Abstract

The largest diversity of generations is represented in today’s workplace than at any other time in history. With this diversity comes new challenges for organizations. Therefore, intergenerational diversity is a timely issue, gathering increasing interest amongst academics, organizations and business executives. We aim to identify and examine existing empirical research on generational differences in organizations and their characteristics in leadership and management; as well as to synthesize how new generation of employees are participating in organizational growth and development. Organizations should incorporate mentoring, strategic leadership, social media, and knowledge sharing into their talent management strategy for new generations of workforce. The purpose of this article is to analyze the specific challenges, and also opportunities working with multigenerational workforce. By focusing on existing research about the character traits of workers in each generation, and identifying the types of conflict that can result, owners and managers can better understand these characteristics and work styles, and can leverage them organizational success and company’s growth. These millennials expressed interest in having work/life flexibility in an engaging work environment that fosters professional skills growth. Because they’ve lived through a huge economic crash, millennials are less concerned with possessions than they are with experiences. Millennials are more likely to be entrepreneurs, and they’re more likely to value independence and freedom over a steady paying job. A wide range of studies and research was reviewed to recognize the key motivators for each generation and their relation with organizational growth. There are rare studies or researches that describe the new generation of employees and their impact on the organizational growth and development. Understanding and appreciating each age group’s work style and personality traits, existing friction between old management and new generations can be minimized.

Keywords: Millennials, New Generation Workforce, Organization Growth

1. INTRODUCTION

Economic environment is changing rapidly and this change is characterized by such phenomena as the globalization, changing customer and investor demands, ever-increasing product-market competition. To complete successfully in this environment, organizations continually need to improve their performance by reducing cost, innovating products and processes and improving quality, productivity and speed to market.
Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved, assesses its competitors and set goals and strategies to meet all existing and potential competitors, and then reassess each strategy annually or quarterly (ie regularly) to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet charged circumstances, new technology, a new economic environment, or a new social, financial or political environment. The growth of enterprises is a very dynamic process, which is viewed from various aspects such as financial, strategic, structural and organizational aspects (Ostojić-Mihić, A., 2014).

Turbulent environment for the companies, in which more and more organizations are found, require quick responses from key decision makers in organizations, as well as adaptation to new generations of workforce. The market is more dynamic, demands responses from the organization, regardless of its size, and the challenges that arise are defined in the domain of new generations that, by their time and educational element, are different from the classical employees. In order to achieve growth and development of the organization, it is necessary to "reconcile" and harmonize these two variables: the growth and development of the organization with "new age" employees.

One of the major challenges facing businesses today is the retention of Millennials. While employers have offered many “carrots”, there are also many employer-driven practices and industry norms that must be examined in light of Millennials poor retention rates.

The investigation of generational differences among workforces is a critical issue but not much importance is given to management research (Westerman & Yamamura, 2007). In this decade, the academicians and the practitioners show much focus on this pertinent issue. Much interest is shown by human resource specialists, managers and researchers in dealing with multigenerational workforce (Cennamo and Gardner, 2008).

Research on generational differences are conducted in the US, the UK, Canada, Belgium, Australia and New Zealand. They shared similar demographic patterns, critical social incidents and changes and hence they followed similar generation category. But, from the cultural context it could be slightly different in countries like India and China (e.g. Roongrengsuke, 2010). The generational cohorts appear to be differing in their birth year, experience, life stage and career stage, work values, goals, and expectations (Cennamo & Gardner, 2008). Mannheim (1953) stated that a generation is a cluster of people who were born and raised in the identical social and historical circumstances. Strauss and Howe (1997) defined generational categories, as baby boomers (born between 1943 and 1960); Gen X (born between 1961 and 1981) and Gen Y or millennials (born between 1982 and 2004).

This article reviews the literature regarding organization development and connection with diverse characteristics of generational cohorts and their impact on various outcomes.

2. THE DIFFERENCE IN GENERATIONAL CATEGORIES

The problem of most researches, which is insufficient, is awareness of organization management on the "new system of work" and the "existence of new generations" and the lack of measurement of the influence of millennial work on organizational growth performance.

According to Ernst & Young's research conducted in 2013, members of the baby boom generation and Y generation, generation X are considered the most competent when it comes to earning company revenue and building and strengthening teams. Likewise, they point out that with this generation it is not easy to co-operate because it is characterized by a high dose of cynicism, mistrust and critics. However, in their opinion, members of the X generation have much better communication skills compared to the Y generation. Their aspiration towards a clear and
precise separation of business and private life should not be neglected - they will work less, but will never become the victims of the job they are not interested.

The generation of militants is characterized by mistrust and disapproval of older generation thinking, and the media are also repulsive, focusing solely on media campaigns. Even 84% of the militants claim they "dislike or disbelieve" any form of advertising. Certainly, organizations can have the many benefits of diversified workforce, made up of members of different generations. However, the problem of dealing with them at the same time is and how they can prevent potential conflicts between them. According to the research carried out by ASTD and author Joseph Grenny in 2014, it can be concluded that generational conflicts only resulted in loss of time and productivity decline.

