

Nebojša Savić

Metropolitan University
FEFA, Belgrade

Jelisaveta Lazarević

Metropolitan University
FEFA, Belgrade

Filip Grujić

Metropolitan University
FEFA, Belgrade

GENERATION Z'S LETTER TO CEOs

Pismo generacije Z upućeno generalnim direktorima

Abstract

The research focuses on the needs and demands of Generation Z that enters the labor market with different expectations and attitudes than previous generations. We present an analysis based on a conducted online survey among 519 Gen Z members and compare it with similar surveys conducted globally. Members of Generation Z in Serbia want to independently create their work environment and ensure the financial security, often through the establishment of their own company, while at the same time striving for stable earnings and job security. Like global peers, Gen Z in Serbia is concerned about ensuring financial security. It's a priority when they're looking for a job they'd leave if they can't progress. Globally and in Serbia, this generation placed great emphasis on mental health and ranked it as a high priority in defining a desirable working environment. However, members of this generation in Serbia differ from their global peers in terms of the importance of the sustainable aspect of the future employer. Although there are those who believe that this challenge, as well as other global challenges, should be solved by companies, this group of young people in Serbia still believes that the state should have the key responsibility in solving the problems they consider important. The results of the research clearly show that digital native, Generation Z in Serbia has clear expectations and demands from future employers while putting mental health, financial stability, and the opportunity for advancement as a priority when applying for and maintaining a certain job.

Keywords: *Global Innovation Index (GII), Global Talent Competitiveness Index (GTCI), Generation Z, Serbia*

Sažetak

Istraživanje se fokusira na potrebe i zahteve generacije Z koja ulazi na tržište rada sa drugačijim očekivanjima i stavovima nego bilo koja druga generacija ranije. U radu je predstavljena analiza podataka prikupljenih putem onlajn ankete sprovedene među 519 pripadnika ove generacije. Rezultati sprovedene ankete stavljeni su u poređenje sa sličnim anketama koje su sprovedene među pripadnicima generacije Z na globalnom nivou. Pripadnici generacije Z u Srbiji žele da samostalno stvore svoje radno okruženje i obezbede finansijsku sigurnost često kroz osnivanje svoje kompanije, dok istovremeno teže stabilnoj zaradi i sigurnosti na poslu. Kao i globalni vršnjaci, ova grupa mladih u Srbiji veoma brine oko obezbeđivanja finansijske sigurnosti pa je to prioritet pri pronalasku posla, dok bi isti napustili ukoliko nemaju prostora za napredak. Globalno i u Srbiji, ova generacija jako polaže na mentalno zdravlje i postavlja ga kao visoko rangirani prioritet koji definiše poželjno radno okruženje. Međutim, pripadnici ove generacije u Srbiji se razlikuju od svojih globalnih vršnjaka po važnosti aspekta održivosti prilikom odabira poslodavca. Iako postoje oni koji smatraju da ovaj izazov, kao i druge globalne izazove, treba da rešavaju i kompanije, ova grupa mladih u Srbiji i dalje smatra država treba da ima ključnu odgovornost u rešavanju problema koje smatraju važnim. Rezultati istraživanja jasno pokazuju da, po prirodi digitalna, generacija Z u Srbiji ima jasna očekivanja i zahteve od budućih poslodavaca, a mentalno zdravlje, finansijsku stabilnost i mogućnost za napredak stavlja kao prioritet pri odabiru i zadržavanju na određenom radnom mestu.

Ključne reči: *Globalni indeks inovativnosti, Globalni indeks konkurentnosti talenata, generacija Z, Srbija*

Introduction

Current trends impose numerous choices that can have their own long-term and short-term dilemmas and outcomes. Economic theory has undergone several paradigm shifts. Today we are in a phase of changing the paradigm that began with the Great Recession of 2008. On the other hand, the geopolitical fractures that culminated in 2022 have further made the problems more complex and challenging. This raised several new dilemmas and brought great uncertainty. That uncertainty has not erased the challenges companies face in a complex innovation ecosystem that puts people at the core.

Under those circumstances, new competitive advantages and the uniqueness of value propositions are human-centric and the most important for improving competitiveness in the digital era. For all these profound changes, it is necessary to attract talent in the completely new business model creation process. And underlying everything is never more intense technological progress. The world has entered deeply into the process of digitization, but we are also faced with climate change and the need to implement a green economy and protect the environment. This need is additionally supported by Generation Z's demand and dedication to a more sustainable work and life environment.

In such a complex situation, the authors of this article aim to elucidate the challenges and opportunities for Serbian innovation- and knowledge-based development while discovering the demands and needs of Generation Z that is entering the labor market. The research starts with a literature review that presents some open dilemmas in the current context of economic development. Additionally, the literature review considering Generation Z helped us define the important fields when researching Generation Z expectations from employers. The literature review is followed by the overall framework for innovation and knowledge-based development in the second part of this article. This part shows the position of a group of selected countries, including Serbia, in the field of innovation as the key determinant of growth and development, and the role of talents in the modern world described by the war for talents as dominant and crucial for further development.

In the third part of the paper, we also focus on talent entering the labor market. Thus, we based the research on the results that arose from the survey conducted with over 500 respondents. We analyzed the secrets of Generation Z, which should become one of the carriers of all changes expected to be realized in the economic development context to come. In the concluding remarks, we present the main conclusions and areas for further research in the field.

Literature review

Current trends. Nouriel Roubini, in *MegaThreats: Ten Dangerous Trends* [37], highlights that we went through the Great Inflation period (1965-1982) swings in the 1970s and the U.S. stagflation with inflation by 12% and 14% and entered the Great Moderation period (1983-2008), during which it achieved decades of growth with stabilization of low-level inflation and low unemployment. Today it is likely to enter the Great Stagflation period, with high inflation, recession, and debt crisis. Current problems started on the supply side but were significantly fueled by excessive demand in the last phase. The supply side was dominated by globalization and protectionism, friend-shoring the shifting of the industry from low-cost China to high-cost Europe and America, with the population straining into younger generations who work but spend less and save less, while older unemployed generations spend less. This is followed by migration, which in the past had a south-north direction, the decoupling of America and China, the geopolitical depression, which act to reduce growth and increase the cost of food, water, and energy, and then Covid-19... The demand side was dominated by huge public and private debt and high fiscal deficits that the central banks of the most advanced countries monetized, as they did in the crisis of the 1970s. All this has led to the current global crisis – geopolitical and economic, inflation, threatening recession, and stagflation.

The complexity of the business environment is additionally driven by the disruption of new technology and calls for contribution to sustainability. Jeffrey Sacks [38] says the development of modern civilization has undergone a series of seven distinct waves of technological and institutional changes. He offers a fresh perspective

on globalization based on digital technologies. Sacks [38] emphasize the need for new methods of international governance and cooperation to prevent conflicts and achieve economic, social, and environmental objectives aligned with sustainable development.

