

## NON-MATERIAL MOTIVATIONAL FACTORS IN THE OPINION OF GENERATION Z REPRESENTATIVES

Anna Karczewska, Agata Przewoźna-Krzemińska  
Czestochowa University of Technology

**Abstract:** The contemporary socio-economic situation in the world, the introduction of modern technologies and constant changes in the labor market mean that each generation entering adulthood has new needs and different motivational factors should be applied to it. The aim of the article is to present the needs of the youngest generation Z, which is currently making its debut on the labor market. The opinions of representatives of generation Z were constructed on the basis of conducted empirical research with the use of survey method. The article is of theoretical and empirical character.

**Key words:** non-material incentives, motivation, generation Z, labour market.

### Introduction

Motivation plays a key role in the life of every human being, affects his development and commitment to work. The basic instrument of motivation is financial remuneration, which allows you to meet basic physiological needs, however, the guarantee of adequate remuneration is the starting point for extending material motivation with an additional non-financial (non-material) element. Each person is different and should be motivated in a different way, just like each generation has its own needs, goals and values, the satisfaction of which requires the use of specific stimuli. For representatives of the youngest Generation Z (people born after 1995), work is only a means to achieve the set, individual goals and dreams. This generation values self-development and eagerly participates in trainings offered by companies. The priority for Generation Z is to maintain work-life balance and be able to pursue their passions and interests. Appropriate motivation is the role of the employer, who should know the needs of all employees, regardless of which generation they belong to. These arguments, among others, argue for the great importance that the process of non-wage motivation plays in the labour sphere of representatives of generation Z.

The purpose of this paper is to present and discuss the results of the research which investigate the expectations of representatives of Generation Z regarding non-material incentives that should be offered by the employer and expectations regarding the atmosphere in the workplace, e.g. employee adaptation, management style, trust or relationships in the organization. The empirical part of the article presents the results of the conducted survey research analyzing the above issues. The presentation of the research results is preceded by a discussion of the issues of motivation, non-wage motivators and the characteristics of generation Z, based on literature research.

### Theoretical aspects of motivation

For years, people have been looking for an answer to the question - how and with what means to motivate people to work. A number of theories of motivation and incentive systems have been developed in the scientific literature. The literature of organization and management presents a whole range of definitions of motivation. The term motivation comes from the Latin word *movere*, which means to move, to encourage someone to do something. According to psychologists, "motivation is an internal human force that activates and organizes his actions aimed at achieving the intended goal. Motivation stems from instincts, drives and states of tension. The psychophysical activity of the employee related to his mobilization and willingness to undertake difficult tasks depends on the type of motivation"

(Pieter 1963, p. 155). S. P. Robbins is of the opinion that motivation is “the desire to do something, dependent on the ability of this action to satisfy some need of a given individual” (Robbins 1994, p. 94). a need is defined as "a physiological or psychological lack of something that makes certain outcomes attractive" (Robbins 1994, p 94). However, according to S. Zając, incentive systems may have a wide range of solutions tailored to the various needs of the employee (Zając 2014, pp. 185-202). The motivation process should contribute to the proper implementation of the organization’s goals and tasks. For this purpose, it is necessary to know about the people you intend to motivate. It is necessary to get to know the employee's personality traits, his aspirations, and inclinations. This will help to adjust the appropriate means of influencing the employee (Siwek 2013). According to L. H. Haber, “motivation is the individual approach of the manager to the employee by understanding his expectations and needs and creating the right working conditions while choosing the best way to manage. In this way, the employee's actions will become the basis for achieving the company's goals (Haber 1995, p. 144).

### **Non-financial motivation**

The literature of organization and management usually divides motivation tools into material incentives and non-material motivators. Material tools make employees ready to make the greatest effort to meet felt needs (Białosiewicz et al., 2011, p. 71). Compensation for work includes a fixed wage, short-term financial incentives, and long-term financial incentives. Analyzing employee involvement, it can be argued that "basic salary is not a determinant of motivation to work" (Sekuła 2011, p. 17). The movable parts of remuneration have a much greater motivational meaning, among them, e.g. short-term financial stimulus. They are awarded to employees who perform their duties in an exemplary manner, are entrepreneurial, creative, contribute to improving the efficiency and quality of work and show their own initiatives (Nieżurawska 2010, p. 80). According to Janowska, non-wage motivators are incentives based on the employee's recognition of the values and characteristics of work, challenges, climate, and environment (Janowska 2004, p.147). These are non-monetary incentives received by the employee, e.g. cafeteria forms of remuneration that are adjusted to expectations of a given employee. The essence of cafeteria forms of remuneration is to match benefits and privileges to the employee's expectations. It consists in choosing a tangible form of payment within a predetermined amount” (Przewoźna-Krzemińska 2014, p. 80). However, non-cash benefits should not be separated from financial incentives. In Poland, flexible remuneration systems are often equated with a cafeteria (Nieżurawska 2014, 8(46)). For some representatives of the presented generation of employees, stability of work, development, the possibility of influencing decisions regarding work, interest from the supervisor, recognition, prestige, atmosphere in the company, fair treatment or respect are often important. This form of motivation is definitely more difficult than creating an incentive financial system.

