

HOW MILLENNIALS AFFECT CORPORATE CULTURE

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Abstract

Corporate culture is made by the company's employees. However, their age composition is different and is members of different generations that interact. Every generation brings with it something new, not only positive but also negative. Therefore, each generation should work together to eliminate the negative aspects and highlight the benefits of each generation and exploit them to their advantage. Each of the generations influences the corporate culture in different ways. The aim of the paper is to point out the results of research, which was realized at Faculty of Materials Science and Technology in Trnava and focused on individual generations of employees. We draw attention especially to the Generation Z, its impact on corporate culture and the new "wind" that it brings. This paper was written on the basis of research results of VEGA project No.1/0348/17 "The impact of the coexistence of different generations of employees on the sustainable performance of organisations".

Key words

Generations, corporate culture, gen Z

INTRODUCTION

The world around us is changing constantly. Some things are getting better. Some things are getting worse. Habits and traditions are changing. Today's world is characteristic by its dynamics, continuous change and progress. In ancient times wandering from place to place was typical for primitive tribes' people. They were searching for the water, food and later for the

work. Today, we can remark migration all over the world. In totalitarianism the Slovakia was shut-in its own world with limited opportunities. Today we are open-minded member of European Union. We are part of globalized world. Slovakia has created new job opportunities for people over the world and now we have to face the problem with overcoming obstacles with different cultures. Also, job descriptions and requirements on employees are not the same anymore. According to these facts many issues are occurring during this time.

EMPLOYEES' GENERATIONS

Halík says „people are the most important aspect of your business“. First requirement of a business success is to realize the value and the message of the human factor. To consider that people are the biggest and the most valuable wealth of an organization and human resources management decides of organizational successfulness. (L. Copuš, 2015).

Generations issue in workplace – that is the thing of today. Managers talk about Gen Y and Gen Z arrival on work market. These potential employees have new requirements comparing with older generations. They consider new Gens as extravagant, not real or lofty. But why now? Why are these problems coming with Millennials or Gen Z members? There were different generations when we look at the history. According to Danková (2018) previous generations have been following: Lost Generation (1883 – 1900), Baby Boomers (1901 – 1924) and Quiet Generation (1925 – 1945), Gen X (1964 – 1978), Gen Y (1979 – 1990) and Gen Z (1991 – 2005). We are expecting Gen A coming on the job market in 2020 – 2025.

The years intervals change from author to author. It is caused by different the advent of technological progress in each country. Different historical progress, events and culture are aspects forming discrepant generational division. According to Dankova (2018) the culture and national progress pace are influencing the generations formation.

After 2020 there will be more than 50% of working population from Gen Z. Millennials and Gen Z members differ from older generations by different approach to work and different values prioritization. Almost 9 from 10 young people focus on carrier and personal development by searching for new job. Millennials prefer socially responsible companies, teamwork, open-minded approach, organization and structure. (<https://moneymag.cz/ekonomika/10647-milenialove-jako-zamestnanci-jak-efektivne-zvladat-nejistou-generaci>)

Slovakian workplace is characterized by low unemployment rate (approximately 10% - according to region). Companies find difficult to employ new people. They often choose from „over 50“ group of employees. These people are more faithful and not so demanding.

Jiří Jemelka, the CEO of the J.I.P. company (providing revitalization and management of small and middle businesses) says that with the same access to Gen Z companies will get in troubles. One of very important requirements of Gen Z is work performance feedback. According to HR Agency TriNet research over 40% Gen Z employees consider the feedback as the year rating as insufficient and 62% as demotivating. When it comes to personal interview 59% of Millennials consider the assessor as insufficiently prepared and 28% exchanged employer after the year rating interview. Gallup Consulting Agency claims one third of Millennials consider good feedback as the success key. (<https://moneymag.cz/ekonomika/10647-milenialove-jako-zamestnanci-jak-efektivne-zvladat-nejistou-generaci>)

Creating new visions and values for next years a company should consider to involve all employees in this process and so include all generations – says Jeanne C. Meister (partner of Future Workplace consulting – HR management and „The 2020 Workplace“ co-author).

We should uncover what is important for individual groups of employees, how to attract new employees with new ideas. How to attract experienced employees (R. Knight, 2014)?

How to attain cooperation between all generations? To attain older generations will believe in Millennials' skills and vice versa; Millennials to accept older co-workers and be more patient?

