



Mind the gap: Generation Y and Z socio-economic choices

Lj. Naumovska¹, B. Novkovska¹

¹ University of Tourism and Management Skopje

Abstract

The differentiation of generation's under the influence of technology has caused rapid and radical changes in the 21st century in social and economic aspect. The development of new technology is constantly changing the ways that people look for work, perform tasks, buy and make decisions. Generation Y and generation Z are the most technologically and media driven generations, experiencing the 4th industrial revolution, economic and social turbulences and global changes. Hence, understanding the characteristics of generations Y and Z, and its chronological difference as well as the characters of the individuals is of importance not only for present analyses, but also for forecasting the future. In Macedonia, the rather high unemployment rate and risk of poverty create particular difficulties to economic progress of generations Y and Z. Minding the gaps in professional rise of Generation Y that occurs because of the unfavorable economic environment, we can optimistically rely our forecast that, the negative effects can be reduced for Generation Z, taking into account the positive trend of internet use and access to data, education and socialization. However, this assumption must be modeled properly in frame of proposed measure in order to create effective and sustainable furthering of Generation Z professional development, education and socialization. Appropriate economic policies on the national level are required in order to benefit the most from the potentials of generations Y and Z.

1. Introduction

A generation is defined as a cohort of people born within a particular period of time. Respectively, generational interval is nearly 20 years in interval. The twenty-year interval is the break of an average human lifecycle of about 80 years into four different stages: youth, rising maturity, midlife, and elderhood (Howe and Strauss, 2007, p. 60).

A generation has joint mindsets about family, lifestyle, gender roles, establishments, politics, professions, social life, religion, life- style, and the future (Howe and Strauss, 2007, p. 63).

However, the differentiation of generation's under the influence of technology has caused rapid and radical changes in the 21st century. These changes have brought about the people, who belong to different generations, to have different personalities, choices and values. The development of new technology is constantly changing the ways that people look for work, perform tasks, buy and make decisions. The changes followed in economy, culture and social life and politics influence the perception, expectation and viewpoints of the individuals profoundly. Out of all active generations, the two youngest generations - Generation Y (Millenials) and Generation Z have the most distinctive characteristics that are related with their current socio-economic state and choices.

The central reason why many researches examine these two generations today is the strong influence of the socio-economic choices of the individuals that can be observed more clearly within the generational concept defining their behavior as decision makers, employers, communicators and employees. Further more, the influence of Generation Y over Generation Z can be perceived as a determining factor for measuring current and predicting future socio-economic state and choices.

1.1 Understanding Generation Y

Generation Y was born between years 1980 – 2000. They are children of the Baby Boomers and rose up in a time of continuous economic and global change such as rise of woman leaders, inclusion programs for ethnic and cultural diversity, rise of ecological and social mindfulness,



technological and digital revolution, and globalization (Talay et al., 2015). Regarding their positioning as employees, they have lived through instability in the labor force in the early 90s, and uncertainty in the economy and the workforce over the past decade. Gen-Y have seen the transition from the view of relative job security to “employment at will” where employers are less loyal to employees. (Families and Work Institute, 2006). This generation enjoys the competition in business life and expects to work in a competitive environment. The Y employees want to be led at the corporation they work for and prefer an individual work supported by coaching. The 75% of the employees want a mentor. The 80% of them expect feedback from the executives (Adigüzel et al., 2014). In order to motivate the Generation Y, who challenge the authority, do not like the orders and hierarchy and not are impressed by the title and position, need a manager believing in and supporting them. The highly appreciate the fun in the workplace and set up of a pleasant work environment. The Generation Y expecting quick promotions because of their intolerant personalities. They may simply change the job unless they are promoted. The Generation Y, with its character open to change, do not have a difficulty in adapting to the new companies in which they are employed (Naumovska and Milenkovska, 2017). For Gen Y is no longer a major motivating financial evaluation criterion. Emphasis is placed on other bonuses and options of work-life balance that employers offer (Rigotti, 2009; Robinson and Morrisson, 2000; Zhao et al., 2007).

In terms of social and communication styles, Millennials are surrounded by information and communication technologies, by the globalized world and by the power to travel international. Therefore, they live in the world without barriers; generation Y raises interest in international ideas, international cultures and global business (Kubátová and Kukulková, 2013). They are a generation who is able to keep pace with the global socio-economic change. They respect diversities in races, genders, ethnic origins, cultural values and sexual choices. They dominantly use the social media for communication and entertainment as well as an information repository in their business.