A generation is defined as an “identifiable group that shares birth years, age, location, and significant life events at critical developmental stages” (Kupperschmidt, 2000). From the societal context, a number of investigators have examined the expression ‘generation’ as the group of people who are born in the identical epoch and share key historical or social life experiences (Wey Smola and Sutton, 2002).

The America’s SBDC study, conducted in late March by the Center for Generational Kinetics, found:

- **Nearly a third of Millennials have already started some kind of business** (30% versus 19% for Boomers and 22% of Gen Xers), 38% have been part of a startup, and a full quarter (26%) have lived entirely off the income of a small business.

- **Almost half of Millennials (49%) want to start their own business in the next three years.** Over half (54%) would quit their job and start a business in the next six months with the right resources.

- **More than other generations, Millennials were likely to grow up** in a household that owned a small business (18% versus 12% for Boomers and 15% for Gen Xers) and a third of them have family or friends who work in a small business (33% versus 22% of Boomers and 20% of Gen Xers).

- **Contrary to stereotypes, Millennials are pretty down-to-earth in their outlook.** They’re more likely to want to start a business to make money (specifically, “lots of money” as the study worded it), rather than to have fun, than other generations — the breakdown being 66% for Millennials, 62% for Gen Xers and 53% for Boomers. Half feel that financial stability is a must before launching out on their own.

- **Millennials are unaware of entrepreneurial resources.** They are less likely than other generations to know where to turn for help, such as the network of SBDCs.

- **Business plans are still relevant.** Forty-four percent of Millennials (versus only 18% of Boomers and Gen Xers each) have written a business plan or overview for starting their own business and just over half (51%) say business plan development is the number one type of help they want (beating out tax and regulation issues).

- **Millennials like urban.** 61% of Millennials think urban settings are the best places to start a business versus suburban (32%).

- **They’re global.** A full 65% of Millennials would move to another country to start a business if given the opportunity, while only 24% of Boomers and 41% of Gen Xers would.

- **Millennials trust themselves more than they do others.** 61% of Millennials believe that the best job security comes from owning your own business rather than being employed by others, compared to 36% of Boomers and 40% of Gen Xers.

- **Millennials would start businesses sooner if they had help.** Almost three-quarters of Millennials (74%) would be more likely to start a business if they knew where to go for help, and six out of ten (59%) would start within a year with the right resources.

With ideals and values such as approach to organizational development and growth, this generation is redefining how an organization develops, engages with employees, and responds to today’s organizational movement and new business models. For organizations today, the archaic top-down
leadership model may not resonate with Millennials’ value system and will not be supported at any level of organization.

Table 1. Classification of generation

<table>
<thead>
<tr>
<th>Traditionalists</th>
<th>Baby-boom</th>
<th>Gen X</th>
<th>Gen Y</th>
<th>Gen Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main impacts</td>
<td>Great depression</td>
<td>WW II.</td>
<td>Korean war</td>
<td>Fight for human right</td>
</tr>
<tr>
<td>Performance</td>
<td>They are ready to sacrifice</td>
<td>Loyal</td>
<td>disciplined</td>
<td>Respect authority</td>
</tr>
<tr>
<td>On work</td>
<td>Stable</td>
<td>Oriented to the details</td>
<td>Loyal</td>
<td>Committed workers</td>
</tr>
<tr>
<td>Consumption style</td>
<td>Savings and cash payments</td>
<td>Buy now, pay later</td>
<td>Cautious</td>
<td>You spend your parents money as fast as you can</td>
</tr>
<tr>
<td>Music</td>
<td>Swing</td>
<td>Frank Sinatra</td>
<td>Elvis Presley</td>
<td>Rock’n’roll</td>
</tr>
<tr>
<td>Heroes</td>
<td>Superman</td>
<td>Winstone Churchill</td>
<td>Babe Rut</td>
<td>Gandi</td>
</tr>
</tbody>
</table>

Understanding the multi-generational workplace is a core competency within today’s organizations as millennials are beginning to enter the workplace and companies are seeking to avoid conflict (Adams, 2000), misunderstanding and miscommunication.

3. THE IMPACT OF GENERATIONAL DIFFERENCE ON ORGANIZATION

A culture-excellence construct of change management considers change as culture centric with the belief that human nature (unpredictable personalities) is the condition under which organizational cultures shape and manage change of an organization.

Despite differences between old and new generation of workers, all frameworks share the commonality of change and the fundamental belief that all members of a group or organization system, must share or participate in the change process to achieve success.

However, organizations, in the most universal sense, are undergoing a dynamic shift in which employee control and coercion are considered outdated, and the ideals of coaching and personal expression are becoming intrinsic within organizations (Canals, 2011; Karsh & Templin, 2013). This is largely due to today’s growing workforce of the millennial generation and the insertion of their personal ideals, values, and identity in organizations (Canals, 2011; Karsh & Templin, 2013).

With ideals and values such as a communal approach to management, this generation is redefining how an organization develops, engages with employees, and responds to today’s technological advancements (Canals, 2011; Karsh & Templin, 2013; Schein, 2008). Resistance to change involves the disengagement of employees and an opposition to a shift in new values within an organization (Schein, 2008).

