

The Characteristics of Employers Preferred by Gen-Z After the Covid-19 Pandemic

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DOI: <https://dx.doi.org/10.47772/IJRISS.2024.ICAME2419>

Received: 06 December 2024; Accepted: 13 December 2024; Published: 26 December 2024

ABSTRACT

This study explores the evolving preferences of Generation Z (Gen-Z) in selecting potential employers in Malaysia, particularly in the context of the post-COVID-19 pandemic. Gen-Z enters the workforce with distinct expectations shaped by their digital upbringing and global uncertainties. The research highlights key factors influencing Gen-Z's employer selection. Utilizing a survey methodology with 340 respondents aged between 19-29, the findings reveal that organization with effective leadership (80.6%), offer more work-life balance (79.1%), and provide better job security are top priorities, while autonomy at work, chance to work in preferred location, and workforce diversity are less preferred by Gen-z. The pandemic has underscored the importance of job stability and well-being for Gen-Z, necessitating organizational adaptations to attract and retain this talent pool. The study concludes that employers must align their practices with Gen-Z's values, fostering inclusive and supportive work environments to meet the expectations of this emerging workforce. The findings imply that organizations should invest in leadership development programs, enhance job security, prioritize mental health support, and integrate the latest technologies to attract and retain Gen-Z employees effectively. These strategies will help organizations meet the unique needs and preferences of Gen-Z, ensuring a competitive edge in the evolving job market.

Keywords: Gen-Z, Employment Preferences, COVID-19 Impact, Workplace Expectations, Preferred Characteristics

INTRODUCTION

Generation Z (Gen-Z) encompasses individuals born between the mid-1990s and early 2010s. Most Gen-Z researchers agree that Gen-Z starts from individuals born after 1994 (Aziz et al, 2021; Barhate & Dirani, 2021), and ends between 2010-2012. In 2024, their age will be between 12 and 29 years old. Distinguished as digital natives, this cohort has grown up immersed in the internet and digital technologies, fundamentally shaping their interactions, learning processes, and worldviews. As they transition into the workforce, Gen-Z brings distinct preferences and expectations influenced by their technologically driven upbringing and socio-economic context.

Deciphering the employment preferences of Gen-Z is imperative for organizations aiming to attract and retain this burgeoning talent pool. As the latest entrants into the labor market, Gen-Z's values and expectations are poised to redefine workplace dynamics. It is expected that Gen-Z will make up 27% of the global workforce by 2025 (Mărginean, 2021). Companies that align their policies and cultures with Gen-Z's preferences can enhance employee satisfaction, reduce turnover rates, and cultivate a more engaged and productive workforce.

The COVID-19 pandemic has markedly influenced global economies and transformed workplace norms. For Gen-Z, the pandemic has been a pivotal experience, shaping their career aspirations and expectations. Prolonged

lockdowns, remote work arrangements, and economic uncertainties have underscored the significance of work-life balance, job security, and mental health, thereby influencing how this generation assesses potential employers. This study aims to identify the considerations of Gen-Z in Malaysia in determining their potential employers by reviewing their preferences in the context of post-pandemic. It will answer the question of what characteristics are Gen-Z workers looking for in their potential employers.

LITERATURE REVIEW

According to Barhate and Dirani (2022), Gen Z's career aspirations are shaped by intrinsic and extrinsic factors. Intrinsic factors are attitudes, relationships, and motivations, while extrinsic factors are environment, family, and the organization itself. Based on these intrinsic and extrinsic factors, Barhate and Dirani conclude that Gen-Z prefers to work alone and rely on themselves to achieve goals, although they still crave social contact with co-workers to expand their network and form professional relationships. As digital native, they use technology for learning, socializing, and work, and expect to work with technology at their jobs. Despite their digital fluency, they value face-to-face communication and appreciate diverse teams (Ganguli, Padhy & Saxena, 2022).

Gen Z also values a supportive work environment and continuous learning and clear pathways for career advancement. They expect their supervisors to provide leadership skills, influence their learning, and support their career growth through meaningful mentorship and guidance from managers (Aziz et al., 2021; Bulut & Maraba, 2021). Furthermore, Katz (2024) elucidates that Gen-Z favors leadership models that are collaborative and flexible. They value transparency, authenticity, and a consensus-driven approach to management. With large-scale scandals such as 1MDB coloring their geopolitics, it is no wonder that values such as integrity and accountability are expected from employers.

Alignment of personal and organizational values is crucial for Gen-Z. They derive personal satisfaction from jobs that reflect their values and believe that such alignment leads to better outcomes for both themselves and their employers (Maloni et al., 2019). Gen-Z demonstrates a preference for a relaxed and informal working environment that permits flexible working hours. According to Choughari (2024), Jaroudi Group Head of Human Capital, Gen-Z places unprecedented emphasis on mental well-being and a balanced approach to work. Incoming Gen-Z employees favor adaptable working models like remote work and flexible schedules, a trend that the Covid-19 pandemic has further normalized.

