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**TOWARDS INTERGENERATIONAL LABOR MARKET**

**Abstract**

Designing the economy of the future means planning the architecture of labor market and the employer – employee relationships that constitute that market. The previous pillars of economy lost their significance and the creation, transfer and implementation of knowledge by societies, organizations and individuals have become a new value and source of wealth. The contemporary labor market reflects the megatrends, the globalization, entrepreneurship, innovativeness and the demographic ageing of societies. The encounter of the actors on the labor market with the above mentioned phenomena is a unique challenge that requires the acceptance of intergenerational functioning and the acquisition of the abilities to manage human resources that are diversified as regards the age and competencies. The aim of the article is to point at the attributes of particular generation groups that co-exist on the labor market in the functional and not dysfunctional aspect. Consequently, it is an attempt to present a set of operations on the part of employers and employees and the necessity of cooperation between business decision makers, universities and the beneficiaries of the operations of these two groups i.e. – the employees, with a particular consideration of graduates. In order to exemplify the considerations on the mutual agreement of the main actors on the labor market, a case study of EPAK (Electronic Platform of Competence Analysis) was presented.

Key words: labor market, demographic ageing of societies, intergenerational management, competencies, EPAK (Electronic Platform of Competence Analysis).

**Introduction**

Leszek Kołakowski in his collection of articles and essays entitled *My Correct Views on Everything* wrote that as we are intelligent beings, we can recognize hazards and avoid acts that involve punishment; however the intelligence itself does not teach us respect or make us altruistic. According to Bergson, the solidarity of ants comes from their instinct but human instincts are not so powerful and the intelligence itself supports egoism. The need to live in a
community is perhaps a natural necessity and it does not result from the need for defense against dangers; however, it does not generate the sense of respect or altruism in a natural way. The above statements can be referred to the current state of relationships between the economy, labor market, organizations and the demographic ageing of societies. With reference to the thoughts of the greatest Polish philosopher, we have chosen to consider the triad of issues that play an important role in the description of the employer’s and employee’s places in the organizations of present-day economy.

Knowledge-based economy is the first category from the group of issues under consideration. The demographic ageing of societies – and consequently of the labor market – is closely connected with that category, while the last category of the triad in question is the intergenerational management of human resources. We are able to recognize the dangers of the current labor market that are caused by unemployment, the increase of the 55-64 population, the decreasing numbers of young employees entering the market and the emigration of well educated competent professionals. However, it is crucial that the diagnosis of the hazards should not be accompanied solely by the intelligent search for the solutions for a local community or one’s own company, i.e. by egoism as Kolakowski put it. The only correct approach is the holistic attitude, which takes into consideration the solidarity of the participants of the labor market, the need for respect and empathy. It is said about the situation of present-day employers that employing or keeping third age employees is not in the interest of the staff but will become the need of employers. In order to make a company competitive, the representatives of all generations should be employed. The term generation refers to a community of people in similar ages and with similar life experiences. It is of particular importance when the experiences involved the moments that were significant to societies.

Breakthrough changes lead to the transformation from industrial to postindustrial or information society, and afterwards to the society and economy based on knowledge. While in the industrial society labor and its division, the industry, financial capital and technology were

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significant, that is not the case for the information society. Daniel Bell\(^3\) suggests analyzing the transformation of society into a postindustrial one, i.e. one that differs from the previous society as regards the character of technological innovations which modify all other areas of social life. The next stage of the change is the evolution towards a knowledge-based society and economy. It is identified with the social and economic design thinking that is based on the ability of successful knowledge implementation and the development of networking. The issue of knowledge is closely associated with the competency to apply it. In order to understand the dependencies that are generated in a knowledge-based economy, one should consider the interrelation of areas that have a common denominator – reliable knowledge, education and development of competencies, innovation, labor market, organizations and human capital.

1. Generations of employees

In order to understand the mutual relationships between the character of contemporary society and economies and the existing trends on the labor market, one has analyze them from the perspective of subsequent staff generations (table 1)

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<th>Table 1. Description of staff generations co-existing on the labor market and organizations as an incentive for intergenerational management of staff potentials</th>
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| The term *generation of seniors* or *veterans* refers to a subpopulation born in 1922-1942. The historical period when they were professionally active and which is significant to them is the time of the World War II and the period of later political, social and economic changes, all of which determined their perception of their workplace and the value system. It is also the time of an industrial society. The generation of seniors has been labeled as “people of one organization”, which means that their careers run mainly in one and fairly stable place of employment. At present these people are usually occupationally inactive.  