1.2 Understanding Generation Z

The Generation Z, consisting of the people born since year 2000, are also called as Children of Internet, Digital Generation, Media Generation, .com Generation, iGen F88 or Instant Online (Levickaite, 2010). Generation Z, known also as “Net generation” and “Digital natives”, is of particular interest for researchers do to its specifics originating from the changes caused in the everyday’s live by the new technologies. This cohort is known to be highly vulnerable to several economic and social risks, depending on the characteristics of the society where they live (Novkovska and Serafimovic, 2018).

The most typical qualities of the Generation Z are confidence, freedom, individualism, addiction to technology and promptness (Stojanova et al., 2015). The evaluations carried out regarding the Z generation cannot go beyond assumption as they are under age, their characters are not matured and it is not known what events may have an impact on them in the years to come. They have been equipped with the technological devices since they were born and hence, the development of technology is the most distinctive trait of the Z generation. Apps, games and mobile devices are very vital part of their life. It is estimated that the social media would leave impacts and cause addictions on the members of the Z generation. The members of this generation accessing to any kind of information on Internet they need are supposed to be the most connected generation ever born. This generation, which wants anything to happen instantly because of the impact created by the advancement of technology, is impatient exactly like the Generation Y (Kubátová and Kukulková, 2013). Their attention span is very short. One of the positive traits contributed to this generation by the Internet technology is that they are able to be interested in more than one subject at the same time. The Zs like activities and games allowing creativity. Their most distinct traits are socializing through Internet, consuming promptly, interactivity, efficiency, gamification and instant gratification. Unlike Gen Y, they are expected to live under better living standards, longer and be wealthier than the previous generations thanks to the advanced technology (Stojanova et al., 2015).



They may benefit from the advantages of the education they get in business life. The aforementioned traits cannot be beyond a supposition as the economic and political processes that may be arisen when the Zs reach the working age.

2. Economic and social environment for youth

2.1 Economic environment

Main features of the economic environment and demographic situation for generations Y and Z in Macedonia, Croatia and Slovenia are displayed in Table 1. For a comparison, data for EU-28 are shown in the same table. Two years (2007 and 2017) are selected for making clearly visible the temporal variations. Data used in the analysis are extracted from Eurostat database and MakStat database of State Statistical Office of Republic of Macedonia. Generation Z corresponds to the age group 0-18 years, while the age group 20 -39 years corresponds to Generation Y.

It is observed that in EU-28 share of the age group 0-18 years in the total population decreased slightly: from 20.8 % to 19.8 %. In Slovenia the decrease is even smaller: from 18.6 % to 18.5 %. This is an indication that the demographic changes already resulted in relatively stable distribution of the population. In the case of Macedonia the changes are rather important: from 25.2 % to 21.3 %. Situation in Croatia is similar, with a decrease from 20.3 % to 18.7 %. Roughly, about 20 % of the population in all considered countries constitutes the Generation Z. Similarly; about 25 % of the population belongs to the Generation Y, except in Macedonia where the share is substantially higher – above 30 %. This difference is connected to the fact that the aging of population in Macedonia is still significant.

Table 1. GDP and population, 2007 and 2017 (Participation in %)

GEO/TIME	Real GDP		0-18		15-19		20-39		Total	
	growth rate –									
	volume									
	2007	2017	2007	2017	2007	2017	2007	2017	2007	2017
EU (28)	3.1	2.4	20.8	19.8	6.1	5.3	27.8	25.2	100.0	100.0
Macedonia	6.5	0.2	25.2	21.3	7.9	6.0	30.6	30.3	100.0	100.0
Croatia	5.3	2.9	20.3	18.7	6.0	5.4	26.6	25.6	100.0	100.0
Slovenia	6.9	4.9	18.6	18.5	5.9	4.5	29.1	25.3	100.0	100.0

Source: Eurostat database

Note: Data for Macedonia for 2017 are preliminary - GDP real growth rate in %

2.2 Position on the labour market

Particular difficulty for Macedonia is the unstable economic growth, as illustrated by the figure of the real GDP growth for 2017.

