

## Exploring Influential Factors of Job Satisfaction among Generations M and Z Employees

Yae-Won Jang  
Sookmyung Women's University, Republic of Korea

Young-Min Lee\*  
Sookmyung Women's University, Republic of Korea

— *Review of* —  
**Integrative  
Business &  
Economics**  
— *Research* —

### ABSTRACT

This study aims to identify the determinants of job satisfaction for Generation M and Generation Z employees and examine the commonalities and differences between these two groups. Using data from YP2021, the study analyzes the impact on job satisfaction for both generations using fixed and random effects models. The Hausman test was conducted, and the random effects model was ultimately adopted. The analysis revealed that for both generations, individual characteristics such as health status, job-related factors including educational fit, job relevance, and required skill level, as well as aspects of company size, industry type, and workplace environment factors like wages, commute time, and satisfaction with physical and social working conditions all positively influence job satisfaction. For Generation M, marital status and average monthly salary showed significant effects, with certain company types and working hours having positive impacts and some employment paths showing negative impacts. For Generation Z, educational attainment partially showed a negative impact. These findings suggest that differentiated organizational management strategies tailored to each generation's characteristics are necessary.

Keywords: Generation, Job Satisfaction, Fixed Effects Model, Random Effects Model.

Received 18 April 2024 | Revised 26 August 2024 | Accepted 2 October 2024.

## 1. INTRODUCTION

In recent years, the term "MZ generation" has become a prominent topic in South Korean society. This collective term for Generation M and Generation Z represents approximately 37.4% of the national population as of 2022 and is expected to account for over 75% of the workforce within the next decade, making them crucial to future socio-economic development. However, due to the broad 30-year span of this generational category, there has been growing support for analyzing these two generations separately.

The Korean Trend Research Institute highlights distinct characteristics between these generations: Generation M seeks economic activity and self-realization through work, while Generation Z pursues self-realization and intellectual growth. Generation M focuses on enhancing organizational performance, whereas Generation Z prioritizes individual achievements over the organization. Although comparative academic studies are limited, Valamere (2022) found different factors influencing job turnover between the two generations. Similarly, Michael et al. (2019) identified commonalities and differences in job attitudes and values between Generation M and Generation Z public servants.

Despite the active discourse on M and Z generations, these groups face challenges in adapting to the labor market, often resulting in frequent job changes and resignations. According to a 2023 supplementary survey by Statistics Korea, the proportion of economically inactive youth increased compared to the previous year, with over 70% of respondents who had job experience currently taking a break. A domestic opinion polling agency survey revealed that 52.5% of MZ generation employees were dissatisfied with their current jobs due to salary issues, poor working conditions, and lack of company growth potential, indicating their intention to leave within 2.8 years.

A survey conducted among 2,417 American adults showed that 55% of Generation Z workers, 43% of Generation M, 28% of Generation X, and 13% of Baby Boomers indicated they are likely to search for a new job within the next year, suggesting that turnover intention among the MZ generation is significantly higher compared to other generations. As generational conflicts continue to emerge globally, continued labor market withdrawal among young people could adversely affect their employment prospects, job quality, national labor productivity, and growth potential. Thus, it is essential to examine the determinants of job satisfaction for each generation to facilitate their stable integration into the labor market.

Existing research has focused on identifying job satisfaction determinants specific to the MZ generation, differentiating them from older generations. For example, Kim and Lee (2024) found that altruistic motivation factors influenced job satisfaction among MZ generation teachers, whereas responsible leadership was more significant for older generations. Kim (2023) noted that MZ generation police officers viewed hierarchical organizational culture negatively, adversely affecting job satisfaction and increasing turnover intentions.

Given these differences, this study aims to identify specific factors determining job satisfaction for Generation M and Generation Z and explore the similarities and differences between the two generations. The study provides practical implications by proposing tailored HR and organizational management programs considering generational characteristics. This study used data from the first and second years of the Youth Panel Survey 2021 by the Korea Employment Information Service. The data was analyzed using fixed-effects and random-effects models, with the Hausman test employed to compare model suitability.

## **2. THEORETICAL BACKGROUND**

### ***2.1 Generation***

**Generation** The term "generation," derived from the Greek word for "genes," signifies the emergence of new beings (Park, 2003, p.3). Mannheim (1952) defined a generation as a community of fate formed by individuals born in the same period who share a sense of solidarity based on common historical and actual experiences. Kupperschmidt (2000) defined it as a group of people born during the same period who experience similar social events and form similar values and lifestyles. Park (2003) also described it as a collection of individuals born in a similar period who share the same historical and cultural experiences, thus developing distinctive consciousness structures and behavior patterns different from other generations. These definitions assert that different generations form distinct social, cultural, and psychological factors due to differing experiences.

In many countries, including Korea, generations are classified based on birth cohorts - groups of individuals born during the same period who experience similar social events and form similar values and lifestyles. However, generations are arbitrarily divided based

on continuous lines, resulting in varying categorizations among researchers (Park, 2009). While the categories for Generation M and Generation Z vary among studies, generally, those born in the early 1980s to mid-1990s are classified as Generation M, and those born from the mid-1990s to mid-2000s as Generation Z. This study adopts the generational classification criteria of the Pew Research Center (2018), categorizing those born between 1981 and 1996 as Generation M and those born between 1997 and 2007 as Generation Z.

Huh and Kim (2007) emphasized that selecting groups that exhibit the era's background and characteristics shared within a generation is more important than focusing on differences in birth years. Therefore, this study will focus on the characteristics of generations rather than the generational categories. Previous studies have mainly identified the MZ generation's characteristics, distinguishing them from older generations. The MZ generation, which grew up in an environment with high parental support and single-child families, exhibits strong individualistic tendencies, prioritizing personal freedom over the community (AbouAssi et al., 2021). This trait manifests in the workplace as well. While older generations commit to the organization or community according to social norms, MZ generation members prefer work-life balance and quiet quitting, indicating that work is not their entire life.