**Preferred values:** respect for legal and organizational standards and tradition; the need for authorities; the sense of duty, loyalty to traditions, the acceptance for a formal work style.  

**Significance to organizations:** the co-existence with the younger staff generations makes it possible to play the role of guides or mentors in passing the experience and knowledge,

which is crucial in some branches. Veterans are the last link that joins the organizational past with its future.

The term *baby boomers* (BB) refers to the subpopulation born in 1942-1964. It is the generation of the demographic boom, which currently constitutes the most numerous group of employees 50+, who are still professionally active, whose career path is related to one company and cannot be referred to as mobile. Due to political and economic changes, the Polish BB Generation comprises of employees with biographies in two labor markets, which resulted in the differentiation of professional status. That group of employees has been acutely affected by the new and – which is important – dynamically changing labor conditions, including the changes in technology. The period of the occupational activity of baby boomers coincides with the evolution from the industrial society to the postindustrial and the knowledge-based society.

**Preferred values:** employee subjectivity and autonomy but also work as autotelic values; commitment to work, the issues of the local environment; BB employees highly value professional status; they respect hierarchical order in organizations, university degrees and titles; they are patient, responsible and can cope with difficulties. They co-exist with the new generation of employees, who are frequently at the age of their adult children. The generation of the demographic boom was forced to redefine their professional roles due to the new requirements of the labor market. They are the main recipients of the successful ageing programmes.

**Significance to organizations:** the BB Generation still wants to remain in the labor market when reaching the retirement age, either by working part-time or starting their own businesses. In such cases, organizations benefit from having workers who share their experience and expertise with young employees and who do not compete with them for positions.

**Generation X** – subpopulation born in 1965-1979. Like the previous generation, they are the beneficiaries of the fundamental political, social and economic changes in Europe and Poland (the martial law, the transformation of the system, the extension of the EU structures, globalization, the emergence of Web 2.0 and mobile phones, privatization, restructuring, mergers, the economic crisis and international conflicts). Work and development are the main target of the generation but they are entering the labor market which is occupied by the
BB Generation (which accounts for 1/3 of the whole labor force in Poland). Generation X has the following tools to build their professional and social status: the sense of independence and subjectivity and the ability to complete diversified tasks. The generation is functioning on the market at the time of change in the economy and organizations (the increase of unemployment; the personnel strategy evolves towards a quantitative and not qualitative change; the increasing number of civil-law agreements instead of work contracts; growing requirements as regards competencies; university degree is insufficient). The representatives of Generation X frequently have dual social roles, they take care of their children and the ageing parents. That generation is the recipient of the work-life balance programmes.

Preferred values: professional and personal development are crucial. The representatives of Generation X do not subordinate completely other spheres of life (private life, family) to their professional careers. Work should provide the sense of social security and the professional status that they gain is not the most important objective (that is why they are sometimes referred to as the generation of slackers). It is also a generation that is “contaminated” by the crisis of authorities and traditional values, negation of their parents’ views, who see themselves as useless and not fulfilling the requirements of the contemporary labor market, socially homeless as Bauman put it.

Significance to organizations: in the development of professional biography education is significant as well as commitment to hard work, professionalism and unconventional methods of operation. Generation X is certainly an important link between generation as regards the transfer of knowledge.

Generation Y, also referred to as the Millenial Generation, comprises of the population born in 1980-1989. It is the fourth generation of employers and employees on the market and it was brought up and educated in an information society. Currently it is a group of 20 - 30 years old, with an individualistic attitude and high self-esteem; they follow the “distinguish yourself” and be successful principle. They have high professional competencies and treat them as their own property that can be transferred to another employer. The Millenials, contrary to their predecessors (Generation X), do not aim at achieving a success through hard work but through the creation of their professional biography by the development in a well organized innovative work environment and by being employed by a market leader offering top salaries, which results in their requirements as regards working conditions (e.g. working time, cafeteria benefits system, short- and long-term incentives, perks). The Millenial
employees are ready to exchange their high salaries to the opportunities for personal development. The architectural space where they feel comfortable is an open-space office.

System of values: assertiveness, ambition, creativity, social and civil activity, the use of educational paths and permanent education, freedom to express one’s own opinions, insignificant loyalty attachment to the employer. The place of work, the position and the character of work are treated dually – as a value in itself and the opportunity for further development. The sacrifice of private life for the sake of work is unacceptable. The Millennials have a positive attitude to work and treat it as an instrument for the accomplishment of life goals and hobbies.