Based on a study by Fernandez, Landis, & Lee (2023), the pandemic has heightened Gen-Z's awareness of mental health issues. Consequently, they prefer employers who prioritize mental well-being and offer supportive work environments (work-life balance). They expect workplaces to foster inclusivity and diversity, thereby creating an environment where all individuals feel respected and valued (Barhate & Dirani, 2022).

Family factors have also influenced Gen Z's career choices, as they have witnessed career resilient parents during economic and political crises. Mărginean (2021) posits that Gen-Z prioritizes job security and financial stability, often considering these factors paramount when selecting employers. This generation seeks employment that not only assures stability but also aligns with their passions, indicating a dual emphasis on security and personal fulfillment.

Gallup and Deloitte conducted global surveys to analyze the trend of Gen-Z and work. According to a web-based survey conducted by Gallup in 2022 of a random sample of adults 18 and older in the United States, 64% of employees naming 'significant increase in income or benefits' as a critical factor in taking a new job. One key reason for this shift is that employees are aware that they are in a job seeker's market now. Wages are rising in response to intense competition for talent. 61% of employees cite 'greater work-life balance and better personal wellbeing' as "very important". Many other Gallup workplace studies from the past year highlight just how burnt out, overwhelmed, and stressed out the workforce is at large. The third most important factor (58%) when searching for an employer is 'the ability to do what they do best' in the workplace. When people have the opportunity to do work, they are naturally gifted at and trained to do, they enjoy their work, find it stimulating, and want to do more of it.

The recent Gallup polls also reveal that opportunities for learning and self-development are important factors for this generation when choosing an employer. Gallup found that 87% of Gen-Z said the opportunity to learn and grow is very important when applying for a job. They want skill development and fast promotion opportunities.

Deloitte's 2023 Gen Z and Millennial Survey reflects the responses of 14,483 Gen-Z from 44 countries across North America, Latin America, Western Europe, Eastern Europe, the Middle East, Africa, and Asia-Pacific found that work-life balance is the main consideration when Gen-Z wants to find an employer. According to their findings, 46% of Gen-Z feel stressed or anxious all or most of the time. Roughly half (52%) of Gen Z feel burned out, increased from 46% in 2022. Cost of living and unemployment are also the main concern for them. According to Deloitte, 50% of Gen-Z have left a job that negatively impacted their well-being.

RESEARCH METHODOLOGY

This study employs a survey methodology, utilizing modified items from the Gallup global survey (Wigert, 2022) that pertain to attributes attracting employees to various organizations. Respondents rated 14 priorities in employer selection on a scale from 1 (very important) to 4 (not important). The items include attributes such as organizational leadership, job security, benefits, annual income, employer brand, career development, diversity, and autonomy as shown in Figure 1. The survey, conducted among 340 respondents aged between 19 to 29 years old. The vast majority of the respondents (65.29%) are from the age of 21 to 22. The data were collected via Google form between January and October 2024, utilized a non-probability sampling method. 41.18% (315) of the respondents are from the middle region of Peninsular Malaysia (Perak, Selangor, and Negeri Sembilan) and just 7.35% (25) are from Sabah and Sarawak. The sample composition included 275 (80.9%) women and 65 (19.1%) men, with varying levels of work experience. 55% of respondents have part-time work experience, 21.2% have full-time or contract work experience, and the rest have no work experience. Microsoft Excel was used to analyze the data.

FINDINGS AND DISCUSSION

Key determinants for Malaysian Gen-Z in employer selection are effective leadership (80.59%), work-life balance (79.12%), and job security (75.29%) as shown in Figure 1 below. Effective leadership emerges as the most critical factor for Gen-Z when choosing an employer. They seek leaders who are approachable, supportive, promote inclusivity, exhibit ethical behaviour, and are capable of providing meaningful mentorship as mentioned in the past studies (Ganguli, Padhy & Saxena, 2022; Roy, Coelho, & Sharma, 2022; Bulut & Maraba, 2021; Rashid et al., 2021; Acheampong, 2021). The preference for supportive leadership and mentorship underscores the importance of guidance in navigating their early careers amidst these challenges. An honest and transparent leader also symbolizes trust and openness, traits that are highly valued by Gen-Z (Katz, 2024).