The answer is mentoring. Mentoring programmes connect younger and older employees to work on concrete goals and reach them together. Younger employee learns of the power of social media and how to earn business results, says Meister. Older employee shares company's knowledge with younger colleague. Work teams with mixed ages are the approach how to support mentoring within more generations. Studies show colleagues teach each other more than through formal education process. That is why is so needed to form the culture of coaching in age groups. In mixed age teams are mentoring relationships developing naturally, claims Cappelli – professor of management on Wharton School and co-author of „Managing the Older Worker“.

Older people have bigger probability to become mentors and to help younger co-workers. Millennials are able to accept advices and recommendations better from more experienced older man than from colleague because the rate of rivalry is different. (R. Knight, 2014)

More generations principles according to Rebecca Knight (2014):

- to experiment with teams/ work levels with mixed ages allowing each gen to learn from others,
- to make motivation plans reflecting level of living and where employees want to be,
- to perform regular HR research company to find out its need for employees of future,
- not to make teams according to age or other aspect – generally, it empowers the stereotypes,
- to recognize the „top-down manager“ access – to make the partnerships with employees from more different age groups and support to share the ideas between them,
- to be informed of employee's ambitions from the carrier point of view.

There is no uniform advice how to manage and access to younger generations. It is important to know that each generation is characterized by other needs. Young people do not have so much experience. They are motivated by new experience and opportunities at work. They are willing to travel, work and learn new things. Employees between 30 and 40 are attracted by stable workplace, they support their families, they do not aspire to sleep at work because they need to devote to their families. They are not so flexible at this time; however they need flexible work time. In 40-50 years, interval there is arising of the flexibility and they can build their carrier, learn, travel and so on.

Understanding these features of man's life is helpful by prediction of human life ways. This is the key for managers how to divide work tasks effectively. What is the heaven for one employee could be the hell for others.

In the early stages of working life (until the age of 25), employees preferred highly competitive environment. Employees up to 35 years old prefer personal development. On the other hand, at the age of 55+, serenity, work safety, recognition, benefits and advancement become more motivating for employees. Compared to the older generation, the younger one is more flexible, more energetic, with a higher level of education and language skills. Therefore, their career progression is faster even in other countries as well. On the other hand, practice is another important factor and it is missing (Kampf a kol., 2017)

A new Generation grew up in an environment that is strongly influenced by implementation of new communication technologies and, therefore, the way of life and value orientation of young people is changing rapidly (Valter, 2013).

Forbes Magazine has carried out the research of Gen Z where 49 000 young people from US, Asia, Africa, Europe and Middle East were involved. The research shows Gen Z is first global generation, they have High – tech mind and high requirements on their future employers. They focus on carrier, they know foreign languages and social media on very high level.

Companies should involve these people into their businesses, give them enough information and provide them aspects of corporate culture and so make them engaged future generation of employees (Elomore, 2014). According to (Bensik 2016) Gen Z want to have impact on the world. They are selfish, they choose carrier for themselves not for their company.

CORPORATE CULTURE

We live in age where constant changes interfere into all areas of our living. Changing environment in which businesses exist is changing the demands on management quality in almost every area where business operates. Human factor and quality of its operating is one of the most important factors affecting the success or failure of a company in competitive environment (Grenčíková, Vojtovič 2017).

By Ližbetinová and Hita (2016) as a result of changes that constantly take place and have forced new features to economic and social environment of companies, it has been shown that the quality of human resources and options how to use them while setting business development strategy and its implementation is becoming a crucial element for the success of an.

Corporate culture is a set of certain ideas, attitudes and values that are generally accepted in the enterprise and at the same time an important aspect is that they are accepted and followed by employees in the work process. These are not only elements visible externally, such as symbols, signs, logos, company's uniformity, but especially certain patterns of behaviour in certain situations. One of the definitions says that "corporate culture is what happens in a business if no one is around". In our opinion, the definition is apt, because it accurately describes the essence of corporate culture, that is, what is the atmosphere in the workplace, behaviour in crisis and stress situations, and so on.

The deeper inside of the corporate culture we get, the more specific and recognizable is it to the smaller circle of people involved. While at the surface level it is perceived by a wide range of uninvolved people, the deeper we get, the more specific elements of culture are and know are only for the core of the business.

In practice, there are no two companies with the same corporate culture, even if they are companies of the same area or businesses operating in the same country. Because corporate culture is made up of people who are part of it and possess its qualities. Also, the division of corporate culture into types is not very accurate, as a business can be characterized by a combination of two or more cultures. Nevertheless, individual authors divide the types of corporate culture differently.

