GENERATION DIVERSITY IN THE EMPLOYEES' POTENTIAL

In order to operate an organisation successfully, using the potential of its employees is of vital importance in economy with increasing role of human capital. Moreover, managers have to be aware of the fact that most of the teams they work with are diversified in terms of their generation. In such a context, it is important to managers to be aware of the said fact and possess relevant knowledge on competences, strengths of certain generations, their expectations and values as well as to know how to use them to create a well-thought and efficient motivation scheme to retain talented employees and to keep high efficiency of employees. Therefore, the managers face a challenge to combine objectives, expectations and value systems of diverse generations of employees as well as to use the differences resulting from such diversity, to use their potential as determinants in increasing work efficiency and strengthening organisation.

The main objective of this paper is to assess potential of employees from different generations and show the opportunities to be used by managers.

The main objective is reflected in the structure of this paper. It describes the issue of generation diversity in the contemporary labour market, expectations and competences of the generations prevailing in the labour market and attention is paid to the opportunities for using potential of employees from various generations. This paper is based on the relevant literature, reports and secondary data.

**Keywords:** human capital, generation, employees, competence, age management.

1. **INTRODUCTION**

Social and economic changes, technology development, and political changes are the main determinants allowing for distinguishing the diversified generations in the labour market. Analysis of available references allows for distinguishing the following generations: Silent, Baby Boomers, Generation X, Generation Y and Generation C which is slowly entering the labour market.

Generation is meant in this article as an identifiable group that shares birth years, age location and significant life events at critical development stages. Growing up in certain circumstances results in acquiring certain traits (reflected in personality, values, approach to work and motivation) that distinguish generations brought up before and after such events.

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2 It is worth mentioning, such a division into generations provokes controversy, and there are many opponents of such a division, cf. in.: K. Macky, D. Gardner, S. Forsyth, *Generational differences at work: introduction and overview*, “Journal of Managerial Psychology” 2008, No. 23(8): 859.
In the economic reality of 21st century, multi-generation collaboration becomes necessary and it is prerequisite for company’s success. It also poses a huge challenge to staff managers who need to manage their human resources so that they meet employees’ needs in the best possible manner, particularly the needs of the youngest generation which is not known well yet.

Therefore, the main objective of this paper is to assess potential of employees from different generations and show the opportunities to be used by managers. In order to meet the main article objective, three detailed objectives have been determined, namely:

1) to describe preferences and expectations of employees from different generations;
2) to describe competences typical to certain generations that are vital to managers;
3) to show the opportunities for positive usage of generation diversity potential by managers.

In order to meet the main objective and detailed objectives, the author divided the article into certain parts. This article is based on the available references, relevant reports and secondary data.

2. GENERATION DIVERSIFICATION IN THE LABOUR MARKET

Both in the available references and business practice, there are described four generations of employees that may be hired in organization at the same time: they are as follows: baby boomers, Generations X, Y, and C. Understanding the differences between them may facilitate the management of their competence development. The first Generation, so-called baby boomers, includes the Post-World War II baby boom between the years 1946 and 1964. The employees born between the years 1965 and 1979 are determined as Generation X. At present, they hold managerial posts and play a vital role in introducing younger generations of employees to the labour market. Generation Y includes 20–30 years old members born between the years 1980 and 1995, for whom the beginning of the 21st century means almost common participation in the education process and the time they look for a first job and get to know the labour market specifics.

The baby boomers and Generation X are so-called „loyal jobworths”. They like the sequence of action, order and procedures. They accept promotion based on seniority or vertical structure of career development in company. However, it is difficult for them to accept events that are not in line with the rules they follow which may cause their reluctance to adapt to any changes. They are usually patient, they can wait for their promotion for a long time as they believe in established rules and respect their observance. Therefore, disregarding the said rules in organisation (e.g. promotion of a junior employee instead of them) is often unjust in their opinion and it causes resentment.

Generation Y includes young, talented and self-confident people brought up in the world of new technologies. They cannot live without computers, smart phones and the Internet. They do not go to traditional libraries, do not read printed newspapers and they do not take any handwritten notes. But they are very fluent in typing and searching the Internet, they

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find there immediately answers to any questions. They often voice the opinion, if you cannot find something in the Internet, it means, it does not simply exist. They perform their duties enthusiastically and they are often more ambitious and determined than older employees. At present, it is Generation Y that mostly applies for a job, at the same time they mostly benefit from various methods to improve their qualifications.