Table 2. Unemployed for Y and Z Generations by educational attainment, annual (%)

Year	Age group	2007				2017			
		Total	15-19	20-24	20-39	Total	15-19	20-24	20-39
Total		100	100	100	100	100	100	100	100
Without education		1.7	2	1.5	1.5	0.4	-	:	:
Incomplete primary education		4.7	4.9	2.3	3.4	2	:	1.7	:
Primary education		29.5	35.3	21.8	27.3	20.5	11.8	10.4	14.3
3 years of secondary education		15.3	12.4	12.9	14	7.1	12	4.1	5.4
4 years of secondary		39.3	45.3	53	43	49	74.2	65	49.4



education

Higher education	2.1	0.2	1	1.5	1.1	-	-	:
University level education	7.4	-	7.3	9.4	19.8	-	18.5	28.4

Source: SSO, Makstat database

- = no occurrence

: = confidential (individual) data

The above finding signals that the situation of Generations Y and Z is rather parlous, since a stable prosperous economic environment is requested in order to provide good education and possibilities for employment.

In Table 2 distribution of unemployed in Macedonia by educational attainment for different groups is shown. A rather negative feature of this distribution is the relatively high share of young people with university level education that are unemployed. This share increased from 9.4 % to 28.4 % for the Generation Y. Therefore, the increased enrolment in higher education did not result in relatively secure employment for Generation Y, because of the unfavorable general economic environment. The part of the Generation Z that belongs to the working age population confronts even worse situation: the unemployment for the age group 15-19 in 2017 attained 74.2 % compared to 45.3 % in 2007.

In order to obtain more details on the socio-economic position of the Generations Y and Z, the share of corresponding age groups for years 2007 and 2017 by educational attainment level is shown in table 3. It is seen that the share of age group 20-29 years with tertiary level education in employment in 2017 (33.4 %) is significantly higher than that in 2007 (17.2 %). Along with the result for unemployment, this leads to the conclusion that even if much more young people with higher education are employed in last several years, this increase is significantly lower than the increase of the part of the same age group that attained the given educational level.

		Less than primary, primary and lower secondary education (levels 0-2)	Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	Tertiary education (levels 5-8)
2007	Total	26.0	54.2	19.8
	15-19	57.4	42.6	-
	20-24	20.7	71.0	8.3
	20-39	20.8	62.0	17.2
	Total	18.4	55.5	26.1
2017	15-19	27.1	72.9	-
	20-24	6.1	79.1	14.7
	20-39	11.4	55.2	33.4

Source: Eurostat database

Table 3. Employed generations Y and Z by educational attainment, annual (%)

2.3 Risk of poverty

Precarious situation on the labor market in Macedonia leads also to increased at-risk-of-poverty rate by poverty threshold. It is seen that for all years considered this rate is higher than 20 %. For the Generation Z the rate is higher than 30 %, which is substantially higher than in other considered countries in the region (Table 4). This is in close connection with the rather low employment rate of Generation Z of about 5.0 %. This is a serious concern for the policy creation, requiring solutions for increasing employment possibilities for the Generation Z in near future in terms of social and economic status. Such policies have to take into account particularities of the Generation Z. Therefore, in deep research is required in near future in order to identify all perspectives for their



economic advancement. Further in this paper we make an attempt to identify the most important advantages of generation Z over the others in order to provide a solid basis for new economic policies aimed at substantial increase of the economic growth and living standard, as well as a reduction of the social exclusion of vulnerable groups.

Table 4. Employment rate and at-risk-of-poverty rate by poverty threshold for Y and Z Generations, by years (%)

GEO/TIME	Employment rates				At-risk-of-poverty rates			
	2007	2010	2016	2017	2007	2010	2016	2017
AGE	Total							
EU (28)	65.3	64.1	66.6	67.7	NA	16.5	17.3	16.9
Macedonia	40.7	43.5	49.1	50.5	NA	27.0	21.9	NA
Croatia	59.0	57.4	56.9	58.9	NA	20.6	19.5	20.0
Slovenia	67.8	66.2	65.8	69.3	11.5	12.7	13.9	13.3
AGE	From 15 to 19 years							
EU (28)	19.2	16.0	15.7	16.1	NA	22.9	23.9	23.7
Macedonia	6.7	5.4	4.6	4.8	NA	32.2	33.5	NA
Croatia	7.9	6.4	7.6	7.8	NA	24.1	26.6	24.0
Slovenia	17.2	14.5	8.6	12.9	11.2	13.6	14.6	12.7
AGE	From 20 to 24 years							
EU (28)	54.8	50.4	50.7	52.2	NA	20.9	23.4	22.7
Macedonia	23.5	24.9	26.1	28.4	NA	28.9	24.7	NA
Croatia	45.2	40.8	42.8	43.1	NA	21.9	17.1	15.2
Slovenia	55.2	49.3	46.2	54.3	8.8	8.6	14.7	12.6
AGE	From 20 to 29 years							
EU (28)	65.5	61.7	62.6	63.9	NA	17.8	20.5	20.2
Macedonia	33.4	36.4	38.3	40.5	NA	27.1	21.1	NA
Croatia	60.7	55.2	54.8	56.2	NA	16.8	15.2	13.9
Slovenia	68.5	63.0	60.6	67.1	8.3	8.9	14.6	12.1
AGE	From 25 to 29 years							
EU (28)	75.3	72.4	73.2	74.3	NA	14.8	17.8	18.0
Macedonia	43.5	47.9	49.6	51.5	NA	25.1	17.7	NA
Croatia	75.1	68.3	66.2	68.7	NA	12.2	13.4	12.6
Slovenia	80.6	75.7	73.1	78.1	7.7	9.2	14.4	11.7
AGE	From 25 to 49 years							
EU (28)	79.8	78.2	78.9	79.8	NA	14.9	16.2	15.8
Macedonia	53.0	55.7	61.3	63.1	NA	27.1	22.0	NA
Croatia	77.0	74.3	74.0	76.5	NA	15.7	15.6	15.0
Slovenia	87.6	85.0	84.3	86.8	9.1	10.0	12.0	11.4