Corporate Culture is created by people – employees. Because people are influenced by many external factors of the environment, the world around them is changing, they are changing themselves. They have different priorities, requirements, opinions. Therefore, if we say that every generation of employees differs from one another, corporate culture is changing with the passing of time. In general, we know that in practice there is no enterprise with a textbook-pure corporate culture as defined in the books, but it is a mix of several cultures described and defined so far. The company should respond flexibly to the generational composition and the associated changing requirements of its employees to create a business culture.

RESEARCH PROCESS

In 2018, was carried out research at the Faculty of Materials Science and Technology in Trnava of the Slovak University of Technology, which dealt with the coexistence of several generations of employees. Industrial enterprises in the Slovak Republic were involved in the research. The aim of the research was to find out how employees of each generation perceive how they work with them and what is the most important for their working generations in terms of work life.

Research was conducted through an online questionnaire and responses were received from 534 respondents. The average age of birth was 1984, which, according to our division of generations, represents the Y generation. Likewise, the most generous generation involved in the research is the Y generation (Figure 1), which is also confirmed by the fact that this group is currently dominant in the market.

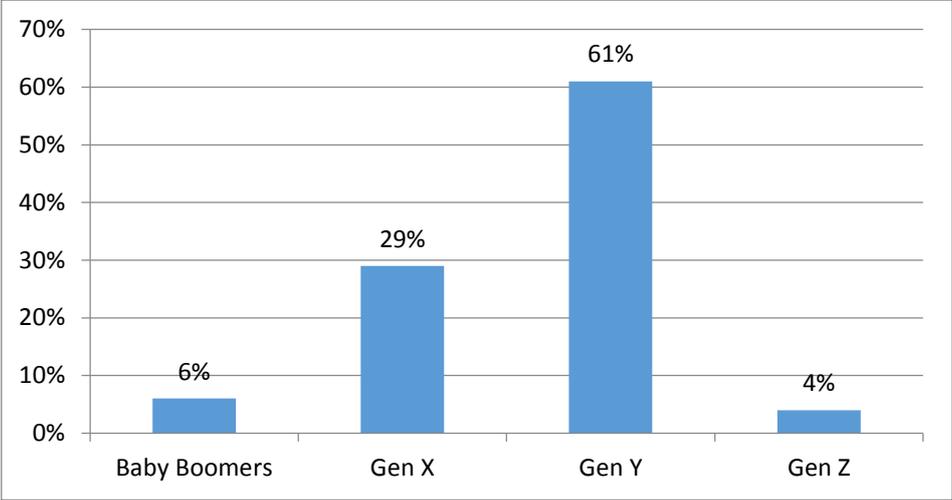


Figure 1 Percentage representation of each generation group

Table 1 shows the average age of the generations involved in the research. The average age of the Baby Boomers is 60 years old, a generation that is slowly leaving the labour market and replaced by the Gen Z. However, this generation can pass on a wealth of experience to the younger generations, which businesses are also aware of. More and more businesses are keeping employees who already have retirement age and use them for example for mentoring younger employees. The average age of the Millennials (Gen X) was 45 years old, the majority of them being the parents of the upcoming generation Z. The X-generation age is now 41-55 years old, who are more likely to have more independent children, so they can fully re-engage themselves, their work, develop and are more flexible. Generation Y is 29-40 years old, they are employees who have been out of school for some time now, are supposed to have found a stable job, have worked and made a reputation for it, have their own housing, and are now setting up families. The next generation Z is currently 14 to 28 years old. It presents people who are still studying at high school or college, as well as fresh graduates. It can be assumed that working generations of the Z generation are still largely unprotected. Such employees will first look for their "dream job", they will probably try several jobs until they find it right and have no other duties besides the job, so they can fully dedicate it. They are flexible in time, want to meet new people, places and opportunities.

	Baby Boomers	Gen X	Gen Y	Gen Z
Age range	1948 - 1963	1964 - 1978	1979 – 1990	1991 - 2005
Actual age scale	56 - 71 years	41 - 55 years	29 – 40 years	14 - 28 years
Average year of birth	1959	1974	1990	1996
Average age according to research	60 years	45 years	29 years	23 years

The ratio of time spent at work and the rewards that a person gets for this job should be balanced. In most cases, the more time a person works, the more money they make. There are employees who would prefer more free time at the expense of earned finance or, on the contrary, employees who would be more willing to work for more money. For each person this need is individual and also depends on the life situation in which one is currently. We can conclude from the research that the only generation that is willing to work more hours and earn more money is the Z generation (Table 2) in up to 54% of cases. Generation Z does not even admit the possibility of working less hours and making less money. All other generations would be on the proportion of hours in the work of vz. earned money did not change anything. Even these generations admitted that they would work less for less money, 11% for post-war generation, over 12% for X generation, and more than 5% for Y generation.

