GENERATION Y'S WORK VALUES AND THEIR IMPACT ON THE HOSPITALITY INDUSTRY

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Abstract

In the current business environment, it is considered natural to see people from different generations working together. As it seems to be widely accepted that each generation has its own attributes that reflect in a unique manner on the way work is perceived, managers are being confronted with new challenges in managing human resources. As a result, the paper underlines the main differences between the three currently active generations on the labor market (Baby Boomers, generation X and generation Y) and their implications on the workplace. The main purpose of the article is to present bachelors’ of business administration perceptions of the factors considered important for an ideal workplace and whether the hospitality and tourism industry is able to offer these factors. Consequently, the paper brings forward an exploratory research, conducted using a questionnaire-based survey on 2015 bachelor graduates at the Faculty of Business and Tourism (Bucharest University of Economic Studies): out of the 320 students who have been enrolled in the senior year (2014-2015 academic year), 237 graduates completed the questionnaire. The results of the survey indicate that generation Y members’ most valued workplace characteristics are having promotion possibilities, working with people who cooperate effectively, having free time for personal life and having the opportunity of receiving high salary increases, as they advance in their career. These findings are compared to the conclusions of previous studies presented in the literature developed on this subject. The results of the study are relevant for the tourism industry as they reflect the needs and expectations of generation Y, therefore enabling managers to develop new human resources practices in order to attract and retain young graduates and determine them to become loyal, engaged employees. Considering the limitations of the research, the theoretical and practical implications of the findings are discussed.

Keywords
Generational differences, Generation Y, work values, tourism, hospitality, millennials

JEL Classification

J24, M12, M14, Z30

Introduction

One of the most significant challenges faced by managers in the hospitality industry is dealing with the human interaction – a defining characteristic of this industry with critical impact on the creation of memorable experiences for the guests – and the employees who deliver it. The predominance of transactions that imply either direct or indirect employee-customer interactions – described as the simultaneous production and consumption of services – and the perceived quality of these interactions by customers is the main source of competitive advantage a hospitality business has (Solnet and Hood, 2008). Despite of the inevitable unfavorable aspects such as anti-social working hours, low status, low pay, unclear career paths, it is crucial for managers to foster appropriate people skills in their employees, such as displaying positive and hospitable behaviors or working cohesively as a team (Solnet and Kralj, 2012). A very significant aspect to be taken into consideration when discussing present human resources management challenges is the existence of three currently active generations of workers: Baby Boomers, Generation X and Generation Y (Gursoy et al., 2013; Solnet and Kralj, 2012; Park and Gursoy, 2012; Kapoor and Solomon, 2011). Each of these three generations has its own set of characteristics, their influences having been analyzed primarily within organizational contexts, concentrating mainly on work-related values, attitudes and preferences (Park and Gursoy, 2012). This study examines bachelors’ of business administration (as part of Generation Y) perceptions of the factors considered important for an ideal workplace and whether the hospitality and tourism industry is able to offer these factors.
1. Theoretical framework

This section of the paper concentrates on revising previous studies on generational cohorts’ work values, and especially generation Y and their impact as employees of the hospitality industry. Firstly, the terms “value” and “work value” are defined; secondly, the three currently active generations on the labor market are described; finally, the implications of generation Y characteristics on the hospitality industry are discussed.

1.1 Brief conceptual clarification on work values

The term value has been differently defined by disciplines such as psychology, sociology or economics, but also by the many scholars that have researched its roots. There are, though, a number of common aspects among these various definitions: values are referred to as latent constructs involved in evaluating activities or outcomes, they have a general nature and they apply at multiple levels (Gursoy et al., 2013). Both the labor market and labor force have suffered from vast changes in the last decades, changes that have impacted workers’ preferences on job facets such as job security, money, short hours, challenging work or good opportunities for promotion.

The importance people assign to these various job facets is defined as work values, pointing to the characteristics that workers find most significant in their jobs (Kalleberg and Marsden, 2012). By implication, work values have a more specific meaning than general values, as they shape people’s perceptions of preferences in the workplace, making an impact on their attitudes and behaviors (Gursoy et al., 2013). In the current labor market setting, more and more jobs require decision-making, problem-solving, trouble-shooting and managing skills. To this respect, work values can be defined as the “evaluative standards relating to work or the work environment by which individuals discern what is right or assess the importance of preferences” (Smola and Sutton, 2002).