Generation C, however, includes people being just introduced to the labour market. The term is coined from the English words such as: connect, communicate, change. Members of Generation C prefer flexible working hours, working by phone, flexible working arrangements in order to achieve their work-life balance. The said generation does not know the world without the Internet, their life is 24/7 equally divided into the real and virtual one. The said generation was influenced by Harry Potter, talent shows and everything connected with “i-” iTunes, iPhones, iPods, iPads. They are materialists and realists, everything must be „right now”, they are very creative and ambitious. The members of Generation C are open to the entire world, they look for a job worldwide. Therefore, it may be said, Generation C is very similar to Generation Y, but with Generation C everything is stronger.

Therefore, at beginning of the 21st century we face a significant generation change in the labour market (Fig. 1).

Fig. 1. Generation change in the labour market

The forecasts show, in the next ten years the share of Generation Y in the world workforce will be 75%. At the same time, extension of the retirement age poses the challenge of managing multi-generation staff, the people with different needs and expectations. The Post-World War II baby boomers are still active professionally. It is estimated, in the next

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five years as many as 40% of them will be retired what poses a huge threat to employers because it will result in losing employees’ business contacts, skills and knowledge.

3. PREFERENCES AND EXPECTATIONS COMPARED WITH QUALIFICATIONS, COMPETENCES OF GENERATIONS DOMINATING IN THE LABOUR MARKET

There were always various age groups in the labour market, but at present, employers deal with not only various age groups but also with generations that have different approaches to work, career, loyalty to the employer as well as they have different competences and expectations toward the employer. Among the said generations, two of them, namely Generations X and Y, will have the largest share in the labour market in the next five years.

The data from the report “The Youth 2011” show that for both Generations, X and Y, the most important factors are as follows: salary, working without any tension and stress, stable employment, while comparing to employees from Generation Y, members of Generation X expect more from their employers.

Salary expectations of Generation Y are quite high. Let us take 2013 as an example, at that time the minimum full-time salary (net) was PLN 1,111.86 while average salary (so-called country’s average) was PLN 2,500.77, the salary expectations of students being about to enter the labour market were ranging from PLN 1,572.19 to 4,970.13 (see Table 1).

Table 1. Salary expectations of students graduating from universities (MA/MSc studies) in Poland in 2013 (in PLN, net)

<table>
<thead>
<tr>
<th>Detailed list</th>
<th>Average salary expectations</th>
<th>Average salary expectations of social service students (a group with the lowest salary expectations)</th>
<th>Average salary expectations of transport service students (a group with the highest salary expectations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The lowest salary</td>
<td>1,876.84</td>
<td>1,572.19</td>
<td>2,190.92</td>
</tr>
<tr>
<td>Quite satisfying salary</td>
<td>2,646.67</td>
<td>2,089.7</td>
<td>3,277.17</td>
</tr>
<tr>
<td>“Huge luck” salary</td>
<td>3,662.01</td>
<td>2,612.41</td>
<td>4,970.13</td>
</tr>
</tbody>
</table>

Source: own compilation based on: M. Jeloniek, P. Antosz, A. Balcerzak-Raczyńska, Przy-
szłe kadry polskiej gospodarki, Warszawa 2014.

For the members of Generation Y, getting a rapid promotion and achieving personal development are far more significant comparing to Generation X. Moreover, comparing with Generation X, Generation Y employees to a greater extent expect that a job will offer them more independence, longer holiday leaves or flexible working hours. It is confirmed by the reasons for quitting a job mentioned by members of various generations (Table 2).

