



A study on the impact of work culture in IT companies towards well-being of Gen Z employees

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Abstract

Today's dominant generation, Gen Z, is known for being the most creative, brilliant, and idealistic. As such, they play the most significant role in society. Personal development, work-life balance, and advancement are highly valued by Generation Z. With the most fascinating and engaging surroundings, they are the ones who will be leading in the near future. They think that working smart rather than hard will solve their issues.

The objective of this study is to examine the variables influencing Gen Z employees' workplace cultures in IT firms. Through questionnaires given to 126 different Gen Z employees, quantitative data has been obtained. According to the research, Gen Z is primarily concerned with their own personal growth and development, work-life balance, and the feedback and appraisal they receive from their peers and higher-up executives, all of which help them perform better and earn rewards.

Keywords

Employee well-being, work life balance, work culture, professional growth, Gen Z, employee performance, leadership

Introduction

Between the years 1990 and 2010, Gen Z was born. They have extremely special and distinctive qualities, such as interests, work environment, attitude, and organisational wellbeing, which are the major reasons for doing this study. It primarily focuses on the passions, job expectations, importance of work-life balance to this generation, and mental and emotional health. As more Gen Z workers enter the workforce today, organisations must recognise and adjust to the changes taking place in this period. Due to the Gen Z's high levels of innovation, quick learning, and support for flexible work environments, organisations may profit from this. The paper clearly discusses the impact that Gen Z employees' work environments have on IT organisations. Gen Z is quite used to the latest technology, and because of this, it is simple for organisations to include them because they will aid in the organization's further growth. The work-life balance and overall well-being of Generation Z, which encompasses psychological, physical, social, and emotional components, are their main concerns. Given how their industry is changing right now, it is crucial that all organisations prioritise them and support their expansion. Gen Z's general job engagement and satisfaction may rise when their objectives, tactics, and initiatives are supported.

Since Gen Z was born in the modern era, it has no complexity for the company to recruit them and should also make sure they have everything Gen Z needs. Diversity and inclusivity are highly valued by Gen Z. They value working in an environment that values diversity, respects all individuals regardless of background, and offers enough opportunity for personal development. Companies that don't put a high priority on diversity and inclusion may find it difficult to recruit and keep Gen Z employees. Transparency is important to Generation Z when dealing with employers. They are interested in learning about the company's goals, core principles, and how what they do fits into the greater picture. For Gen Z workers to stay on board, open and honest communication is essential. Consequently, it becomes a problem for today's organisations. As a result, it becomes critical that every organisation understand Gen Z's characteristics in order to thrive and expand within the sector.

Literature review

Generation Z (Gen Z), which comprises workers who were born between about 1997 and 2012, is bringing about substantial changes in the modern workforce. A thorough analysis of the effects of work culture in IT organisations on the well-being of Gen Z employees is necessary since they bring distinctive features, expectations, and problems to the workplace.

(Campione, 2015) In order to understand the connections between workplace culture, employee well-being, and Generation Z workers in the Information Technology (IT) industry, Wendy A. Campione conducted research on the reasons why millennials are leaving companies in 2015. Job satisfaction is a dependent variable, whereas compensation, the working environment, and coworkers' support are independent factors. The study shows that these factors have a positive effect on job satisfaction while having a negative impact on long hours, irregular hours, and union coverage. The study emphasises the significance of companies comprehending Millennial attitudes and behaviours in order to enhance recruiting and retention efforts. In this evolving era, it is important to know the landscape of the modern workplace, understanding the intricate dynamics that influence organizational commitment has become a paramount concern for researchers and practitioners. (Hanaysha, 2016) significant study titled "Testing the Effects of Employee Engagement, Work Environment, and Organisational Learning on Organisational Commitment." This study examined the complex interactions among organisational learning, the work environment, and employee engagement, as well as how these affects organisational commitment in the context of higher education. The study's conclusions, which showed that these three important factors had a noticeably positive impact on organisational commitment, provide insightful information that can revolutionise the tactics used by organisations to increase the commitment of their employees and, as a result, their overall performance.