Faced with crises over the past few decades, we hear more and more calls for radical changes. But the answer to the problems is not revolution. According to Philippe Aghion, Céline Antonin, and Simon Bunel [1], the answer is to create a better capitalism by understanding and harnessing the power of creative destruction - an innovation that disrupts. They show that we owe our modern standard of living to innovations enabled by free-market capitalism. But we also need state intervention with the appropriate checks and balances to simultaneously foster ongoing economic creativity, manage the social disruption that innovation leaves in its wake, and ensure that yesterday's superstar innovators don't pull the ladder up after them to thwart tomorrow's.

Mariana Mazzucato in *Mission Economy* [28], a critical analysis of modern capitalism, points out that a new approach is needed that involves not only risking together but also sharing the results. She argues we need to think bigger and mobilize our resources. We can only begin to find answers if we fundamentally restructure capitalism to make it inclusive, sustainable, and driven by innovation that tackles concrete problems from the digital divide to health pandemics to our polluted cities.

Generation Z. Mentioned values are especially demanded by Generation Z which enters the market as a labor force and consumer. The new generation of influencers, Generation Z, is represented by people born between 1995-2010 [12, p. 1], [25]. This generation is truly digital-native [12, p. 1], [9, p. 6], [10], [40, p. 2], struggling with financial anxiety but dedicated to investment in sustainable choices [8]. Generation Z is the first truly global generation [5], [17] that will, as the authors see it, make the greatest shift in the workplace [42]. AnneMarie Hayek [18] points out that at this critical moment, Generation Z is a new generation that is now both of age and is at the center of the most pressing issues of our time. The next decade will bring unsurpassed change, and Zs will shape the path ahead.

Generation Z's work ethic is related to transparency and flexibility [3]. As Gomez et al. [14, p. 11] showed, this generation strives to work in industries that they interact with and tend to have entrepreneurial opportunities while preferring individual tasks over team-based activities. Generation Z is more sustainably conscious and they are prioritizing environmental actions by employees [8]. This generation appreciates the work-life balance [14, p. 12] and inspires organizations to actively address mental health [8]. They are expecting companies to take a stand [15], and to put people before profit [16, p. 2].

Generation Z also differs as a consumer, they see consumption to express their individual identity [12, p. 8]. They are willing to pay more for personalized offerings but are not comfortable sharing personal information with companies [12, p. 8]. Still, being technology-dependent [45], this generation is comfortable with the virtual world [44, p. 1]. Generation Z has more power than all others to redefine consumption [35].

Innovations and competitiveness. Generation Z's interest in new technology are one of its characteristics as a consumer [44]. A technology-driven mindset is one of the determinants that differentiates the most successful companies from those that are not. Generation Z expects to access and assess a wide pool of information before making a purchase decision. That information is generated through gathered data. Rado Kotorov in *Data-Driven Business Models for the Digital Economy* [21], points out that the fastest-growing companies have almost no physical assets because they are focused on: (i) creating innovative digital products and (ii) new data-driven business models. This competitive pressure has been imposed on all companies, from start-ups building digital products or services to established companies, to rethink their business models and start digitizing their products and services. Harald Øverby and Jan Arild Audestad [30] argue that innovations and developments in technology have laid the foundations for an economy based on digital goods and services - the digital economy.

Generation Z is also more focused on innovation [35] and perceives that constant innovation is a given [44, p. 1] Nobel Laureate Michael Kremer [22] advocates a very broad definition of innovation by incorporating

everything that enables the creation of more value with as few resources as possible. As innovation is the driver of long-term development, it can also be crucial for environmental sustainability, one of the aspects prioritized by Generation Z, but it requires appropriate institutions to accelerate innovation and build competitiveness on those bases.

The environment for innovation acceleration is proactively built through clusters. Christian Ketels [19] believes that a cluster approach can be a useful tool for analyzing innovation-driven development opportunities and removing obstacles faced by companies in certain locations. This has been demonstrated in numerous examples of countries since the early 1990s when Porter [32], [33] launched the first wave of cluster initiatives (USA, Catalonia, Basque Country, Denmark, Chile, Colombia, Mexico...).

Improving competitiveness is also based on productivity and it is a key driver in long-term prosperity. Productivity is widely understood as the ability of an economy to effectively mobilize available labor and other resources to create value. The concept of productivity in competitiveness theory is not only a value created by every employee, but it is also capable of engaging a large part of the available workforce in productive activities. Therefore, productivity is not only as technical as possible and efficient, but it is also the ability to find new and unique ways of creating value for citizens and customers.

Ketels [19] points out that the digital age has brought some challenges to the concept of competitive advantage. There have been comments related to a lot of changes going on in the economy today and difficulties in building sustainability into a competitive advantage. It is not disputed that it should be agile, and fast... It is important to (i) define a unique value proposition in conditions of increased market dynamism and (ii) define the competitive advantage for strategy development.

Ketels adds that in the current conditions, there is a redesign of a global business and a replacement of the global platform that dominated until 2008 with the dominance of the super-efficient global supply chain. These changes lead us to regionalization, to regional value chains, instead of the global value chain. This includes new technologies that

reduce labor costs and reduce the importance of economies of scale, which all allow competition in new regionalized circumstances. A completely new global business model is emerging, which opens space for smaller companies to enter the market quickly. In essence, two perspectives are crystallized:

- one perspective is the competitiveness of locations – we know that clusters, as regional versions of ecosystems, enable participants to be innovative, to make suppliers specialize faster and function at the regional level; clusters become more specialized, focus on market niches and on individual parts of the value chain, and become more connected.
- the second perspective is related to companies and is not directly related to geography but is related to the reaction of the market; it is associated with what creates value for your customers, which is a combination of different products and services that represent the right choice in a chosen ecosystem.