The MZ generation's growth background has influenced their values and beliefs, showing that they consider their values and beliefs when choosing jobs and tasks. Notably, the MZ generation highly values fairness. Kim and Kyeong (2021) empirically demonstrated that Millennial public officials react sensitively to unfairness compared to older generations. The more they perceive the public sector as fair, the lower their turnover intentions and higher their job loyalty. Additionally, growing up in economic prosperity, the MZ generation is highly educated and possesses diverse experiences and abilities compared to older generations. They favor good jobs but show less attachment to their workplaces, often viewing job acquisition as part of their growth opportunities (Howe & Strauss, 2000). A survey institute in Korea revealed that 49.4% of the MZ generation prefers job hopping, establishing a trend of frequent resignations and early departures for career development.

Although comparative studies between Generation M and Generation Z are rare in academic research, some studies have identified their commonalities and differences. Jang (2022) found that Generation M prioritizes the company's management philosophy and job stability, while Generation Z considers the work environment and personal growth potential when choosing a job. Also, Han (2022) revealed conflicts in priorities, relationships with senior and junior colleagues, and teaching culture among Generation M and Generation Z teachers in her study on generational conflicts.

Generations are formed through a process where the distinctive experiences of a generation accumulate, distinguishing them from other generations. This phenomenon is then interpreted by society, leading to the differentiation from previous generations (Chun, 2004). Therefore, there is yet to be a definitive answer to whether Generation M and Generation Z should be seen as the same or separate generations. However, previous studies have confirmed the distinguishing characteristics between Generation M and Generation Z, suggesting that it may be limited to interpreting the results of studies that consider them as one generation integrally.

## **2.2 Job Satisfaction**

The level of job satisfaction is closely related to the psychological state of individual organizational members, determining their behaviors and attitudes and subsequently affecting the organization's overall performance, including productivity and operational

results. Regarding job satisfaction, Locke (1969) defined it as the emotional state or degree of need fulfillment that an individual feels while engaged in work activities. Stanley et al. (2002) defined it as people's attitudes towards their job, rationally evaluating the quality of the workplace and emotionally encompassing their beliefs about the job or organization. A review of prior research defines job satisfaction as the degree of subjective satisfaction concerning various physiological and environmental factors experienced during one's working life.

Job satisfaction is a multidimensional concept formed by interacting various factors rather than a unidimensional concept influenced by a single factor (Fulford & Enz, 1995). Many previous studies have categorized job satisfaction into personal and job characteristics (Asikgil & Aydogdu, 2011). Even when working in the same workplace, satisfaction can vary depending on individual values or dispositions (Fulford & Enz, 1995). Personal characteristics include gender, age, education level, marital status, health status, family life satisfaction, and household income. Regarding gender, some studies found that male college graduates have higher job satisfaction than female college graduates (Min & Park, 2008), while others found that females have higher job satisfaction than males (Clark et al., 1996). Additionally, Lee (2009) found that older and higher-educated married individuals have higher job satisfaction, and Park (2011) confirmed that health status and satisfaction with family life significantly influence job satisfaction.

Job characteristics are generally classified into one's job and environment. Job satisfaction is closely related to the job itself, with some researchers viewing job satisfaction and job satisfaction as similar concepts and others considering job satisfaction as one factor of job satisfaction. However, job satisfaction is a narrow concept of satisfaction with specific tasks (Milton, 1973; Scarpello & Campbell, 1983). Job satisfaction is a broader concept that evaluates satisfaction with various factors related to the job and workplace. This study considers job satisfaction as one of the factors for evaluating job satisfaction. Factors related to the job itself include educational level suitability, significant relevance, and required skill level. Sloane (2000) presented findings that over-education and over-skilling lower job satisfaction, and Wolbers (2003) found that the match between major and job significantly affects job satisfaction.

Critical factors in the work environment include company type and size, industry, employment type, job security, working hours, tenure, the presence of labor unions, relationships with superiors and colleagues, wages, and benefits. Many studies consistently suggest that wages are a factor that increases workers' job satisfaction (Kadushin & Kulys, 1996). Workers in large companies and regular positions have higher job satisfaction, and the presence of labor unions also influences job satisfaction (Kim, 2011).

While these previous studies identified factors influencing job satisfaction, they generally used cross-sectional data to examine it at a specific time. Identifying influencing factors only at specific times overlooks that unobserved factors beyond the specified variables can impact job satisfaction, leading to biased results (Wooldridge, 2002). Therefore, this study examines the factors influencing job satisfaction using fixed-effect models, which control for unobserved factors, and random-effect models, which treat unobserved individual specificity as random error terms.

### ***2.3 The Relationship Between Job Satisfaction and Generation***

Numerous studies have considered age as a significant factor influencing job satisfaction. In the research by Herzberg (1957) and Hunt and Saul (1975), the relationship between job satisfaction and age is depicted as a U-shaped curve, indicating that new employees tend to have lower satisfaction levels during their adjustment period. However, job satisfaction

increases as they gain more experience and tenure. Similarly, Lee (2009) found that job satisfaction improved with age and concluded that age is related to job satisfaction.

As observed, many studies have considered age when examining job satisfaction, revealing a high correlation between age and job satisfaction. However, more detailed studies that explore job satisfaction need to be conducted by categorizing individuals into specific age groups, primarily focusing on the increasingly prominent Generation M and Generation Z in today's society. Therefore, this study uses generation as a variable to investigate the factors influencing job satisfaction. It is well-known that individuals' generational characteristics manifest in the workplace and organization (Kupperschmidt, 2000; Glass, 2007). Failure to effectively manage generational characteristics can lead to negative consequences such as decreased morale, increased turnover, and organizational conflicts, impeding company performance (Lancaster & Stillman, 2002; Lyons & Kuron, 2014).