Table 2. Reasons for quitting a job in Poland by generations

<table>
<thead>
<tr>
<th>Detailed list</th>
<th>Y</th>
<th>X</th>
<th>BB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lay-offs/ company bankruptcy</td>
<td>11</td>
<td>29</td>
<td>36</td>
</tr>
<tr>
<td>Willingness to perform another job</td>
<td>30</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Low salary</td>
<td>23</td>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td>Contract expiration</td>
<td>9</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Discouragement of performing this job</td>
<td>9</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Lack of opportunities for personal development</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Other reasons</td>
<td>0</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Age/retirement</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Removal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taking care of family member</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Health</td>
<td>1</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Lack of promotion</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>


The data included in the Table 2 confirm, the most frequent reasons for possible quitting a job mentioned by young people is “willingness to perform another job” and “low salary”, while Generations X and BB mention “lay-offs”. Weaker attachment of Generation Y to the workplace, compared to Generations X and BB, confirms that.

It is more significant performing for X-employees to perform their work in line with their competences compared to Y-employees. Compared to the older generations, young members of Generation Y are more demanding, flexible, open and they more often focus on the dynamic development of their careers.

However, it is worth paying attention not only to the needs and expectations of employees from different generations but also to the resources they represent in which employers are interested. In this case, it is vital, to focus on the differences, particularly the ones in employees’ education and competences.

The survey provided by the Polish Agency for Enterprise Development (PARP) shows that Generation Y is the most educated in the labour market (compared with Generations X and BB). Among the Poles aged 25-34 years old, 34% of them obtained higher education and 38% received secondary education. It is also clear that in the younger group (i.e. young
people aged 18–24 years old) 40% of respondents received higher education. For comparison, among people aged 54–59/64, 10% of them received higher education, 30% – secondary, 36% – vocational, 24% – middle school and lower.9

When analysing the competences of employees representing various generations, there are also some significant differences (Table 3).

Table 3. Average self-assessment values of selected competences by generation and age in 201210

<table>
<thead>
<tr>
<th>Selected competences</th>
<th>Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18-24</td>
</tr>
<tr>
<td>Operation, assembly and maintenance of devices</td>
<td>-0.25</td>
</tr>
<tr>
<td>Solving conflicts between people</td>
<td>-0.13</td>
</tr>
<tr>
<td>Team work</td>
<td>-0.07</td>
</tr>
<tr>
<td>Striking contacts easily</td>
<td>-0.09</td>
</tr>
<tr>
<td>Communicativeness</td>
<td>-0.08</td>
</tr>
<tr>
<td>Coordinating work performed by other employees</td>
<td>-0.24</td>
</tr>
<tr>
<td>Disciplining other employees</td>
<td>-0.23</td>
</tr>
<tr>
<td>Managerial skills and work organisation</td>
<td>-0.20</td>
</tr>
<tr>
<td>Meeting deadlines</td>
<td>-0.19</td>
</tr>
<tr>
<td>Taking decisions on sb's own</td>
<td>-0.12</td>
</tr>
<tr>
<td>Taking an initiative, being resourceful</td>
<td>-0.15</td>
</tr>
</tbody>
</table>

9 Sz. Czarnik, K. Turek, Aktywność zawodowa...
10 Data aligned in each unit (in columns) and competences (in lines), i.e. for average for each age group was subtracted the total average for given variable. As result, any differences (i.e. differences in mean assessment between respondents and differences in means assessment between competences) have been removed (what is shown by line and column means at 0), leaving relative differences interpersonal (differences between self-assessment of the respondent’s competence set) and between the age groups. It means that for each respondent, their assessment of certain competences was compared with average level of total assessments. As result, mean assessment of total competences for a certain person was 0, while assessments of certain competences may be above or below the mean. Thank to that, difference in the level of general self-assessment (self-criticism) among respondents with various subjective scale has been eliminated.
The data above show there are competence discrepancies between the Generations. The survey shows, members of Generation Y (compared with Generation X and particularly Generation BB) have well-developed competences in: physical fitness, learning constantly new things and computer skills in a broad sense\textsuperscript{11}. However, they demonstrate weaker technical competences (operation, assembly, maintenance of devices), interpersonal (contacts with other people, team work, communicativeness) and some self-organising competences (taking decision on their own, meeting deadlines), managerial (coordinating and disciplining other employees, work organisation), they are less available with limited flexibility of working hours, they also have weaker competences in logical thinking and fact analysing.

It is worth emphasizing that absolute self-assessment of almost all the competences decreases with age. Only technical competences do not decrease with age\textsuperscript{12}. It may be caused by the fact that the young generation may be prone to higher self-assessment and lower self-criticism as their cognitive abilities are poorer than those gained by older people, they did not have so many opportunities to assess their potential and skills and verify their assessment during day-to-day work and life.

