CHAPTER – 1
INTRODUCTION

For the first time in modern history four generation of workers/employees are working side-by-side, rubbing shoulders in the same space and collaborating on similar projects. Each bring with them a wide range of cultural and generational idiosyncrasies, to the workplace. Multigenerational environment is a new diversity challenge for organizations everywhere. In fact, this concept of generational as a legitimate workplace diversity issue has gained increasing recognition of late.

These generational differences can have a positive and negative impact on organizations. Increased creativity, innovation, openness to change, stimulation for alternative thinking, cross pollination of ideas and better collaboration due to interdependency are some of the strengths that can be leveraged for the competitive advantage in terms of business outcome. On the other hand, conflicts, delayed decision making, dissipation of energy, chaos and dysfunction are likely to increase due to generational diversity.

These could result in counterproductive outcomes such as increased attrition of high potential talent, reduced engagement and increased workplace stress. It is this context that gives rise to the need to understand multigenerational diversity from the perspectives of work expectations of the employee, team and the organization.

1.1. EMPLOYEE WORK EXPECTATION

Behavioral researchers are becoming increasingly aware of the importance of work expectations in the employment relationship. Research has demonstrated a direct relationship between the extent to which employee work expectations have been met and the quality of employment tenure, in terms of, engagement, satisfaction and commitment.
Many of these studies have focused on the psychological contract which has been defined as the implicit relationship between an employee and his/her organization, which outlines what each should expect to give and receive, within the relationship. (Kotter, 1973) In other words the psychological contract is what one expects in return for one what provides at work. The psychological contract is an increasingly relevant aspect of workplace relationships and wider human behavior. It primarily refers to the relationship between the employer and his employees, and specifically concerns mutual expectations of inputs and outcomes.

The psychological contract is predominantly seen from the standpoint or feelings of employees, although a full appreciation requires it to be understood from both sides.

Employee work expectations is seen as part of the psychological contract, as it focuses more on, what the employee expects from the job. While these two concepts – Psychological contract and Employee Work Expectations cannot be used interchangeably, yet psychological contract lays out a clear theoretical framework. Hence, this study would borrow from it a few concepts as is relevant.

According to Coyle-Shapiro & Kesler (2003), Psychological contract can be categorized as transactional contract (expectations regarding rapid advancements, high pay and merit pay) and relational contract (expectations regarding long-term job security, career development, Training & Development).

Fulfillment of these expectations that are part of the psychological contract leads to positive employee attitudes, as higher job satisfaction, organizational commitment, organizational citizenship behavior, organization performance and higher levels of employee engagement. Failure to meet these expectations results in negative employee attitudes as, low citizenship behavior and higher intentions to leave the organization.

Expectations can be organized in many ways, but it should cover aspects of work and life, important to the people involved – expectations regarding task
performance, managerial direction and organization resource support and also personal expectations as respectful treatment, Quality of work environment, personal expression and growth. When employer –employee expectations match, the work atmosphere is conducive and facilitative. Problems arise when there is a mismatch.

Workforce experts estimate that the cost of replacing an employee is 1.5 times that of the annual salary of the employee. To minimize this cost, employers need to look beyond the salary and benefits, which is the obvious compensation that the employee expects. There is a host of other expectations that employees have, to name a few, pleasant, facilitative, structured work environment, independence and autonomy, work life balance, freedom of expression, stability and career growth. When expectations as these are met, employee productivity is enhanced.

1.2. GENERATION:

A generational group is often referred to as a cohort, it includes those individuals who share similar historical and social experiences. Such experiences unite people of the same generation; lead them to share common values and a large number of them come to experience the world in similar ways.

“Generation” as a construct is elusive and multiple attempts have been made by scholars and practitioners to decipher this phenomenon. One commonly used definition is provided by Kupperschmidt (2000), where a generation is defined as “an identifiable group that shares birth years, age location and significant life events at critical development stages.” The dominant literature from the US and parts of Europe assumes that there are 4 generations in the work force, namely, Veterans, Baby boomers, Gen X and Gen Y. (Parry & Urwin, 2011)

The conceptual foundations of the notion of a generation are drawn from sociological theories. Mannhein, (1952) defined a generation as a group of people “who share a common habitus, nexus and culture, a collective memory that serves to integrate.” According to Mannhein, (1952) there are two important elements in the term “generation.” First a common location in historical time and second a distinct
consciousness of that historical position, shaped by events and experiences of that
time. (Gilleard, 2004).

