

Main Aspects of Human Resources Management on the Example of Generation Y

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Abstract: Most employees today belong to the last generation of the twentieth century. This research paper, which falls within the domain of human resources, seeks to identify and describe the characteristics of Y generation members and their engagement in the work environment. The focus is on the various aspects of motivation on which their personal, professional advancement depends and therefore the success of the business. Based on several pieces of research and comparative analysis with previous generations, several specific characteristics and needs of Y generation members have been identified that modern managers need to consider if they are to raise the productivity level of their employees. In addition to material, there is intangible compensation resulting from a more personalized approach to employees, their participation in decision-making, a dynamic business environment and exciting tasks, a Fair Penalty and Incentive System, Corporate Social Responsibility, training and benefits programs, mobility, workspace flexibility and working hours. The companies that have understood this have already shown superior market results brought by teamwork and a friendly business environment.

Key words: Generation Y • Motivation • Employees • Human resources

INTRODUCTION

The success of an organization in a modern business environment is highly dependent on the motivation of its employees. Motivated workers will work harder and achieve better results, both qualitatively and quantitatively. Management is most interested in profit, outsmarting competitors, acquiring the latest technologies, etc. By focusing on that only, they neglect the motivation of their employees and view them as just another variable in the calculation of success. Demotivated employees then only do the bare minimum required for their job. They adhere to the procedures, but make no extra effort nor do they use their creative, intellectual and emotional capabilities to the fullest. Demotivated employees exhibit no loyalty and are likely to change jobs easily or even switch to the competition if offered just a little more of what they are currently offered. Work productivity, employee performance and

the commitment to the organization are, therefore, directly related to employee motivation. Reliable employees who are satisfied with their jobs are willing to work with more significant dedication and are, ultimately, more efficient.

People are different and have different needs, interests and desires and each employee has his or her own set of motivations and incentives. Today, the importance of self-actualization and ego needs of employees is becoming more and more critical. Intangible rewards as motivation strategies represent an approach to increase employee motivation by meeting their non-monetary needs or other forms of material compensation. It is wrong to assume that there is one approach to motivation that fits all situations. Nowadays, managers are faced with the need to understand the motivations, expectations and requirements of their employees, measure and predict their behavior and are familiar with the factors that influence the level of engagement/commitment of employees at work [1].

Today, every third employee in the world belongs to the millennial generation and come 2020, it is this generation that will constitute more than a half of the working-age population. So, this generation *is* the main working force. Therefore, understanding this generation in particular is one of the main HR issues today.

Encouraging Work Success – Generational Diversity Issues: Motivation to work is a dominant problem in the field of management when it comes to the millennial generation. One of the most important strategic tasks of control is the successful management of human resources and in this context, the construction of a complete motivation plan.

Material compensation is essential but not sufficient to develop the motivational basis of employees in organizations. In developed countries, it is the non-material compensation (sociological and psychological), that is becoming increasingly crucial. It is necessary to supplement the material incentive system with mechanisms that indicate the importance of each individual to the enterprise and its contribution - such as participation in goal-setting and decision-making, autonomy and responsibility, job design, flexible working hours, etc.

Redesigning a job tends to make the situation more interesting, diverse and challenging. Managers must understand the needs of their employees. In addition to knowing their area of activity, the manager must also understand the psychological structure of the individual, their psychological needs and problems. Therefore, there are specific guidelines that managers should follow when building a quality motivation system:

- Recognize individual differences in employee attitudes and needs,
- Connect people to jobs,
- Use goals as specific tasks for employees,
- Strive to make goals achievable,
- Individualize rewards,
- Relate rewards to work performance,
- Ensure the fairness of the system,
- Do not neglect the importance of salaries for employee motivation.

We can influence the motivation of individuals by several internal and external factors. The internal factors include the so-called internal strengths, such as the level of aspirations, psycho-social characteristics, work habits and levels of identification with the goals of the

organization. External factors include aspects of the working environment, payment system (rewards), security and respect. Research has shown that it is easier for the millennial generation to be motivated by internal factors than external ones. They are not interested in money as much as in peace and harmony in the workplace and their sense of satisfaction and belonging. Millennials will never work for an organization that pollutes the environment or treats its employees poorly. They will sooner agree to lower pay and worse working conditions as long as they know that their work is affecting the common good of society and nature.

