the organisational perspective. Talent is generally regarded as a costly production unit that must be deployable, depending on the current economic situation. It is more about the flexible deployment of the workforce than eye for the individual talent on behalf of the organisation has made this principle an art (Cappeli, towards Jolink, Korten, & Verhiel, 2009). He proposes using the talent pool of an organisation according to the Just-in-Time production principle: the production of goods at the moment that demand arises. He calls this the Talent-on-Demand Framework. Predicting the cheapest way of producing at the right time is also the way to develop and deploy cost-saving talent. Cappeli makes the comparison between the internal talent pool in an organisation and the movements in an organisation's production chain. By approaching talent management by looking for bottlenecks and combating them as far ahead as possible, the production speed can be improved and predictions on mismatches can be improved. According to several researchers (Schoenmaker, et al., 2009), successful talent management is a responsibility of both the organization and the individual.

It is an interesting and complex game of interests and needs in which both parties must be taken into account (Jolink et al., 2009).

**The match between Organisation X and Generation Y**

Given the characteristics of Generation Y and the organisational challenges, finding the balance between talent and the interests and needs of the organisation is crucial. Both the organisation

15

Nicole Lis

and the talent must be aware that they often do not enter a long-term working relationship, but both want to get the best out of the period in which they are temporarily connected to each other. (Gilley and Eggeland, towards Jolink, Korten, & Verhiel, 2009) encourage this awareness through focusing on a shared responsibility between individuals and organisations to develop the knowledge, skills, competencies and attitude needed to cope with current and future tasks of the organisation. From the perspective of mutual interest, Jong Talent Management (JTM) is defined as the process in which young talent is discovered, recognised, positioned, developed and utilised for the benefit of the organisation's objectives, responding to the characteristics of the generation.

JTM is a strategic HRM resource that is derived from the organisational strategy and is in line with and contributes to the realisation of organisational objectives. In it the writers of the book (Jongleren Met Talent, De match tussen Organisatie X en Generatie Y) think, the knowledge that JTM is a common responsibility of the young talent and the organisation the most important point of the attention. The key point, however, is the importance and distinctive character of the organisation. The reason why an organisation uses JTM must be clear; it is a means to achieve organisational goals, and not an end in itself.

The difference to the talent management consists in the fact that an organisation often has different requirements and needs from young talent from a different generation (Generation Y now, Generation Einstein (Z) soon) with unique characteristics and needs. Although this mismatch does not require a different vision or attitude towards JTM, it does require a different approach (Jolink et al., 2009).

Generation Einstein (Z) grew up in an even more fragmented world, in which vast amounts of often contradictory digital information was available 24/7 (Boschman & Groen, towards Jolink, Korten, & Verhiel, Jongleren Met Talent De match tussen organisatie X en generatie Y, 2009). Whereas previous generations struggle with this information overload, Generation Einstein (Z) is able to apply a filter that distinguishes useless from non-usable information. Einsteiners filter based on usability/interest, take the core and determine whether they need more depth. Authenticity is thus a central value in the life of Generation Einstein.

However, this does not mean that individualism is more attractive. On the contrary, Generation Einstein strongly depends on the collective. Without a collective, people are overwhelmed by choices and can ultimately drown in their own freedom. This collective is different from a group of people with the same ideas; rather, it is a loyal group where people can share reservation and

Nicole Lis

different views are appreciated. In short, Generation Einstein no longer seeks guidance for an unequivocal interpretation of the world around them, but believes in its own authenticity as individuals and in stable collective relations (Boschman & Groen, towards Jolink, Korten, & Verhiel, Jongleren Met Talent De match tussen organisatie X en generatie Y, 2009). Further characteristics of Generation Einstein are:

- Generation Einstein get bored quickly and speed through life, which also means that they can quickly find and filter information (Ahlers & Boender, 2016).
- Make quick decisions and simplify: Because they receive so many stimuli, they make many quick choices from an early age.
- Socially meaningful work: The higher goal must be clear. People do not want to work on a part of activity without knowing what it ultimately contributes to.
- An enthusiastic manager and colleagues: They respect and want to learn from people who believe in what they do and take action (Jolink et al., 2009).

From 2025, Generation Einstein will assert its social influence. It is difficult to judge whether Generation Z exhibits different media and communication behaviours from previous generations, particularly Generation Y. Figures and trends in the Netherlands relating to Generation Z, according to Statistics Netherlands, demonstrate that television is losing interest and that gaming is very popular. "Casual gaming" is especially popular; these are relatively small and simple games that are played over the internet. When looking more closely at what Generation Z does online, it is striking that the internet mainly has a social function for this group. Facebook, Instagram, WhatsApp and Pinterest are the most popular, but Twitter, Snapchat and the new Happening are used almost constantly.

Generation Z grew up in a world where people were being liberated from heavy communities and traditional group divisions, which have now lost relevance. However, even if individuals were detached from existing social structures, the basic human need for social identity would lead to new social relationships. This is exactly what Generation Z does: replace pyramids with social networks. A network is flat; there is no formal hierarchy, nor is there authority on the basis of seniority. Everyone is equal and everyone can communicate. Mutual communication is therefore the glue that keeps a network together.

The members of Generation Z strive for variety, flexibility and self-development. A single fixed job and a career path drawn in advance no longer fit into this picture.

Nicole Lis

Routines until the 72nd or 75th day of work for the same employer will no longer exist, because work is increasingly about experiences, discovery and social networks. Of course, wages must be adequate, but as the blind pursuit of luxury goods becomes less important, money begins to become a bit vulgar.

Generation Z wants to hear in one-on-one conversations with their supervisors what is expected of them, why it is expected and whether they are doing well.

They prefer flat organizations with a transparent communication and remuneration structure. This development is even seen in strictly hierarchical countries such as Germany, Japan and the United Kingdom.

