

# Literature review of generation x and y employees



The definitions of Generation X and Y vary only slightly from different researches. Based on the definitions from Australian researchers, the Generation X and Y are fitted into the population who was born from 1965 to 1979 and 1980 to 1994 respectively.[1]The groups are now aged from 20 to 40.

Generation X are labeled as slackers, arrogant, disloyal, having short attention spans, which are influenced by the effects of changing life experiences, from first experiencing fast food system, remote control and quick response for instant gratification, while the society was ruthless to them with limited career opportunities and economically troubled society due to corporate downsizing and layoffs.[2]The Generation X who was born in late 70s, started to have resemblance to Generation Y.

The characteristics of Generation Y are energy, creativity, and charismatic. [3]They love challenges and make difference. The young group thrives for flexibility and space for exploration. They have good education and a reverse accumulation of knowledge, i. e. the younger the more information they possess through the computer. From the American Sociological Association journal Contexts in 2004, researchers found that by age 30 a much smaller percentage of them have finished school or reached financial independence when compared to 1960.[4]

Besides the above, the young group disappoints employers. A survey over 300 Australian business owners shows that around 70% are dissatisfied with their work performance. Some 37% describes Generation Y as demanding, impatient, bad at communication skills, lacking professionalism and

acceptable technical skills.[5]These generations are found difficult to fit into America corporation behaviour and style – wearing suits and talking budgets. This is a mismatch between their wants and employers' offering (Ellen Kossek, a Michigan State University professor in East Lansing who spent 18 years researching workplace flexibility). Generation X and Y take care of themselves not some company (From David Finney, president of Champlain College). Therefore not just the corporate culture they are not fitting in, but the lack of loyalty. As mentioned, management or co-workers find them difficult to work along. It is hard to develop successors as the young group would not stay long in the organization and have other plans for their life. According to Pew Research Centre poll of 2003, Americans age 18 and over in August 2006 appreciate more on self-employed career. It has brought up that the Generation X and Y are not thinking for long term running (Bruce Tulgan, the founder of Rainmaker Thinking, a management training firm in New Haven, Connecticut, and an author specializing in generational diversity in the workplace).[6]

We would look into glitches for nurturing the young group as leaders in the organizations through understanding their characteristics and expectations. Management style – top to bottom – would not satisfy the young group. [7]They respond lesser to the traditional command-and-control type of management, which is still popular in today's workforce (Jordan Kaplan, an associate managerial science professor at Long Island University-Brooklyn in New York). Vice versa, they like questioning superior and authority. [8]Through adjusting the organizational flexibility in the structure and people, a foundation of win-win culture in procedural actions should be built.

An example from KMPG was unique in creating this win-win scenario. Organization has provided flexible and adapted the change in the young workforce. But not all organizations can adjust.[9]Business is struggling to keep pace with the new generation of young people with different working attitudes and desires. Work-life balance is desired and becomes the focal. Jobs have to accommodate family and personal lives though they may become against the values of the corporate world.[10]Unlike the previous generations like boomers who tend to put high priority on career, the young group wants jobs with flexibility, telecommuting options and the ability to go part time or leave the workforce temporarily for their children. The young group does not expect to stay in a job or even a career for too long. They are skeptical to such concepts as employee loyalty. They are multitaskers and can juggle amongst e-mails and phones while strolling online (Tulgan).[11]In the workplace, conflict and resentment can arise from them, such as their casual appearance. Boomers may expect a phone call or in-person meeting on important topics, younger workers may prefer virtual problem solving. They have grown up for getting constant feedback and recognition from teachers, parents and coaches and can resent it or else they would feel lost if communication from bosses is not as regular.[12]

### Leadership development

As brought up by Bruce Tulgan, “ they have been pampered, nurtured and programmed with a slew of activities since they were toddlers to become both high-performance and high-maintenance”. Also Cathy O’Neill, senior vice president at career management company Lee Hecht Harrison in Woodcliff Lake, N. J. commented: “ The millennium generation has been

brought up in the most child-centered generation ever.” Young people like to travel a lot. With their built up experiences, generation clashes happen with seniors, whom they see as competitors or inferiors.[13]