Employees’ attitudes towards work and their behavior are influenced by the degree to which they value their job, which is why understanding people’s work values is of utmost importance (Gursoy et al., 2008). Theories of work motivation and the quality of work experience center around work values, as they emphasize reasons people have for working and the different rewards and benefits that have an impact on their job satisfaction. By influencing people’s activity rather indirectly, through attitudes and goals, work values are seen as a source of motivation for individual action (Gursoy et al., 2013). Moreover, events from outside of the work life course such as marriage, childbirth, mid-life crisis, approaching retirement, together with people’s work experiences, are factors that can impact the relative importance of particular job facets, causing it to change. This means that work values do not remain static over time (Kalleberg and Marsden, 2012). This is why managers should continuously study employees’ work values, in order to properly motivate them and design specific human resources management practices.

1.2 Generational differences in the present labor market

A generation is defined as “a group of individuals born in the same period of years, who have been exposed to similar societal and historical life events during critical stages of their formative development” (Solnet and Kralj, 2012; Smola and Sutton, 2002). Members of the same generation develop a shared set of values system, which is influenced by external social and environmental stimuli, and which leads to specific work related values, attitudes and preferences (Park and Gursoy, 2012; Solnet and Hood, 2008). Aspects such as communication styles, professional development preferences, technology needs, compensation and benefits needs, workplace expectations, desired leadership styles or the effectiveness of rewards and recognition systems are impacted by generational differences (Kapoor and Solomon, 2011).

Before moving on to describing the distinctive features of each of the three generational cohorts, it is important to take note of the controversy surrounding the years encompassing them or their so called “birth years” (Smola and Sutton, 2002; Kapoor and Solomon, 2011). As Smola and Sutton (2002) highlight, Baby Boomers’ birth years are reported to begin somewhere between 1940 and 1946 and to end in 1960 or 1964, while Generation X’s birth years are reported to begin in the early 1960s and to end in 1975, 1980, 1981 or 1982. Members of the Generation Y, on the other hand, are reported to have been born either between 1981-1999 (Park and Gursoy, 2012), 1980-1999 (Kapoor and Solomon, 2011), 1979-1994 (Solnet and Kralj, 2012; Solnet and Hood, 2008) or 1981-2000 (Brown et al., 2015).

Baby Boomers are defined as individuals who believe hard work and sacrifice are the price to pay for success; they are characterized by their hard work, long hours and commitment to their employers (Kapoor and Solomon, 2011). They are goal-oriented, results-driven, loyal and committed to their organizations (Chi et al., 2013), and they accept hierarchical relationships in the workplace (Gursoy et al., 2013, Park and Gursoy, 2012). Baby Boomers have difficulty learning new things, they are resistant to change and have trouble multitasking (Kapoor and Solomon, 2011, Gursoy et al., 2008). As they are very loyal, seniority is more important than merit to them, and they expect their loyalty to be rewarded with promotions (Gursoy et al., 2008).
Generation X members grew up witnessing their parents sacrifice greatly for their companies, which led them to develop behaviors of independence, resilience and adaptability (Gursoy et al., 2013, Kapoor and Solomon, 2011). They are described to have a strong desire for team work, flexibility, autonomy, freedom from supervision (Park and Gursoy, 2012, independence and work-life balance, and are unlikely to sacrifice their personal life for the company (Kapoor and Solomon, 2011). They show skeptical perspectives toward hierarchical relationships and titles in an organization, and also have issues with organizational loyalty (Brown et al., 2015, Gursoy et al., 2013). However, they demonstrate the ability to learn new technologies quickly and tend to embrace diversity. They are pragmatic, self-sufficient, skeptical, flexible, tech savvy and entrepreneurial (Brown et al., 2015), and they expect immediate recognition through title, praise, promotions and pay (Gursoy et al., 2008). They work to live, as their life outside of work is more important to them; they prefer companies that offer flexible schedules, independence, professional growth, interesting work and time off (Chi et al., 2013, Gursoy et al., 2008).