4. USING THE POTENTIAL OF EMPLOYEE GENERATION DIVERSIFICATION

Confronting two or more generations, their attitudes, behaviour, and different expectations may cause a series of problems to staff managers. However, it may be also beneficial when employees’ potential, competences, knowledge and skill are used wisely. Therefore,

\textsuperscript{11} Cf.: Umiejętności Polaków – wyniki Międzynarodowego Badania Kompetencji Osób Dorosłych (PIAAC), Warszawa 2013.

\textsuperscript{12} J. Górniak (red.), Młodość czy doświadczenie? Kapitał ludzki w Polsce, Warszawa 2013.
the differences between the generations may be used for the sake of organisation. Then, it is necessary to understand and combine objectives, expectations and value systems of different generations, thanks to that building a long-term competitive advantage of company is possible.

For both Generations X and BB work is the value itself as it provides them with ample income and their dreams coming true. Therefore, between employee and organisation are observed: emotional bonds, readiness to sacrifice (e.g. working overtime or performing additional work), in many cases also dealing ambitiously with problems, taking tough decisions as well as intense involvement. For such people, devotion to duty and work guarantee success. The said employees share their experience and knowledge with company as well as they train the young generation (e.g. those members of Generation Y) to do their job. Their own strengths of technical competences (operation, assembly, maintenance of devices), managerial (coordinating and disciplining other employees, work organisation) and interpersonal should by used by organisation. The X-employees should be motivated by high position, prestige.

To some extent, Y-employees supplement the skills, competences demonstrated by X- or BB-employees. Their eagerness to work, ambition, determination, focus on development should be used by organisation by entrusting them with creative, not schematic, tasks frequently requiring the use of IT technology, what is important, such tasks should be in line with their education. Additionally, it is important to create such working conditions to allow them for maintaining the work-life balance what will only strengthen their involvement in work and increase their loyalty to employer. Employees from Generation Y should be entrusted with task-oriented work what will undoubtedly increase their performance. It would also help that such employees are focused on achieving results and objectives. The sense of respect determines mainly their involvement in work. Therefore, such employees have to be appreciated financially. Y-employees have to be constantly provided with incentives, some changes have to be implemented, they are able to concentrate on more things at a time, therefore they cannot be entrusted with a routine job but the one requiring a constant and flexible adjustment to new circumstances, challenges, action. All the above result in Y-employees performing their work efficiently and quickly, they perform one-day typical full-time duties within a shorter time.

According to J. A. Fazlagić it is possible to prepare for management of Y-employees in such a manner to use their full potential. Hence, it is necessary to:

- provide them with relevant training (particularly the one in basic information, keeping up correspondence, searching for information in traditional sources) and opportunity for self-development;
- provide employee with the cause and effect relationships (they know “how”, but they do not often realise “why”), thanks to that a young employee will deal better with non-standard situations at work;
- use the electronic media in communication process (Internet communicators, text messages etc.);
- provide regularly employees with feedback on their job;

focus on work effects (increase workplace and time flexibility) thanks to that they will be able to create work-life balance on their own.

The managers’ attitude towards generation gap in company is vital as it has impact on action and decisions taken on a daily basis. It is important for managers to be aware of positive aspects of diversity in employees’ age as well as perceive the said aspects rather as natural evolution not a revolution. Without any doubt, generation gap requires a closer attention to the social problems caused by it, companies have not dealt with the problem to such an extent as it is observed at present.

Therefore, it is justified that managers of generation gap are aware that if they want to use a full potential of employees they should adjust tasks to employees’ competences which often depend on their age; work hard on team building; emphasize benefits derived from cooperation between people in different ages; create mixed task groups and use mutual knowledge transfer (experience of older employees – new knowledge of younger ones), create tools that involve young employees (require creativity and availability to work) as well as use experience and knowledge of older employees (mentoring, task programs for the retired); eliminate differences; work on involving young people into team affairs so that they build responsibility for team; replace individual communication with common discussion in order to know the team better (a team which is diversified due to employees’ age) and share knowledge; show team work as value; create conditions facilitating cooperation between the generations.

