

# MANAGING GENERATIONAL DIVERSITY IN THE ORGANIZATION

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## Abstract

In the era of constant changes, innovations and business transformations, the competitive pressure forces organizations to look for and invest in staff, which acquires necessary knowledge, skills and ideas. The Generation Y is entering and gradually taking stronger positions in the labour market. The Generation Y differs considerably from the Baby Boom Generation (1943-1960) and the Generation X (1961-1981) not only in terms of the dominant personal traits and values, but also in terms of the essential approach to work. Generational diversity management is becoming one of the most important parts of the human resources management process. On the basis of the Theory of Generations, this article attempts to provide the conception of generational diversity identifying the main characteristics of generations dominant in the labour market, and to discuss the theoretical aspects of generational diversity management in an organization.

## Introduction

Today's market transformation, fostered by the restructured economy, Internet and technological progress, globalisation, demographic problems, constantly growing and changing consumer needs, encourages business organizations to rethink staff management strategies and methods. Business representatives and scholars unanimously agree that the era of uncertainty, constant changes, innovations and business transformation has begun. The research report "Global Talent 2021" emphasises that advanced technologies (42%), globalisation (41%), demography (38%), customer needs (38%) and competition (38%) are the main factors that will have the major impact on the organization's strategic staff management in the nearest decade. Competitive pressure forces organizations to look for and invest in staff, which acquires necessary knowledge, skills and ideas. Staff members, who belong to different generations, have different capacities to adapt to the

changes (Mathis & Jackson, 2012) and are unique in their abilities, competence and experience. Although generational diversity management is becoming one of the most important parts of the human resources management process, there is still a lack of research works, which could not only help to accurately identify generations and determine their essential differences in the labour market, but also would provide generational diversity management opportunities in an organization.

The object of the research is generational diversity management in an organization.

The aim of the research is to analyse the theoretical aspects of generational diversity management based on the Theory of Generations.

Objectives:

1. To provide the conception of generational diversity identifying the main characteristics of generations dominant in the labour market;
2. To discuss the theoretical aspects of generational diversity management in an organization.

The following research data collection method has been applied: scientific literature analysis.

**Keywords:** *generation, generational diversity, management.*

### **Generational Diversity Conception**

Many sciences, such as sociology, philosophy, educational sciences, etc., deal with the concept of generational diversity. The *Dictionary of Contemporary Lithuanian* (Lith. *Dabartinės lietuvių kalbos žodynas*) (2012) defines generation as “people of similar age living at the same period of time”. In the social sciences, generation is understood as a group of people, born, matured and living in the same historical period: Mannheim (1952) describes generation as a group of people of the same age, united by a certain memorable historical event. According to Bourdieu (1993), generation is a culturally conditioned phenomenon, i.e. different generations typically have certain interests, beliefs and tendencies, meanwhile, inside the generation, a struggle is taking place in time regarding cultural and economic resources. As assumed by Mead (1970), a generational conflict arises in the world, because a younger generation rebels against the older generation, which manages the social control mechanisms, and therefore, according to Buckingham & Willett (2006), it is important to evaluate the role of new technologies, media and consumption habits when determining the boundaries of generations. The boundaries of generations “crystallise” in the course

of reverse socialisation, when children “force” their parents to adapt to new and changing socio-technological conditions. Thus, a “generational order” is not imposed on an individual passively, but is rather a dynamic process that requires personal engagement of the individual (Labanauskas, 2008, pp. 64-75).

In the scientific literature, an individual is usually assigned to a certain generation by the date of birth. It is assumed, that one generation covers a period of 20 years. Here, however, one of the main problems arises – due to insufficient systemic research on generations in different European and other countries, there is a lack of a uniform categorization into generations. According to Stanišauskienė (2015), the Theory of Generations is mainly developed by sociologists (McCrinkle in 2014; Comeau & Tung in 2014; Martin & Martins in 2012), although the generational differences are also analysed by other scholars of social sciences. Educationists emphasise the educational peculiarities of the new Generation Z (Pečiuliauskienė et al., 2013) as well as the learning features of the Generation Y (Wilson & Gerber, 2008). In the field of management, discussions are held about the new generation of leaders and their styles of management (Hershterr & Epstein, 2010; Ng et al., 2012). The psychologists of organizations talk about the Generation Y that is entering and gradually taking stronger positions in the labour market (Flagler & Thompson, 2014). The representatives of the Generation Y, which is entering the labour market, feature different values and behaviour in comparison to the Generation X, which is still dominant in the labour market (Howe & Strauss, 1991). After a decade or more, when the Generation Y becomes dominant in the labour world, the values and behaviour typical to this generation will form the working style and values of organizations (2015, pp. 1-2).