Different cohorts recall different events and these memories come specifically
from adolescence and early adulthood. Generational effects appear to be the result of
the intersection of personal and national history (Schuman & Scott, 1989). Studies
undertaken in the non-western context were mostly replications of prior research
using the four generational categories identified in the western literature. Prior
studies in the Indian context attempted to categorize generations, using the widely
used four generation classification from the western literature and identifying unique
historical events in the Indian context. (Bijarpurkar, 2007; Erickson, 2009; Gosh &
Chaudhuri, 2009; Parameswaran, 2003; Roon Grerngsuke, 2010)

1.3. GENERATIONAL DIFFERENCES:

Although each individual is unique, each individual tends to develop a collective
personality that influences the way they live their lives, including feelings towards
authority and organization, their participation and expectations, and even how they
try to achieve those expectations. Today’s workforce is made up of four generations,
who are working closely side by side.

- Generation I: people born before 1945
- Generation II: people born between 1946 and 1965
- Generation III: people born between 1966 and 1979
- Generation IV: people born between 1980 and 1999

The US titles for each of these generations are as follow:

- Generation I: Veterans
- Generation II: Baby Boomers
- Generation III: Gen X
- Generation IV: Gen Y
Even though there is no direct tie to the population booms of the US; India follows the US with the generational titles and time frames, in terms of gen x and gen y. This implies that Gen Y in India would be those born between 1980 and 1999. And Gen X would be those born between 1966 and 1979.

Members of the oldest generation who generally served as members on the advisory board have almost made their exit. The generation that follows are the baby boomers. They are the fast aging generation, ready to exit in a couple of years. That has left the Gen X and Gen Y to become the dominant players in the prime age workforce. With that the last vestiges of old fashioned, traditional workforce norms and values are also ushered out finishing the workplace revolution.

Work expectations refer to those conditions that employees expect at their workplace, so as to efficiently perform the tasks at hand. These expectations when met would motivate employees to bring out the optimal level of performance in them. Work ethics, work values and attitudes of the different generations significantly vary, resulting in a vast difference in their work expectations.

Gen X:

Gen Xers grew up with financial, family and societal insecurities; rapid change; great diversity; and lack of solid traditions. This led to a sense of individualism over collectivism. (Jurkiewicz & Brown, 1998) Influenced greatly by seeing their parents laid-off, they are cynical and untrusting. (Cooper Schmidt, 2000). They have feelings of pragmatism, alienation and cynicism. (Sirias & Karp, 2007). This generation is considered poor at networking and somewhat skeptical of authority. (Crumpacker & Crumpacker, 2007). Many of the viewpoints this generation has towards authority, corporations and work life balance have to do with the breakdown of institutions such as marriage and with corporate downsizing, that most likely affected one or both of their parents. (Patota, Schwartz & Schwartz, 2007).
Gen Y:

This young group of managers and potential managers in the workforce today are much different from the previous two generations. They crave for higher salaries and flexible work arrangements. (Jennings, 2000). One of their strongest trait or viewpoint is the importance of work life balance (Johnson & Lopes, 2008). Also because these individuals are assumed to be more independent and disloyal, they are considered more likely to switch jobs in order to improve skills for the next opportunity (Johnson & Lopes, 2008). This generation is said to be the first to be born into a wired world. They are “connected” 24 hours a day. (Ryan, 2000). They are blatant, vocal and voice their opinion. They are characterized by a tremendous appetite for work.

They are branded for their sense of entitlement, outspokenness, inability to take criticism and technological sophistication. Fortune, in its 28 May, 2007 issue, deemed Gen Y, the most, high maintenance, yet potentially the most, high performing generation in history, because its members are entering the workforce with more information, greater technological skill and higher expectations of themselves and others than their predecessors. In addition, Time in its 16 July, 2007 issue, described members of Gen Y, as wanting the kind of life balance where every minute has meaning

1.4. Gen X and Gen Y in India:

Gen X grew up during a time when India witnessed an expansion of telecommunications, space programmes, the software and IT sectors. So the members of the Gen X in India developed a mental model patterned on a rich vibrant democracy.

The late 1990s and 2000s saw the Indian economy grow under liberalization and reform policies. India became a prestigious educational power house and a respected source of IT talent. As of 2008, 34 Indian companies; and as of 2009, 49 new Indian billionaires were listed on the Forbes Global List. Gen Y in India, born
during this period; share the excitement of being a part of the first wave of the broad economic opportunity. As a result, these young employees in India tend to share the rapid tempo of Gen Y’s ambition, but with greater emphasis on financial reward as a desired outcome. They easily accept diversity of opinion making them strongly suited for global interaction.