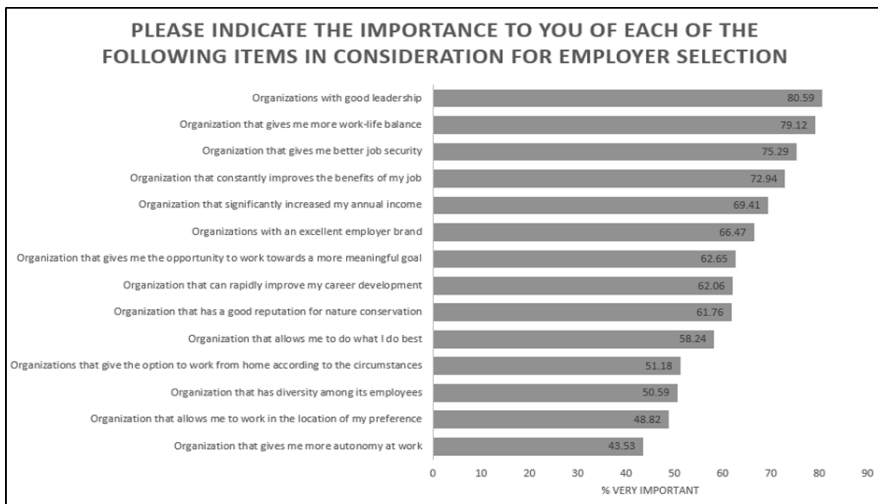


Figure 1: The percentage of respondents' selection in determining potential employers.

Maintaining a healthy work-life balance is essential for Gen-Z, who value flexibility and personal well-being (Barhate and Dirani, 2022; Ganguli, Padhy & Saxena, 2022; Bulut & Maraba, 2021; Said et al., 2020; Acheampong, 2021). Given the increased awareness of mental health issues, organizations need to cultivate supportive environments that address these concerns. Providing resources and fostering a culture of openness about mental health can help attract and retain Gen-Z talent.

The COVID-19 pandemic has significantly influenced Gen-Z's employment preferences. The heightened emphasis on job security reflects a response to the uncertainties experienced during the pandemic, although Acheampong (2021) in his study has identified job security as a Gen-Z priority even before the pandemic (between 2016 - 2018). This is parallel to a survey by Deloitte in 2022, showing that the main concerns (ranked first and second) of Gen-Z were the cost of living and unemployment reflected by the world economy.

The least attractive aspects from a Gen-Z perspective are the option to work from a preferred location and diversity in the workforce. Despite the global shift towards remote work, Gen-Z in Malaysia did not prioritize this aspect, possibly due to negative experiences during the Movement Control Order (MCO) period. While diversity is valued, it was not ranked as highly as other factors in employer selection. Perhaps, living in a multi-racial country like Malaysia has made it a norm that does not need to be prioritized in their job selection. Interestingly, the Malaysian Gen-Z cohort does not prioritize remote and hybrid work models although it offers better work-life balance. This may be due to the experience faced during prolonged lockdowns.

While work-life balance and job security remain the top 4 considerations of Gen-Z worldwide, the results of this survey are slightly different compared to Gallup's findings in 2022 which put 'significant increase in income or benefits' as the top consideration (64%) while it is the 5th choice for Gen-Z in Malaysia (69%). Diversity in the workforce is also ranked very low for Malaysians compared to other global workforce.

The findings have several implications for employers and organizational strategies. First, organizations should invest in leadership development programs that emphasize approachability, support, and mentorship to meet Gen-Z's preference for effective leadership. Second, with increased awareness of mental health issues, employers must prioritize mental well-being by providing resources such as counseling services and fostering a culture of openness and support. While remote work was not highly prioritized, flexible work policies that promote work-life balance are still essential. Employers should consider hybrid models that balance in-office and remote work opportunities to accommodate diverse preferences. Finally, given the high value placed on job security, companies should communicate stability and provide clear career advancement pathways. This could include offering long-term contracts, regular performance reviews, and transparent communication about organizational health.

LIMITATIONS

Some limitations of this study are the use of a non-probability sampling method and insufficiency of the sample size recommended (384) may cause it to not reflect the population, thus limiting the generalizability of the findings. The sample may not be representative of the entire Gen-Z population in Malaysia, leading to potential biases in the results. The study provides a snapshot of Gen-Z's preferences at a specific point in time but does not offer longitudinal insight into how these preferences might evolve as they gain more work experience and as economic conditions change.

CONCLUSION

The COVID-19 pandemic has reshaped Gen-Z's perceptions and preferences regarding potential employers in Malaysia. Supportive leadership, work-life balance, and job security are paramount for this generation. The heightened emphasis on job security and work-life balance reflects a response to the uncertainties experienced during the pandemic. The preference for supportive leadership and mentorship underscores the importance of guidance in navigating their early careers amidst these challenges. As they enter the workforce, organizations must adapt to these evolving expectations to attract and retain top Gen-Z talent. By prioritizing mental health,

fostering inclusive environments, and embracing good leadership, employers can create workplaces that resonate with the values and aspirations of Gen-Z. To attract Gen-Z employees, organizations must align their practices with the generation's expectations. This includes offering flexible work arrangements, ensuring job stability, promoting inclusive and supportive work environments, and providing opportunities for professional growth and mentorship.

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