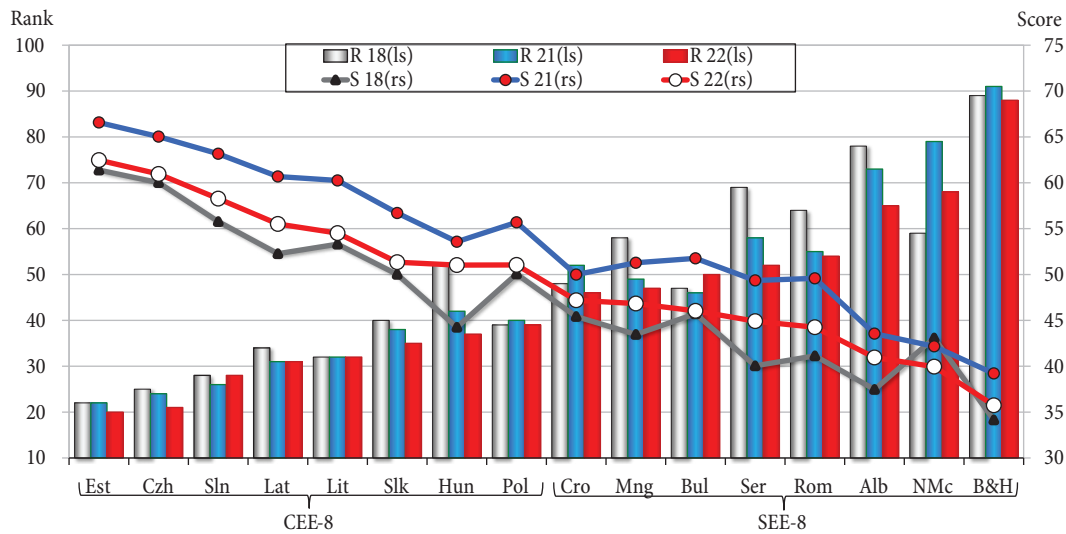
The role of innovation and talent in the new economic theory paradigm

The current economic theory paradigm indicates the increasing importance of new development factors. At the center are human resources (and not only financial), innovation in a broader sense (not only technological innovation but all other forms of innovation), as well as the battle for talent that needs to secure new development breakthroughs based on digitalization and green development agenda.

Below we can see the position of the group of countries in Central and East Europe, including Serbia, by two very important indicators – in terms of innovation and talents for which all countries today are fiercely fighting in the world. We opened this topic even earlier when we analyzed the phenomena of telemigrants and the talent paradox [39].

The Global Innovation Index (GII). GII [11] is a very important indicator of innovation based on country-level data. Comparing 2022 and 2018, we see that Estonia, Bulgaria, and Hungary achieved the biggest improvements in the ranking of innovation in the group of selected countries of Eastern Europe, that Serbia and Albania maintained

Figure 1: Global Innovation Index - GII



Source: WIPO, The Global Innovation Index 2022

their ranks, and that Latvia, Slovakia, and Montenegro achieved lower rankings (see Figure 1).

However, if we look at the scores achieved, instead of ranks, all countries achieved fewer scores in 2022.

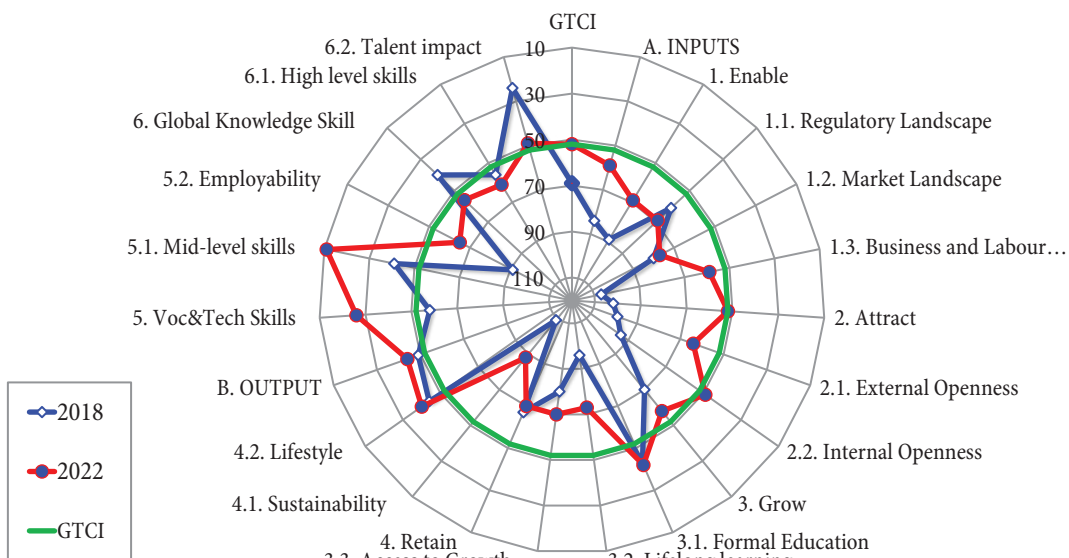
This indicates that there are significant spaces for improving the innovation of all countries in the sample. It also applies to Serbia.

Serbia has achieved a significant improvement in Infrastructure (Ranking from 48 to 38th place), especially in Ecological sustainability (by introducing the ISO 14001 standard) and improving the General infrastructure (Ranking from 96th to 57th place). Also, improvement

was achieved in Knowledge and technological outputs (Rank from 50th to 42nd place), primarily thanks to the introduction of ISO 9001 standard and Diffusion of knowledge, although there are weaknesses in terms of Software spending on the level of firms. And within the Market sophistication (Rank from 101st improved to 83rd), the key contribution was achieved according to the Indicator Trade, competition, and market scale (Rank from 102nd to 35th).

When it comes to the deterioration of the GII in Serbia, it is most prominent in two areas: Business sophistication (Rank is exacerbated from 50th to 65th place)

Figure 2: GII of Serbia in 2018 and 2022



Source: WIPO, The Global Innovation Index 2022

and Creative output (from 64th to 76th). In the Business sophistication index, although a significant improvement was achieved based on FDI inflow, adverse effects based on knowledge workers prevailed (from 45th to 69th). Of particular concern is the creative output rank (which has deteriorated from 64th to 76th), especially because creative industries are one of the most important factors of modern development (see Figure 2).

Global Talent Competitiveness Index (GTCI). Bruno Lanvin and Felipe Monteiro [24] argue that we are living in the tectonic changes of talents. Countries around the world compete globally to grow better talent. It is important to attract the talent they need but also to retain those workers who contribute to competitiveness, innovation, and growth. So, it is important to follow economic and social policies in place that will facilitate this process. Preparing Global Talent Competitiveness Index (GTCI) Lanvin and Monteiro refer to the set of policies and practices that enable a country to develop, attract, and empower the human capital that contributes to competitiveness. Practically the GTCI is an Input-Output model which combines an assessment of what countries do to produce and acquire talents (Input) and the kind of skills that are available to them as a result (Output).

The Input side of the GTCI consists of Enable – Attract – Grow - Retain framework used by corporations to steer talent management.

Attracting talent is viewed from two perspectives: (i) as a draw towards external (i.e., foreign) valuable resources – both productive businesses (FDI...) and creative people (through high-skilled migration) and (ii) as an internal attraction that is focused on removing barriers to entering the talent pool for groups.