Employees of each generation have their own life experiences that have shaped their values, ethics and attitude towards work. It is important to be aware of these differences and to understand how these attitudes and expectations of a multigenerational workforce come to play.

In recent years, generational differences have received increased media attention. The focus has been on the differences between Gen X and Gen Y, related to work values, work expectations, attitudes to technology, team work and leadership styles, as well as the challenges that they pose for organizations. However, there are few systematic studies into generational differences in work values and work behavior, in emerging economies, such as India.

While diversity and inclusion have been steadily gaining traction in corporate India in recent years. Much of this is centered on gender diversity, and companies are beginning to realize the business imperative of hiring women and creating an equitable work environment. But there is another aspect that Human Resource managers in India are waking up to: the importance of effectively managing a multigenerational workforce. One may argue that organizations across the world have always had to manage a multigenerational workforce. While that is true, India’s demographics are creating some unique challenges. Even as the world is graying, India is getting younger. By 2020, the average Indian will only be 29 years of age, compared with 37 in China and the US, 45 in Western Europe and 48 in Japan. Currently, more than half of India’s population is less than 25 years of age. Given India’s population of over a billion, these make for very large numbers. What’s more? These large pools of new workers come with a mindset very different from that of the earlier generation. Experts note that this difference between
generations is far more striking in India than elsewhere, because of the country’s rapid pace of liberalization and increasing globalization since the 1990s. India has also leapfrogged, through tremendous advances in technology, including the adoption of mobile phones, the internet and social media. (India’s New HR Challenge: Managing a Multigenerational Workforce – Knowledge @ Wharton; Feb 14, 2014).

Vishalli Dongrie, senior director at consulting and services firm Deloitte Touche Tohmatsu India, notes: The current generation in India entering the workforce has abundance in options and affluence, early in life. They are also more independent and more aware of global opportunities. This is reflected in the decreasing loyalty towards their employers and the increasing focus on short term goals. Globally, the shift has not been so pronounced.

As this emerging concern has gained much significance, an increasing number of researches have been undertaken in these areas, resulting in a lot of information being generated. Since a huge chunk of the workforce comprise of Gen X and Gen Y, this research is limited to exploring their job expectations. A brief exposition into the nature and profile of the Gen X and Gen Y population is given.

1.5. Statement of the problem:

Most companies today have an abundant mixture of generations within their workplace. With each emerging generation come different attitude, work ethic, life experience, set of goals and work expectations. These differences can have both, a positive and negative impact on organizations. Increased creativity, innovation, openness to change, stimulation for alternate thinking, cross pollination of ideas and better collaboration due to interdependency are some of the strengths that can be leveraged for competitive advantage in terms of business outcomes.

On the other hand, conflicts, delayed decision making, dissipation of energy, chaos and dysfunction are also likely to increase due to generational diversity. These could result in counterproductive outcomes such as increased attrition of high
potential talent, reduced engagement and workplace stress. It is this context that gives rise to the need to understand multi-generational diversity from the perspectives of the employee, the team and the organization.

Managing a workplace with a generational diversity that is seen today, presents its very own unique opportunities and challenges.

To be successful in today’s global rivalry market, organizations need to focus more on transforming their working environments to motivate their employees to engage in behaviour that is consistent with their goal. Motivating employees in the present day business activities are different from yesteryears because each generation have their own preference in working environment and expectations. Organizations not only need to understand the importance of employees’ motivations, they also should comprehend the variances in preferences of motivation factors between various groups of employees’ generations. Failure of business leaders in understanding this motivational dynamics that reflect new work requirement and changed employee expectations could result in decline of organizations’ total effectiveness.

Therefore the business leaders should first wake to the reality of motivational generational diversity, and find ways to accept this. Gen Y and Gen X work side by side today, each with their unique work ethics, values, attitudes, ambitions and expectations. Not surprisingly, research shows that each generation approaches work and career in different ways. Generational diversity is becoming an important factor in devising strategies to access talent and impact markets. Creating age diverse workplaces that enable employees of all ages to thrive in a harmonious workplace and contribute to the growth of the organization is the need of the hour.

1.6. Need for the study:

A major challenge which faces organizations today is how to motivate, attract, engage, and retain employees belonging to different generations, as each generation brings in a set of distinct work values, ethics, aspirations and
expectations and also a different set of work behavior. This study seeks to provide organization leaders and managers with detailed information on the work expectations and preferences of Gen X and Gen Y. It seeks to provide an essential conceptual framework that managers can refer to when anticipating evaluating and resolving organizational work issues between the generations. Having an understanding of the attitudes and preferences of different generations can foster enhanced employee motivation, employee retention, employee engagement and productivity in the workplace.