Generations are categorized according to the time of birth not only by the pioneers of the Theory of Generations, such as Howe & Strauss (1991), but also by such scholars as Martin & Tulgan (2001), Raines (2003), Eisner (2005), Twenge (2006), etc. Although, the most frequently applied Theory of Generations in practice is *The Strauss-Howe Generational Theory*, if compared to the categorization of generations suggested by other scholars, the beginning and / or end periods of the assignment to certain generations do not always match, and there are also cases when some periods overlap. For example, Howe & Strauss (1991) distinguish the following generations in the Theory of Generations: the Lost Generation (born in 1883-1900), the Greatest Generation (born in 1901-1924), the Silent (Traditional) Generation (born in 1925-1942), the Baby Boom Generation (born in 1943-1960), the Generation X (born in 1961-1981), the Y / Millennial Generation (born in

1982-2004), the Z / Homeland Generation (born in 2005 and later). McCrindle & Wolfinger (2010) provide the following categorization of generations: the Great Depression Generation (born in 1912-1921); the World War II Generation (born in 1922-1927); the Post-War Generation (born in 1928-1945); the Baby Boom Generation (born in 1946-1954); the Baby Boom Generation II (born in 1955-1965); the Generation X (born 1966-1976); the Generation Y (born in 1977-1994); and the Generation Z (born in 1995-2012). According to *The Sloan Center on Aging & Work* (2011), managing the generational diversity in an organization, attention is focused on the following main generations: the Veterans (born before 1946 and currently over 65-70 years old); the Baby Boomers (born in 1946-1964); the Generation X (born in 1965-1980); and the Generation Y (born in 1981-2000).

So, currently, there are 5 generations that live and interact together: the Silent Generation has practically abandoned the labour market, the number of representatives of the Baby Boom Generation is decreasing, the Generation X is dominant, the Generation Y is strengthening its positions in the labour market, and the representatives of the Generation Z are already entering the labour market.

If the issue of categorization to different generations is still under discussions, in any case, it has been agreed that the changes in the society bring changes to the system of values, new generations are occurring, and each generation is distinguished by the dominant personal traits, values and approach to work (Table 1).

**Table 1. Characteristics of five currently living generations**

Characteristics	Silent Generation	Baby Boom Generation	Generation X	Y/Millennial Generation	Z/ Homeland Generation
Approach to work	You need to work hard, because this is right. They appreciate when their experience and knowledge are regarded; social security is important.	You need to work hard, because this is the only way to achieve something. They are guided by the work ethics, and therefore, they can work overtime; they expect clear expectations from the manager, and regard work as a meaningful part of their lives.	If you work hard, you will have a good life and have fun. The authority of the manager is important; they are inclined to cooperate, they want to be evaluated according to their merits.	You can work hard, but only if it is meaningful work. They appreciate sharing best practices; the manager is as if a teacher, hence they expect continuous feedback.	Likely, work is associated with the harmony between the areas of life and social responsibility. Work is carried out superficially; they often focus on a few objects at a time and this affects quality; they are inclined to socially interact at work.