Generation Y members (or Millennials) grew up raised by parents who nurtured and structured their lives, being encouraged to make their own choices and taught to question authority (Gursoy et al., 2013, Chi et al., 2013). This is why they have the tendency to question every rule, and are likely to challenge workplace norms such as dress codes, inflexibility of working hours or employee-supervisor relations (Gursoy et al., 2008). They were brought up around technology, so they embrace it together with the change it brings (Kapoor and Solomon, 2011). They highly value personal life, pay and promotion (Park and Gursoy, 2012), flexibility and challenges in their jobs, as they provide a sense of significance and enthusiasm. Gen Y-ers are conditionally loyal to their organization as long as they achieve their own personal goals. They are confident, well-educated, self-sufficient, tolerant, team builders and socially and politically conscious (Brown et al., 2015). Members of Generation Y have high expectations and seek meaning in their work, while they lack long term attachment or commitment to the organization, regarding jobs mainly as a means to build a career résumé (Choi et al., 2013). They are constantly seeking performance feedback (Maxwell et al., 2010), new challenges and additional responsibilities (Solnet and Kralj, 2012). Gen Y-ers are seen to be seeking a fair effort-reward equation, encouraging and supportive management styles, personal career development opportunities in diverse, dynamic working environments (Maxwell et al., 2010). They are technologically knowledgeable, independent, self-reliant and entrepreneurial thinkers, thriving on challenging work and creative expression, and also better at operating in teams than previous generations (Barron et al., 2007). As seen above, there are noticeable differences between the three generations described and these differences make it difficult for employers to manage such a diverse workforce. Managers must find the appropriate ways to address every generation’s needs and expectations as related to their work values, in order to achieve retention of motivated, satisfied, engaged employees.

1.3 Generation Y and the hospitality industry

Although there are limited and relatively new studies on work values and generational differences among hospitality workers, most of them reveal that generational differences do influence hospitality employees’ work values. In particular, Millennials have the tendency to search for challenging jobs that can offer growth opportunities, continuing skill development, active participation in the decision making process and also increased responsibility (Gursoy et al., 2013). Solnet and Kralj’s (2012) study on over 900 hospitality employees reveals that Gen Y workers have lower scores on those dimensions that an organization should be attempting to maximize, while they display higher scores on those constructs that an organization would want to minimize in its staff. Gen Y hospitality employees are likely to be planning to quit their jobs, to perform poorly if their co-workers are doing so, or to switch jobs for no particular reason.

Gursoy’s (2013) research on North American hotel employees reveals that Millennials generation shows “outside of the box” type of behavior and is more likely to challenge conventional norms and superiors. They are the least attached to their work from the three analyzed generations, as life outside of work is far more important to them; also, they look for direction, guidance and leadership, as they are distressed by the fact that they are seen as kids and do not get the respect or recognition they think they deserve from their colleagues. The determination to succeed and achieve upward promotion in their career is a top priority for Generation Y hospitality employees, as meeting personal goals is fundamental both as a career entry expectation and a long-term career aspiration (Maxwell et al., 2010). They enjoy challenging work and seek fair employers who can offer clarity and equality in career progression. The findings of Park and Gursoy’s (2012) research on customer contact employees in the hotel industry highlight aspects regarding work engagements, especially showing that Millennials have a lower level of work engagement than do previous generations; also, their study shows that members of Generation Y are less likely to allocate resources and energy to work tasks, as they place greater value on their personal life.

Barron et al.’s (2007) research on Generation Y hospitality students focus groups revealed both positive and negative aspects of a prospective career in the hospitality industry. Among the positive aspects were mentioned the social nature of the industry, the opportunities to work with various like-minded colleagues, working with the
public and good career opportunities. Negative comments were made regarding aspects such as the level of reward as compared to the expected efforts, high levels of routinely expected work, unsocial hours of work, working while the customers are enjoying themselves, being poorly treated by management and supervisory staff. Hospitality industry practitioners need to take advantage of Generation Y’s hospitality students’ strong passion for this domain and shape them into successful Millennial hospitality managers who will be able to succeed in the industry, as motivating and retaining the valuable employees is of utmost importance. Also, in order to avoid having hospitality students pursue careers in other fields, hospitality educators need to better shape their students’ career expectations, as they currently lack adequate understanding pertaining to the realities of hospitality careers in core areas such as compensation, working conditions or work-life balance (Brown et al., 2015).

As a conclusion, it must be stated that it is critical for hospitality companies to understand the characteristics and needs of this new generation that has entered the labor market, and do their best to offer them the attributes they most value in a career. The industry needs to design individualized training programs for Generation Y hospitality students as future employees, as this will increase their levels of retention as a result of students’ benefiting from comprehensive, meaningful training programs which offer them the challenging and demanding tasks they very much appreciate (Richardson and Thomas, 2012). This is especially important, as connecting the skills acquired in the education system with the needs of the employers in the hospitality labor market is perceived as slightly unsuccessful (Lupu et al., 2014).