In organizational management, understanding the values and beliefs of different generations coexisting within the organization is crucial. Jurkiewicz (2000) and Ferres et al. (2001) found that younger employees exhibit lower job satisfaction and higher turnover intentions than older employees. Kim (2021) discovered that, unlike previous generations, Generation M and Generation Z employees tend to display individualistic solid tendencies and lower organizational loyalty. Additionally, Kim (2023) demonstrated that for Generation M and Generation Z, job satisfaction increases when work-life balance and fairness in promotion systems are ensured, emphasizing the importance of flexible work systems and equitable promotion processes.

Given that generational differences in job satisfaction perceptions have been identified in previous research (Jurkiewicz, 2000; Ferres et al., 2001), organizational management needs to consider these generational characteristics. This study mainly focuses on Generation M and Generation Z, who are experiencing difficulties in job adaptation and aim to improve their job satisfaction and ensure stable employment. By identifying the determinants of job satisfaction for Generation M and Generation Z and exploring their commonalities and differences, the study seeks to enhance not only the growth of these generational cohorts but also the productivity and performance of organizations, thereby contributing positively to overall societal efficiency.

### **3. RESEARCH METHOD**

#### ***3.1 Analysis Data and Research Subjects***

This study utilizes data from the Youth Panel Survey (YP) conducted by the Korea Employment Information Service to examine the determinants of job satisfaction among Generation M and Generation Z. The Youth Panel Survey aims to collect extensive data on the transition from school to employment and labor market trajectories by investigating young people's school life, socio-economic activities, and household backgrounds. This survey contains information tailored to the youth, including employment characteristics and details, making it highly useful for understanding current conditions and research and policy development concerning education, training, and employment stability.

Based on the cohort start year, the Youth Panel Survey is categorized into Youth Panel 2001, Youth Panel 2007, and Youth Panel 2021. This study employs data from the Youth Panel 2021, including samples from the Millennial and Generation Z cohorts. According to the generational classification by Pew Research Center (2018), the samples born between 1993 and 1996 are classified as Generation M, and those born between 1997 and 2002 are classified as Generation Z.

The YP2021 consists of a total of 12,213 samples. In the first year (2021), 12,213 response samples were collected, and in the second year (2022), 10,721 response samples were collected. However, this study examines the structural relationship between generation and job satisfaction, limiting the investigation to respondents with work experience. Therefore, only employed respondents were included, excluding the unemployed and economically inactive population. This process secured 5,361 valid samples (43.9% of the response samples) in the first year and 5,262 valid samples (49.1%) in the second year.

### 3.2 KEY VARIABLES

#### 3.2.1 Dependent Variable

In this study, job satisfaction is set as the dependent variable. To determine the level of job satisfaction across different generations, we utilized the question from the Youth Panel Survey, "Overall, how satisfied are you with your current job?" This question is rated on a 5-point Likert scale, where a higher score indicates higher job satisfaction.

#### 3.2.2 Independent Variables

The independent variables in this study are based on personal and job characteristics as derived from previous research (Park, 2011; Asikgil & Aydogdu, 2011). Personal characteristics include four sub-factors: gender, marital status, highest level of education, and health status. Job characteristics are divided into three sub-factors evaluating the job: educational adequacy, significant relevance, and required skill level. Additionally, job characteristics include thirteen sub-factors assessing the workplace environment: type of company, company size, employment type, industry, average working hours, monthly average wage, presence of a labor union, entry route, tenure, satisfaction with wage and income, satisfaction with commute distance, satisfaction with the physical work environment, and satisfaction with the social work environment. In total, the explanatory variables comprise 20 factors. The composition and measurement methods of the variables are detailed in Table 1.

Table 1. Composition and Measurement Methods of Variables

Category	Variable Name	Description
Outcome Variable	Overall Satisfaction	Overall satisfaction level with one's job (Dissatisfied=0, Neutral=1, Satisfied=2)
Explanatory Variable	Gender	Individual's gender (Male=0, Female=1)
	Marital Status	Marital status of each individual (Married=1, Others=0)
	Highest Education	Categorized by education level (High school or less, Associate degree, Bachelor's degree or higher)
	Health Status	Health status of each individual (Unhealthy=0, Average=1, Healthy=2)
	Education Level Fit	Fit of education level to the job (Below standard=0, Average=1, Above standard=2)
	Major Relevance	Relevance of the job to one's major (Below standard=0, Average=1, Above standard=2)

Required Skill Level	Skill level required to perform the job (Low=0, Standard=1, High=2)
Company Type	Categorized as a private company, public company, or others
Company Size	Categorized as less than 100 employees, 100-999 employees, or over 1,000 employees
Employment Type	Categorized as wage worker or non-wage worker
Industry	Reclassified into significant industry sectors (less than 1% is classified as others)
Average Working Hours	Based on legal working hours (40 hours), categorized as less than 40 hours, 40 hours, or over 40 hours
Average Monthly Wage	The logarithm of the average monthly wage
Union Membership	Existence of a labor union in the workplace (No = 0, Yes = 1)
Job Entry Route	Categorized as regular recruitment, open recruitment, special recruitment, referral, and other job entry routes
Job Tenure	Number of years of continuous employment with the current employer
Income Satisfaction	Satisfaction level with income and earnings (Unsatisfied = 0, Neutral = 1, Satisfied = 2)
Commute Distance Satisfaction	Satisfaction level with the commuting distance (Unsatisfied = 0, Neutral = 1, Satisfied = 2)
Physical Work Environment Satisfaction	Satisfaction level with the physical work environment (Unsatisfied = 0, Neutral = 1, Satisfied = 2)
Social Work Environment Satisfaction	Satisfaction level with the social work environment (Unsatisfied = 0, Neutral = 1, Satisfied = 2)

### 3.3 Methodology

In this study, the determinants of job satisfaction for Generation M and Generation Z are analyzed using fixed and random effects models. Panel data, which records the phenomena and characteristics of several entities at a series of observation points, features both cross-sectional and time-series data (Choi & Min, 2022). This allows for the observation of within variation (time-series variation within entities) and between variation (cross-sectional variation between entities), which increases the likelihood of violating the homoscedasticity assumption of error terms or encountering autocorrelation.