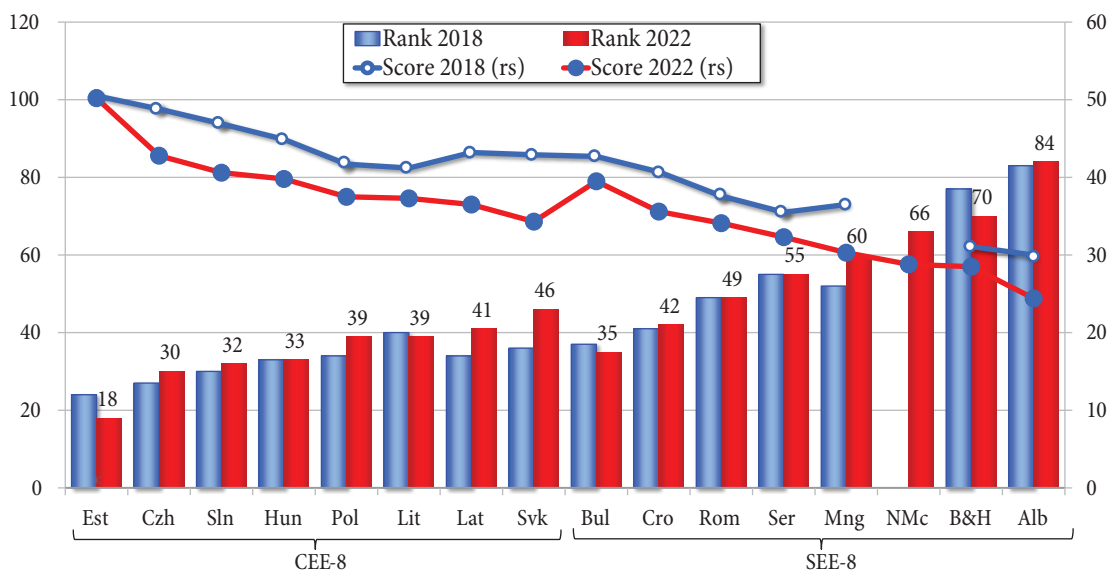
Growing talent depicts not only education but also includes apprenticeships, training, and continuous education, as well as experience and access to growth opportunities.

Retaining talent is very important because if you have the more talented person, the wider the global opportunities they have. In this field, two key components are sustainability (both personal and national) and quality of life.

Enabling component is also important and includes the regulatory, market, business, and labor landscapes within a country that facilitate or impede talent attraction and growth.

On the Output side, the GTCI consists of two levels of talent: mid-level and high-level skills. Mid-level skills labeled Vocational and Technical Skills (VT Skills), describe skills that have a technical or professional base acquired through vocational or professional training and experience. The impact of VT Skills is measured by the degree of employability (skills gaps and labor market mismatches and the adequacy of education systems). High-

Figure 3: GTCI country ranks and scores (2018, 2021 and 2022)



Source: GTCI, INSEAD, 2018, 2019, 2021 & 2022

level skills labeled Global Knowledge Skills (GK Skills) deal with knowledge workers in professional, managerial, or leadership roles that require creativity and problem-solving.

Based on the GTCI Input-Output model, there are three main talent competitiveness indices: (i) Input sub-index with four components describing the policies, resources, and efforts that a particular country can harness to foster its talent competitiveness, (ii) Output sub-index with two components: Vocational and Technical Skills and Global Knowledge Skills and (iii) The Global Talent Competitiveness Index (GTCI).

All the countries we analyzed achieved improvements in GTCI scores during 2021 and 2022 compared to 2018, but also weaker GTCI scores in 2022 compared to 2021 (see Figure 3). The country that has experienced the biggest drop across the two periods is North Macedonia.

When it comes to GTCI rankings, most countries have improved their ranks. When comparing the ranks in 2022 with the ranks in 2018, the biggest improvements were made by Serbia, Romania, and Albania.

Serbia achieved a significant improvement in the GTCI score in 2022 compared to 2018 (from 69th to 52nd) by both sub-indices: especially in Input (from 84th to 69th) but also Outputs (49th to 44th).

Inputs have been improved in the following components (see Figure 4): Enable (from 89th to 69th), Attract (from 102nd to 52nd) and Grow (from 79th to 58th), but there

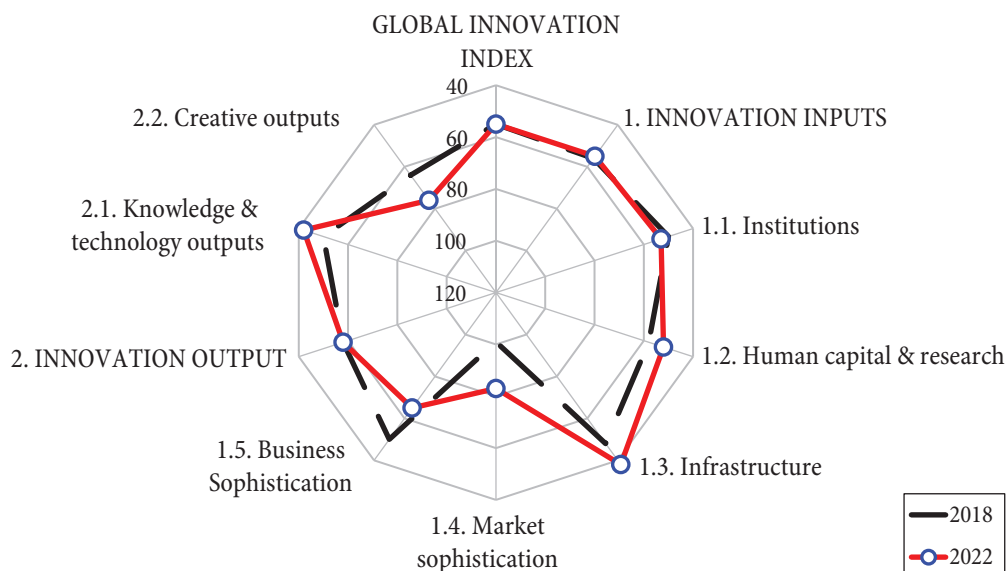
was a deterioration in retain component of the GTCI Input (from 67th to 70th).

The Output subcomponent is also improved (from 49th to 44th), which is still better than the Input subcomponent, but when we decompose it, we come to very complex results. For example, Vocational and technical skills have been improved (from 58th to 26th), but Global knowledge skills have deteriorated (from 40th to 56th), especially with Talent impact (from 24th to 49th).