Source: Eurostat database

NA: not available

Note: *At risk of poverty rate (cut-off point: 60% of median equivalised income after social transfers)

2.4 Use of internet

Data from Eurostat database for Internet use by the individuals show that there is a constant



tendency in increasing the usage of the Internet by all individuals and especially by the individuals aged from 16 to 24, and consequently there is a constant decrease of the participation of individuals that have never used internet (Table 5). The participation of the individuals who have used internet in the last 3 months increases from 57% in 2007 for all individuals in EU28 to 84% in 2017, while the participation of young people (16-24) was already high in 2007 (84%) and it increases even more in 2017 when this participation shows that almost every individual of Generation Z (97%) have used internet in the last three months.

In the Republic of Macedonia, the situation is almost the same, the participation grows from 42 % in 2008 to 75 % for all individuals and from 77 % to 97 % for young people aged from 16 to 26. Compared to Slovenia, Macedonia has faster pace of growth of the participation of individuals in the use of the Internet (from 77% in 2008 to 97 % in 2017, while in Slovenia the participation grows from 94 % in 2008 to 98 % in 2017). The situation with Croatia is almost the same as it is in Macedonia.

Table 5. Internet use by individuals, total population and individuals from 16 to 24 years old, by years (Percentage of individuals)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Last internet use: in last 3 months											
All Individuals											
EU (28)	57	61	65	68	71	73	75	78	79	82	84
Macedonia	:	42	50	52	:	57	65	68	70	72	75
Croatia	38	42	47	54	58	62	67	69	70	73	67
Slovenia	53	56	62	68	67	68	73	72	73	75	79
Individuals, 16 to 24 years old											
EU (28)	84	88	91	93	93	95	95	96	96	97	97
Macedonia	:	77	88	80	:	88	96	94	93	99	97
Croatia	73	85	83	92	93	98	97	95	98	99	98
Slovenia	89	94	98	97	99	97	98	97	99	97	98
Last internet use: in the last 12 months											
All Individuals											
EU (28)	60	64	67	71	73	75	77	80	81	84	85
Macedonia	:	46	52	54	:	60	66	70	73	75	76
Croatia	41	44	51	57	60	63	68	70	71	74	69
Slovenia	57	58	64	70	69	70	74	74	75	76	80
Individuals, 16 to 24 years old											
EU (28)	88	91	93	94	95	96	96	97	97	97	98
Macedonia	:	81	89	82	:	89	96	94	93	99	98
Croatia	81	86	90	95	95	99	99	97	99	99	99
Slovenia	94	94	98	99	99	98	98	98	100	97	98
Internet use:											
never											
All Individuals											
EU (28)	37	33	30	27	24	23	20	18	16	14	13
Macedonia	:	51	47	44	:	39	33	29	26	23	21
Croatia	56	54	47	42	39	35	29	28	26	23	28
Slovenia	39	40	33	28	29	28	23	24	22	22	18
Individuals, 16 to 24 years old											
EU (28)	10	7	5	4	4	3	3	2	2	1	1



Macedonia	:	15	10	17	:	11	4	6	6	1	2
Croatia	16	13	8	4	2	1	0	1	1	1	1
Slovenia	2	4	1	1	1	2	1	2	0	3	1

Regarding the total population who has never used internet in Macedonia the percentage is 21 while in EU (28) is 13, in Slovenia 18. In Croatia the percentage is 28, so Macedonia has better situation, but when we are looking the percentage for the young people (16-24) than Macedonia has 2 % of the young population that have never used internet while in EU (28), Slovenia and Croatia the percentage is 1. However the trend is positive, because in 2008 the percentage of the young population who have never used internet was 15 % and it is constantly decreasing, attaining in 2017 the value 2 %.

