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Managing Generation Y employees in the enterprise

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ABSTRACT

Today's multigenerational workforce poses unique challenges for enterprises in the area of human resources management. The diversity resulting from the presence of representatives of different generations on the labor market, however, allows for exchanging experience and exploring different ways of solving complex problems, as a result of which it becomes important from the point of view of the proper functioning of the entire enterprise. The main purpose of this article is to present the characteristics of Generation Y, as well as solutions (good practices) implemented in the area of management of its representatives employed within the company. Particular attention was paid to the aspects related to the management of Generation Y employees in terms of their expectations, preferences and motivations. The analysis was based on the available literature and the interpretation of the report "First steps into the labor market. Future Leaders," prepared by the world's largest consulting firm *Deloitte* in 2015. It appears that young people undertaking employment in the organization far more than material incentives appreciate the convenient work environment, the ability of establishing individual career paths and working remotely, or the possibility of creating innovative projects. Therefore, a major challenge for modern managers is to adapt the workplace expectations of Generation Y to the corporate objectives.

Keywords: human resources management, employee management, Generation Y, labor market

1. INTRODUCTION

The particularly dynamic economic and technological development requires enterprises to find and identify the factors that provide them with a competitive advantage, which at times of high volatility becomes an increasingly difficult task [1, 2]. Being obliged to adapt to such new conditions, also on the labor market, today's companies are looking for solutions that enable them to effectively and efficiently manage personnel with a varied age structure.

Currently, there are four generations of employees that are present next to each other on the market. These generations are often a derivative of the times, including all social, historical and above all technological changes, when working people have grown up. While a perception of the world by older employees is well-known, an attitude of young people to work is still very new for companies. Therefore, it is necessary to ask the question: what characteristics and aspirations of young people may positively influence the effectiveness of the organization and the satisfaction of employees' needs?

The purpose of this article is to characterize the four generations of employees and to analyze in depth the dominant Generation Y in the era of the highly competitive environment in which today's enterprises are to operate. The following questions have been asked:

1. What are factors and expectations relevant for young people in the context of looking for a job?
2. What actions should be demonstrated by the employers to ensure worker satisfaction and give their staff members the opportunity to reach individual goals and ambitions?

The considerations are founded on an analysis of scientific studies, in particular on the report "First steps into the labour market" [12]. The report can make a substantial point discussion on the students and young graduates as future workforce who is to successfully create competitive advantage in the age of knowledge-based economy.

The issues raised in the report oscillate around the questions that are frequently asked by employers while seeking the best young workers on the labor market. Furthermore, the described topics allow to draw the conclusion on how to attract, motivate, and keep the future business leaders. The structure of the article is also based on an analysis of the available literature on the subject, which the theoretical approach to the effective management of the Generation Y workforce and the important values from the point view of employees, which have been verified on the basis of an analysis if the results of research.

2. GENERATIONS OF EMPLOYEES ON THE CURRENT LABOR MARKET

The generation is a group of people born within the same period of time, who due to a similar age have had similar experiences and have grown up in comparable circumstances [7]. In the light of the above definition, the following generations of workers can be distinguished [11]:

- Baby- Boomers (born between 1946-1964);
- Generation X (born between 1965-1980);
- Generation Y (born between 1981-2000);
- Generation Z (born after 2000 year).

Table 1. Generational diversity in the workplace

Name and birth year	Baby Boomers Born 1946 – 1964	Generation X Born 1965 – 1980	Generation Y Born 1981 and after, (Gen Z – after 2000)
Workplace traits	<ul style="list-style-type: none"> • Bring fresh perspective • Do not respect titles • Disapprove absolutes and structure • Optimism • Team orientation • Uncomfortable with conflict • Personal growth • Sensitive to feedback • Health and wellness • Personal gratification 	<ul style="list-style-type: none"> • Positive attitude • Impatience • Goal orientated • Multi-tasking • Thinking globally • Self-reliance • Flexible hours, informal work environment • Just a job • Techno-literal • Informal – balance • Give them a lot to do and freedom to do their way • Question authority 	<ul style="list-style-type: none"> • Confidence • Sociability • Morality • Street smart • Diversity • Collective action • Heroic spirit • Tenacity • Technological savvy • Lack of skills for dealing with difficult people • Multitasking • Need flexibility
Attire	Business – casual (high end)	Business – casual (low end)	Whatever feels comfortable
Work Environment	Long hours – office only	Office, home, desires flexible schedule	Office, home – desires flexible schedule
Motivators	Salary	Security	Maintain personal life
Technology	Documents prepared by the Associates, e-mail primarily in the office, web use to “google”	Creates own documents, uses mobile and laptop, uses web to research	Creates own documents, creates databases, uses web to research and network,
Career Goals	Build a perfect career, excel	Build a transferable career, variety of skills and experiences	Build several parallel careers, have a several jobs simultaneously

Source: Deal J., Altman D. G., Rogelberg S.G. (2010), Millenials at work: What we know and what we need to do (if anything), *Journal of Business and Psychology*, Vol. 5, No. 15, p.190-199.