How do managers from Generation X or directors from the Baby Boom Generation work with the new generation of talents? How do they manage and encourage young people who want responsibility and protection, demand a strong team but are not firm, expect flexible hours and workplaces, but also consider constructive feedback and performance agreements? These questions are especially important because the organisation and managers are used to other working principles and do not have the characteristics that meet the needs of the new generation (Ahlers & Boender, 2016).

Current information from the Centraal Bureau voor de Statistiek (CBS in the Netherlands) as of 14-03-2018 on changes in profession suggests that more workers are changing jobs in recent years. In 2017, there were 937,000 people between the ages of 15 and 75 with a different profession from the year before. In most cases, it was a switch to another occupational class, such as from a pedagogical profession to a care profession.

Since 2015, the number of people switching to a different profession has increased again. After a peak in 2008 of more than one million, the number of professional changers dropped to 777,000 in 2014.

In summary, it is possible to find a match between employer (organisations led by generation X) and employee (generation Y), but doing so requires a different approach (CBS Centraal Bureau voor de Statistiek, 2018).

### 1.3.4  Future

The purpose of this section is to focus on generation Y and their reasons for changing jobs and to discuss forms of contracts and their influence on the new generation.

Nicole Lis

**Almost a third of professional changers are younger than 25 years old**

Changing jobs is relatively common among young people aged 15 to 25 years. Of the 937,000 professional changers in 2017, 304,000 were in that age group. The group includes young people with a part-time job at school, such as cashiers (counted as commercial professions), catering staff (service professions), and field fillers and daily newspaper deliverers (transport and logistics professions). Someone who is a full-service provider and switches to a job as a glass collector also changes professionally.

Wisseling van beroep, 15 tot 75 jaar, 2004-2017

x 1 000

Wisseling: zelfde beroepsklasse    Wisseling: andere beroepsklasse
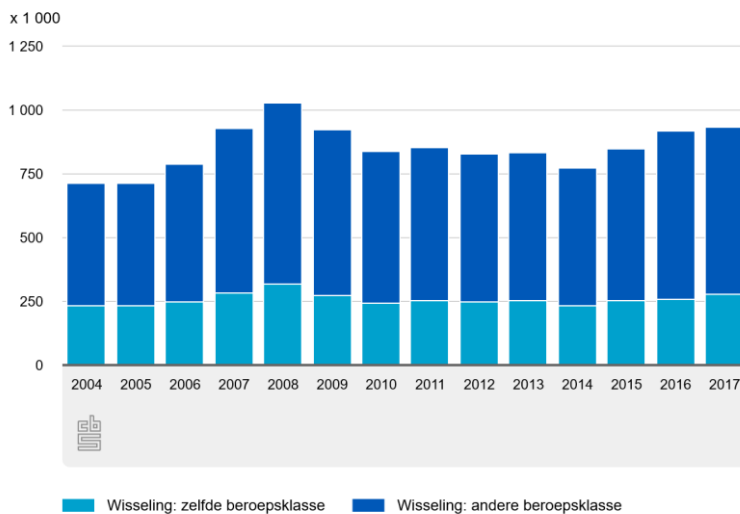
**More frequent professional change in higher-educated people over 25**

In 2017, almost a third of working young people had a different occupation from a year earlier. In the other age categories, the proportion was much smaller. Among people aged 25-45, this proportion was was 13 percent, and in the over-45s, it was only 6 percent. Among people over the age of 25, changing jobs increased with the level of education attained. Six percent of the lower-educated in this age group had a different occupation in 2017 than in the year before, compared with 11 percent of the higher-educated.

**Two thirds of over-25s switched to another occupational class**

Of the 633,000 professional changers aged 25 to 75, two-thirds went to work in a different occupational class. This was most often the case with professional changers from the service professions (nine out of ten), public administration, security professions and agricultural professions. The rest of the professional changers did exercise a different profession but continued to work within the occupational group. This is relatively common among people with a profession that must handle care and well-being; in 2017, it was 54 percent. This includes, for example, nurses who continue as specialized nurses (CBS Centraal Bureau voor de Statistiek, 2018).

**What is a firm contract and a flex contract?**

In case of a firm contract (or contract for an indefinite period), employees do not agree on an end date in the employment contract. The contract expires only when the employee resigns, or

19

Nicole Lis

when the employee terminates the contract. An employee cannot simply cancel a permanent contract, but must comply with the notice period and other rules that apply to a dismissal procedure (werk.nl, n.d.-b).

Flexible contracts can be concluded as fixed and temporary contracts. The most frequent contracts are zero-hour contracts and min-max contracts. Employees with these contracts are protected by a number of fixed rules in the law:

- With a contract of up to 15 hours per week without fixed working hours, employees must be paid at least 3 hours of wages per call.
- If an employee is sick, the manager pays wages over the times the employee would work.
- If someone works for three consecutive months or at least 20 hours per month, the person can demand a contract from the person he or she worked for. This is called a 'right presumption of work'. The employee then must prove that there is no employment contract, only volunteer work, for example. An example is someone who works every Monday in a community centre for three months.
- If an employee works more hours than was agreed on for 3 months or more, he or she can demand that the employer increase the number of hours in the contract. This is called a 'presumption of the extent of labour'. This can happen if an employee has worked 20 hours a week in the past three months instead of the 10 hours agreed upon.
- The same legal rules apply to the renewal of zero-hour contracts and temporary contracts. For the first 6 months, employees can agree to not pay any wages if there is no work. The employee would then have to pay wages unless otherwise agreed in the collective labour agreement (werk.nl, n.d.-a).

In the labour market forecast for 2015 - 2016, the UWV describes an increase in the so-called flex trend, with many temporary contracts and job-hopping, especially among young employees. Older people often already have a long-term job, and because they are in the final phase of their careers, they also opt for safety. Young employees do not have a choice and are by definition contracted with flex contracts (from which a permanent contract can arise) (Vreeburg, De Vries, & Van Smoorenburg, 2015).