Significance to organizations: they can meet the requirement of multitasking and work from any place in the world. They are ready to work in a team and to influence the development of the organization they work for (the sense of agency: I know the purpose and effects of my work). They expect feedback, opportunities of promotion and business partnerships and if that approach is understood by the employer, the employee will generate profits for the company, generate an atmosphere of cooperation (Ys are against rivalry) and identify him/herself with the organizational culture.

Generation Z or the Digital Natives. Generation Y has its successors. They were born after 1990, currently graduates of colleges and universities, educated in a knowledge-based society and economy and surrounded by information smog. They take advantage of IT and innovative solutions to a greater degree than their predecessors and operate efficiently in complex networks. As the employees of formal organizations, they frequently communicate through virtual platforms, forums and social portals. The generation of the knowledge society represents a new type of employee – a hybrid of knowledge and intercultural competencies who can create new technologies (and are not overtaken by their development), who perform numerous tasks, use extensively the Internet, build social networks to share know-how, experience and both professional and private contacts. According to statistics, in 2020 they will constitute 1/3 of all employees.

System of values: interactivity, the acceptance of less formalized and hierarchical organizations; feedback is essential and creative work is an expected and accepted challenge; they are more open to change than the previous generations – the citizens of EU, educated during the financial crisis and the time of terrorist attacks and the domination of modern communicators.

Significance to organizations: As they have not entered the labor market yet, their
significance can only be forecasted. They may be useful to the organizations of the future due to their ability to build networks of interorganizational relationships. They feel comfortable in intelligent, network and virtual organizations where design thinking is crucial as regards the knowledge on facts and the scientific knowledge that they transform into a market product.

Generation Alpha – born in the 21st century. The generation that has the highest material and technological potentials. It remains a question whether they will be the beneficiaries of the work of previous generations or will actively create new value of work and organizational, social and economic reality.


2. Labor market and demography

Europe is the oldest continent. Eurostat’s estimates concerning EU countries from 2008 (as the base period) till 2060 show a definite growth of the population of 65+ (from 17.4% to 29.5%) and an increasing share of population 80+ (4.6% to 12%). Almost 30% of the EU population will be 65 and more. The demographic forecasts, both of the UN and Eurostat, show that the population of Poland will be one of the eldest in Europe. In Poland, the percentage of 65+ will be 22% in 2020, which will move Poland to the group of countries that reached the phase of “demographic senility”. In terms of the median age, treated as an advanced instrument to measure the ageing of societies, the population of Poland in 2020 will amount to 54 years4.

The forecasts concerning the labor market have to consider both the natural changes in the population and its mobility. The internal mobility on the labor market is linearly dependent on the changes on regional labor markets, housing situation and the development of the transport infrastructure. External migration is more selective than the internal one and

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the main push and pull factors are the competencies that are not in demand on the accessible local labor market or remunerated in a sufficient way. The socio-demographic structure of labor resources in Poland until 2010 was influenced by two demographic peaks (the currently existing on the labor market Generation BB and Generation X). In the next decade (2010-2020) there has been a significant decrease in the number of people of working age, the estimated figure is 22.6 m in 2020. However, the decreasing trend in the volume of labor force is not as crucial as the fact that the percentage of the group in the immobile age (the BB Generation) has been falling significantly till about 2015. However, in 2015-2020 the share of labor resources on the market in the mobile age (18-44 years, i.e. Generations X and Y) will be decreasing. In the next decade (until 2030), the participation trend of the young generation of employees in the labor market will remain on a similar level as in the previous decade and is estimated to be up to 20.08 million. That means that the subpopulation of employees will have decreased to 60.8% in 2020 and 58.2% till 2030. However, these are not the only disturbing figures as regards the labor market since there is a simultaneous increase in the share of people at the age of 75+ who remain out of the labor market.