The most commonly used non-wage benefits in companies include: medical care in a private medical center, additional insurance, also for family members, loans and preferential loans, deferred remuneration system (shares, share options, bonds), admission tickets (sports centers, Spas, theatres, philharmonics and etc., vouchers for services, social co-financing for leisure, reimbursement of education costs, employee training, free meals, company car, parking, monthly tickets, casual days, flexible working hours, "golden parachute" - in the event of a merger or acquisition of the company, the manager is guaranteed employment in the new organization in a similar position or will receive an adequate security pay, work in the company's branch abroad, employee benefits program (Porębska 2004, 175).

These benefits are characteristic of Generation X, whose representatives appreciate praise from employers, as well as free time, which they are often willing to give up in the name of higher earnings and appreciation in the company. The effect of the selected non-wage incentive instrument depends on various factors, e.g. the age of the employee (representative of a specific generation), level of education, position held, family situation, personality, then the incentive measures are effective. Appropriately

motivating employees is the duty of every employer, it is difficult, especially when the company simultaneously employs representatives of different generations who have different goals, values and ambitions. What really motivates the representatives of the Z generation will be partly presented by the research results presented in this article.

## Generation Z

If employers want to hire the best and brightest graduates, they should identify and listen carefully to these defined and indicated expectations. If not, companies risk losing valuable young talent to competitors. "In the conditions of globalization and growing competition, enterprises should pay attention to: improving the quality of work by caring for the quality of employment, continuous education and training for employees, protection of employee rights and balance between work and non-professional life, which affects the level of employee satisfaction" (Karczewska 2018, p. 25). For Generation Z, work-life balance is the basis for functioning in professional life. "The generation for whom work-life balance has already become obvious appreciates *work and lifestyle*. Employment is therefore supposed to give a sense of meaning, and the company's philosophy should be consistent with the professed values and support the lifestyle. (Machnik 2019, s.16). Generation Z is characterized by the ability to learn and efficiently acquire knowledge, employees are good at teamwork, goal-oriented, they are a challenge for the employer, they fight for their own, while they treat remote work as a standard and not a privilege, they do not know the world without the Internet, they are afraid about their future, a high salary is crucial for them, they know languages, they are socially sensitive, unconventional, creative, they pay attention to the company's mission, they excel in international work environments, they reject toxic jobs, and they prefer freedom as well as flexibility (2022, Generations on the Polish labour market).

## Methodology

The aim of the research was to investigate non-material factors in motivation of generation Z representatives in the sphere of labour and expectations regarding the atmosphere in the workplace, e.g. employee adaptation, management style, trust or relationships in the organization. The chosen research method was survey method. The study has been conducted on the representatives of generation Z (born after the year 1995), specifically on 324 students of Management Faculty of Czestochowa University of Technology during the first quarter of year 2023. The sample was targeted and included the students from the final year of the first and the second degree of studies on Management Faculty. These students are coming into the labour market after finishing their degree and quite often already are the employees. The questionnaire included closed questions with the answers on the Lickert scale or nominal scale. It covered several issues concerning the expectations of young people from the employers in terms of conditions of hiring and employment. The statistical calculations have been conducted with the use of the Statistica software. The percentage of rejected surveys equaled 60.

The questions posed by the researchers were as follows:

- Q1: Do young employees value the most aspects connected with work-life balance among non-wage incentives?
- Q2: Do young employees value good relations with coworkers or rather good relations with employer?
- Q3: Do young employees value trust and transparency when it comes to the employer?

## Research results and discussion

First issue investigated in the research were the expectations of the generation Z from the non-material benefits from the employer. The respondents could decide in each of the studied aspects, if this is important for them or not and was not restricted with the number of answers. The majority of young people expects co-financing training, courses, studies, etc. (60.4%), private medical care for the employees (55%) and extra vacation days (52.2%). A large share of answers concerned as well

organizing internal trainings and courses etc. (46%), free meals in the work time (34.3%), parking spaces (34.3%) and an access to sports services (29.2%). Some of the representatives of generation Z also care about co-financing of transport to work (28%), company car (25.5%) or private medical care for the family members (24.2%). The rest of the preferences are presented in table 1.