Based on above analysis it can be affirmed that the access to internet and ability of Generation Z from Macedonia tends rapidly to attain the values typical for EU-28, Slovenia and Croatia. This feature is a promising condition for improvement of the position of Generation Z on the labour market in near future and consequently reduction of the risk of poverty. Therefore, the effective education providing appropriate knowledge of digital technologies, can be a strong tool in recovering the economic growth and prosperity of the country.

Conclusions

The unique features of Generation Y and Generation Z, as they rise mainly from the digital and technological revolution, can be seen as uprising step in human interaction, education and work. Following the environmental conditions shaping the socio-economic status of Generation Y, one can carefully predict the positive and negative trend of the Generation Z development course in terms of economic choices, education and financial status. Minding the gaps in professional rise of Generation Y that occur because of the unfavorable economic environment, mainly manifested through the high unemployment rate and risk of poverty, we can optimistically rely our forecast that, the negative effects can be reduced for Generation Z, taking into account the positive trend of internet use and access to data, education and socialization. However, this assumption must be modeled properly in frame of proposed measure in order to create effective and sustainable furthering of Generation Z professional development, education and socialization. Learning the lessons from their predecessors and utilizing the digital era advantages, it is safe to predict Generation Z can achieve much better economic performance, employment and social inclusion. In order to benefit the most from the potentials of Generations Y and Z, appropriate economic policies on the national level have to be developed, taking into account the capabilities of these generations to cope effectively with the challenges of modern economy.

References

- Adıgüzel, O., Batur, H.Z. and Ekşili, N., (2014), "Generation's Changing Side And The Newly Arisen Work Style After Y- Generation: Mobile Collars", *Journal of Süleyman Demirel University Institute of Social Sciences*, 19, 165-182
- Berkup S. B., (2014), "Working with Generations X and Y in Generation Z period: management of different generations in business life", *Mediterr. J. Soc. Sci.*, 5, 19, 218–229
- Talay, M.B., Townsend, J.D. and Yeniuyurt, S., (2015), "Global Brand Architecture Position and Market-Based Performance: The Moderating Role of Culture", *J. Int. Marketing*, 23, 2, 55-72.
- European Commission: *Eurostat database*. <https://ec.europa.eu/eurostat/data/database>, accessed 2018-10-20
- Families and Work Institute, (2006), "Generation and Gender in the Workplace", American Business Collaboration, <http://familiesandwork.org/site/research/reports/genandgender.pdf>, accessed 2015-02-18
- Howe, N. and Strauss. W., (2007), *Millennials Go to College: Strategies for A New Generation on Campus*, 2nd ed., Lifecourse associates, Great Falls, VA
- Kubátová, J. and Kukulková, A., (2013), *Interkulturní rozdíly v pracovní motivaci generace Y: příklad České republiky a Francie [Intercultural Differences in Working Motivation of Generation Z: Example of*



5th International Conference on Research in
Behavioral and Social Science
Spain | Barcelona | December 7-9, 2018

Czech Republic],

Univerzita Palackého v Olomouci, Olomouc, p. 128

Levickaite, R., (2010), “Generations X Y Z: How Social Networks Form The Concept Of The World Without Borders The Case Of Lithuania”, *LIMES: Cultural Regionalistics*, 3, 2, 170-183

Naumovska, L. and Milenkovska, A., (2017), “Marketing to children: the impact of digital media”, *International Journal of Academic Research in Business and Social Sciences*, 7, 5, 276-283

Novkovska, B. and Serafimovic, G., (2018), “Recognizing the vulnerability of Generation Z to economic and social risks”, *UTMS Journal of Economics*, 9, 1, 29-37

Stojanova, H., Blašková, V., Tomšík, P. and Tesařová, E., (2015), “Specification and Characteristic of Generation Y in the Sphere of Work Attitude”, *DIEM : Dubrovnik International Economic Meeting*, 2, 1, 565-581

State Statistical Office, *MakStat database*, <http://makstat.stat.gov.mk/PXWeb/pxweb/en/MakStat>, accessed 2018-10-18