Millennials will most likely connect to and be successful in organizations where meaning is embedded within what the model espouses. A hindrance to the integrative leadership change model concept is resistance to change. The need for constant information regarding the current affairs of the organization or a lack of conviction to change is where resistance can take shape (Kubr, 1996).

If the managers are deficient in taking the responsibility of dealing with generational differences, it could lead to misunderstandings, miscommunications and mixed signals (Fyock, 1990), eventually, ending with the issues of employee retention and turnover (Westerman and Yamamura, 2007). Zemke et al. (2000) reflect the positive work atmosphere where young and old generation employees work together in the work sphere with kinfolk’s affiliation.

Millennials are likely to be acutely affected by globalization, communication and information technologies, economics, and socialization by very involved parents. They are likely to have different, often broader, perspectives about the world marketplace, supervisor–subordinate relationships, cultural diversity, performance of tasks, and ways that communication and information technologies can be used to enhance organizational performance and to maximize productivity.

Changes in personnel, resources, leadership, the economy, goals, business models, laws, consumer behavior, environment, and competition can trigger change in an organization. Still, those discussions must start with an understanding of this basic truth: The world is changing, and millennial are driving that change.

4. THE MAGNITUDE OF GENERATIONAL VALUES IN THE WORKFORCE

Values are the basis for the purpose and goal of an organization. They play a key role in a firm’s culture and ethics (Dickson et al. 2001; Hofstede 1984), in managerial decision making and behavior (Allport et al., 1960; Rokeach, 1973; Beyer, 1981, Keast, 1996; Mcqurie et al., 2006; Singh et al., 2011). They are also the key factor in planning and implementing effective management practices and
organizational sustainability (Florea et al., 2013), and in managerial values and leadership styles (Agrawal and Krishnan, 2000).

Each person is unique. Every individual has his/her own set of value system. A value which is significant to one person may not be important to another. Many studies have examined the importance of values in determining employee behaviors. Wey Smola and Sutton (2002) have investigated the generational difference towards work values and beliefs and its influences on employee’s job satisfaction and commitment.

![Figure 1](https://hbr.org/2015/02/what-millennials-want-from-work-charted-across-the-world)

**Figure 1**

5. CONCLUSION

There are four areas that organizations need to focus on in order to manage generational diversity and ensure that generations work well in workplaces. These four areas are:

- Adaptation of organizational policies and human resource management policies to different generations,
- ensuring communication that is understandable to all generations,
- Joint decision-making by all generations,
- Developing internal training programs that focus on generational diversity.

The integrative leadership model suggests that leadership of successful change or organizational development requires a motivation, vision, values and culture.

In further research, we want to examine more closely the diversity issues of the generations present in today’s workplace in relation to an organization that wishes to develop its organizational performance and to grow and develop.

We are trying to answer the following questions: Does the organization identify changes in the field of organizational growth and development in relation to the value system implemented by new generations of employees? What different strategies of growth of the organization can or may not be adapted to the new way of perceiving the work of new generation’s employee.

The purpose and scope of future research is to analyze specific challenges, but also opportunities, and to face the challenges of managing more generational workforce. By focusing on exploring the character traits of workers in each generation and identifying types of conflict that may result, managers and managers need to better understand these characteristics and styles of work, and can use them to enhance team and organizational success, all for organizational
improvement and development. A need for further review and research on generational differences impact on organizational development as well as exploration of the millennial profile with engagement tactics for different generations of employees.

According to Gilbert's research, we can conclude the following and assume:

Generational gaps do exist. The results reveal that employee engagement differences are likely to exist across generations. These gaps have distinct impacts on employee engagement. While companies have unique drivers within their organizations, there were trends among the participating companies in this study that indicate which drivers are more likely to become high priority for employees (managing performance, recognition, career opportunities).

Gilbert continues with analysis in research by looking in detail at the results, says that companies can understand those drivers on which boomers and millennials are aligned – and those on which they are not aligned. Whether a driver is more or less important for millennials is only the first indicator. Should there be a difference in how millennials and boomers react to a driver, the larger the gap between generations, the larger the opportunity for making adjustments will be.

Managing performance is the most frequent engagement driver. In all six companies that participated in Gilbert's research, the performance management process was one of the top five drivers. This takeaway relates directly to existing research on millennials feedback. Existing research communicates that the timing (without delay), frequency (often), and way in which feedback is delivered (clear and specific) impacts millennials. The importance of this organizational process is essential in managing engagement.

Employer reputation is the most frequent engagement threat. Across all researched companies, employer reputation was one of the top five engagement threats. This learning suggests that highly engaged employees are proud of the organizations they work for. When perceptions of employer reputations decrease, a similar decrease in engagement spreads throughout the workforce.

The relationship between organizational and new business models and generational differences can have important implications at the individual and organizational levels for human resource professionals, who should understand how organizations have an impact on new generation of workers and strategy of organizations.

REFERENCES