Management needs to use performance appraisal as a "tool" for measuring rewards, that is, penalties and as a "tool" (basis) for strengthening the motivational process and meeting the needs of individuals and the organization.

The survival of an organization involves a balance of interests and a certain proportion between "give and receive", so that employees do not become indifferent to work and performance, according to the performance to be achieved. Besides, the survival of the organization implies that balance should further motivate managers and members of the organization to give priority to the satisfaction of the whole, to overcome difficulties and provide conditions for growth (Table 1).

Motivation and Generation Y: The generation gap has existed since the beginning of time. However, employers are increasingly concerned about how to manage such different generation groups whose views differ more than ever before. A recent survey by Ernst & Young in which opinions of American experts from each of the different generation groups were collected, led to significant and unexpected results.

Generation of people born between 1946 and 1964, post-war baby boomers, are not lagging in work despite their age. What is more, they are considered dedicated and productive workers. Employees who are members of Generation X (born between 1965 and 1979), who are expected to be fighting for leadership positions, are considered the best team players in the business. Opinions on Generation Y or "Millennials" (those born in the 1980-1999 period) are less surprising - they are very good at technical jobs, but are also professionally cruel and somewhat lazy [2]. Today, most company representatives from all three generations can work together on a daily basis and cooperate. They will soon be joined by representatives of the upcoming generation Z (born between the year 2000-2010).

Table 1: Forecast of Demographic Changes in the Workforce

Workforce in 2000	Workforce in 2020
Both the population and the available workforce are growing much more slowly than in the previous period. Birth rates in developed countries have been in decline for many years.	Workforce planning becomes extremely unpredictable due to the environmental conditions.
The percentage of the female population and ethnic minorities in the total workforce is steadily growing.	The percentage of women in the total workforce can reach 50%.
The workforce is getting older and the percentage of young employees is quite low.	There is an increasing percentage of young employees, as well as middle-aged employees who are waiting for promotions.
Given the aging of the workforce, fewer and fewer people are willing to change jobs, do professional retraining etc. Organizations are forced to make various adjustments.	Organizations are required to provide various programs and benefits to the older employees.
Globally, an increasing number of expatriates are working in organizations around the world.	The global workforce is almost entirely ethnically diversified.

Source [15]: Johnston, W.B., & Packer, A.H. (1987). Workforce 2000: Work and workers for the twenty-first century. Indianapolis, IN: Hudson Institute, Inc. Judy, R.W., & D'Amico, C. (1997). Workforce 2020: Work and workers in the 21st century. Indianapolis, IN: Hudson Institute, Inc.

The most significant number of employees today are members of Generation Y – the last generation born in the 20th century. In the developed world, those born in the 1980s grew up surrounded by digital technology, new ways of communication and the media, which caused them to have different views on all aspects of life. They were born with access to sophisticated technology like computers, mobile phones [3]. They do not know of life without the internet, where every information is available right here and right now. And they live right here, right now, relying on the *carpe diem* philosophy.

Fifty percent of the world's population is under 30 years of age. Generation Y is the first generation to have grown up with technology. They are the so-called digital natives [4] - their entire social life happens on social networks. And this, of course, affects their behavior, their attitudes and expectations. This generation is a digital generation looking for an interactive experience and they are used to getting frequent and timely responses and feedback. They would like to receive continuous feedback on their work and career development. The web era, along with its digital network infrastructure, has produced new sources of communication and media. Companies like LinkedIn, Facebook, Glassdoor, WikiLeaks, etc. have created a new transparency forum that helps determine the salary, scope and position of peer equality (equity theory). Technology and transparency are a significant shift from the earlier, hidden and closed performance processes.