The employees of **baby boomers generation** are most often characterized by the slogan for a life: "I work to survive." The most important values for people of this generation are: independence, optimism and commitment. Their professional career usually involves the work for one or a few employers at most in similar positions. The baby-boomers employees expect the cooperative working management - they aim to collaborate, seek a consensus and

develop a system of active communication. They are accustomed to operate in highly hierarchical structures, but at the same time, they enjoy teamwork [4].

In turn, the representatives of **Generation X** are described with the motto "I live to work." For Gen X professionals, the following qualities are desirable: personal development, independence, diversity, initiative, and diligence [7]. Labor market experts point out that this is a mature generation of professionally active people. They prefer stability, and consequently, calm and secure work that does not require new challenges. They are extremely loyal and trustworthy to one employer. For them, professional success involves hard work leading towards achieving assumed goals. Therefore, Gen X employees can fully dedicate themselves to work, honestly performing their duties and even subjugating their private lives to commercial interests [4].

Generation Y, as well as its successor - **Generation Z**, adheres to the principle: "I work to live". The main worthwhile standards here are: optimism, idealization, diversity, ambition, creativity, initiative, innovation, education, and training [10].

The Gen Y employees place their personal life success over professional career. They have a strong sense of self-worth, and thus, do not want to sacrifice themselves for work – then the work should be tailored to their needs. They expect their employers to pay the right wages and invest in their further professional development [10].

The table below presents the differences in perception of the generations presented from the employee's point of view and the relevant values in the labor market.

This table shows discrepancies across generations in values and expectations of the workplace and work environment. Besides the evident differences in familiarity with technology, the expectations with regard to mentoring, basis for motivation and career goals all represent significant challenges for leadership in multi-generational organizations [9].

It is worth noting that the described generations of workers are largely shaped by technologies. This means that the skills and characteristics of a given generation are a derivative of an increasingly rapid advance of technical development that is taking place in their time. From such a perspective, Gen Y employees constitute a particularly significant group for potential employers [11].

2. 1. Characteristics of Generation Y workforce

Many authors stress that there are three characteristic concepts for Gen Y: choice, options and flexibility that relate to work, finances and living conditions [1]. It is important for the representatives of the generation of people born after the 1980s to experience change and diversity in all aspects of life. Therefore, such workers are mobile in terms of professional career and skeptical about the so-called employee loyalty [13].

Achieving a high position in the organization is not as relevant to them as the development of non-professional skills and the pursuit of their passion [13]. Gen Y workers are not afraid of carrying out complex projects, they are even capable of performing several tasks at the same time. Their expectations refer mainly to the chance of managing inspiring tasks that train their creativity. The representatives of Generation Y are not workaholics. In their hierarchy of values, the family is becoming increasingly important, and spending evenings in the office is being replaced by meetings with the closest family and friends [3].

It should be emphasized, however, that Generation Y is the best educated generation that wants to continually acquire knowledge. In terms of education, as well as foreign language skills, young people are a lot further ahead than their predecessors. They deal great

with modern technologies, using such technical knowledge in business and life - "they are able to find information that the employer does not even know" [14]. They are well prepared to move within areas related to global economy and cultural diversity [14]. The constant pursuit for development is also characterized for these young people. In confrontation with the employee's routine, the possibility of continual training and applying innovative solutions may always win [5].

The most important strengths and weaknesses of Generation Y from the point of view of professional work are summarized in Table 2.

Table 2. Strengths and weaknesses of Generation Y

STRENGTHS	WEAKNESSES
Knowledge of new technologies	Reluctance to obey the rules
Task-oriented approach to work	Claiming attitude towards the employer
Independence and ambition	Need for feedback
Focus on personal development	Difficulties in personal contacts
Priority on change and innovation	Willingness to take risk
High self-esteem, definition of expectations	Problems with accepting criticism
Great commitment to work	Lower propensity for loyalty
Maintaining work-life balance	Care about own comfort and convenience instead of devoting to the company

Source: Woodruffe Ch. (2009), Generation Y, *Training Journal*, No. 7, p. 33-44.