The analysis of these two reference indicators – GII and GTCI – indicates the following:

- Globally, the GII scores achieved in 2022 are weaker, lower than those of 2018, indicating the global negative impact of the Pandemic and the War in Ukraine on innovation; when it comes to countries' GII rankings, countries' positions are different depending on the policies applied by countries.
- The GII for Serbia improved significantly in 2022, particularly in the components of Infrastructure (from 48th to 38th), Knowledge and technology outputs (from 50th to 42nd), and Market sophistication (from 101st to 83rd), but also showed significant deterioration in Business sophistication (from 50th to 65th) and Creative output (from 64th to 76th).
- Globally, GTCI indicates that the war for talent is escalating dramatically and that the current pace of talent development is not enough to meet the

Figure 4: GTCI in Serbia (2018 and 2022)



Source: GTCI, INSEAD, 2018, 2019, 2021 & 2022

needs of the labor market; in this case, the scores in 2021 and 2022 are better than 2018, indicating that the war for talents has intensified, but the scores in 2022 are weaker than those in 2021, which can be partly explained by the war in Ukraine; when it comes to the rankings of countries, a large number of countries have managed to Improve rankings in 2022 and compared to 2018 and 2021.

- THE GTCI rank and score for Serbia improved significantly in 2022 (score from 69th to 52nd), with improvements in both components of the index, both Input (69th to 52nd) and Output (49th to 44th); within the Output component, the deterioration was achieved in the Global Knowledge Skill sub-index (from 40th to 56th), and especially in the Talent impact sub-index (from 24th to 49th).

As talents have become one of the most important resources of the modern economy in several previous papers we dealt with talents. This time we decided to conduct research based on the analysis of over 500 respondents belonging to Generation Z. This generation consists of all who were born from 1995 to 2010. This generation is younger than the so-called Millennials, who are too deep in their business careers but also aged from the Alpha generation, which is made up of those born after 2010.

What GENERATION Z tells us?

In the third part of the paper, we will present the results of the research conducted on a sample of over 500 GEN Z members who were born between 1995 and 2010. In that generation, there is a new wave of talent that has already come out or is soon entering the labor market. Their role will be increasingly important in managing human capital, and they need to become new innovators, and new entrepreneurs... What do they say to us, and what messages do they send to the CEOs?

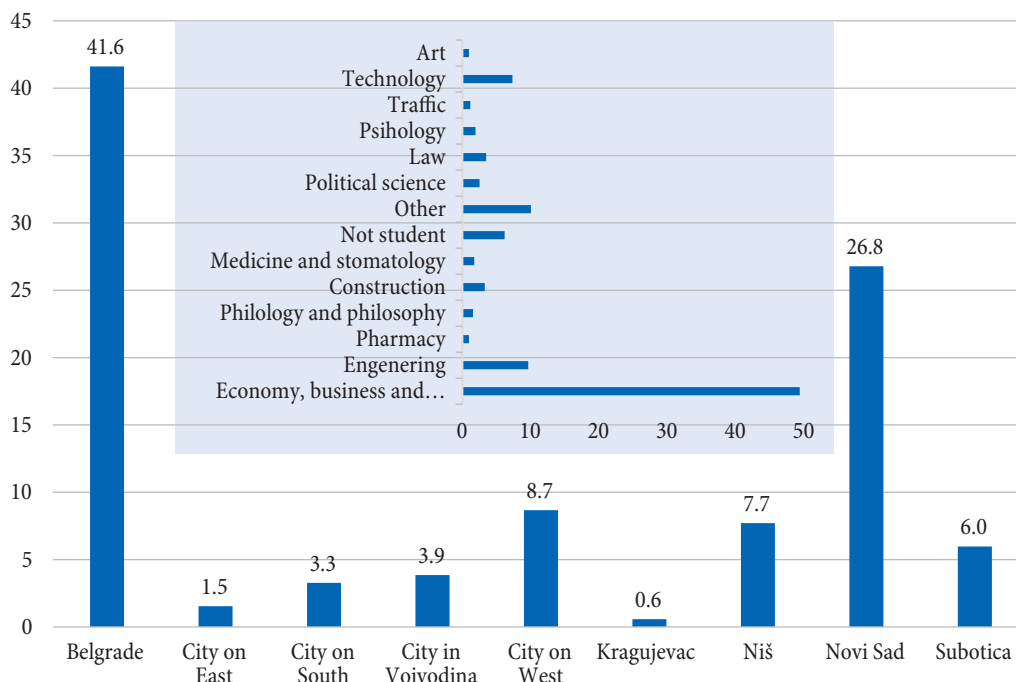
Methodology¹

The research starts with the overall framework for innovation and knowledge-based development that shows the strength and weaknesses in the Serbian economy based on Global Innovation Index and Global Talent Competitiveness Report indicators which we already depicted.

Additionally, for this paper, we conducted an online survey among 519 Generation Z members (those born between 1995-2010) between December 2022 and the beginning of January 2023. The survey has 30 questions, mostly closed-ended, with pre-defined responses or rating

¹ Authors would like to thank Katarina Šonjić, Employer branding Strategist at Kat on coffee, for her contribution to the online survey design.

Figure 5: Place of residence and area of study, in %



scales. The survey was equally distributed between female (60%) and male respondents. The majority are 21-23 and 18-20 years old, 42.4% and 35.3% of examinees respectively.

The survey was done by students in different fields, and almost half of them are studying economy, business, and organization. The survey is also regionally equally distributed, with 41.6% of respondents from (or living in) Belgrade, and 26.8% and 7.7% of them are from Novi Sad and Niš, respectively (see Figure 5).

Since most respondents are still students in high and secondary education, almost half of them are not employed, but almost a fifth of them are volunteering. Even though they still don't work, Generation Z members do know who their favorite future employer is. Therefore, we gather data to illuminate this field and to answer the questions regarding Generation Z's expectations of the workplace and the future of work. We are comparing the Serbian Generation Z's aspirations and demands in this sense with their peers worldwide. This article compares the results gathered through a survey with similar surveys conducted by Deloitte and McKinsey.