According to Statistics Netherlands, fewer permanent contracts on the Dutch labour market have been decreasing. At present, six out of ten people work on a permanent contract; ten years

*Nicole Lis*

ago, this was more than seven out of ten people. Young people in particular have a high likelihood of having a flexible contract. However, more people have flexible working relationships at an older age, especially if they are less educated.

Nearly three million Dutch people currently work in flexible employment or as self-employed without employees. The Netherlands differs from other countries in this respect: the share of flexible employment contracts and the percentage of self-employed people grow faster than in other European countries (figure 2). The share of flexible jobs is one of the highest in the European Union. Only Spain, Portugal and Poland have a larger share.

The share of self-employed workers is also higher than the European average since 2000. The Netherlands is exceptional in its figures in these two areas (Euwals, De Graaf-Zijl, & Van Vuuren, 2016).
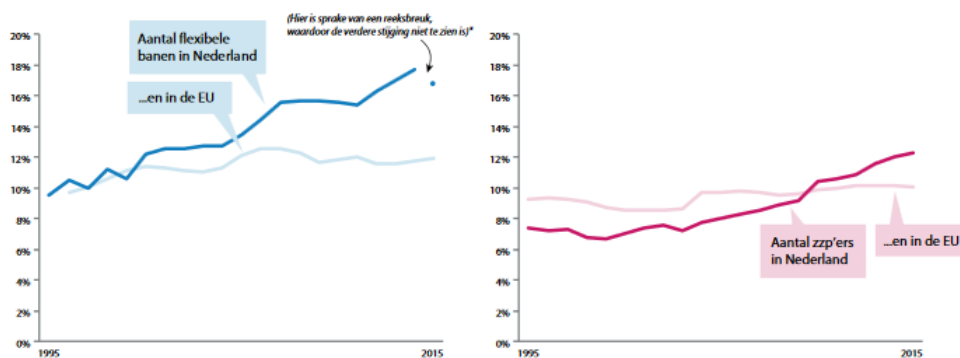


Bron: Eurostat.
Noot: De cijfers van Eurostat wijken af van CBS-cijfers die elders in deze notitie worden beschreven. De linkerfiguur heeft alleen betrekking op tijdelijke arbeid, terwijl de rest van dit document ingaat op de bredere categorie 'flexibele arbeid'. Merk hierbij op dat de daling van het aandeel tijdelijke banen in 2015 in tegenspraak is met CBS-cijfers (zie Bolhaar et al. 2016), Er is in de Eurostatcijfers sprake van een reeksbreuk, waarvoor het CBS zijn cijfers heeft gecorrigeerd. Zonder die reeksbreuk is er geen sprake van een daling van het aandeel flexibele arbeid of tijdelijke arbeid.

*Figure 3 Aandeel felxibele banen (links) en zzp (rechts) stijgt sterker dan in andere*

Groups with a weak labour market position - such as low-skilled employees - are often reliant long-term on a flexible employment relationship. Nevertheless, 80 to 90 percent of employees with a temporary contract, temporary job or payroll contract find a permanent contract very important. Another important player is Dutch legislation and regulations. The current laws and regulations cause costs and risk differences between labour relations.

As a result, arbitrage is possible: companies choose certain contract forms because of lower costs and risks. Increasingly flexible employment relationships occur at Dutch companies. Some companies indicate that they would prefer to retain their employees more, but that their choices are influenced by government policy. Cost and risk reduction are mentioned as reasons to use flexible contracts (Euwals et al., 2016).

21

Nicole Lis

Strikingly, highly-educated people are more willing to change work than the less-educated. Furthermore, it appears that young employees have no choice in flex contracts.

## 1.4 Knowledge Gap

The section discusses the unknown. Considering the theoretical framework, it is clear that although there is abundant information about the different generations, it is still often unclear how companies should interact with the new generation.

The knowledge gap is: what do the new generations (Generation Y and Z) really want in their working lives? What do companies want in connection with the new generation? What should HRM do from here? For HRM in general, there is still no solution for what to do with the new generation.

It is clear that many companies have a corporate culture, such as that of Generation X. However, this preliminary study shows that things must change, because the new generations Y and Z have different norms and values, and if there is no real match between them and their companies, they will not be as dedicated to their work. With the results of this research, a generation-specific strategy can be developed, which is the last aim of this research. Companies do not know how to develop such a strategy; they either have no knowledge of how generation-specific differences are to be taken into account, or they are unaware of the importance and influence of this generational change on the standards and values of the new generation and society. This research will focus on asking questions about the real values, concerns and norms, which will then be linked to CBS research.

With the results from this study, HRM departments in different companies should be able to improve their view and if necessary, adapt or change. It can also provide support to HRM departments in companies and give future employees greater assurance that their standards and values are truly understood and addressed.

Nicole Lis

## 1.5 Main Research Question and Sub Question

From the information gathered, the following main question is derived:

> Main Question:
>
> What does the new generation of employees really want from its employers, and what impact do these employees preferences have on HRM?

To answer the main question, the following sub questions must be addressed:

> Sub-questions:
>
> 1. What values does the new generation have?
> 2. What do companies need to adjust to?
> 3. What does inter-generational cooperation look like, and what are the points of friction?
> 4. Which challenges arise in HRM?
> 5. What impact do firm and flexible employment contracts have on the new generation?

## 1.6 Objectives

The aim of this study is to obtain an overview of what the new generation wants, what companies want and how these preferences have an impact on the HRM department. This study provides new insight into the importance of generational change for HRM. So far, a large number of companies have underestimated the importance of right interaction with the new generation. With this research, HRM departments will have a great deal of information on what the new generation wants, which will enable them to adapt or, if necessary, change their approach. Furthermore, this research also analyses how to make the right match between companies and the new generation.

23

Nicole Lis

# 2. Material and Methods

This chapter describes the approach of this research, including the methodology and the use of materials.