Analyzing such panel data without considering these characteristics, such as using pooled OLS analysis, can lead to inefficient estimates due to its impact on the standard errors of the OLS estimates. Moreover, OLS estimates may need to be more consistent due to omitted variable bias caused by missing variables for panel entities (Choi & Min, 2022). Therefore, it is necessary to account for unobservable heterogeneity when analyzing panel

data.

$$y = \alpha + \beta x_{it} + u_i + e_{it}$$

The panel regression model's equation consists of two error terms:  $u_i$ , which varies across individuals but not over time within individuals, and  $e_{it}$ , which varies across both individuals and time. Handling the unobserved heterogeneous characteristics of individuals ( $u_i$ ) that do not change over time is crucial in panel data analysis. Generally, in panel analysis, a fixed effects model is applied if the error term  $u_i$  is considered a parameter to be estimated rather than a random variable. A random effects model is used if  $u_i$  is assumed to follow a random distribution. The random effects model assumed no correlation between unobserved individual characteristics (UI) and observed characteristics ( $e_{it}$ ).

The fixed and random effects models assign different weights to time-series and cross-sectional variations, giving higher weights to the side with higher-quality information (lower variance of the error term) to estimate parameters. Hypothesis testing for model selection is typically done using the Hausman test. The Hausman test infers the error term  $u_i$  representing the characteristics of panel entities. If panel entities are considered the population, the error term  $u_i$  cannot be assumed to follow a random distribution, leading to the selection of the fixed effects model. Conversely, suppose panel entities are considered randomly selected samples from the population. In that case, the error term  $u_i$  can be assumed to follow a random distribution, leading to the selection of the random effects model. Therefore, this study utilizes both models to compare and analyze the determinants of job satisfaction for Generation M and Generation Z, selecting the appropriate model based on the results of the Hausman test.

## 4. RESULTS

### 4.1 General Characteristics of the Sample

This study analyzed data from the first and second years of the YP2021 survey. The primary subjects of the analysis are Generation M and Generation Z, with a total of 10,623 observations used. The general characteristics of each sample are shown in Table 2.

Table 2. The General Characteristics of Sample

Category		Generation M		Generation Z	
		Number	Percentage	Number	Percentage
Gender	Male	2,818	48.7	2,017	41.7
	Female	2,970	51.3	2,818	58.3
Age(Average)		27.0		22.5	
Highest Education	High School or Below	1,545	26.7	3,263	67.5
	Associate Degree	1,179	20.4	788	16.3
	Bachelor's Degree or Higher	3,064	52.9	784	16.2
Employment Type	Wage Worker	5,336	92.9	4,574	94.6



	Non-Wage Worker	452	7.8	261	5.4
Monthly Salary(Average)		258.8		176.8	
Total		5,788	100	4,835	100

#### 4.2 Factors Influencing Job Satisfaction by Generation

The study analyzed the factors influencing job satisfaction for Generation M and Generation Z using fixed effects and random effects models. After conducting the Hausman test, the null hypothesis was rejected for both generations, indicating that the random effects model is appropriate. This implies that the factors influencing job satisfaction are due to variations in the within-panel time series. The following analysis is based on the random effects model, deemed suitable through prior testing. For Generation M, among the personal characteristics, marital status ( $\beta=0.049$ ,  $p<0.1$ ) and health status ( $\beta=0.156$ ,  $p<0.01$ ) had a positive impact on job satisfaction. For job characteristics, educational adequacy ( $\beta=0.063$ ,  $p<0.01$ ), job significant relevance ( $\beta=0.064$ ,  $p<0.01$ ), and required skill level ( $\beta=0.048$ ,  $p<0.01$ ) were significant. Regarding job context, corporate type, size, industry, working hours, and recruitment methods, they partially influenced job satisfaction.

Specifically, public sector employees ( $\beta=0.064$ ,  $p<0.1$ ) and employees of companies with over 1,000 employees ( $\beta=0.062$ ,  $p<0.01$ ) reported higher job satisfaction compared to their counterparts. Those in business facility management and support services were more satisfied ( $\beta=0.086$ ,  $p<0.1$ ), whereas those in transportation and warehousing were less satisfied ( $\beta=-0.087$ ,  $p<0.05$ ). Employees working fewer than 40 hours per week were more satisfied ( $\beta=0.062$ ,  $p<0.1$ ) than those working the standard 40 hours. Additionally, higher monthly income ( $\beta=0.073$ ,  $p<0.01$ ), satisfaction with wages and income ( $\beta=0.228$ ,  $p<0.01$ ), commute distance ( $\beta=0.045$ ,  $p<0.01$ ), physical work environment ( $\beta=0.103$ ,  $p<0.01$ ), and social work environment ( $\beta=0.171$ ,  $p<0.01$ ) positively influenced overall job satisfaction. Conversely, employees hired through unique recruitment methods had lower job satisfaction ( $\beta=-0.060$ ,  $p<0.01$ ) than those hired through open recruitment.