Management staff will mainly face challenges of appreciating potential of all the employees, they will have to use wisely such potential, maintain high efficiency of employees, apply well-thought motivation system (e.g. Y-employees motivation system should include very particular achievements), respect the systems of values preferred by certain generations.

It is also worth mentioning that successful use of the generation gap in company as an asset requires not only proper involvement and competences of management staff but equally important are organisation policy, tools and opportunities created by company through implementing certain organisation solutions. Implementing relevant policies on the generation gap may facilitate meeting managerial challenges by providing appropriate and useful organisation tools in all the employee management areas, from hiring people to their quitting with a particular attention paid to the motivation issues. However, the conditions for successful use of organisation infrastructure are the awareness of management staff, knowledge about relevant instruments and how to apply them efficiently.

5. CONCLUSION

In conclusion, some significant issues are worth mentioning. In the 21st century, even five generations sometimes coexist in the labour market (depending on the industry) and


\[16\] M.W. Kopertyńska, K. Kmiotek, Podejście menedżerów...
they differ significantly. Generations affecting the supply in the labour market differ significantly due to their education, competences as well as expectations toward employer, what causes difficulties in human resource management in organisations. It poses a huge challenge to staff managers, they need to manage human resources in order to meet the needs of employees demonstrating various approaches to work which are mainly conditioned by their generation representation. Staff managers need to be aware that differences caused by the generation gap cannot be perceived as a threat or potential source of conflict but using such differences in a proper manner may increase work efficiency and strengthen organisation. Undoubtedly, it poses a challenge to staff managers. Wise management of multi-generations allows for retaining talented employees in different ages what facilitates greater flexibility of company operation, efficient collaboration and mutual knowledge transfer. However, staff managers need to develop an individual approach to each generation.

REFERENCES

POKOLENIOWE ZRÓŻNICOWANIE POTENCJAŁU PRACOWNIKÓW

We współczesnej gospodarce opartej na rosnącej roli kapitału ludzkiego fundamentalne znaczenie dla efektywnego funkcjonowania organizacji ma wykorzystanie potencjału, jakim dysponują poszczególni pracownicy. Zarządzający muszą mieć na uwadze fakt, iż większość zespołów z jakimi pracują, tworzą osoby przynależące do różnych pokoleń. W tym kontekście ważnym jest, by mieli oni świadomość i wiedzę dotyczącą kompetencji, mocnych stron poszczególnych generacji, ich oczekiwań, systemów wartości i umieli ją wykorzystać do tworzenia przemyślanego, skutecznego systemu motywacji, zatrzymania utalentowanych pracowników, utrzymania wysokiej efektywności pracy pracowników. Wobec powyższego wyzwania dla kadry menedżerskiej jest pogodzenie celów, oczekiwań przedstawicieli rożnych pokoleń, a także wykorzystanie odmienności pracowników wynikających ze zróżnicowania pokoleniowego, potencjału jakim dysponują, jako determinant przyznawanych się do wzrostu efektywności pracy, zwołania organizacji.

Celem artykułu jest ocena potencjału, jakim dysponują pracownicy przynależące do różnych pokoleń oraz ukazanie możliwości jego wykorzystania przez zarządzających. Celowi głównemu podporządkowano trzy cele szczegółowe:

1) przybliżenie preferencji, oczekiwań pracowników różnych generacji;
2) przybliżenie istotnych dla zarządzających kompetencji charakterystycznych dla poszczególnych pokoleń;
3) ukazanie możliwości pozytywnego wykorzystania potencjału zróżnicowania pokoleniowego pracowników przez zarządzających.

Układ artykułu został podporządkowany realizacji jego celów szczegółowych oraz celu zasadniczego: przybliżono w nim problematykę zróżnicowania pokoleniowego na współczesnym rynku pracy, preferencje, oczekiwania generacji dominujących na rynku pracy oraz zwrócono uwagę na możliwości wykorzystania potencjału pracowników przynależących do różnych pokoleń. Artykuł oparty na literaturze przedmiotu, raportach tematycznych oraz danych wtórnych.

Słowa kluczowe: kapitał ludzki, generacja, pracownicy, kompetencje, zarządzanie wiekiem.

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