## 2.1    Methods

In the research of Lore De Decker (Academic Year 2008-2009), the researcher used audio recording of interviews. Recording the interviews and carefully writing out the audio recordings improves the reliability of the research, because there it entails minimal interference from the researcher (Silverman, 2008-2009). LeCompte and Goetz (in: Seale, 2008-2009) defend this method because it retains the "rough" form of the interview, thus eliminating the selective perceptual skills of the researcher (Decker, 2008-2009). The research for this thesis was carried out in a similar way. This is a qualitative research. Qualitative research is interpretive and subjective. It is less about facts and numbers, and more about the questions of why and how. Examples of qualitative research methods are interviews, literature research, observational studies and case studies (Corrieri, 2017). A description of the approach follows, with a discussion of the study of the study population and, first, the research design.

### 2.1.1    Research design

This section explains the research methods used to address each sub-question.

*1.  What values does the new generation have?*

First of all, the background characteristics of the new generations (Y and Z) were mapped. Important aspects here included age, work experience, education level, work sector and their value. This way the different values of these generations could be mapped. To find out this information, general and open questions were asked during the interviews. There will be also desk research done to see what is known in the literature.

*2.  What do companies need to adjust to?*

In order to find out where companies have to adapt, the suggestions and experiences of Generations Y and Z in relation to companies were evaluated in an interview. To find out this information, open questions were asked during the interview. Desk research was also conducted to see what is known in the literature.

Nicole Lis

*3. What does inter-generational cooperation look like, and what are the points of friction?*

During the interviews, open and closed questions were asked regarding inter-general cooperation and friction. Desk research was also conducted to see what is known in the literature.

*4. Which challenges arise in HRM?*

To find out which challenges arise in HRM, the leaders were interviewed. It was particularly important to ask about their experiences and their opinions about the challenges that can face HRM. During the interview, open questions were asked.

*5. What impact do firm and flexible employment contracts have on the new generation?*

During the interviews, employees and leaders were asked about their experiences and opinions on this issue. Open questions were asked during the interview, and supplementary desk research was conducted.

### 2.1.2   Study population

The research was conducted among employees from Generations Y and Z and with leaders from a variety of generations. The employees were identified as members of particular generations on the basis of the information in Table 1 (above). In simple terms, an employee from Generation Y was born between 1981-1995 and an employee from Generation Z was born after 1995. Interviewees were identified as "leaders" if they met the definition from the site Management B.V. A leader encourages others to achieve results and strives to move the organisation in the right direction. Leaders are concerned with analytical, emotional and behavioural aspects. They have a clear vision for the future, and they motivate and challenge employees. In practice, we see both roles in all kinds of mixed forms among executives and administrators (Managementsite BV, n.d.). Eighteen employees (15 from Generation Y and three from Generation Z) and five leaders participated in the research. Of the employees, 16 were women and two were men; meanwhile, all five leaders were men (see Table 2). The interviewees' work experience varied from 3 months to 16 years.

Nicole Lis

*Table 2: Participants in the study What does the new generation of employees really want from its employers, and what impact do these employees preferences have on HRM?*

| Participant | Man/Woman | Work experience (years) | Participant | Man/Woman | Work experience (years) |
|---|---|---|---|---|---|
| P1 | Woman | 10 | P13 | Woman | 9 |
| P2 | Woman | 15 | P14 (generation Z) | Woman | 1 1/2 |
| P3 | Woman | 13 | P15 | Man | 3 months |
| P4 | Woman | 10 | P16 | Woman | 13 |
| P5 (generation Z) | Woman | 3 | P17 | Woman | 10 |
| P6 | Woman | 5 | P18 | Man | 6 |
| P7 (generation Z) | Woman | 1 | P19 (Leader) | Man | 34 |
| P8 | Woman | 15 | P20 (Leader) | Man | 7 |
| P9 (generation Z) | Woman | 10 months | P21 (Leader) | Man | 16 |
| P10 | Woman | 16 | P22 (Leader) | Man | 19 |
| P11 | Woman | 4 | P23 (Leader) | Man | 12 |
| P12 | Woman | 14 | | | |

## 2.2    Material

In this part will be discussed the recording apparatus, procedure and the data analysis.

### 2.2.1   Recording apparatus

For the research, audio recordings were made of interviews; the participants were informed of this and provided their consent. The recording device was placed on the table and was directed at the participant during the interview.

### 2.2.2   Procedure

Each interview lasted about 20 minutes. First, the gender, age, education level, sector and the number of years of work experience of the participant were noted, after which an explanation about the research followed. After obtaining permission from each participant, the interviews were audio recorded. Participants' answers were also recorded in writing during the interviews. Almost every interview was later transcribed from the audio recording.

### 2.2.3   Data analysis

The interviews were transcribed and then each sentence was analysed and segmented on the basis of substantive agreement so that each segment dealt with one subject. The segments were then coded. The final step was quantification. The method used was based on the work of Mayring (2008) (Kohl, 2008).

Nicole Lis

# 3. Results

In this chapter, all the results of this qualitative research are elaborated and explained. The results of the interviews and desk research are outlined for each sub-question. For a full overview, see also Appendix 1.

A total of 23 peoples were interviewed, with 18 employees and five leaders. Three employees and one leader were interviewed from Jsk. Relating to Leen Bakker one employee and one leader. At the Aeres University of Applied Science, 14 employees and three leaders were interviewed, 78% from the education sector, which accounts for most of the results.

## 3.1    Sub-question 1: What values does the new generation have?

When performing desk research, the study by Ernst & Young was located and is included in the results. According to the study by Ernst & Young, the most important values of Generation Y are not success and career; rather, 74% of their respondents prioritised family and friends. Other criteria such as further education, work-life balance and a collegial working environment also keep the ranking higher. Members of Generation Y are demanding and also have a clear idea of leadership. Salary, family, fun, education and work-life balance must be in harmony for them. The values have to be right. Values must be lived and lived in the company (Heller, 2018).