*Table 1. Non-wage expectations of representatives of generation Z*

Evaluate what you expect in terms of non-wage benefits from the employer:	percentage of people who chose a given answer
co-financing of trainings and studies	60.4
private medical care for the employee	55.0
additional vacation days	52.2
organizing internal trainings for the employees	45.9
free meals during work	34.3
parking spaces	34.3
access to sport services e.g. (fitness tickets)	29.2
co-financing transport to work	28.0
work car	25.5
private medical care for the family members of employee	24.2
co-financing of insurances	23.6
fuel card	23.3
social facilities, e.g. a relaxation zone	16.4
free transport to work	13.2
kindergarden for employees children	8.2
vouchers	6.6
cinema, theater tickets	4.4
other	0.3

Source: Own elaboration based on empirical research

The authors checked as well if there are statistically significant differences between men and women in choosing the above mentioned aspects with the use of the U-Mann Whitney test ( $p < 0.05$ ). Statistically significant differences have been established only in two expectations: women chose the kindergarden of employees' children more often than men and men chose the gas card more often than women. Other differences were statistically insignificant.

Second analyzed issue was the scope to which the nonmaterial aspects are important in terms of working atmosphere in organizations. The respondents assessed the scope on the scale from not important to very important. The majority of generation Z representatives assess as very important mutual trust between employer and employee (63.2%), transparency of the employer (fairness of actions) (63.8%) and positive relationships with colleagues (60.1%). Offering support (eg. mentoring), especially at the beginning of work (56%), positive relationship with the supervisor (56.3%) and mutual trust between colleagues (52.8%) were also very much appreciated. Not so much important occurred such aspects of organizational atmosphere as: activity of the superior in case of conflicts (29.2%) or possibility of psychological consultations for the employees (22.6%)

*Table 2. Opinions on the desired atmosphere in future work*

Rate how important the following aspects are for you in terms of the work atmosphere in the organization when choosing a future employer:	<i>not important</i>	<i>of little importance</i>	<i>of medium importance</i>	<i>important</i>	<i>very important</i>
offering support (e.g. mentoring), especially at the beginning of work	0.3	2.8	9.1	31.8	56.0
appreciation from the supervisor	0.6	1.9	14.5	35.5	47.5
positive relations with supervisor	0.0	1.6	8.5	33.6	56.3
democratic style of management	2.2	6.3	30.8	39.0	21.7
activity of supervisor in case of conflict between coworkers	0.9	5.0	22.3	42.5	29.2
mutual trust between employees and supervisor	0.6	0.6	5.3	30.2	63.2
transparency of an employer (honesty)	0.9	0.9	7.5	26.7	63.8
mutual trust between coworkers	0.3	1.9	10.7	34.3	52.8
positive relations with coworkers	0.3	1.6	8.2	29.9	60.1
possibility of psychological consultation for employees	6.9	12.3	27.4	30.8	22.6

Source: Own elaboration based on empirical research

It occurred that respondents value most the co-financing of trainings and private medical care most, not aspects connected with additional free vacation days, social facilities or kindergarden (Research question 1). Moreover, they value positive relations with coworkers more than with supervisor, and appreciate transparency and trust in terms of relations with employer (Research questions 2, 3).

In the research results, the representatives of generation Z, among non-wage incentives, mention primarily the need to co-finance learning (training, studies) from the employer, they are interested in additional vacation days and the possibility of remote work. They expect good working conditions and tools (company car, parking space, free food), but not necessarily social facilities with a relaxation zone, which they provide themselves, similarly to a kindergarten for children (women are more interested), they are not interested in gift vouchers, but they willingly use co-financing of sports services and medical insurance for their loved ones. The help of the employer in employee adaptation (mentoring) also seems to be crucial for the representatives of the Z generation, while for nearly half of the respondents, appreciation from the superior is extremely important. The presented research results regarding the atmosphere clearly indicate that the representatives of the surveyed generation value above all that the employer is honest, that the company is dominated by mutual trust between the supervisor and the employee, and trust between employees.

## Conclusions

The challenge for modern organizations is to respond to the demographic changes taking place on the market. The article presents a fragment of broader research on the opinions of representatives of generation Z on expectations related to professional work. The generational change regulates the needs and expectations on the labor market, and people starting work in the company are usually guided by their needs, expectations and aspirations. Appropriate communication between employees and positive relations between employees are very important factors for the representatives of the youngest generation on the labor market influencing the perception of the quality of the working environment (Robak 2023, s. 84).

In conclusion, "young people entering the labor market have clearly defined expectations regarding how they want to work and what they will receive in return, and not only remuneration adequate to the work performed, but something more" (Przewoźna-Krzemińska, Cichobłaziński 2018, p.70 ). The research was limited due to the size of the sample and could be continued on the students of other universities.

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