Characteristics	Silent Generation	Baby Boom Generation	Generation X	Y/Millennial Generation	Z/ Homeland Generation
Organization-friendly features	Loyal to the company and the organizational system, inclined to put personal efforts to achieve results; stable.	Motivated to pursue the goal, prefer teamwork; good mutual relations are important; they are optimistic, and value personal development.	Inclined to pursue a career, think globally; entrepreneurship and independence are characteristic features; they are flexible, value a creative process; easily adapt to new technologies.	Evaluate the situation realistically, manage to multitask, focus attention and thoughts, appreciate meaningful work and clear work results, easily adapt technically.	Excellent with technologies, easily acquire knowledge and innovations, mobile and global thinkers.
Organization-unfriendly features	Lack technical knowledge, adapt to innovations and structural changes with difficulties; prefer work to be conducted in accordance with clear procedures; creativity is relatively low.	Find it difficult to adapt to changing technologies, focus on themselves, are interested in the process rather than focused on the result.	Inclined to criticise, but themselves accept criticisms with difficulty; lack self-esteem; the result rather than the process is most important; impatient and rather inflexible.	Focus on their wellbeing rather than on work; are in need of clear structure; want to know the benefit and the expected outcome of the work they perform; often tend to change their workplaces.	Often want to climb the career ladder too early still lacking experience and skills; tend to copy the already existent patterns of work; are overconfident.
Dominant personal traits and values	Dedication, dutifulness, strict compliance with the rules, politeness, modesty, patience, self-restraint in expressing emotions, ability to adapt.	Idealism, an impeccable image, optimism, focus on teamwork, personal development, self-expression, mastery, eloquence, youthfulness.	Preparation to changes, entrepreneurship, global thinking, technological literacy, individualism, life-long learning, courage to make mistakes, privity, pragmatism.	Optimism, self-confidence, high self-esteem, street-wisdom, addiction to the Internet, cosmopolitanism, naivety, technological ingenuity, versatility.	Lack of attentiveness, multitasking, creativity, disregard of authorities, technological ingenuity, tolerance.
Working style	The process and fair treatment at work are of importance; properly perform the assigned duties, but have difficulties with the creation of innovation; prefer teamwork.	Want to be a part of community, tend to keep their personal relations secret, regard knowledge as a means to achieve a desired goal; cooperation with colleagues is important.	Appreciate quality and personal freedom, prefer flexible hours and working style, like to lead; it is important for them to be appreciated, and if so, they achieve very good work results.	Appreciate mentoring, are constantly looking for inspiration at work and like to create; dislike hierarchy, prefer an independent and non-binding working environment.	Focus attention on work activities that promote fast learning; manage to process large amounts of information, so they are capable of multitasking.
Motivation	Motivated by payment and cooperation, employer's evaluation.	Motivated by clear limits of responsibility; want to be recognised; value security and social benefits at work; motivated by money.	Motivated by material reward; self-expression and the work-life balance are important; like challenges.	Recognition and praise are important; motivated by trainings, development and learning opportunities, atmosphere at work; prefer flexible working hours.	Motivated by the acquisition of innovative market and technical knowledge, mobility opportunities, and only then by financial reward.

Characteristics	Silent Generation	Baby Boom Generation	Generation X	Y/Millennial Generation	Z/ Homeland Generation
Loyalty	Loyal, inclined to achieve final goals; if they feel appreciated, in the long run they remain holding their current position.	Loyal, do not tend to change workplaces frequently; can hold the same position for a long time; value the organization to which they belong. Pursue a career.	In general, they are not loyal but prefer stability; they value their position as a career stage; they weigh priorities for pursuing a career; security is important.	May be loyal if they are satisfied with their working conditions. They value their current position as a development stage; pursue continuous changes.	Loyal to those who propose opportunities for development and learning, disloyal to the brand and working environment.

Source: based on Narijauskaitè & Stonytè (2011), Stanišauskienè (2015), McCrindle (2014), Flagler & Thompson (2014), etc.