	Baby Boomers	Gen X	Gene Y	Gen Z
Work more / earn more	33.3 %	32.0 %	29.7 %	54.5 %
Work the same amount of time / earn the same	55.6 %	55.6 %	65.0 %	45.5 %
Work less / earn less	11.1 %	12.4 %	5.3 %	0.0%

In the past, it was typical to stay in the same job for many years. We can say that in the past loyalty was much higher than today. The change is also related to the pace and dynamics of today. Businesses arise and disappear. Owners place their businesses in countries where labour is cheap and have favourable conditions. If the conditions change, they will easily find another country that is cheaper and more profitable for the business owner to operate. It is also related to the free movement of the population and the possibilities that opened in the Slovak Republic after joining the European Union.

We investigated how generations are changing their jobs over the next 12 months. Each generation reported (Fig 2) in over 56% of cases that they were unlikely to change jobs in the following year. However, as we can see in the graph, with the younger generation, this unlikely declining to the Y generation, from which it then increased slightly again in the Z generation. we assume that the slight decrease in the probability of change in the Z generation is only temporary, as this generation is not yet fully in the labour market. In the future, we expect an increase in the probability of a change in employment in the Z generation, which is more pronounced than in previous generations. These predictions are reflected in the characteristics and exploration of the Z generation, that is, it is a dynamic generation that is still on the move, searching for excitement, change, new things, being flexible, wanting to travel and explore the world. For the Z generation, job loss is no problem or tragedy as it was for previous generations. For the people of the X generation, the loss of employment meant uncertainty and fear, stress, and whether they could find new jobs. In contrast, the new generation Z is calm, self-confident and knows that if not today, tomorrow, week, month will find a new job and until it does, it follows the slogan "Somehow it will be".

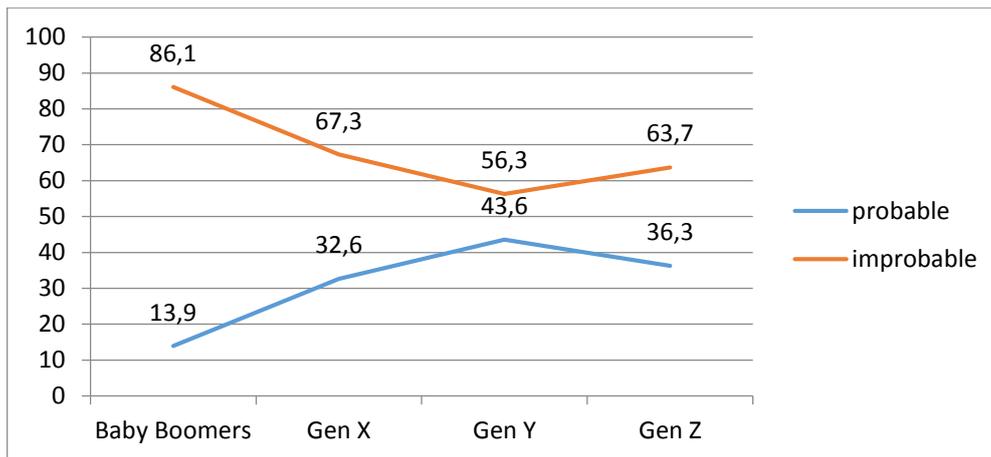


Figure 2 Probability of the job change in following 12 months for individual generations

CONCLUSION

Every generation of employees brought something new to the business and influenced it. The Z generation is probably the most striking generation that has existed since scientists describe and define generations. When we think about corporate culture, we come across many aspects that affect it. In addition to international culture and national culture, the specificities (characteristics / characteristics / requirements) of each generation are also reflected in corporate culture. As the Gen Z is coming into the working environment at the moment, we have tried to formulate certain points that businesses should include / take into account when creating corporate culture.

What will Gen Z bring to corporate culture?

- high-level of technical and language skills;
- high workload - if they know what a job goal is behind, but it must be clearly defined;
- want regular feedback on their work;
- want to hear praise if they meet the goal;
- are willing to work a lot;
- at the same time want a balance between work and personal life, but not the kind that their parents knew from 6 to 14 o'clock work and privacy for privacy; the Z generation is willing to work from morning to evening when they know what they are working on and what the goal is, but when they meet the goal they want adequate (multi-day / weekly) leave = options for travelling around the world;
- if they are dissatisfied, they are looking for another job;
- primary for them is not the amount of money they earn, but the satisfaction with their work and the fulfilment of their ambitions compared to the financial valuation they receive.

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