For their parents' generation, the baby boomers (1946-1964), it was vitally important to have security and a clear structure or to build a career at all costs, often sacrificing more than free time, family and their own identities. Generation Y strives to find a balance between personal and business. They do not live to work but work to enjoy life. They tend to do what they love rather than

attend colleges their parents want them to attend or because that's what they should do. They do what they love, abandon what they realize they dislike and have no fear of change. They are born in a society where change is constant and great strides, especially in technological development, occur daily [5].

Therefore, members of the younger generations are much more guided by the "I" logic and are much more self-oriented than members of the older generations. They do not consider work to be the center of life and believe they are not only the side that has to provide. Millennials expect the employer to offer them more autonomy and opportunities to express creativity, to promote them and to pay adequately for the work they have invested. What can tie them to one employer is promotion opportunities, challenging and creative work, learning and development opportunities, high earnings and other benefits. They will stay in an organization longer if their personal core values match with the ones that the organizations nurtures too [6].

Technological and social advancements have brought new jobs – in marketing, media and the IT sector. New occupations are fully adapted to the mindset of Generation Y. Jobs can often be done from any location and the new positions allow mobility, creativity and flexible working hours. Formal education is not as important as practical knowledge and skills [7].

Generation Y employees also have a better approach to problems and possible solutions and have more clearly defined goals. Being the leaders in the labor market, they cause the changes in the world of business and work environment to be more visible.

Unlike their predecessors, members of the younger generations prefer leaders who have a strong vision and charisma, who know how to listen and give advice. The two-way communication process is unquestionable

[8]. This fact must be taken into account to avoid intergenerational conflicts in the workplace. Managers who hold stereotypes about generations, whether true or not, can unknowingly create factions among employees within the organization [9].

The process of determining generational attributes and the appropriate behavior described in the previous section, combined with the concept of leadership models for motivation, provides insight into what can motivate the millennial generation. They are quite aware of the problems that the world in which they live is facing. At the same time, they are also very optimistic in their desire to make changes and make a better world, be more loyal to themselves and the team and not to the structure of the organization.

Millennials are motivated by jobs that present a challenge that meets more than their existential needs. They have grown up in a way that encourages teamwork, collaboration and the belief that team strength is much larger than an individual's power. Unlike their predecessor, Generation X, they are more effective when they are team players than when working individually. They respect diversity and believe that there is a right place and a real value for every individual in the organizational system. Millennials would rather listen to the manager who leads them, not manages them, which means that organizations need to transform the management style into a leadership style in order to accommodate millennials.

Generation Y members are mentored during childhood but in a participatory way. They like their manager to be the leader of the team rather than the boss who controls and restrains them. While all previous generations thought it was reasonable to perform a specific task without questioning authority, millennials would like to know the reason or the purpose of the job they are doing.

In short, Millennials are loyal to their employer as long as it allows them to achieve personal goals as well. When this is no longer possible, they seek new business challenges [10].

They will demand more responsibility and higher decision-making power as a reward. While this does not diminish the importance of salary, it emphasizes that this generation tends to move more in relation to its hierarchical motivational needs.

What Is Expected of Managers When It Comes to Millennials: Millennials are known to change jobs quickly and continuously due to job dissatisfaction or

because of the way they are treated at work by colleagues or superiors. The main reason for leaving a job is their high expectation of a job position and the essence of the job itself. When confronted with the reality of the workplace, they get bored quickly [11]. They often leave the workplace quickly upon arrival because they have been encouraged from childhood to multitask and, by doing so, develop a lot of talents that they cannot use in the workplace. Performing the same tasks each day makes them feel unsatisfied and unfulfilled.

Millennials have watched their parents struggle to keep their jobs and have witnessed many layoffs from companies their parents have been loyal to, so they see no reason behind employee loyalty.

Generation Y members have high confidence and love to be cheered on and praised by their superiors. Many consider this quality borderline narcissism, which is generally regarded as undesirable workplace behavior. Narcissistic people are unsocial, believe that they are better than others, do not develop close relationships with colleagues and portray themselves as confident even though they are not. Very often, they are slower and worse workers than those who are genuinely self-confident. Millennials are more anxious and more depressed, deeply unconvinced of the success of the oncoming jobs, unlike all previous generations. They avoid criticism as much as possible and have high expectations about their position at work. All this points to the conclusion that they are, after all, a narcissistic generation. But on the other hand, this is counterweighed by the fact that millennials are quite social, friendly, helpful and very successful in business. This profile points to a generation that is self-confident rather than narcissistic.