Both Generation X and Y are confident and become entrepreneurs by creating their own job, custom life and career (Kossek).[14]They believe in their self-worthiness and have courage to trying to change the companies. Mentioned by Tulgan Generation X is independent, love to change and treasure family life, while Generation Y is even intense with high expectations for themselves and their bosses.[15]Data also shows that 80% of 2662 campuses report offers at least one such course to inspire and develop entrepreneurs.[16]

Their parents are their role models who are from time of incredible change. Generation Y admires integrity. They can partner well with mentors, friends, colleagues and teams who are resourceful. They expect respect,[17]fairness and directness from their superiors, who must share with them often their professional career development. They are urged to learn continuously for more knowledge, so that they can be more ready when finding new challenges. They would set clear and reachable goals in a short period as they are goal-oriented and look for ownership.[18]Some criticize that people who were young before, have gone through the same journey. We may recognize from the article of Generation X, who has the same comments received in the 90s. Many Generation X have become good leaders now.

Different from earlier generations, the young group tends to have a group thinking mentality and collaborates comfortably with peers (David Stillman of

Minneapolis “ When Generations Collide” in 2002). Many would go into business with friends. Data from US Bureau of Labor 2005 shows that self-employed category of young people age from 16 to 24 would grow 5% from 2004 to 2014. More than the 2% growth last decade due to changes of life style from Internet, home office and less capital.[19]Through internet, young generations are linked with “ diversity” and “ multiculture” and are more tolerant and open-minded. This is suggested in an analysis of studies by the Center for Information and Research on Civic Learning and Engagement, the University of Maryland’s School of Public Policy. Spirit of volunteerism, interest in the world around, and sense of civic engagement are built. Dave Verhaagen, a child and adolescent psychologist in Charlotte and the author of Parenting the Millennial Generation, 2005 said that a study of more than 260, 000 college freshmen by UCLA’s Higher Education Research Institute found that 66. 3% of freshmen said it is “ essential or very important” to help others, the highest percentage in 25 years. They would rise to the occasion and show courage with determination, innovation and vision that make their environment a better place.[20]

Management should look into Generation X and Y for organizational commitment for nurturing them. From the characteristics mentioned above, these generations are not quite committed to an organization, but in a different ways, like to their family, social duties and themselves. As mentioned in Employee-Organization Linkages, commitment is defined as relative level of identification and involvement in a particular organization of a person. It can be conceptualized into three factors – a high level of belief and acceptance of the organization’s goals and values, a willingness to put

considerable effort for the organization, and a strong desire to maintain membership in the organization.[21]The alignment of organization and individual's identification and involvement are required. Referred also to the model of commitment by Meyer & Allen in 1991[22], which is an extended model from Mowday, Porter, and Steers. The model has identified three commitments:

Affective commitment with personal, structural, and job related characteristics, and work experiences. Strong and positive attachment can be developed for employees whose experiences within the organization are consistent with their expectations and satisfy their basic needs.

Organization's goals and employee's wants are aligned.

Continuance commitment develops as the employees know about the investments in an organization by Becker's "side bet theory" in 1960.

[23]The discontinuance or unavailability of alternatives comparable elsewhere, the invested elements will be voided, for instance pension, co-workers, networking, participation in management, The employee has to remain in the organization in order to reap the profit.

Finally, normative commitment develops based on the concept that loyalty is encouraged through socialization[24]or obligation with the company is felt amongst the employees feel, from which the company has offered them with benefits, like training, promotion, and career development[25]??? (Scholl, 1981???).