Respondents were asked in the interview which values were most important to them. The verbal data shows that out of 18 respondents (employee), 33 mentions are coded for "values" and 145 mentions are coded for "conditions" (see Table 3 and Appendix 1). As for the "conditions", it is noticeable that most of the comments were about relationship (29 mentions), communication (28 mentions) and space (21 mentions). In terms of "values", there were a strikingly high number of references to respect (14 mentions) and honesty (10 mentions).

*Table 3: Interview results on the values of Generation Y*

| | Values (total resonance) | Quotes | | Conditions (total resonance) | Quotes |
|---|---|---|---|---|---|
| **Respect** | 14 | "respect and leave each other in value" | **Relationship** | 29 | "Actually, it must be a healthy |

Nicole Lis

| | | | | | |
|---|---|---|---|---|---|
| | | | | | relationship from both sides" |
| **Honest** | 10 | "I think honesty is very important" | **Communication** | 28 | "Especially listen to each other taking some time for each other that you communicate." |
| **Trust** | 9 | "Trust as an important point also, not that you are checked every time I do it well or not ... I am also young and do it for the first time, but I would like to watch it of course ... but I think trust is important." | **Space** | 21 | "Such time also have freedom to do that, that you are not held to very tight ties." |
| | | | **Salary** | 19 | "yes the reward again ... that you get your salary every month" |
| | | | **Team** | 15 | "would incorporate more team activities, more teambuilding" |

Nicole Lis

| | | | | | |
|---|---|---|---|---|---|
| | | | **Appreciation** | 13 | "I like it when people appreciate something I do" |
| | | | **Goals** | 13 | "That it is enough opportunities to grow, that there is career perspective, I say .." |
| | | | **Fun/enjoyment** | 10 | "Really have fun." |
| **Total** | **33** | | **Total** | **145** | |

## 3.2    Sub-question 2: What do companies need to adjust to?

For this question, the Ernst & Young study was also included in the results. In terms of *work-life balan*ce, the study found that Generation Y wants flexible working hours and more time away from work life. The balance between professional and private needs to be right. The tasks should correspond to their strengths. What they do should be fun for every individual, because only motivated employees are good employees. This also includes recreation, fun and more scope to develop creativity. In terms of *international communication*, the Ernst & Young study found that members of Generation Y want more open, less hierarchical communication. They want recognition and praise from their employer. The motivation increases when they are involved in the processes and their opinion is important for the employer. Values such as loyalty and respect are increasingly coming to the fore. A good working atmosphere, a good relationship with colleagues and the boss are more important than money. Hierarchy and control takes a back seat: communication at eye level is required. As for *further education*, members of Generation Y want to be challenged and promoted. They strive for continuous development and further education. The Ernst & Young study points out that employees contribute a great deal to the success of a business. Finally, the study found that members of Generation Y want a *family-friendly* work life. Reconciling a family situation with a job situation has become indispensable for high potentials, that means family is more important than job. Young women want to have children but do not want to give up their careers. Young men no longer want to

Nicole Lis

put their profession above the education of their children. Family-friendliness through companies has become more than ever a business necessity (Heller, 2018).

For the present study, respondents were asked in an interview if their organisation or business needs to change/adapt or what they would change in their work or in HR more generally. The verbal data shows that out of 18 interviewed employees and five interviewed managers, 160 mentions are "coded from the point of view of employees" and 24 mentions are "coded for manager" (see Table 4 and Appendix 1. It is noticeable that most of the comments on the relationship (29 mentions), the communication (28 mentions) and the space (21 mentions) speak of "adjusting from the point of view of the employees". In the area of "customising from the manager's point of view", there are a striking number of references to flat organisation structure (7 mentions) and salary (6 mentions).

*Table 4: Interview results on the adjustment of companies, of the view of employee and managers*

| Adjustment | Employee (total resonance) | Quotes | Managers (total resonance) | Quotes |
|---|---|---|---|---|
| **Growth opportunities** | 16 | "Depending on the growth." | | |
| **Flat organisational structure** | | | 7 | "As a leader you are in the team and not above." |
| **Develop** | 14 | "Yes if there were no new challenges I would rather look at something else." | | |
| **New challenge** | 18 | "Yes if there were no new challenges I would rather look at | | |

Nicole Lis

| | | | |
|---|---|---|---|
| | | something else." | |
| **Relationship** | 29 | "open attitude to manager and also different to ... appreciate " | 8 "I think you should not look for that same thing. The challenge of team leader should be to hire people who are almost threatening to you. That those persons can do things better than yourself" |
| **Communication** | 28 | "more listening to people working in the workplace than headquarters." | 3 "a lot of attention" |
| **Space** | 21 | "I cannot see any development "... no room for myself in terms of work or personal, then it's time to make a switch" | |
| **Salary** | 19 | "I would pay some more on how do I say that ... based | 6 "salary system must be renewed" |

31

| | | |
|---|---|---|
| | | on responsibility on behaving tasks that are done or opposed if it is not done if people perform poorly" |
| **Team** | 15 | "Less big teams" |
| **Total** | **160** | **24** |

### 3.3    Sub-question 3: What does inter-generational cooperation look like, and what are the points of friction?

According to a study by Carina Denner on inter-generational cooperation and leadership, some experts see the older generation as inhibited due to fears or prejudices. The communication reveals the critical and direct nature of Generation Y, which faces the formalities of the Baby Boomer Generation. Inter-generational leadership is especially critical when the traditional model of old leading young is overturned. Generation Y attaches importance to meaningfulness and in this sense tends towards a cooperative and participative leadership style. Baby Boomers appreciate hierarchy and structure, which is reflected equally in their favoured leadership style, which is described as authoritarian and controlling. This work also finds that there are differences between companies depending on average employee qualification. In expert organisations much more cooperation takes place than in organisations with, for example, lower qualification requirements. It remains to be discovered whether this is actually due to the qualifications of the employees or to the structures and framework conditions of the respective companies (Denner, 2014).