Does that mean the end of employment for the BB Generation? No, as the employers have changed their attitude to senior employees. The decrease in labor resources, longer life expectancy and a better health condition of Poles verify decisions regarding personnel decisions of business and institutions. Employees do not want to retire and, what is more, they frequently continue their professional activities after retirement (that does not apply to professions that require speed, precision and psycho-physical fitness). According to the experience of companies, such labor resources have the following attributes: honesty (which in the opinion of the employers of four industry branches in the Małopolska region that was expressed in the Human Capital Balance Sheet is a critical competence – indispensable and difficult to acquire), loyalty to the employer (which is the consequence of the respect for the value of work in one company for the whole professional life), the sense of duty, the willingness to help younger employees to adapt to the job and workplace, and the lack of a demanding attitude. Prospective thinking of employers will help prepare in time the

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instruments of effective management of senior employees who currently belong to Generation X.

It is worth noting that the BB Generation is subject to a unique type of occupational mobility. Having worked all their lives as full-time employees in one company, some workers retire and start their own businesses. Such “senior entrepreneurs” are motivated either by the desire to make extra money to their old age pensions or to accomplish their dreams of having their own businesses. Despite being physically weaker, they have advantage over young entrepreneurs due to their expertise, experience, contacts, financial capital and rational risk assessment\(^7\). The combination of energy and creativity of young employees with the experience of maturity and the network of contacts developed throughout the whole life’s work may be a source of success. One more important aspect should be emphasized, which is particularly visible in trade and services. It is the fact that silver market is booming and seniors, who are attractive customers, prefer dealing with their peers rather than with younger staff\(^8\).

Intelligent HR solutions require the consideration of the consequences of ageing, which consequently leads to a different attitude to older staff in the company. When developing a personnel strategy for the 55-64+ staff, the employers should take into consideration the following areas of company policy:

- health and preventive health care, supporting physical activities, the development of work-life balance programmes;
- inclusion of senior employees into career advice activities – mentoring (while they still have their responsibilities related to their positions);
- organization of ergonomic and employee-friendly work environment;
- provision of flexible forms of work;
- adjustment of the form and subject matter of trainings to senior workers\(^9\).

Employers have numerous in-house opportunities to support the group of the oldest employees. Sometimes, a change of attitude without any additional expenses is enough. However, it may be profitable to invest in additional health care packets, insurance or longer

\(^{9}\) Ibidem
paid holidays. With their experience senior employees may be successful in the role of mentors. The patience typical for the old age counterbalances the impatience of the co-workers from Generations Y and Z. And both parties benefit. Companies save money on training young employees as regards induction to work, responsibilities related to particular positions and the presentation of organizational culture. Senior workers have a sense of appreciation and feel that they support the adaptation of newly employed staff. The process of induction of new staff (even with degrees from the best universities) is time consuming and expensive. Moreover, the added value is the fact that on the basis of co-operation and mutuality a network of relationships is built as senior staff can learn a lot from younger employees who are proficient in internet skills, creative and with positive attitude to the new methods of solving professional problems.

It can be said with a high degree of certainty that our experienced employees will play the role of mentors and remain loyal if their employer provides for them friendly work environment as regards the space, health care, flexible working time and training dedicated specially to that group.

Instead of conclusion. Employment is a significant process in every organization; it requires full attention and decisions that are tailored to a particular company, especially when it involves the management of intergenerational human capital where the group of workers includes young people and superiors, inferiors and co-workers belonging to older generations. The employment process takes into consideration the candidate’s competencies, expertise, experience, talents and skills. Predicting the demand for work and competencies (social, personal, managerial and professional) is a practical and innovative solution, which results in the consideration of a particular labor market and aims at confronting the offers of employers with those of potential employees. In 2011 in Poland legislative initiatives were started that aimed at monitoring career paths of graduates. The investigations and analyses of the allocation of graduates by industry branches, professional groups, type of education and flows in regional labor markets will make it possible to develop a forecasting and information system with the purpose to direct university education and to balance the demand for work with the supply of work. The case study of the EPAK (Electronic Platform of Competence Analysis) constitutes an exemplification of operations aiming at adapting human resources to the needs of the market.

Case study: EPAK (Electronic Platform of Competence Analysis)
**Innovative project:** *Graduate career monitoring as the way to success of a 21st century university* within the Human Capital Operational Programme, co-financed by EU resources.