2. Research methodology

As previous studies identified in literature suggest that Millennials have specific expectations from their professional life, the authors considered suitable to conduct a research among bachelors of business administration, graduates of the 2015 class of the Faculty of Business and Tourism (Bucharest University of Economic Studies). The main objective of the study was to outline Generation Y’s perception of the characteristics of an ideal workplace or career path and whether the hospitality and tourism industry is able to offer these characteristics. As a result, it was intended to conduct an exploratory research – a survey based on a structured questionnaire. In order to attain the objective of the study, the research instrument was designed with 4 closed questions (structured questions, with a total of 31 items to be answered), 2 open questions and 2 identification items (aimed at establishing the respondent’s age and gender). In conducting the survey, the authors have received unconditional support from the didactic staff of the Department of Tourism and Geography who held seminars for the senior year of the Faculty of Business and Tourism in the 2014-2015 academic year. All the students enrolled in the 3rd year of study at this faculty were invited to take part in the survey and out of the 320 persons enrolled in the 2014-2015 academic year (according to the faculty’s secretary), 237 accepted to complete the questionnaire. As a result, the authors managed to survey 74.06% of the students who graduated from the Faculty of Business and Tourism in July 2015, all of them being part of Generation Y and preparing to enter the labor market in the near future. Although the sample cannot be considered representative for the entire Generation Y cohort in Romania, the results offer a first insight into Millennials’ perception of an ideal career and, more important, of a career in tourism.

3. Results and discussion

To begin with, the respondents were aged between 21 and 31 years old, all of them being representatives of Generation Y. Out of the 237 persons who accepted to complete the questionnaire, 62 were male (26.16%), 172 were female (72.57%) and 3 respondents did not answer to this identification question (however, their questionnaires were not excluded from the research and their responses to the other questions were taken into account).

Moreover, as the research studies Millennials’ perception of the workplace, the authors considered suitable to verify whether the respondents have had any professional experience, as this aspect may influence their opinion regarding the labor market. The survey highlighted that most of the Generation Y representatives who took part in the study have had at least one professional experience, this being either during an internship program (in 17.3% of the cases), either a full-time or a part-time job (in 24.47%, respectively, in 33.33% of the cases). However, more than third of the respondents (37.55%) stated that they have absolutely no professional experience.

As mentioned before, this paper aims to highlight Millennials’ perception of the features of an ideal job and a career in the tourism industry. In order to outline Generation Y’s work values, there were taken into consideration 14 general characteristics of a job or a career path, the respondents being asked to grade them based on a semantic differential scale (designed from 1 – “not at all important” to 7 – “extremely important”). When grading these characteristics, the respondents were asked to consider both an ideal situation and the
perceived reality of the labor market in the tourism industry, so as to compare the obtained results (Figure 1). As illustrated in Figure 1 (based on the computed averages of all grades offered at the entire sample level, for each feature included in the research instrument), there are visible differences between the opportunities a career in tourism has to offer and Generation Y’s work values. For example, the study highlights that the three main work values of Millennials are the possibility of advancing in their career, the need to work with people to cooperate in an effective manner and the possibility of finding equilibrium between their personal and professional time. These results are consistent with the findings of Park and Gursoy (2012). However, as previous studies suggested that Generation Y’s representatives want to activate in a dynamic working environment (Maxwell et al., 2010), with a flexible working schedule and constant development of new and challenging projects and tasks (Gursoy et al., 2008; Park and Gursoy, 2012; Solnet and Kralj, 2012; Gursoy et al., 2013), it was interesting to find that the questioned Millennials have a different point of view, as they tend to appreciate more job security and having good working conditions.

Figure 1: Generation Y’s work values and perceived characteristics of a career in tourism

Source: authors’ research

Furthermore, it should be noted that Generation Y’s representatives who took part in the survey appreciate the least the possibility of developing their career in different geographical areas, working in an activity domain in which they also have an educational background and being highly remunerated on entry-level positions. However, it must be mentioned that all the 14 work values taken into account obtained scores higher than 4.5 (on a scale from 1 to 7), meaning that the respondents perceive all of them as being important.

When evaluating the labor market in the tourism industry, Generation Y’s representatives consider that a possible career in this activity sector would mainly offer them the possibility of traveling for business purposes, the possibility of working with people who can cooperate effectively, while it would force them to learn and develop on a regular basis. As easily expected, based on the survey’s results, Millennials consider that working in the tourism industry would deprive them from having high-salaries (both at the beginning of their career and as they advance in their professional life), a flexible working schedule, a secure job and promotion opportunities. These results as well are consistent with the conclusions of other studies identified in the literature review process (in example, Barron et al.’s, 2007). In order to address these issues, hospitality managers should provide more flexibility regarding various aspects, especially the working hours, but also training and development activities, or rewards and benefits policies.
Moreover, based on the data presented in Figure 1, the perceived features of a career in tourism scored lower averages for nine out of the 14 characteristics of an ideal career (also considered as work values of Generation Y). The fact that Millennials consider that the tourism industry is not able to offer them a suitable working environment is also confirmed by the Spearman correlation coefficient, as its value of 0.12967 reflects an extremely low (but positive) correlation between the perceived characteristics of a career in tourism and Generation Y’s work values.