Because millennials are very confident, managers need to let them know that they are essential to the company. Such an incentive will encourage them to do their jobs better. This is accomplished in the following ways [11]:

- Train and praise them more than the members of previous generations,
- Enable frequent feedback to prevent newly-hired millennials from making mistakes avoid being criticized,
- Insist on objective evaluations of their work by managers, rather than employee self-evaluations,
- Assign them with significant and challenging tasks,
- Point out their role in the company's long-term plans and highlight their success.

Table 2: Human Resources Policies and Programs for Managing Multigeneration Workforce

Policies and programs	Examples
Relationship between private and business life	Flexible working hours, family leave, religious holidays, policies that support the separation of private and business life (good work-life balance) etc.
Prizes and awards	Compensation and rewards programs.
Health care	Long-term employee health care, senior employee care, wellness programs, etc.
Training and development	Professional development, mentoring, enrichment and expansion of jobs, etc.
Planning	Management programs related to the continuous progress of employees, supporting the advancement of employees through changes in positions and roles in the organization, etc.

Source [16]: Jenkins, J. (2008, Winter). Strategies for managing talent in a multigenerational workforce. *Employment Relations Today*, 34(4), 19-26



Illustration No. 1: The tasks of the modern manager

Showing millennials how their work affects the overall success of the organization is crucial in hiring but also in leaving the workplace. Many managers resort to different workplace activities when it comes to members of Generation Y. Thanks to their knowledge, Generation Y, whether they are students, employees, or children of their parents, become mentors to their superiors, colleagues, parents in the adoption and application of new knowledge. The ultimate goal of reverse mentoring is to promote relationships among and within generations and empower everyone to change and to make changes within their ecology [12]. By spending time together, these two generations (X and Y) get to know each other better and understand each other's needs, thus reducing the generation gap among employees. (Illustration No. 1).

But, the challenges in a multi-generational workplace are not seen as insurmountable differences, but rather as challenges whose goal is to harmonize generations and be aware of the advantages of each generation and how they can contribute to improving teamwork and business results [1]. Everyone brings something very important to work. If we could get all four generations and absorb them into a work culture, we would have a much happier and more productive workers [13]. Human resources management has a very complicated task ahead of them - in which way to best reconcile

generational differences while extracting maximum results from their joint work. The following table provides basic guidelines for addressing these issues (Table 2).

CONCLUSION

With both environmental uncertainty and business risk increasing, organizations need to be more vigilant in conserving their vital resources. One of the most important is people, specialists, professionals and talents in different fields, who come from different generations. In the 21st century, the human resources department has gained importance more than ever before. Today, it is a strategic function in every organization [14].

One of the biggest problems with motivational systems is the resistance of the workers themselves, who often do not believe in the incentive reward system, its objectivity and fairness. It is for this reason that the crucial thing is to gain employee confidence. They need to verify the system's legitimacy and effectiveness. Employees who feel that they are genuinely respected and appreciated by management and the organization (regardless of the generation they belong to) will want to stay there, rather than be on the constant lookout for new jobs that will finally meet their expectations.

Given that human potential is the primary tool for competitive advantage, the central issues that human resources management needs to address are precisely human needs, motivation and job satisfaction. Companies that have come to understand this have already shown desirable market results and boast a healthy organizational culture and climate.

Business practice makes it clear that companies are thriving as much as their employees are successful, i.e. as much as they try to do their jobs in the best possible way. Also, the issue of attracting or retaining talent is becoming more pressing. In keeping with this, a new concept of human resource management has emerged. The modern concept of human resource management deals with social, strategic and individual aspects of

people, encompasses all actions and decisions in people management and creates and supports a competitive advantage in the labor market.

Successful leaders should know how to inspire employees. To enable mutual collaboration, they should have an understanding of individual strengths and weaknesses of the entire generation, find the point where their opinions diverge and define action steps so as to understand the differences [1].

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