**Designer – Executor:** Tadeusz Koścuszko Cracow University of Technology.

**Beneficiaries:** schools of higher education, graduates, employers.

The project designer implemented the EPAK (Electronic Platform of Competence Analysis) system as a tool to monitor graduate careers and to validate the educational effects of the schools of higher education. The innovative online portal EPAK is dedicated to the three groups of actors on the labor market: schools of higher education, graduates and employers. The implementation of the EPAK platform was preceded by the following stages of project development: preparation and implementation with two separate phases of preliminary and implementary testing. The participants of the Platform development stages included several Polish schools of higher education in different fields (medicine, pedagogy, humanities, engineering, natural science, physical education and recreation, economics and finance, marketing, accounting and maritime industry), which made it possible to develop a final universal electronic instrument to monitor graduate careers. In Krakow, among the participants were public schools of various educational profiles and only one non-public college – The School of Banking and Management. The access of our School to the programme did not involve any extra expenses as the Chief EPAK System Administrator opened an account dedicated to the School, which enabled the key employees responsible for the quality of education to work in the EPAK system on the data acquired in the surveys. In line with the networking ideas, the two other beneficiaries of the system – the graduates and employers - could test the functions after opening an account in the EPAK.

EPAK offers communication organized horizontally rather than vertically as all beneficiaries have equal rights to operate in the network of common contacts and mutually coherent operations. The idea of EPAK is to provide the access to the platform with the aim to monitor the opinions of graduates, schools of higher education and employers and to exchange experiences. It is a project of multifunctional modern monitoring of graduate careers aiming at the diagnosis of educational effects and their compliance with the Polish Qualification Framework and at the modification of curricula so that the supply of the knowledge of future employees (currently students) should meet the demand of the labor market. The graduates should have the sense of being specialists valuable to the labor market. The innovativeness of EPAK consists in the introduction of technological solutions.
(a refined advanced IT tool that enables the surveying, processing and filing data in a simple and automated way as well as the development of reports based on the data acquired) and methodological ones (the monitoring of graduate careers in the first six months after graduation and then after three and six years). The innovativeness of the solutions used in EPAK results in the reduction of the costs and time of monitoring and the solution of the problem related to low responsiveness and fragmentary character of opinions gained. Moreover, EPAK secures the information that is stored and processed. The data that are acquired are stored in a secure system that automatically generates the desired reports. The confidentiality of data in the EPAK system is guaranteed by the Designer and Executor. On the operational level it is achieved by the application of mechanisms preventing from leakages and data anonymization. On the technological level it is carried out by the use of secure servers and procedures preventing data leakages.

The Platform motto is: *Open an account and create the future. Your opinion counts.*

**Benefits for graduates:** EPAK provides the opportunity to express opinions on the curricula and skills gained during their studies. The graduates who participate in the communication in the EPAK platform become the participants of the information exchange and consequently, they influence the curricula. Thanks to electronic surveying, which is also possible with the use of mobile applications, EPAK can promptly and successfully reach the graduates and employers. The graduates’ opinions are crucial as they are the experts who verify what knowledge, skills and social competencies are really useful in their careers. Interactivity is an added value – graduates can attach their CVs in the system which is visible to potential employers and can reply to the published job offers. Students, even before the graduation, can make interesting professional contacts and receive attractive scholarships and apprenticeships.

**Benefits to universities:** EPAK is a functional, useful and effective system of graduate career monitoring. It enables the introduction of a uniform methodology in the process despite the diversification of specializations, degrees of education or the status of the pubic or non-public schools of higher education (the effects of education can be evaluated and the analyses of the results can be compared among the schools). The whole survey procedure is carried out on-line and the postage and collection of paper documents is eliminated. The schools can prepare their own questionnaire forms on the basis of examples provided by EPAK and they can adapt them to the fields of study and specializations that they offer. The innovativeness of the EPAK system does not only result in the efficiency of data collection. It also reduces
the time necessary to analyze the data and prepare the reports along the criteria individually defined by schools. Thus, the reports meet the requirements of accuracy, reliability and also effectiveness through the reduction of printing costs and time consumed.

**Benefits to employers:** EPAK is an invitation to companies and other institutions as important stakeholders to build networking with academic circles in order to participate in the shaping of the educational process of the future human resources. Through the participation in the simple and user-friendly EPAK system panel, the employers can provide feedback as regards the competency level of the graduates they employ and they have the opportunity to express recommendations regarding academic programmes. What is more, they can make ranking lists of schools of higher education that prepare best to work in particular industry branches.

**The EPAK club:** The EPAK system provides the opportunity of a unique application of interactivity among three groups of the Platform participants: the graduates, schools of higher education and employers. The idea of the Club is to introduce a moderated forum of discussion on the quality of university education in Poland, where the three parties have the opportunity to comment and express their opinions, suggest solutions or share the recommendations resulting from the surveys.


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