For Generation Z, health status positively impacted job satisfaction ( $\beta=0.060$ ,  $p<0.01$ ). Educational attainment also partially influenced job satisfaction, with those holding an associate degree being less satisfied than those with a high school diploma or lower ( $\beta=-0.043$ ,  $p<0.1$ ). Regarding job characteristics, educational adequacy ( $\beta=0.080$ ,  $p<0.01$ ), job significant relevance ( $\beta=0.033$ ,  $p<0.1$ ), and required skill level ( $\beta=0.029$ ,  $p<0.1$ ) were significant. In the job context, corporate size and industry also partially influence job satisfaction. Employees of companies with over 1,000 employees ( $\beta=0.065$ ,  $p<0.01$ ) and those in professional, scientific, and technical services ( $\beta=0.065$ ,  $p<0.01$ ) reported higher job satisfaction compared to their peers. Satisfaction with wages and income ( $\beta=0.214$ ,  $p<0.01$ ), commute distance ( $\beta=0.073$ ,  $p<0.01$ ), physical work environment ( $\beta=0.075$ ,  $p<0.01$ ), and social work environment ( $\beta=0.147$ ,  $p<0.01$ ) were also positively linked to overall job satisfaction.

Table 3. Analysis Results

Category	Fixed Effect Model		Random Effect Model	
	Generation M	Generation Z	Generation M	Generation Z
Gender	Dummy		-0.004	0.016
Marital Status	-0.214	omitted	0.049*	-0.012

Highest Education (High School or Below = 0)	Dummy	Dummy	Dummy	Dummy
Associate Degree	-0.612	-0.006	0.034	-0.043*
Bachelor's Degree or Higher	-0.487*	0.034	0.000	-0.020
Health Status	0.137*	0.058	0.156***	0.112***
Education Level Fit	0.051	0.115	0.063***	0.080***
Major Relevance	-0.001	0.072	0.064***	0.033*
Required Skill Level	0.071	-0.045	0.048***	0.029*
Company Type (Private Company=0)	Dummy	Dummy	Dummy	Dummy
Public Company	-0.138	0.035	0.064*	0.031
Others	0.043	0.415	-0.008	0.006
Company Size (Less than 100 employees=0)	Dummy	Dummy	Dummy	Dummy
100~999 employees	0.118	0.030	0.009	0.033
Over 1,000 employees	0.132	-0.053	0.062***	0.065**
Employment Type (Wage Worker=0)	Dummy	Dummy	Dummy	Dummy
Non-Wage Worker	-0.167	0.145	-0.083	0.051
Industry (Retail and Wholesale=0)	Dummy	Dummy	Dummy	Dummy
Manufacturing	-0.014	0.055	0.016	0.052
Accommodation and Food Services	0.324**	0.083	0.019	0.029
Health and Social Work Services	-0.025	0.196	0.012	0.024
Education Services	0.064	0.078	0.016	0.027
Professional, Scientific, and Technical Services	0.012	0.074	0.023	0.117**
Information Services	0.303	-0.036	0.038	-0.021
Associations, Clubs, and Repair Services	0.286	-0.175	0.038	0.051
Public Administration, Defense and Social Security	-0.148	0.143	0.069	0.059
Transportation and Warehousing	-0.323*	0.071	-0.087**	0.075
Construction	0.066	-0.473	0.032	-0.031
Arts, Entertainment, and Recreation	-0.210	0.246	0.021	0.060
Financial and Insurance Services	0.031	0.149	0.017	0.089
Business Facilities Management, Business Support	-0.124	-0.047	0.086*	0.152**

and Rental Services				
Others	0.167	0.445*	0.030	0.005
Average Working Hour (40 hours=0)	Dummy	Dummy	Dummy	Dummy
Less than 40 hours	-0.082	-0.010	0.062*	-0.005
Over 40 hours	0.010	0.093	-0.004	-0.014
Average Monthly Wage	0.085	-0.034	0.073***	-0.011
Union Membership	Dummy	Dummy	Dummy	Dummy
Job Entry Route (Regular Recruitment=0)	Dummy	Dummy	Dummy	Dummy
Open Recruitment	-0.197**	0.009	-0.060***	0.027
Special recruitment, referral	-0.237**	0.031	-0.036	0.010
Other Job Entry Route	0.065	-0.033	0.023	0.047
Job Tenure	-0.028*	-0.026	-0.002	-0.011
Income Satisfaction	0.244***	0.234***	0.228***	0.214***
Commute Distance Satisfaction	0.059	0.040	0.045***	0.073***
Physical Work Environment Satisfaction	0.123*	0.047	0.103***	0.075***
Social Work Environment Satisfaction	0.126*	0.216***	0.171***	0.147***
Intercept	0.744	-0.137	0.683**	0.517***
Number of Observations	3,554	3,597	-0.106	0.544***
Number of Groups		3,327		3,277
R <sup>2</sup>		0.4575		0.7966
Hausman test(X <sub>2</sub> )		37.25		28.82

Note. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

#### 4.3 Comparative Analysis of Determinants of Job Satisfaction by Generation

Both Generation M and Generation Z demonstrated that factors such as health status, educational level adequacy, significant relevance, required skill level, income and earnings satisfaction, commute distance satisfaction, physical work environment satisfaction, and social work environment satisfaction positively influenced job satisfaction. These factors are consistently identified in various studies as significant determinants of job satisfaction across different age groups, industries, and job types, highlighting their importance.

Multiple variables were found to have a more significant impact on Generation M. At the same time, educational level adequacy and commute distance satisfaction were more significant for Generation Z. This aligns with previous research suggesting that job satisfaction increases when job content matches educational levels and when commute times are shorter. Among both generations, working in companies with over 1,000 employees significantly influenced job satisfaction, with a more substantial effect observed in Generation M.

