Chapter 6
Beyond the Paycheck:
Navigating the New Era of Employee Expectations

Michael Gerlich

iD https://orcid.org/0000-0003-4033-4403

SBS Swiss Business School, Switzerland & London School of Economics and Political Science (LSE), UK

ABSTRACT

In a dynamic employment landscape, the classic determinants of job contentment and workforce engagement have become outdated. Contemporary employee expectations are shaped by significant societal transformations since World War II, the influence of Generation Z, and the indelible mark left by the COVID-19 pandemic on remote working conditions. Using Maslow's hierarchy of needs as a framework, this chapter delves deep into the evolving prerequisites of the modern-day workforce. Priorities have gradually shifted from basic security and stability concerns, synonymous with post-WWII sentiments, to an emphasis on advanced needs like belonging, esteem, and self-realization. The pressing need for adaptability in human resource management (HRM) strategies is highlighted and supported by research including 640 companies from Germany and Switzerland, emphasizing a more personalized approach attuned to individual employee needs amidst overarching societal changes.

1. INTRODUCTION

In today's rapidly evolving world of work, the traditional parameters for job satisfaction and employee engagement are no longer sufficient. Gone are the days when employees were content with merely receiving a stable paycheck and the occasional pat on the back. A paradigm shift is taking place, fuelled by societal changes, the emergence of Generation Z, and the lasting impact of the COVID-19 pandemic on remote work. As the priorities of employees evolve, so must our understanding of their needs and desires within the workplace.

The societal transformation (Dimock, 2019) that has taken place since the end of World War II has played a significant role in this shift. In the aftermath of the global conflict, the Baby Boomer and Generation X cohorts were focused on rebuilding and meeting their basic needs for security and stability, corresponding to the first two levels of Maslow's hierarchy. However, as we move further away from this period of reconstruction, the priorities of the newer generations have evolved, with a greater emphasis on fulfilling the higher levels of Maslow's pyramid, such as belonging, esteem, and self-actualization.

In this chapter, we will delve into the fascinating world of modern employee expectations, utilizing Maslow's hierarchy of needs as a compass to navigate the complex landscape of contemporary human resource management (HRM). As we progress through the various levels of Maslow's pyramid, we will explore how organizations can adapt and thrive by addressing their employees' higher-level needs for belonging, purpose, impact, and a shared vision. Our goal is to provide HR practitioners, business leaders, and employees alike with a fresh perspective on the importance of creating a work environment that goes beyond monetary compensation and fosters an atmosphere of growth, collaboration, and mutual respect.

The theoretical framework for this study is rooted in the dynamic interplay between historical work values and contemporary shifts in employee expectations. Anchored in Maslow's Hierarchy of Needs, the framework traces the evolution of workplace motivations, beginning with the post-World War II era, where the focus of the Baby Boomer and Generation X cohorts was predominantly on security and stability. As societal norms and generational priorities evolved, especially with the emergence of Generation Z and the profound effects of the COVID-19 pandemic on work modalities, there was a marked shift towards higher-tier needs like belonging, esteem, and self-actualization. This transformation necessitates a reconceptualization of Human Resource Management (HRM) strategies. Modern HRM must not only address these evolving needs by fostering belonging, purpose, and impact but also adopt an individualized approach to cater to the unique needs of each employee. The framework underscores the critical role of systemic organizational changes, emphasizing continuous improvement and adaptability, ensuring that companies remain competitive and relevant in an era of ever-changing employee expectations.

To provide a comprehensive understanding of the current state of employee expectations, we will first delve into the forces driving this shift in priorities. We will explore the influence of Generation Z as they enter the workforce, the rise of remote work due to the COVID-19 pandemic, and the broader societal changes that have contributed to a new era of employee expectations.

As we journey through this exciting exploration of the modern workplace, we aim to equip organizations with the knowledge and tools necessary to stay attractive and competitive in the face of changing employee expectations, ensuring a successful and fulfilling future for all.

2. BACKGROUND

2.1 Understanding Maslow's Hierarchy of Needs and Its Relevance to Employee Expectations

Maslow's hierarchy of needs is a psychological theory developed by Abraham Maslow in the 1940s (Maslow, 1943), which proposes a five-tier model of human needs (Figure 1). This model is often depicted as hierarchical levels within a pyramid, suggesting that lower-level needs must be satisfied

Related Content

How does Leadership Motivate the Innovative Behaviors of Software Developers?
Youngkeun Choi (2022). *Research Anthology on Human Resource Practices for the Modern Workforce (pp. 1727-1742).*
www.irma-international.org/chapter/how-does-leadership-motivate-the-innovative-behaviors-of-software-developers/295423

High-Performance Work Systems in a Cross-Cultural Context: A Comparison Between Sweden and Brazil
Gislaine Martinelli Baniski, Rosana Silveira Reis, Bruno Henrique Rocha Fernandesand Fabricio Palermo Pupo (2022). *Research Anthology on Human Resource Practices for the Modern Workforce (pp. 564-586).*
www.irma-international.org/chapter/high-performance-work-systems-in-a-cross-cultural-context/295362

An Exploratory Content Analysis of Human Resources Management in Healthcare Organizations
Delores Springs (2022). *Research Anthology on Human Resource Practices for the Modern Workforce (pp. 2092-2102).*
www.irma-international.org/chapter/an-exploratory-content-analysis-of-human-resources-management-in-healthcare-organizations/295442

Applying ISPAR Model of Service Dominant Logic on Mentoring a Part of Training and Development Function of HRM Functions
Taimoor Basharat (2022). *Research Anthology on Human Resource Practices for the Modern Workforce (pp. 803-813).*
www.irma-international.org/chapter/applying-ispar-model-of-service-dominant-logic-on-mentoring-a-part-of-training-and-development-function-of-hrm-functions/295375

AI and the Future of Talent Management: Transforming Recruitment and Retention With Machine Learning
Muhammad Usman Tariq (2024). *Global Practices on Effective Talent Acquisition and Retention (pp. 1-16).*
www.irma-international.org/chapter/ai-and-the-future-of-talent-management/348714