Besides these aspects, the study also intended to identify Generation Y representatives’ long and short term professional objectives and whether they intend to develop a career in the tourism industry. The professional objectives were expressed by answering to an open question and the obtained results are interesting. For example, almost 20% of the respondents did not declare any short term professional objective, while almost as many (18.14%) mainly stated that they simply intend to complete their education with a master’s degree. Only 22.78% of the Millennials questioned mentioned that their immediate plans involve building their career by being accepted in an internship program or on a part-time job, in order to develop their professional experience and specific working competencies. As far as their long-term professional objectives are concerned, the Generation Y members who were questioned stated that they intend to develop an entrepreneurial initiative (in 30.38% of cases), to develop a career in a domain they are passionate about (in 18.99% of cases) or to simply attain a professional status that would allow them to be highly paid, have authority and be appreciated by society (in 31.64% of the cases).

Moreover, despite the fact that the study outlined that the tourism industry is not perceived by Millennials as an ideal activity domain, 60.17% of the Generation Y representatives (142 persons) stated that they take into consideration developing their career in this sector, the majority of these (around 50%) wanting to work in the hotel industry or in a travel agency. However, it should be noted that out of the 142 Millennials who declared their willingness to work in the tourism industry, 45.07% could not mention a specific tourism sector they would like to specialize in, which indicates a need for a better career orientation offered during bachelor studies, probably by promoting different internship opportunities. In order to identify Millennials’ motives for not pursuing a career in tourism, the research instrument was designed with an open question that allowed the respondents to express their motives. Out of the 39.83% of Millennials (involved in the survey) who declared their refusal to consider working in this sector, 82.98% justified their choice. While almost half of them (43.62%) argued that they have simply chosen a different work field that maximizes the use of their abilities, 21.28% mentioned they disregard tourism as a career alternative as they are not at all passionate about this activity, while 18.08% of the respondents motivated their refusal by mentioning two highly known inconveniences of the tourism labor market: job insecurity and low remuneration levels. It should also be noted that, in most cases (64.9%), Generation Y representatives motivated by choice by highlighting the fact that they want to work in a domain they are passionate about, that will allow them to perform at the best of their abilities (as Choi et al., 2013 and Maxwell et al., 2010 stated in their research). This is an important result to be taken into consideration by hospitality companies and their management, as it outlines that they should focus on hiring the right person - in this case, those persons that are passionate about this field – and ensure they get the proper integration into the company in order to obtain their engagement.

Overall, the study reveals that questioned Millennials do not consider that the hospitality industry can offer them those factors they mostly value in an ideal career. This means that in order to improve the image of employment in this industry, its representatives must continue the efforts to change by collaboratively addressing the issues raised by Generation Y members: low pay, long and unusual hours or scarce promotion opportunities. These being said, it can be added that, although the research is not fully comprehensive, it brings into both academics’ and practitioners’ attention a series of interesting discoveries that could enable a better understanding of a generation that will soon represent a considerable part of the present workforce.

**Conclusions**

The present paper was designed in order to highlight Generation Y’s work values and perception of the tourism industry, as a career option. By conducting an exploratory study, involving Millennials - bachelors of business administration, the results of the research were mainly consistent with the existing findings of the current literature in this field, indicating that Generation Y members’ most valued workplace characteristics are: having promotion possibilities, working with people who cooperate effectively, having free time for personal life and having the opportunity of receiving high salary increases, as they advance in their career. However, the survey also lead to surprising results, as it showed that Generation Y’s members appreciate more job security and having good working conditions, in the detriment of having a flexible working schedule and the need of constant development of new and challenging projects and tasks. Not surprising at all, Generation Y’s representatives consider that the tourism industry is not able to offer them a working environment in accordance with their values, which may affect the tourism industry’s ability to attract and retain competent young graduates, with a
degree in administrating tourism business. The authors acknowledge that the research has a series of limitations (derived from the lack of statistical representativeness of the sample used in the study and from the research instrument used, which could have been more comprehensive), but feel that the obtained results can hold as a strong starting point for a future research that could involve a better targeted sample (possibly oriented to Millennials who actually work in the tourism industry).

Acknowledgement

This paper was co-financed from the European Social Fund through Sectorial Operational Programme Human Resources Development 2007-2013, project number POSDRU/187/1.5/S/155656, “Support for PhD students in the domain of economic sciences”.

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