The verbal data shows that out of 14 employee interviews there are seven mentions of "inter-generational cooperation" coded and seven mentions of "friction points" are coded (see Table 5 and Appendix 1). Respondents were asked in an interview what inter-generational corporation looks like and what points of friction it has. It is striking that the comments on the good cooperation (seven mentions) and on the subject of friction (seven mentions) are in balance.

Nicole Lis

*Table 5: Interview results on the inter-generational cooperation and the points of friction*

| Inter-generational cooperation (total resonance) | | Quotes | Points of friction (total resonance) | | Quotes |
|---|---|---|---|---|---|
| **Good cooperation** | 7 | "it just goes really well. (interviewer: nice) good colleagues you do not notice a difference in time, No problem, one can learn from the old teacher" | **Another vision** | 7 | "Some older people, I say ... are here: we're used to that, that's the way it is and that's how it stays." |
| **Total** | **7** | | **Total** | **7** | |

## 3.4    Sub-question 4: Which challenges arise in HRM?

The verbal data shows that, out of 18 employee interviews, 51 mentions of "challenge HR from the employee's perspective" and four mentions of "challenge HR from the manager's perspective" are coded (see Table 5 and Appendix 1). Respondents were asked in an interview if their organisation/operation needs to change, what they themselves would like to change in their work, what should be changed in relation to HR and what challenges arise for HR. It is noticeable that there were a high number of comments on the space (21 mentions), growth opportunities (14 mentions) and development (14 mentions) for "challenge HR from the employee's perspective". For "challenge HR from the manager's perspective", the comments were focused on supporting/concentrating on positive things (two mentions), education for employees (one mention) and space (one mention).

Nicole Lis

*Table 6: Interview results on the challenge that can arise HRM, of the view employee and manager.*

| Challenge – HR | Employee (total resonance) | Quotes | Challenge – HR | Manager (total resonance) | Quotes |
|---|---|---|---|---|---|
| **Growth opportunities** | 16 | "If it is said that you have the opportunity to grow and if this is not possible then it would be a reason to look for something else." | **Support/concentrate on positive things** | 2 | "More to the qualities of a person and not on things that are not going well." |
| **Develop** | 14 | "if I really cannot develop further within the company where I am now I would choose a change" | **Education for employees** | 1 | "Improve the knowledge for employees." |
| **Space** | 21 | "yes more times to prepare lessons to keep up to date, so the lesson preparation times are becoming less and less." | **Space** | 1 | "Problem is with more flexibility ... it is very difficult to fine-tune procedures." |
| **Total** | **51** | | **Total** | **4** | |

## 3.5    Sub-question 5: What impact do firm and flexible employment contracts have on the new generation?

In an article by Tina Groll, the readers of the newspaper Zeit Online were asked about the topic that younger employees allegedly did not want to be permanently employed but to work flexibly. According to this view, they are less interested in careers than in jobs that they find useful – only for these are they are willing to give their utmost. Studies by trade unions have never confirmed this. That's why the readers of de Zeit Online were asked about their experiences. There was a high response rate, with a result, the prevailing image of the

Nicole Lis

Generation Y hardly confirm the above topic of the article. Instead, they report on a working world that demands maximum flexibility but does not even offer a minimum of security. Overall, the readers agreed: the glossy media image of a supposedly self-confident generation choosing only the best jobs on the job market must be deconstructed (Groll, 2015).

For the purposes of the present study, interviewees were asked what impact a fixed or flexible employee contract has on the new generation. The verbal data shows that out of 18 employee interviews and five manager interviews, "contract" was mentioned 21 and nine times respectively (see Table 7 and Appendix 1), which lists all results of verbal analysis. It is noticeable that a large number of the comments are about firm contract what from of employees (15 mentions) and about flexible contract (6 mentions). On the manager side is noticeable on this topic on firm contract (five mentions) and flexible contract (four mentions).

*Table 7: Interview results on the impact firm and flexible employment contracts have on the new generation.*

| Contract | Employee (total resonance) | Quotes | Manager (total resonance) | Quotes |
|---|---|---|---|---|
| **Firm** | 15 | "Fixed contract is a safe feeling" | 5 | "Fixed contract gives a bit of confidence. Confidence of the employer to employee." |
| **Flexible** | 6 | "it depends on the sector where you work" | 4 | "More for flexible contract, that you are flexible." |
| **Total** | **21** | | **9** | |

Nicole Lis

# 4. Discussion

The purpose of this research was to get an overview of what the new generation wants, what companies want, and how these preferences affect HR. Given the fact that so far a large number of companies have underestimated the importance of proper interaction with the new generation, this study has also sought to explain what the new generation wants so that HR departments can tailor or, if necessary, change their approaches. Drawing on desk-based research and a series of interviews with experts, the study has addressed five questions about what the new generation of employees want from their employers and what impact these preferences have on HRM.

During the investigations, there were also limitations, such as, for example, the challenge of interviewing employees and managers from several different sectors or companies to get a diverse dataset. For this purpose, individuals were approached in person at particular businesses such as Gamma (hardware store), De Groot (animal feed business), Praxis (hardware store) and Super Tank (fuel trader). For the most part it was the case that an e-mail address was received from the manager in order to carry out the project in detail by e-mail, or there was a rejection on the spot. E-mail traffic was not successful; some potential participants never responded while others cancelled purely on the grounds that the company was too small or had only one employee of Generation Y age. Another limitation to be taken into account is that the interviews were conducted in Dutch and translated into English.