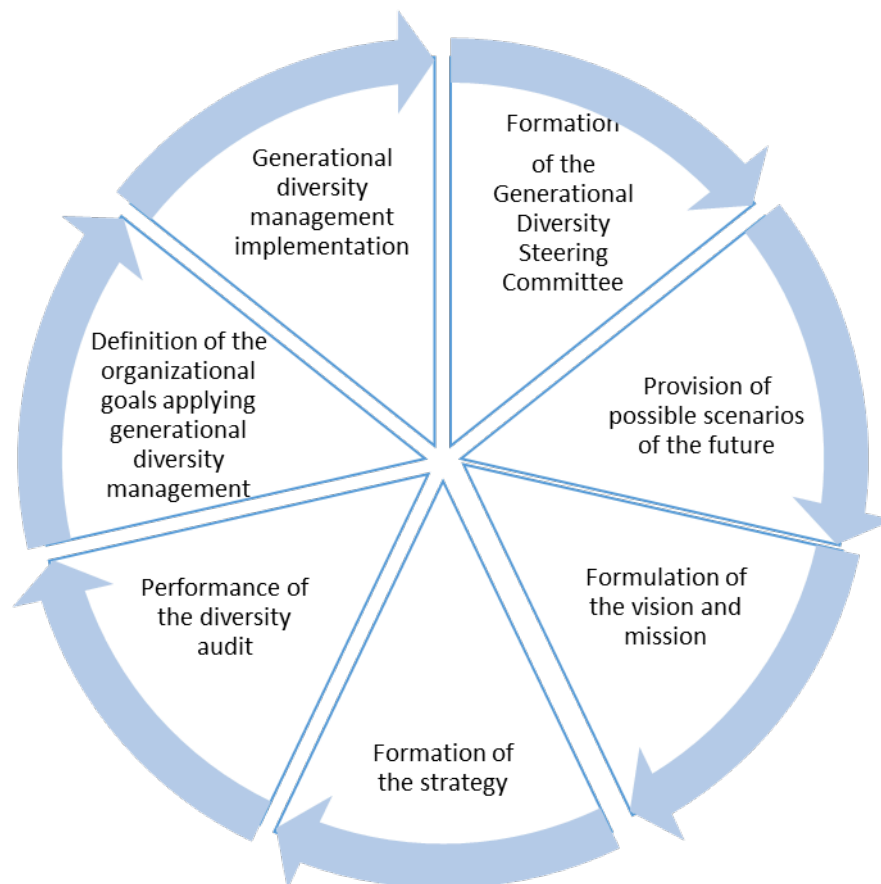
The Generation Y is entering and gradually taking stronger positions in the labour market. The Generation Y differs considerably from the Baby Boom Generation (1943-1960) and the Generation X (1961-1981) not only in terms of the dominant personal traits and values, but also in terms of the essential approach to work. As Table 1 shows, the Baby Boom Generation values work as a meaningful part of their lives, and the representatives of the Generation X pursue to be evaluated; meanwhile, the Generation Y agree to work hard only if their work is meaningful. The Silent Generation and the Baby Boom Generation are loyal to the organization; the Generation X, although generally disloyal, prefer stability, value each work position as a certain stage of their career; meanwhile, loyalty to one organization of the Generation Y declines because they pursue continuous changes. The Silent Generation is first and foremost motivated by financial reward, and only then by cooperation and employer's evaluation; meanwhile, the Generation Z is firstly motivated by the acquisition of innovative market and technical knowledge, mobility opportunities, and only then by financial reward. The process itself and teamwork are of importance to the Silent Generation, meanwhile the Generation X appreciate quality and personal freedom, prefer flexible working hours and style, like to lead, and achieve very good results only if they are appreciated; the representatives of the Generation Y like to create, dislike hierarchy, pursue independent and non-binding working environment; and the Generation Z is characterised by a lack of attention, multitasking, creativity, disregard of authorities, technological ingenuity, and tolerance.

### Theoretical Aspects of Generational Diversity Management in the Organization

In scientific literature, the term *diversity management* is most often associated with such characteristic features as gender, race, ethnicity, health condition (e.g. disability), etc., meanwhile categorization to a certain generation is neither separately distinguished nor emphasised. Kuprytè



& Salatkienė (2011) assume that diversity management is active and conscious development of future, oriented on the value-based company's strategy; a managerial process, where differences and similarities of people are used as a potential in an organization; a process, which creates added value to the company. Čiutienė & Railaitė (2013) point out that, according to Rosado (2006), generational diversity management should be understood here as "a comprehensive holistic process, which aims at managing the differences which are brought by people, in order to ensure productive interaction of all of them in a company"; diversity management comprises two main dimensions: the core, including human's age, gender, race, sexual orientation, disability, etc., and the psychosocial spiritual dimension, which is usually externally invisible and covers the human's value system, worldview, thinking, etc. These differences may lead to conflict situations among people with certain different characteristics; however, effective management of such differences may become a great advantage.