All of these features of Gen Y represent a major challenge for employers. This is because companies are forced to introduce significant changes in the approach and management of human resources as well as alterations in the organizational culture and its values [13].

Nowadays, it is increasingly challenging for businesses to manage employees representing different generations.

2. 2. Generation Y – an analysis of the report

Generation Y, also known as "Millennials", comprises people born after 1980, growing up in an environment of intense development of modern technologies.

The report "First steps into the labor market. Future leaders," prepared by the consulting firm *Deloitte* pursuant to a study conducted in 2015, divides Generation Y into four groups: "Eager Beavers" (representing 33% of Gen Y), "Fast Trackers" (27%), "All Rounders" (25%) and "By-Standers" (14%).

This division was established, among others, on the respondent's answers, and it was elaborated through the use of certain criteria, i.e. their gender, age, work experience, as well as statements regarding one's preferred future career path (manager, expert, entrepreneur, employee of the company). The characteristics and analysis of specific groups identified in the study allow to observe a number of common features of representatives of Generation Y, but also pay attention to its diversity.

"Eager Beavers" constitute a clearly distinct group of people who are fully committed to their daily work and satisfied with performing their duties. *Deloitte*' survey reveals that 92.5% of the respondents would be eager to work even if it was not necessary (only every thirtieth respondent believes that work is only for making money). According to 92.2% of them, professional work allows man's potential to be fully developed. "Eager Beavers" understand that work should require some sacrifices. Rather than being simply a way of promotion or financial gain, professional work is believed to have a value in itself. What is more, personal development and education are also of great importance for them, however, less importance is attached to the life of peace and prosperity [14].

For 91.6% of "Fast Trackers", professional work without any prospects for a better career is meaningless. The representatives of this group believe that work is the main source of improving their welfare (82.5% of the respondents). What is interesting, 93.5% of "Fast Trackers" would start work, even if they did not need money. Similarly to "Eager Beavers", 85.4% believe that labor allows people to develop their potential. "Fast Trackers" also declare that they always "commit 100 per cent of their total potential to the job," and maintain that owing to hard work people are able to achieve more than the others [14]. In terms of values, they show a great orientation towards achieving successes and gaining fame, which is more important for them than for other groups. Also education plays a crucial role here. In their opinion, it should be regarded as one of the measures on the way to the goal. They choose a job more for its prestige than the possible values added to their life.

"All Rounders" are a community that most of all appreciates the possibility of sustainable development (88.9%). Working as a kind of duty towards the society (72.1%) would be performed even if there was no such necessity (92.9%). According to them, work is one of the prior determinants of happiness, but - importantly - not the only factor which measures the level of satisfaction. Less frequently than the other respondents, "All Rounders" perceive work as a potential source of social contacts and a way of ensuring the prosperity. They believe that it should not necessarily involve sacrifices in terms of personal life [5]. For the representatives of this group, work is not the superior advantage as they hold in higher regard values like a loving family and honest life, health and friendship, than success and fame.

Finally, the last distinguished group are "By-Standers," who identify work only with a duty and a way to make money (66.3%). Nearly half of the given responders, which is significantly less than in case of other groups, says they would work even if they were not

deprived of money. “By-Standers” want their work to give them a possibility of personal development outside of work (e.g. a chance of developing their own interests), and therefore, they are not eager to fully devote themselves to professional duties. The significance of having the proper job and education is not here as much recognized as the values like internal peace and well-being.

The given characteristics shows that Generation Y, entering into the labour market or having been present on such market only for a short period of time, is widely diversified, and it cannot be discussed on the basis of any schematic categories. Among its representatives are both people who are oriented to education, work and related career paths (a group of people who is particularly preferred by employers), and groups for which work is not necessarily a key value. It also appears that the members of Gen Y are not complete amateurs on the labor market, and more than 4/5 of them have gained (or are still gaining) professional experience through combining studying with working [8]. Most of the people surveyed have been made aware in the context of their potential employers’ expectations with regard to their competence, that is to be gradually developed. Despite the above mentioned differences in perception of work, nearly all representatives of Generation Y have common features that characterize them [9]. According to it, the majority of the members of Generation Y is very well educated. They are able both to cope with new technologies and the latest technological developments, and to integrate themselves quickly and effectively into their new working environment. Here, the knowledge of foreign languages is crucial to enhance professional mobility and flexibility. In turn, as regards the grounds of complaint regarding young workers, the research indicates: overconfidence and focus on themselves, as well as the lack of a sense of loyalty and in some cases the lack of work ethic too [9].