The GEN Z aspirations and demands

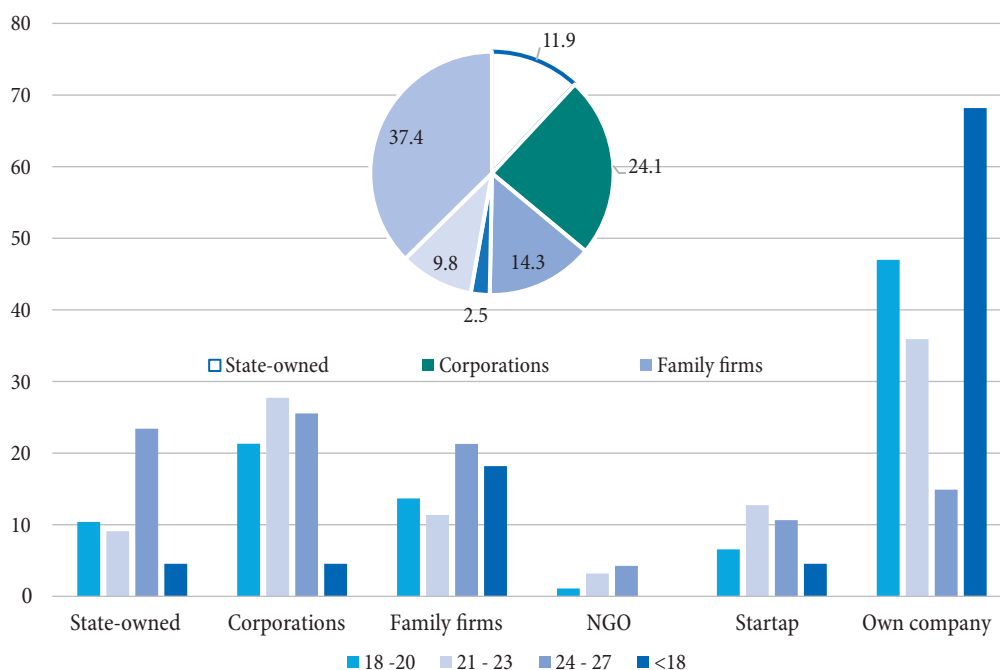
Already, based on the Census's latest data, Generation Z makes up around 8% of the Serbian population. Those

people are becoming powerful influencers in our society's development, and they are about to step onto the labor and the overall market stage. Their main difference compared to other generations is their digital nativeness since they have been exposed to the internet and social networks from the very beginning of their childhood. Therefore, like all other generations, this one is shaped by the context in which they grow, and it is always connected. Generation Z is the most ethnically and racially diverse generation in history [14]. This generation has different values, habits, and behaviors. As the McKinsey survey shows [12] this generation is searching for truth.

As for all other fields, Generation Z also differs in their attitude toward the workplace. Gomez and Mawhinney's survey results [14] showed that Generation Z is an "independent and entrepreneurial generation when it comes to career opportunities and development, but at the same time, they are striving towards safety of stable employment".

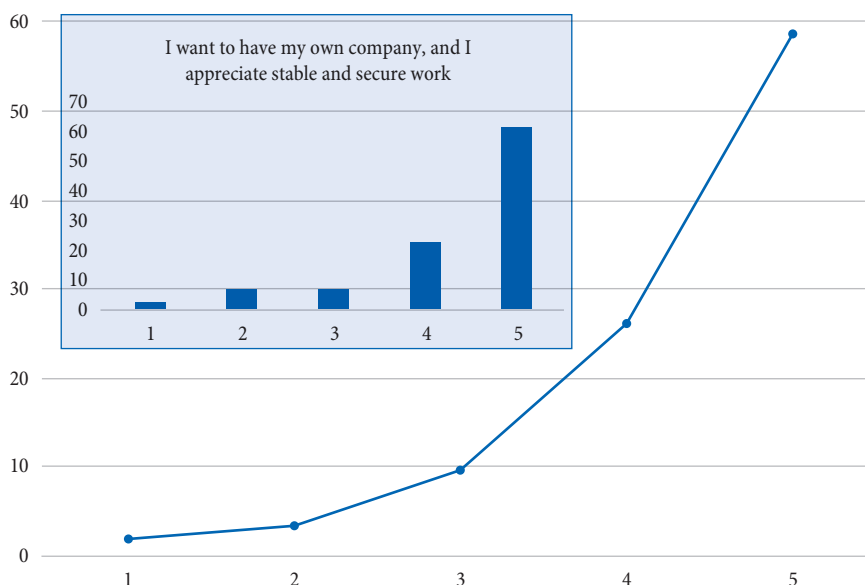
Our research results show that more than a third of respondents want to establish their own company (see Figure 6). Even a fifth of those aged 24-27 want to work in a state-owned company which is related to secure earnings and a job position, and we need to state that the majority of those are studying medicine. Given the

Figure 6: Desirable employer, total and by age group, in %



Source: Conducted survey

Figure 7: Importance of stable and secure job, total and by those who want to start their own business, in % (5 – very important)



fact that the health industry is still dominated by public health infrastructure, this is not surprising.

The surprise is the way they see entrepreneurial activity. Entrepreneurial activity is, by its definition, related to a higher risk appetite. However, generation Z is striving towards establishing its own company while simultaneously wanting to have stable salaries and secure work. Our results show that youth want their independence and freedom with loyalty to stability and security (see Figure 7). This is related to the fact that this generation doesn't feel financially secure, both in Serbia and globally, but Z people want to have the freedom to secure financial stability.

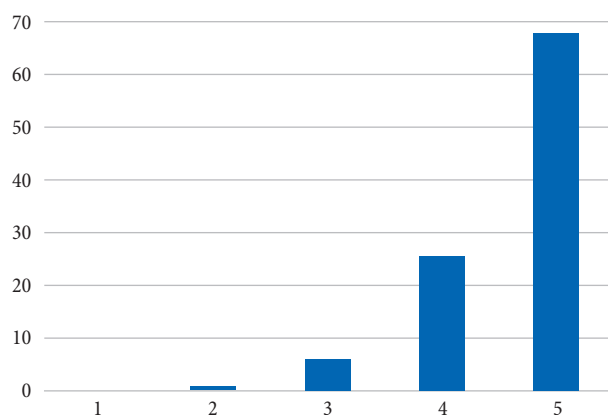
The Deloitte Generation Z and Millennials 2022 survey [8] showed that pay is the number 1 reason why they quit with employees, while it is the third most highly rated reason when they choose their job. Our survey shows some different results. The majority of Generation Z in Serbia will leave work if they don't have opportunities for further development, while they value the most salary and benefits when searching for a job (see Figure 8).

Globally, the cost of living is a great concern among this generation, and they are working on an additional part- or full-time jobs to overcome this concern [8]. The same concern is present among Generation Z members in Serbia, but although financial anxiety is present, it will not prompt them to stay at their jobs. The salary is the

most important factor when choosing a job (see Figure 9), but if there are no development opportunities and the working surrounding and people are negative, salary becomes irrelevant, and they quit the employer.