Apart from these, researches have shown that commitment is directly or indirectly related to job-related behaviors. Mowday et al (1982)

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acknowledged that organizational commitment ' can provide employees with stability and feelings of belongings' (p. 139) which can off set the negativity of stress on attitudes and health.[26]Porter, Crampon, and Smith (1976) discovered that the will to strive extra effort, the desire to remain, and the acceptance of the organizational goals and values tend to decline in the months prior to the separation of employees who left, while those who stayed reported nearly constant levels of organizational commitment.[27]A job commitment formula, from which the job turnover is found in direct relationship, with turnover resulting from decreases in level of job commitments. It is further suggested that declines in job rewards, increases in job costs, divestiture, or improving alternatives should reduce job commitment, and in turn, increase job turnover.[28]

Retention is becoming a greater challenge as mentioned by Steve Miranda of the Society for Human Resource Management, Alexandria, Virginia. Three hundred and twenty graduates were surveyed online by Experience, Inc. They found 1. 6 years in average for the first full-time job and 36% stayed less than a year. The young group is craved for stimulation and feared of boredom by Dan Nagy, associate dean of global business development at Duke University, Durham, North Carolina. Claire Schooley, a San Francisco based senior industry analyst at Forrester Research mentioned that some companies have appealed the young group with management training program, mentoring environment, recruitment and retention.[29]Many travel and take jobs unrelated after. Neil Howe, co-author of the book Generation mentioned that Researchers say they have learnt the importance of high self-esteem, so they would test the water of corporate behavior and would



walk away in no time with workplace problem, “ Our message for employers is you want to organize them in groups and structure the work and give them constant feedback.”[30]

Management is searching for new and workable solutions to recruit and retain younger workers with work flexibility and other gimmicks which interest the young people. At Abbott Laboratories in Chicago, recruiters are figuring out a series of flexibility to college students. Company benefits from schedules, telecommuting, tuition reimbursement and online mentoring are re-arranged for them. Another organization, Aflac, an insurer based in Columbus, Ga., is awarding the college students with time off and flexible schedules as recognition. It seems that self-employed is more superior than not self-employed in all flexibility aspects, except, health and retirement plan (Pew Research Center). As mentioned in a survey by Lee Hecht Harrison: ‘ More than 60% of employers say they are experiencing tension between employees from different generations. The survey found more than 70% of older employees is dismissive of younger workers’ abilities.”[31]

From these characteristics, in order to nurture leaders from the generation X and Y, linkage to the organizational leadership can be presented. The effects from motivating and satisfying the people who followed as expectancy in reaching the goals or objectives, from these expectations, House (1971) has formed the path goal theory of leadership.[32] This explains the degree of motivation, which leads to the perception of satisfaction and expectation on the performance connecting to the rewards. It explains whether the person will put efforts, from which it depends on the perceived desirability of the outcome and the expectancy on the value of performance rewards. Just like

Alfac Laboratories in Chicago and Abott insurer in Columbus GA, both tried to understand and meet the Generations' expectation and offered accordingly. [33]

It is believed that happy employee means higher productivity, lower absenteeism and turnover. This correlates to job satisfaction. The definition from Locke's Affect Theory (1976) about job satisfaction is ' a pleasurable or positive emotional state, resulting from the appraisal of one's job or job experience'.[34]

To make employees happy, the Content theories stress on needs, values or expectations, which link to individual's perspective in determining their levels of satisfaction.[35]Like the well known Maslow's (1954) Hierarchy of Needs Theory which states the five human needs ascending from lowest to higher orders – from physiological to safety, social, esteem, and self-actualization. As the lower order of need is sequentially satisfied, the next need becomes dominant.[36]Based on Maslow's hierarch, Herzberg (1966) developed motivators and hygiene factors. Motivations include factors such as achievement, recognition, work, responsibility, advancement and growth, which lead to job satisfaction and corresponds to Maslow's higher order needs. Hygiene factors include factors like company policy and administration, supervision, pay security and physical conditions which when adequate, do not lead to job satisfaction. But when inadequate, these would lead to job dissatisfaction. They are necessary conditions for employees, but do not produce job satisfaction themselves.[37]

Almost the twin to Content theories, Process theories the connection to job satisfaction can be understood by the concept of individual thinking processes in their different behavior – how the motives obtaining satisfaction developed. This leads to Expectation and Equity theory explaining job satisfaction further the extent of the gap between what the job offers and what the individual expects.[38] More theory comes up as Needs and Value Fulfillment theory explaining job satisfaction, which matches individual needs to the provided job and also considers the changing values and adaptations through time.[39]

As understood, no single theory can explain all. But the most important factors are work that is challenging and makes the mind moving with equitable rewards, supportive job conditions and colleagues.[40]