2. 3. Expectations of Generation Y towards employers

The division of the expectations of Generation Y workforce towards both the company and its manager is to be indicated below [7]:

1) Expectations towards the employer:

- Ability to fulfill their own expectations,
- Satisfactory working conditions,
- Favorable conditions for the professional development,
- Remuneration ensuring a decent standard of living,
- Communicative environment,
- Good conditions for reconciling professional and private life,
- Innovative tasks aimed at eliminating of routine and repetition,
- Optimal working conditions: ensuring all the necessary working tools, health and safety, as well as additional material benefits,
- Flexible working time;

2) Expectations towards the supervisor:

- Authority resulting from their knowledge and competence,
- Feedback on the assessment of work,
- Wide range of working autonomy,
- Specific objectives and tasks clearly determined and limited in time;

It is of a paramount importance for a great number of Generation Y employees to be given the possibility of retaining a good work-life balance and the chance of implementing innovative projects, together with the assignment of responsible tasks [3]. The Gen Y workforce appreciates a relaxed yet stimulating working atmosphere with adequate opportunities for self-realization. Their concrete demands basically concern the issues related to the continuous self-improvement through expanding knowledge and skills, therefore, more diverse and modern forms of vocational training are expected to be provided [8]. In addition, various forms of integrating employees within the company are highly regarded too. Last but not least, Gen Y workers expect their employers to ensure that an individual approach to each working person may be adopted and that a combination of their passion with work may be no problem [12].

However, the literature concerning this subject shows a slightly different, more claimant attitude of employees towards their employers. Young people make calculations and place high demands on both the wage and non-wage working conditions. They frequently hold unreasonable expectations, believing that "they can change the whole world only during their first working day" [14]. They are said to be "young, smart, and bold" - they have grown up opposing the opinions of their employers [6].

The Gen Y workers are reluctant to obey rules. They prefer electronic communication to traditional one, expecting ongoing verifiable and authenticated feedback [5]. Routine and lack of opportunities for further development may be a sufficient reason for them to look for a new place of employment.

These are just a few of the differences resulting from different perceptions of employees' expectations. Generation Y is a new look at the workplace, the employer and the employee. Therefore, the management of such a young team should take into account not only the employees' competence potential but also the generational mentality they represent.

2. 4. Managing Generation Y in an enterprise

Taking into account the variety of attitudes among the members of Generation Y, employers are obliged to implement innovative measures related to the development of human capital within the structures of their organizations. However, according to experts, analyzing the needs and preferences of employees through the prism of belonging to the given generation may be important, but certainly not sufficient [14].

As it results from the report "First steps into the labor market. Future leaders," prepared by the consulting firm Deloitte pursuant to a study conducted in 2015, the use of stereotypical thinking about Generation Y and the perception of them as a homogeneous group is far from sufficient while considering effective actions taken within the scope of HR. However, it is obviously unavoidable to motivate such employees by adjusting all the necessary development actions and benefits to their individual needs. An increasing number of enterprises (also in Poland) decides therefore to create the benefit and training catalogues, among which employees are able to choose such options that are compatible with their preferences, priorities and lifestyle [14].

Figure 1 shows the individual goals of Generation Y employees that should be met by the company in order to achieve a maximum satisfaction among the young generation in the workplace.