On the other hand, generational differences were also identified, and for Generation M, marital status and higher monthly income positively influenced job satisfaction. This finding aligns with Mattias' study(2011), which indicated that married individuals or those

with higher wages have higher job satisfaction rates than their unmarried or lower-wage counterparts. However, contrary to Kim's (2020) research, which found that Generation Z places more importance on monetary compensation than Generation M, this study revealed that for Generation M, salary and income satisfaction had a more significant positive impact on job satisfaction compared to Generation Z.

Further examining the variables that partially influenced job satisfaction for Generation M, it was found that the type of organization, working hours, and entry route also played a role. Employees in public sector organizations reported higher job satisfaction than those in the reference group, which contrasts with the findings of Putri and Setyo (2020), who reported no significant impact of organization type on job satisfaction. Similarly, the study by Kim et al. (2022) found similar levels of job satisfaction between Generation M and Generation Z, differing from the current study's findings. Additionally, working fewer than the legally stipulated 40 hours per week positively impacted job satisfaction for Generation M, which aligns with the results of Anthony (2019), who found that shorter weekly working hours correlate with higher job satisfaction. However, Kim et al. (2022) research showed that Generation Z values working hours more critically than Generation M, highlighting a difference between the current study and previous research.

Regarding entry routes, those hired through non-regular or special recruitment had lower job satisfaction than those hired through regular open recruitment. This aligns with Sara's (2016) study, which found that employees hired through formal recruitment reported higher job satisfaction due to intrinsic values than those hired through informal channels. Thus, the job satisfaction levels of those hired through non-regular or special recruitment may be lower than those of the regular open recruitment group.

## 5. CONCLUSIONS AND SUGGESTION

### 5.1 Summary of the study results

This study examines the factors influencing job satisfaction among Generation M and Generation Z. It provides foundational data for improving job satisfaction for each generation by comparing and analyzing generational factors. The study analyzed the individuals employed by Generation M and Generation Z in the YP2021 dataset using fixed-effects and random-effects models, selecting the random-effects model based on the Hausman test. The conclusions and implications derived from the research results are as follows.

Among the individual characteristics, it was confirmed that health status was found to influence job satisfaction for both Generation M and Generation Z. Given that an employee's health can negatively impact both the individual and the company's productivity, companies should support health check-ups and provide health information to promote employees' well-being. Marital status had a positive impact on job satisfaction only for Generation M, likely because they fall within the average age of first marriage, making it more significant compared to Generation Z. Based on these results, it is suggested that workplace environments should be structured to support Generation M in balancing work and family life. Additionally, the final education level was partially influential only for Generation Z, where graduates from technical colleges negatively impacted job satisfaction. Efforts should be made to help these graduates adapt to the workplace and improve their job satisfaction after entering the labor market.

Next, among the workplace characteristics, job-related factors such as the appropriateness of educational level, job relevance, and required skill level were essential for both generations. Specifically, Generation M placed more importance on job relevance

and required skill level, while Generation Z emphasized the appropriateness of educational level. These findings suggest that companies should consider employees' education, qualifications, and skills when planning job placements and training opportunities, and tailored training programs could enhance job satisfaction.

Both generations showed significant correlations between job satisfaction and factors related to the work environment, such as satisfaction with wages and income, commuting distance, and physical and social work environments. Additionally, company size and industry were found to influence job satisfaction partially. These results imply the need for appropriate compensation based on performance, improvements in public transportation networks, and the expansion of flexible working hours to reduce commuting fatigue. Moreover, it is necessary to create a pleasant working environment and a healthy organizational culture by examining not only the physical environment of the office but also social aspects such as relationships with supervisors and colleagues. Employees in large companies with more than 1,000 employees showed higher job satisfaction, indicating the need to narrow the gap between large and small companies to help employees adapt to their jobs and improve job satisfaction.

Additionally, employees in public sector organizations or those working less than the legal working hours and high-wage earners among Generation M showed higher job satisfaction. Therefore, it is suggested that factors that make public sector employees perceive their jobs positively should be explored and applied to the private sector. Actively operating flexible working hours and allowing choice in working hours can also enhance job satisfaction. Conversely, Generation M employees hired through irregular or unique recruitment showed lower job satisfaction. Thus, it is necessary to encourage behavior changes to help these employees form similar job values as those hired through regular open recruitment. In addition, compared to the reference group, both generations working in facility management, business support, and rental services showed significant positive influences. At the same time, those in transportation and warehousing negatively influenced Generation M, and those in professional, scientific, and technical services positively influenced Generation Z. However, the industry correlation was relatively low, suggesting more in-depth analysis was needed.

## ***5.2 Research Implications***

This study presents the following theoretical implications. This study identifies distinct characteristics between Generation M and Generation Z, challenging the common practice of collectively referring to them as Generation MZ. The findings suggest that future research should separate these generations to study their distinct characteristics and how they influence job satisfaction. While many studies, such as Andrew et al. (1996), examine the relationship between age and job satisfaction, with findings suggesting that job satisfaction increases linearly with age, few analyze the factors affecting job satisfaction by generation. In particular, the results of this study highlight factors such as company type, working hours, and employment pathways, which can be interpreted as influencing factors on job satisfaction that are manifested uniquely within each generation. These findings suggest incorporating generational differences into human resource management strategies may enable more stable organizational operations.

In addition, the practical implications of this study are as follows. Given the distinct characteristics of Generation M and Generation Z, the study suggests the need for detailed organizational management strategies or policies that reflect generational differences rather than uniform approaches. Since HR practices can influence employee engagement and job

satisfaction (Suryanarayana, 2022), it is essential to establish an HR system that reflects generational characteristics. This study provides foundational data for companies and governments to develop strategies to enhance job satisfaction for both generations. Additionally, it emphasizes the need to develop tailored job satisfaction improvement plans for various generations, including Baby Boomers, Generation X, and the Echo Generation.