Results of relating to "values" show that values such as communication, space, respect and honesty are key values for the new generation, supporting Ernst & Young's statement that education, work-life balance and a collegial work environment are important (Heller, 2018). This is a possible explanation for the fact that people do not want to be considered as resources while working, but as human capital. It highlights, too, the importance of dealing with staff as humans and responding to their needs. According to Karin Manuel, Generation Y is against structure, but this view is not entirely consistent with the results of the interviews. A possible explanation for this apparent discrepancy is the fact that views on structure differ from person to person such that the generation as a whole has no single, coherent position in this respect. These results therefore suggest that Manuel's view should not be treated as a generally applicable theory.

Potential company adjustment results indicate that issues such as relationship, communication, space, a flat organisational structure and salary are important in relation with employees and employers. Furthermore, the interview results also highlight that a varied work life with

36

opportunities for further development is also of importance for the new generation, and that they will remain longer with employers who offer these things. This also supports Karin Manuel's statement, which emerged from her research, that members of Generation Y often do not fundamentally change their job but seek a change due to not being sufficiently stimulated or challenged in organisations. Many organisations are still classically organised, which has more of a negative impact on people because they treat humans as machines (HRzone, 2017). The study by Ernst & Young also supports the statement that work-life balance, further education, internal communication is becoming more open and hierarchies are becoming less (Heller, 2018). One implication of this is that HR departments seeking customisation options should review and, if appropriate, adjust their company policies relating to the above points.

In the field of inter-generational cooperation, it is striking that the number of results of the interviews are the same in terms of good cooperation with the generation and intergenerational friction. This is supported by the statement of Carina Denner that inter-generational leadership is particularly critical when the traditional model of the old leading the young is overturned. The investigation of C. Denner found that there are differences between companies depending on the average qualification of employees. There is much more cooperation in specialised organisations than in organisations with, for example, lower qualification requirements (Denner, 2014).

A possible explanation for the cooperation between the old and the younger generation is that it depends on how open both generations are toe each other. This is reflected in the day-to-day collaboration, such as helping each other, to have good atmosphere in own team, that the younger generation can learn from the older generation and also reversed that the younger generation can help the older generation in relation with the new technology. Feeling fears and being pressured that the older generation is changeable can highlight negative behaviour towards the younger generation. The sticking point is that the older generation usually does not communicate openly when things do not fit or over their fears. This is reflected in behaviour towards the younger generation. In which the opinion or ideas of the younger generation is not accepted.

As discussed in Section 1.3.1, Dirk Jan Verheijen has identified the blind spot of HRM. He lists three important points: social action context, adaptation policy and reflection on modernisation. Dirk Jan Verheijen quotes an important statement from Fowler: *"People are an end in themselves and not a means, so the intrinsic value of every human being is important."* (Fowler & towards Verheijn, 2012). Important points that have emerged as a result of the interviews,

37

Nicole Lis

space, opportunity for growth, development, support and focus on positive things. Another possible explanation for these issues is that the HRM challenge depends on a number of factors that have emerged. An important factor in the HRM challenges is in which work sector and culture. Each country has a different culture and thus also different challenges.

The results of the interviews in terms of employment contracts clearly shows that a fixed labour contract remains more important than a flexible contract, even for the new generation. The reason for preferring the fixed employment contract is the sense of security and belonging. From the point of view of the employer, the meaning of a fixed labour contract is a sign of trust towards the employee. This is supported by the statement that, according to a Uitvoeringsinstituut Werknemersverzekeringen (UWV) labour market forecast, fixed employment contracts have high cost and risk factors for the employer. This is influenced by the applicable Dutch laws and regulations. This influences the decision between fixed and flexible employment contracts through government policy. Furthermore, the statement of Tina Groll supports the readers of the online time, who said that "young employees do not want to be permanently employed, but work flexibility". Which is not correct, because it turned out that the working world demands maximum flexibility, but does not even offer a minimum of security and not that the younger employees demand it. Moreover, employees have no choice between flexible and fixed employment contracts. A possible explanation for the whole in relation to the results of the interviews and the literature is that new generation workers want a permanent contract of employment and employers are influenced by higher powers and the law on the awarding of employment contracts.

An issue that was not expected but that was nonetheless highlighted during the investigation is that certain factors such as sector and culture play a crucial role in HR from the employer's side. This should be taken into account in a follow-up study to get a more accurate picture of what differences occur here and how relevant they are. Furthermore, it is recommended to ensure that respondents in a follow-up study are drawn from a greater diversity of sectors/companies.

The result of the investigation is satisfactory. With the help of the interviews it was possible to find out what the target group really wanted from their employers and how the new generation employees and their employers could be better matched. In the following conclusion section, the results are used to inform recommendations for how HR can adapt to the different companies.

# 5. Conclusion and Recommendations

This section outlines the main conclusions of the research project, taking each sub-question in turn and ultimately addressing the main research question of the thesis. It also provides recommendations for HR departments. This study serves as an aid to HR departments in various companies. The HR managers should be informed about what the members of the new generation really want from their employers and what impact this has on HR. Furthermore, the possibilities of a good interaction between companies and Generation Y are elaborated and described, and the conditions required to ensure a successful match between employers and Generation Y employees are outlined.

## 5.1    Conclusion by Sub-Questions

### 5.1.1    Sub-question 1: What values does the new generation have?

Notably important values of the new generation are communication, space, respect and honesty. Furthermore, the focus is on further education, work-life balance and a collegial working environment. In summary, this generation – informed by its values – wants to be considered human and not a means to an end.

### 5.1.2    Sub-question 2: What do companies need to adjust to?

The values of the generation, such as relationship, communication, space, flat organisational structure and salary are also reflected here. This should be in balance. Furthermore, also of importance, varied work with opportunities for further development if you want a longer relationship between employer and employee. Companies should adapt where the above points do not match and are still classically organised among others. It is important to see the employee as a person and not as a means to an end, which in turn has a positive impact on the company.