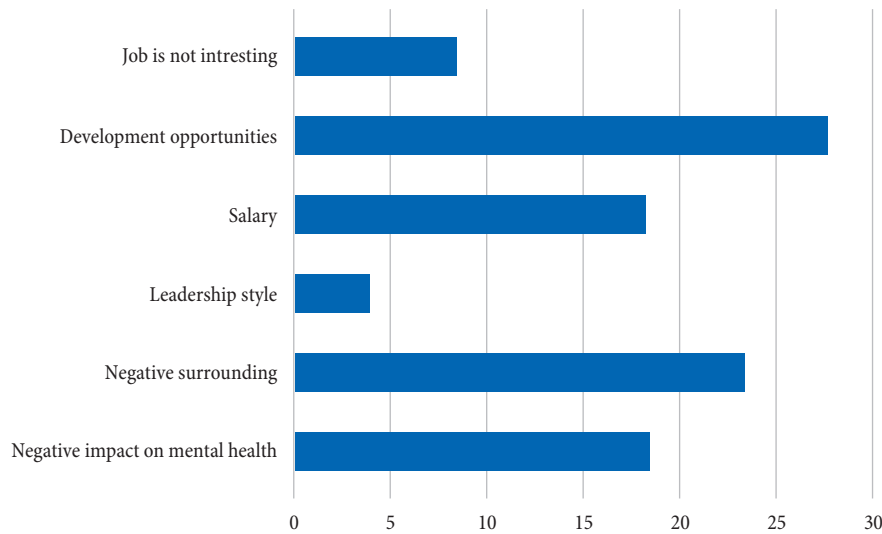
When looking together, negative surroundings and negative impact on mental health have the greatest ponder as a reason why Generation Z members would leave their job. Regularly, generation Z is stressed and anxious, and 46% of them globally fill burned out due to the intensity of work [8]. Members of this generation in Serbia share the importance of mental health being nurtured by employees with their peers around the globe (see Figure 10). Particularly with the pandemic, UNICEF warned that

Figure 8: Importance of benefits and salary when searching for a job, in % (5 - very important)



Source: Conducted survey

Figure 9: Reasons for leaving the job, in %



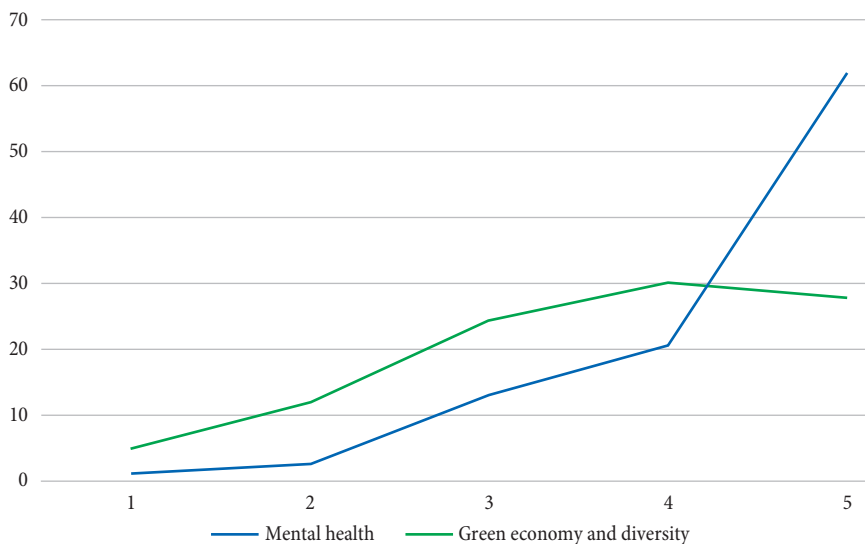
Source: Conducted survey

youth in Serbia noticed a deterioration in mental health, and every sixth adolescent is at risk of poor mental health. Since the companies in Serbia are in a “war for talents” and are struggling with talents retention [39], [23] securing good benefits and surrounding for personal development while taking care of mental health seems to be the right for attracting a generation that is about to step the labor market, Generation Z.

So far, we have seen that Generation Z in Serbia shares almost the same demand and aspirations for the workplace as peers around the globe. However, there is

one important difference, and it is related to sustainability. Generation Z globally is prioritizing environmental actions by employees [8]. However, it’s not the case in Serbia. In the Serbian case, only the nurture of mental health is an intangible benefit that youth are looking for when searching for a job; all the others are related to securing financial stability (see Figure 11). Only a third of the surveyed Gen Z in Serbia are looking for employers dedicated to sustainability. However, it’s not about this challenge being irrelevant for Gen Z in Serbia; instead, it’s about who they think should respond to it.

Figure 10: Importance of a company’s dedication to mental health and green economy and diversity in the process of searching for a job, in % (5 – very important)



Source: Conducted survey

Globally, more than half of Generation Z members are not satisfied at all with their organization’s impact on sustainability which has a direct impact on job loyalty [8]. The Deloitte survey also showed that Generation Z is prioritizing visible actions where employees are also taking part, and they believe that both businesses and governments need to do more to fight this issue.

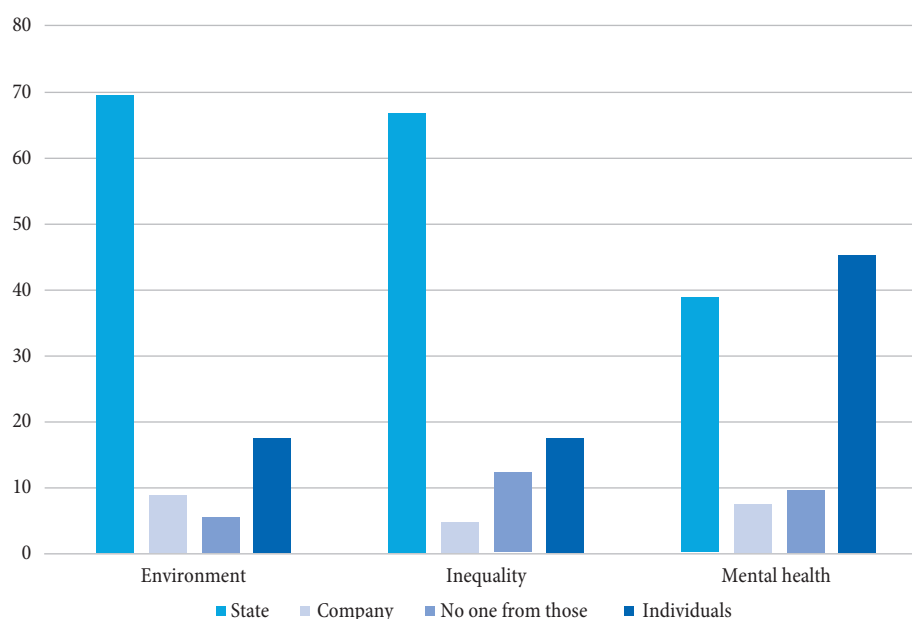
Due to the strong role of state heritage in economic development, youth in Serbia believe that the government is the one who should take responsibility for climate change (see Figure 12). They find the role of the state strong and responsible for all important global challenges. Although mental health nurturing by employees is important to them when searching for a job, in general, they think that individuals should take care of youth mental health. At the fact that Gen Z believes that mental health problems should be solved by individuals, we can look from two aspects. Due to the availability of information and extremely facilitated and accelerated communication, it is very easy for individuals to obtain information on how to solve problems, ask experts for help, and exchange opinions with their peers or with people facing similar problems. On the other hand, we must not ignore the still existing (but decreasing) cultural problem that it is a pretty shame to talk publicly about the mental health problem and ask for help in overcoming it. All of this has its roots in

social heritage and is related to the level of the country’s development. The strong role of the state in handle with other challenges could be related to the fact that Serbia is still a middle-income country with a strong state-role heritage. Therefore, there is still a clear split between social and economic development – where respondents see the state as responsible for social aspects of development and companies as a place where they can earn for life and develop their careers. In more developed countries, youth see both government and companies as responsible for solving social and environmental challenges. However, it also could be noticed that Gen Z in Serbia is going to shift to such an approach since the social aspects, although not the most, are still important when searching for an ideal place to work. They also do not exclude the role of the company in responding to those challenges.