Lastly, the following policy implications can be drawn from this study. First, policies need to improve job satisfaction by addressing the factors that have positive or adverse effects. Notably, both generations indicated that factors related to the nature of the job itself had a significant impact on job satisfaction, supporting the legitimacy of the current "Good Job Certification Program" in Korea, which aims to reduce job mismatch. Given that small and medium-sized enterprises account for 99% of businesses in Korea, the inherent vulnerability of small and medium-sized enterprises often leads to significant information mismatches. Therefore, implementing a government or local government-run "Good Job Certification Program" could resolve job-seeker mismatches and improve job satisfaction.

Second, a differentiated approach based on generational differences is necessary when promoting policies to enhance job satisfaction. Although common factors affecting job satisfaction were identified for both generations, there were more distinct factors unique to each generation. This suggests that the characteristics of Millennials and Generation Z manifest differently in determining job satisfaction. In Korea, government departments already implement policies to improve working conditions and welfare for specific age groups, such as the youth or the elderly. However, this study highlights the apparent generational differences, indicating the need for policies that go beyond simple age-based categorizations and instead develop more finely tailored generational policies.

Despite its contributions, this study has limitations that necessitate further research. First, the study used only structured items from the YP2021 questionnaire, limiting the analysis to identifying factors influencing job satisfaction without in-depth analysis. Future research should complement this with qualitative methods such as focus group interviews and field studies to provide more meaningful results. Second, the study was limited to Generation M and Generation Z, making generalizing the findings to other generations challenging. Future research should expand the scope of the study to include Baby Boomers, Generation X, and the Alpha Generation. Similarly, the subjects of this study are limited to Generation M and Generation Z residing in South Korea, making it somewhat challenging to generalize the findings to M and Z generations globally. Therefore, future research should consider utilizing data from significant countries outside of Korea to broaden the scope of the study.

This study is significant as it compares and identifies the commonalities and differences in job satisfaction factors between Generation M and Generation Z, a topic gaining increasing attention in recent years. Effective management of human resources, an essential part of organizations, is a challenge for HR managers, especially in organizations composed of various generations (Egabetha et al., 2021). Therefore, HR managers and company employees need to understand the characteristics of different generations and actively discuss strategies to improve job satisfaction tailored to each generation, using this study's findings as foundational data.

## **ACKNOWLEDGEMENT**

Thanks to the anonymous reviewers for their helpful comments and suggestions.

## **REFERENCES**

- [1] A. Suryanarayana. (2022), "Perceived HRM Practices and Organizational Commitment in Nepali Banking Sector: Mediating Role of Person-Organization Fit," *Review of Integrative Business and Economics Research*, 11, 1, 1-29.
- [2] Andrew Clark, Andrew Oswald, and Peter Warr. (1996), "Is job satisfaction U-shaped in age?." *Journal of Occupational and Organizational Psychology*, 69, 57-81.
- [3] Anthony Lepinteur. (2019), "The shorter workweek and worker well-being: Evidence from Portugal and France." *Labour Economics*, 58, 204-220.
- [4] Asikgil, B. and Aydogdu, S. (2011), "An empirical study of the relationship among job satisfaction, organizational commitment, and turnover intention." *International Review of Management and Marketing*, 1, 3, 43-53.
- [5] Bankrate. (2023), "Bankrate Job Seekers Survey."
- [6] Choi, P. S.. & Min, I. S. (2022), "STATA panel data analysis." *Jipil Media*.
- [7] Chun, S. C. (2004), "The Poverty of the Generation Research." *Korean Journal of Sociology*, 38, 5, 31-52.
- [8] Clark, A. E., Oswald, A., & Warr, P. (1996), "Is Job Satisfaction U-Shaped in Age?" *Journal of Occupational and Organizational Psychology*, 69, 57-81.
- [9] Egabetha Amirah Yudhaputri, Netania Emilisa and Gatri Lunarindiah. (2021), "Differences between Generation X and Generation Y in Job Involvement and Commitment: A Study in Event Organizer Companies." *Review of Integrative Business and Economics Research*, 10, 3, 146-159.
- [10] Ferres, N., Firms, I., Jordan, C., Ozsdolay, L. and Travaglioni, A. (2001), "The relevance of organizational trust and commitment amongst generation-X employees prepared for a presentation I the organizational behavior stand at the international conference on advances in management." Athens.
- [11] Fulford, M. D. and Enz, C. A. (1995), "The impact of empowerment on service employees." *Journal of Managerial Issues*, 7, 2, 161-175.
- [12] Glass, A. (2007), "Understanding generational differences for competitive success." *Industrial and Commercial Training*, 39, 2, 98-103.
- [13] Han, S. H. (2024), "Differences in Job Satisfaction and Influencing Factors of Elementary School Teachers Between the MZ and the Older Generation." *Journal of Education&Culture*, 30, 1, 187-208.
- [14] Herzberg, F., Mausner, B., Peterson, R., and Capwell, D. (1957), "Job attitudes: Review of research and opinion." *Psychological Service of Pittsburg*.
- [15] Howe, N. and Strauss, W. (2000), "Millennials Rising: The Next Great Generation." *Vintage Books*.
- [16] Huh, E. J. and Kim, W. S. (2007), "Comparing Consumption-Related Values and Lifestyles of Baby Boomers, Generation X, and Generation Y." *Journal of Consumption Culture*, 10, 4, 31-53.
- [17] Hunt, J. and Saul, P., (1975), "The Relationship of Age, Tenure, and Job Satisfaction in Males and Females." *Academy of Management Journal*, 18, 690-702.
- [18] Jang, Y. W. (2024), "A Study on the Perception Types of Workplace Choice among Generation M and Generation Z." *Journal of Business Convergence*, 9, 2, 211-217.
- [19] Jurkiewicz, C. L. (2000), "Generation X and the public employee." *Public Personnel Management*, 29, 1, 55-74.
- [20] Kadushin, G. and Kulys, R. (1995), "Job satisfaction among social work discharge planners." *Health Soc Work*, 20, 3, 174-186.
- [21] Khaldoun AbouAssi. (2021), "Does Gender Congruence Make a Difference in Female Members' Volunteering Behaviors?" *Journal of Public and Nonprofit Affairs*,