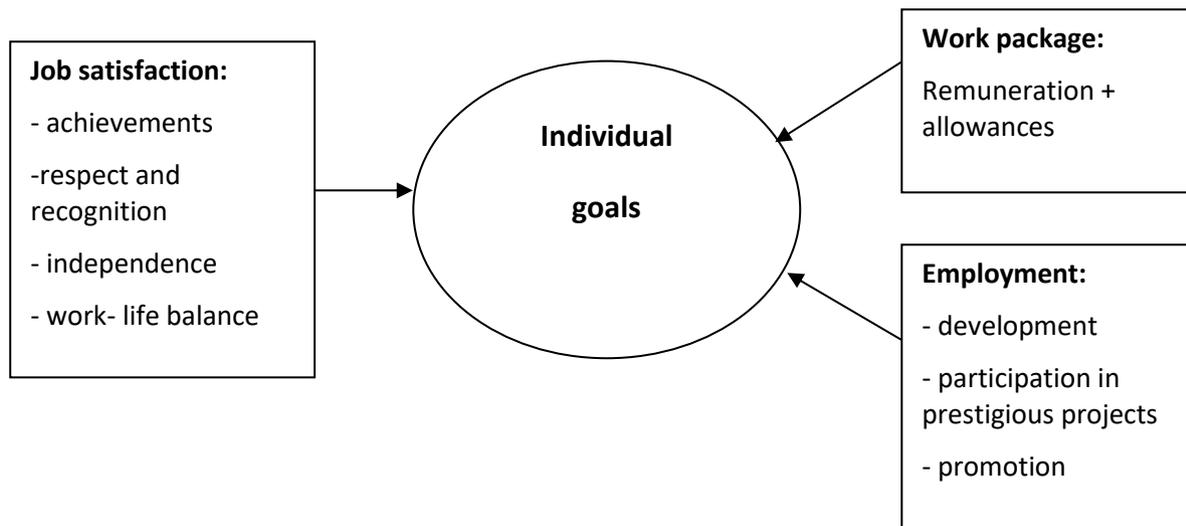


Figure 1. Summary of individual goals of Gen Y in relation to the workplace

Source: Woodruffe Ch. (2009), Generation Y, *Training Journal*, No. 7, p. 33.

Research shows that in 2025 the representatives of Generation Y will represent approximately 75% of the workforce in Poland, which means that companies should be prepared to manage the employees in different age groups with various expectations [3].

It appears that the future business leaders coming from Gen Y put both work and professional development high on their list of priorities [7].

Their expectations as to the HR departments and the immediate superiors apply to a large extent to the atmosphere, working conditions as well as environment in which they are to operate. It is acknowledged that in the long term perspective, continuous staff development should be regarded nearly as a major priority as the best interests of the company [2].

This is a huge challenge for managers whose priorities are not always in line with the expectations of Gen Y employees. Of particular importance is, therefore, to take into account the needs of Gen Y, which is closely connected with creating the stimulating working environment. This includes ensuring an effective framework for their professional fulfillment with these measures aiming at further personal development of the workforce and advancement of interests of the company. For this reason, HR departments are obliged, perhaps more frequently and with a higher intensity than before, to support their managers in adapting their management style to the development and motivational factors.

That is why, among other things, leadership has been for some years now seen as one of the greatest challenges in business, which confirms the annual global study "HR Trends," conducted by *Deloitte* (2016). Experts unanimously agree that as Gen Y is mainly represented by extremely ambitious and at the same time demanding employees, entering the labor market by the new generation of workers requires the introduction of changes in the management of a great number companies.

The development, being a vital aspect of work for Generation Y, requires leaders to acquire the habit of sharing knowledge within the organization by involving workers in the company's activities and providing them with current feedback on their performance as well.

All this should be done in a manner appropriate to the ever growing demand both for the continuous development and the acquisition of knowledge connected to it. Undoubtedly, the fact of shaping the organizational culture of the company that is particularly opened to the development may have a huge impact on motivation and retention of employees from Gen Y. This is essentially important as young people all point to the lack of development possibilities, but also to the unfavorable atmosphere for developing a relationship in the workplace as the key factors for a potential change of employer.

3. CONCLUSIONS

In conclusion, the biggest problem of managing Generation Y in the workplace is the issue of retaining these most valuable employees in the organization. Apart from the standard forms of motivating the workers in a form of financial bonuses, wage increases or other non-wage benefits, companies must bear in mind that placing new goals and challenges, ensuring professional development and promotion opportunities should not be neglected as well. The best way to keep young talents in the specific workplace is to build a strong sense of relationship of the employees with the company. In that case, it is also essential to recognize the employees for their contributions in achievement of the further successes of the enterprise. In addition, to make the representatives of Generation Y want to connect their professional future with any particular business in the long term, a considerable convergence in the goals the staff members and the company would like to achieve together needs to be guaranteed.

The analysis presented in this article proves that the young workforce frequently pays less attention to various bonuses and benefits than to such elements as a good working climate and the possibility to develop themselves personally and professionally through successful teamwork as a part of creating their own individual career paths, and these are generally those elements that are crucial for remaining the employee within the company's structure.

It is anticipated that Generation Y, due to its specificity, will assist in the further development and metamorphosis of the global labor market, and will affect the reorganization of work in enterprises as well.

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