Conclusion

The research focuses on the needs and demands of Generation Z that enters the labor market with different expectations and attitudes than previous ones. Our research results are showing expectations, but also pave a direction for companies’ initiatives and goals regarding talent attraction and retention in the time of battle for talent. Those directions are not directly related to talent

Figure 12: Responsibility for solving challenges, in %



Source: Conducted survey

development, but to their expectations of companies to be actively involved in solving challenges, which they find important. Our research results show that Generation Z's open letter to CEOs would have three important points related to financial security, nurturing of mental health, and development opportunities.

As global peers, Gen Z members in Serbia are independent and entrepreneurial individuals aiming to develop their own companies. We have also confirmed that Generation Z in Serbia is similar to global peers in terms of financial anxiety, and financial stability is important to them when searching for work. However, unlike their global peers, Generation Z in Serbia would not stay in the workplace due to financial security, but would if the workplace provided an opportunity for their development. On the other hand, members of this generation in Serbia share the importance of mental health being nurtured by employers with their peers around the globe. Our results showed one important difference in comparing this group of youth in Serbia with global peers. This is related to sustainability and only a third of the surveyed Gen Z in Serbia are looking for employers dedicated to sustainability. Additionally, mental health is a standalone dominant intangible benefit that youth are looking for when searching for a job; all the others are related to securing financial stability.

Although there are those members of Gen Z in Serbia who consider companies as important players in solving some of the greatest global challenges, the majority of youth in Serbia believe that the government is the one who should take responsibility for environmental issues. Global peers believe that both businesses and governments need to do more to fight this issue. Generation Z in Serbia state that individuals need to take responsibility for once mental health, but at the same time this is high ranked priority when choosing a job. We show that they expect the company to take care of their mental health.

The further opportunities for research in this field are mainly related to a deeper understanding of Generation Z expectations when it comes to activities that need to be undertaken for their development. Additionally, future research can elucidate Gen Z's expectations as consumers since they want to own brands related to their identity.

Finally, Gen Z prioritized mental health nurturing in both searching for a job and retention in a certain one. Therefore, there is room for further research on ways of building environments that support the development of this and other intangible benefits.

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Nebojša Savić

is Professor Emeritus, teaches Economics and Competitiveness and is a MOC affiliate faculty member of the Harvard Business School Institute for Strategy and Competitiveness. He is the President of the Council of the Governor of the National Bank of Serbia. He has more than thirty years of experience in company restructuring and institution building toward a market economy. Dr. Savić was a member of top expert teams advising on economic reform policies in Serbia. He was a member of the Serbian National Competitiveness Council (2008-2012) and previously served as President of the Yugoslav Economists Association and Editor-in-Chief of Economic Barometer, the leading monthly business cycle publication on the Yugoslav economy. He was a member of the Board of Directors of Alpha Bank Serbia (2006-2012) and President of the Board of Directors of Komercijalna banka, Serbia (2003-2005). He holds a PhD and MA degree from the Faculty of Economics, University of Belgrade. Dr. Savić has authored seven books (including Savić, N. and Pitić, G., Eurotransition – Challenges and Opportunities, 1999) and more than sixty articles.



Jelisaveta Lazarević

is an Assistant Professor at the FEFA Faculty. She is also a Chief Economy Producer at Bloomberg Adria. Jelisaveta is involved in the business development of the innovative company EM Analytic Solutions, which specializes in the application of artificial intelligence and advanced analytics for the purpose of creating added business value in various industries. She started her career at the Center for Advanced Economic Studies, where she had the opportunity to work on a World Bank project for the Ministry of Economy: Employment and Competitiveness, where she specifically focused on the analysis of value chains in the sectors of the economy with the greatest development potential. She is a strong believer in inclusive innovation-driven development and for two years she was Head of corporate partnerships at All for All organization, where she is a board member. Jelisaveta completed her undergraduate and master's studies at the FEFA Faculty as a student of the generation. During her undergraduate studies, she was named one of the best economics students in Serbia by the Serbian Association of Economists. She defended her Ph.D. dissertation at the FEFA Faculty in the field of business economics on the topic: Essays on strategy and innovation. At the FEFA Faculty, she works on projects that contribute to the competitiveness of the economy, especially through the research of companies that are defined as "hidden champions". During her career so far, she has received several awards, such as being selected as a future leader of Europe by the France Ministry of Europe and Foreign Affairs.



Filip Grujić

is the Coordinator of the Center for Career Development and a lecturer at FEFA Faculty in Belgrade, where he has been teaching a course in Marketing since 2020. Filip is also engaged as Talent Pool Coordinator at DDOR osiguranje Novi Sad, as part of an HR department, where he works on various HR processes such as developing and monitoring activities targeting young and talented people in a company, and also works on building a strong relationship between company and universities and high schools. He participated in the Serbian Youth Leadership Program in the United States of America, where he was one of the best delegates of his group. He completed his undergraduate studies at the Faculty of Economics in Belgrade, module: Management. Mr. Grujić holds a master's degree in Marketing management from the same faculty at the University of Belgrade. He started his career as an Associate at the Center for Corporate Relations at the Faculty of Economics, where he was part of the team that established cooperation with more than 400 companies and provided more than 1300 internships for students. From 2017 to the present, he has been engaged as a consultant in employer branding projects for several domestic and foreign companies. Co-author of Ahold Delhaize's Brand Ambassadors program in 2017. In October 2021, he started his PhD studies at FEFA Faculty. Filip has been a panelist and guest lecturer at many student conferences and conferences in the field of HR, marketing, employer branding and talent development. Former futsal player with 18 appearances for the Serbian university national team. As his greatest results he singles out gold (Rome 2016) and silver (Barcelona 2017) medals at the World Inter Universities Championship, and 5th place at the European University Games (Coimbra 2018).