- 7, 2, 264-282.
- [22] Kim, H. J., Lee, G. & Lim, S. G. (2022), "A Study on the Generation Gap between Millennial and Z Generations." *Korean Public Management Review*, 36, 4, 23-46.
- [23] Kim, H. W. (2020), "Reconcentration of Millennials into Seoul Capital Region." *Journal of KREAA*, 26, 4, 143.
- [24] Kim, J. H. (2023), "Implications of Organizational Culture and Recognition of Job Satisfaction of MZ Generation of Korea Coast Guard." *Korea Citation Index*, 8, 1, 1-19.
- [25] Kim, K. L. and Lee, M. J. (2024), "Differences in Job Satisfaction and Influencing Factors of Elementary School Teachers Between the MZ and the Older Generation," *Journal of Education and Culture*, 30, 1, 187-208.
- [26] Kim, M. J. (2011), "Job Satisfaction of the Recipients with Working Ability: The Implication for Further Studies." *Asia-Pacific Journal of Business Venturing and Entrepreneurship*, 6, 2, 149-166.
- [27] Kim, M. J. and Kyeong, K. W. (2021), "Fairness and Millennial Civil Servants in Korean Society: The Mediating Effect of Organizational Commitment on Turnover Intention and the Moderated Mediation Effect of the Millennial Generation." *The Korean Association for Public Administration*, 841-863.
- [28] Kim, S. A. (2021), "Occupational culture of the MZ generation." *CHUNGBUK Issue&Trend*, 45, 14-19.
- [29] Kupperschmidt, B.R. (2000), "Multi-Generation Employees: Strategies for Effective Management." *The Health Care Manager*, 19, 65-76
- [30] Lancaster, L. C. and Stillman, D. (2002), "When generations collide: traditionalists, baby boomers, generation Xers, Generation M: who they are, why they clash, how to solve the generational puzzle at work." *HarperBusiness*.
- [31] Lee, E. W. (2009), "Differences in Wage and Job Satisfaction between Regular and Non-regular Worker." *Journal of Korean National Economy*, 27, 3, 55-78.
- [32] Locke, E. A. (1969). "What is job satisfaction?" *Organizational Behavior & Human Performance*, 4, 4, 309-336.
- [33] Lyons, S. and Kuron, L. (2014), "Generational Differences in the Workplace: A Review of the Evidence and Directions for Future Research." *Journal of Organizational Behavior*, 35, 139-157.
- [34] Maarten. H. J. Wolbers. (2003), "Job Mismatches and their Labour-Market Effects among School-Leavers in Europe." *European Sociological Review*, 19, 3, 249-266.
- [35] Mannheim, K. (1952), "The Sociological Problem of Generations." *Essays on the Sociology of Knowledge*, 1893-1947.
- [36] Michael Malone, Mark S. Hiatt, and Stacy Campbell. (2019), "Understanding the work values of Gen Z business students." *The International Journal of Management Education*, 17, 3.
- [37] Min, B. C. and Park, S. Y. (2008), "The Effects of Career Decision Making at High Schools on Income and Job Satisfaction: Based on Cases of General High Schools." *Asian Journal of Education*, 9, 4, 245-270.
- [38] Park, J. H. (2003), "A Study on the Concept of Generation: Cohort Perspective." *Korean Journal of Sociology*, 37, 3, 1-23.
- [39] Park, J. H. (2009), "Discourse on the Generational Labels and Generational Conflicts in Korea." *Economy and Society*, 81, 10-34.
- [40] Park, J. J. (2011), "The Study of Factors that Influence the First Job Satisfaction of the Young Woman Salaried Workers." *The Journal of Vocational Education Research*, 30, 2, 213-229.



- [41] Peter James Sloane and Hector Williams. (2000), "Job Satisfaction, Comparison Earnings, and Gender." *Labour*, 14, 3, 473-502.
- [42] Pew Research Center. (2019), "Defining generations: Where Millennials end, and Generation Z begins", Retrieved February 18, 2024, from <https://www.pewresearch.org/>
- [43] Pollmann-Schult, M. (2011), "Marriage and Earnings: Why Do Married Men Earn More than Single Men?" *European Sociological Review*, 27, 2, 147–163.
- [44] Putri Nabahani and Setyo Riyanto. (2020), "Job Satisfaction and Work Motivation in Enhancing Generation Z's Organizational Commitment." *Journal of Social Science*, 1, 5, 234-240.
- [45] Sara Sameen. (2016), "Employee Hiring through Informal and Formal Sources of Recruitment an Implication for Job Satisfaction and Intention to Leave." *International Journal of Innovation*, 7, 6, 286-291.
- [46] Scarpello, V. and Campbell, J. P. (1983), "Job satisfaction: Are all the parts there?" *Personnel Psychology*, 36, 3, 577–600.
- [47] Meyer, J.P., Stanley, D.J., Herscovitch, L. and Topolnytsky, L. (2002) Affective, Continuance, and Normative Commitment to the Organization: A Meta-Analysis of Antecedents, Correlates, and Consequences. *Journal of Vocational Behavior*, 61, 20-52.
- [48] Valamere S. Mikler. (2022), "Career Motivation in Millennials and Generation Z as Predictors of Turnover Intention and Organizational Commitment." Ph.D.thesis, Walden University.
- [49] Wooldridge, J. M. (2002), "Econometric Analysis of Cross Section and Panel Data," Ph.D.thesis, University of Cambridge.