**Figure 1. The Generational Diversity Management Implementation Process**

Source: according to Keil et al. (2007).

In order to assess the opportunities of generational diversity management in an organization, first and foremost, according to Murphy (2007), it is recommended to carry out research in order to determine the generations and their proportions in the target organization.

The *Training Manual for Diversity Management* emphasises the diversity management implementation process. This process is provided in Figure 1 and is often understood as the organizational learning process that involves the formation of the Generational Diversity Steering Committee in the organization; provision of possible scenarios of the future for the forthcoming 10-20 years, focusing on the generational diversity; based on the scenario selected previously, formulation of the vision and mission and formation of the strategy, with the emphasis on how the idea of diversity management will be implemented; performance of the diversity audit in order to assess the situation in the organization; definition of the organizational goals applying diversity management; and the very diversity management implementation (adapted according to Keil et al., 2007).

Generational diversity management in the organization is a recommended methodological tactics in order to solve the problem of older people employment, because a team of employees, formed with respect to generational diversity and differences, can deal with the tasks assigned to them more effectively, because a team formed on the basis of this principle disposes more extensive information, experience and skills to make decisions, and therefore, the outcomes of their performance tend to be much better. Based on the data of Dublin Foundation study, successful organization management, focused on the staff of different generations, is determined by the following factors: attention to the age-related problems, the overall national policy regarding support to this type management, caution in the stages of its creation and implementation, cooperation of all the stakeholders taking into consideration this aspect, evaluation and calculation of costs and benefits. Petrusis (2015, p. 56) quotes Bombiak (2014, pp. 113-114), who specifies that organization leaders have to understand that managing people that belong to different generations is the element of diversity management based on different measures, which facilitate the working conditions of older people and increase their work efficiency. Čiutienė & Railaitė (2013) suggest that only if the current situation is assessed and the peculiarities of managing different generations are analysed, it is possible to provide the following main generational diversity management measures: creation of a suitable working environment, effective communication and conflict resolution, staff training organization, knowledge transfer assurance, creation of flexible working



conditions, and promotion of healthcare programmes.

### **Conclusions**

The categorization to different generations is still under discussion, however, in any case it is agreed that each generation is distinguished by the dominant personal traits, values and approach to work. The Generation Y is entering and gradually taking stronger positions in the labour market. The Generation Y differs considerably from the Baby Boom Generation (1943-1960) and the Generation X (1961-1981) not only in terms of the dominant personal traits and values, but also in terms of the essential approach to work. After a decade or more, when the Generation Y becomes dominant in the labour world, the values and behaviour typical to this generation will form the working style and values of organizations. The Baby Boom Generation value work as a meaningful part of their life, and the Generation X pursue to be evaluated, meanwhile, the Generation Y agree to work hard only if their work is meaningful. If the Silent Generation and the Baby Boom Generation are loyal to the organization; the Generation Y pursue continuous changes. The process itself and teamwork are of importance to the Silent Generation, meanwhile the Generation X appreciate quality and personal freedom, prefer flexible working hours and style, like to lead, and achieve very good results only if they are appreciated; the representatives of the Generation Y like to create, dislike hierarchy, pursue independent and non-binding working environment; and the Generation Z is characterised by a lack of attention, multitasking, creativity, disregard of authorities, technological ingenuity, and tolerance.

A team formed taking into consideration the generational diversity dispose more extensive information, experience and skills to make decisions, and therefore, the outcomes of the performance tend to be much better. The diversity management implementation process, as emphasised in the scientific literature, includes the formation of the Generational Diversity Steering Committee, provision of possible scenarios of the future, formation of the vision, mission and strategy, performance of the generational diversity audit, definition of the organizational goals applying diversity management, as well as the very diversity management implementation. Effective generational diversity management, capable of becoming a great competitive advantage of an organization, is only possible upon the creation of flexible working conditions and suitable working environment, effective communication and conflict resolution, organisation of trainings that meet the needs of the staff, assurance of the knowledge transfer system, as well as application

of other necessary measures.

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