### 5.1.3    Sub-question 3: What does inter-generational cooperation look like, and what are the points of friction?

The inter-generational cooperation between young and old is both positive and frictional. Positive cooperation is characterised by good communication with each other, helping each other, acceptance, no age difference noticeable and knowledge transfer from old to young. With the point, no age difference noticeable, it is meant that during the cooperation between younger and older generation, one does not feel the age difference. This cooperation is comparable to that of an employee of the same generation. Frictions that may arise in an inter-generational collaboration are no acceptance because the young employee is viewed as a threat, that the older generation sees the younger employees as lacking in experience and that the older generation

39

cannot be submit to the authority of a younger individual. Other key points are superiority and uncertainty, which projects the negative behaviour from the older to the younger, and the traditional model of the old leading the young being no longer intact.

### 5.1.4   Sub-question 4: Which challenges arise in HRM?

The biggest challenge of HRM is the adaptation of things that do not work or have not gone well in the company so far. This may include, for example, looking at people as human beings and not as means to an end. For this, more attention needs to be paid to the values that the new generation has. Important values in relation to the challenge are space, opportunity for growth, development, support and focusing on positive things. If an organisation is to be a success, it must invest in its employees; the most important aspect is human capital. This must be the top priority in HR. The next important challenge pertains to the political laws that can impact on HRM depending on the sector. It is also important to consider national and culture differences, because each country has different cultures, so there may also be deviations here.

### 5.1.5   Sub-question 5: What impact do firm and flexible employment contracts have on the new generation?

The influence of the form of employment contract is crucial for the new generation. Most want to have a firm contract for reasons of security and belonging. From the employer's perspective, the flexible contract is welcome as it minimises cost and risk. This has to do with government policy, that is, the laws and regulations that affect employers in their use of firm and flexible contracts. A firm contract entails a high cost and risk factor, where one or the other employer thinks to give the flexible contract. Due to the cost factor, the flexible contract is more lucrative for the companies. Even if the employer prefers a firm contract, it is usually too expensive. In this sense, the employer and employee are victims of laws and regulations.

### 5.2   Overview and Recommendations

The new generation employee wants to be seen by his or her employer as a human rather than a resource. This means that the new employees' values are important, namely: communication, space, respect and honesty. In addition, further education, work-life balance, a collegial working environment and a varied work life ensures loyalty to a company and a good match between employer and employee. Furthermore, given the adaptation of HR in organisations, the focus must always be on the person; consideration of individuals must inform actions, because one must not forget the human aspect of human capital. A company must invest in its employees if it is to succeed. Thus it is a take and give principle. By changing through

40

adaptation to the new generation, HR must not forget the older generation that remains important, not least due to the importance of ensuring positive inter-generational cooperation. In terms of employment contracts, it is important for Generation Y to have a firm contract in order to have a sense of security and belonging. However, this is difficult for the employer because a fixed contract, thanks to government policy of laws and regulations, entails high cost and risk factors.

It is recommended for HR departments to check whether their companies can cover the values of generation Y. If this is not the case, there is an acute need for action to create a good match. In addition, the human capital aspect should again be highlighted as the most important point in the HR department. This means that the human capital aspect is always at the forefront of any change processes that will be undertaken in the HR area in the future. Considering that the employee is considered and treated as a human being, it also has positive effects for the company. Because a motivated employee who feels comfortable in the company can deliver top performance and this can also have positive effects on the company's sales. It is therefore important and advisable to invest in your employees, be it in the form of further training measures or growth opportunities within the company. A good example of the implementation of an HR process that really addresses people here is the HR cycle. In many companies, employee interviews are held, which up to now have usually been conducted according to standard processes: Planning discussion, progress discussion and assessment discussion. Here it is important and advisable to adapt these conversations and concentrate more on the employee as he or she currently stands and feels and then combine this with the company goals. For example, instead of a planning discussion, name an ambition discussion and explain here how the employee is doing and how to take his or her personal situation into account. Because if in the private sector what is not in harmony, this can also have a negative influence on work. Furthermore, ask questions about what can be improved in the company or what is going well in order to take the employee more into account in order to create a better working relationship. Another recommendable point is where classic organizations still prevail that convert into flat hierarchies. Intergenerational cooperation should also be strengthened, perhaps with the help of an Old & Young programme. For example, an Old & Young program may include: Working groups between the older and younger generations, where knowledge transfer is also taken into account, then open discussions can be held. That is, if there are points of friction between the generations, it is openly discussed here. To create a workshop that should help the generations to understand each other better, for example by showing the different values of the generations.

Nicole Lis

In the field of employment contracts, HR should also change something, ensuring that more fixed contracts are awarded than flexible contracts. If all the issues highlighted here are in harmony, the employee feels comfortable and also works diligently and thus any risk and cost factors are reduced. Indeed, these risks only come to existence if the employee only lingers briefly or if his or her work performance begins to decline.

If all these points are taken into account by the HR departments, a good match between new generation employees and employers can be ensured.

The most important steps for improvement are presented here in a table that can be used by HR departments.

*Table 8: Improvement/Change-table as a guideline for HR-departments.*

| Question | Answer | | Adjustment points | Period to when | Complied | |
|---|---|---|---|---|---|---|
| Do our working conditions match the values of the new generation? | Yes☐ | No☐ | Text | Click here to enter date | Yes☐ | No☐ |
| Is there varied work? | Yes☐ | No☐ | Text | Click here to enter date | Yes☐ | No☐ |
| Sufficient continuing education opportunity? | Yes☐ | No☐ | Text | Click here to enter date | Yes☐ | No☐ |
| Fixed employment contract? | Yes☐ | No☐ | Text | Click here to enter date | Yes☐ | No☐ |
| Flat hierarchy | Yes☐ | No☐ | Text | Click here to enter date | Yes☐ | No☐ |

This table can be worked out individually by HR departments.

Nicole Lis

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Nicole Lis

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44

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Nicole Lis

46