As the jobs increases and continues to evolve with Gen Z, it becomes challenging for the organization to adapt and understand the uniqueness they possess. A study conducted by Andrea Bencsik, Gabriella Horvath-Csikos and Timea Juhasz in 2016, highlighted the difficulties faced by the human resources managers. The research revealed that there were significant differences between the generations, mainly in terms of knowledge sharing, team work, and how they perceive various work place facets, attitudes and challenges they encounter. In December 2016, Dr. Esteban Maioli (Campione, 2015) (Hanaysha, 2016) (Bencsik Andrea, 2017) (Raj, 2018) (Zuzana Kirchmayer, 2018) (Dr. Hemlata Agarwal, 2018) (Shilpa Gaidhani, 2019) (Putu Irma Yunita, 2019) (Reny Yuniasanti, 2019) (Samma Faiz Rasool, 2021), Ph.D., conducted a study that further emphasized for companies to adapt to the new changes and the expectations of Gen Z. This paper focused on reshaping the organizational procedures to accommodate the demands and preferences of Gen Z by understanding their values, beliefs, attitudes and career goals.

The dynamics of employee motivation and well-being have assumed a central role in the modern business environment as organisations work to improve their overall performance and entice Generation Z, the upcoming talent generation. Two key studies published in 2018 by Asha Binu Raj and Zuzana Kirchmayer provided distinct viewpoints on these crucial facets of the contemporary workforce. The fascinating idea of internal branding and its significant effect on employee well-being were the main topics of Asha Binu Raj's study. This study examined the complex link between internal branding activities and worker happiness, illuminating the many initiatives used by businesses to support employee wellbeing. It emphasised the critical connection between employee well-being and the results produced by employee-based brands, underscoring the necessity for organisations to include internal branding in their strategy in order to achieve overall success.

The emergence of Generation Z (Gen Z), a generation that grew up in the digital age and is changing workplace expectations and practises, has had a profound impact on the dynamics of the modern workforce. Two notable studies carried out in 2020 and 2021 by Fernanda Rachmadini, Setyo Riyanto, Shaun Pichler, Chiranjeev Kohli, and Neil Granitz offered insightful information on the changing workplace dynamics and the crucial part that Gen Z employees play within it. The July 2020 research by Fernanda Rachmadini and Setyo Riyanto concentrated on the critical connection between work-life balance and Gen Z workers' participation. This study focused on the Information and Communication Technology (ICT) industrial sector in Jakarta, Indonesia, an industry closely associated with this tech-savvy generation, in order to better understand the particular traits and preferences of Gen Z. The study emphasised the critical role that work-life balance may play in fostering greater work engagement, commitment, and job effectiveness among Gen Z employees. This study demonstrated via the use of quantitative methods and survey data that employee engagement in Generation Z is greatly influenced by the capacity to achieve work-life balance.

In order to meet the distinctive characteristics and expectations of Gen Z in the workplace, Shaun Pichler, Chiranjeev Kohli, and Neil Granitz established the DITTO framework in 2021. This framework emphasises Diversity, Individuality, Teamwork, Technology, and Organisational Supports. Their research made clear how crucial it is for businesses to modify their practises and guidelines to better suit the interests and requirements of Gen Z workers. In order to promote the welfare of this generation, it promoted the use of technology for online communication and the provision of strong organisational support. Additionally, this study emphasised the significant influence that workplace diversity, employee perks, and generational differences have on organisational efficiency.

Methodology

This study investigates how Gen Z workers affect the workplace culture in IT firms. This follows primary research that is quantitative approach. 309 IT personnel were given a survey in order to gather the data. The acquired data was then subjected to factor analysis and regression in SPSS. A statistical technique called factor analysis is used to break down a huge number of variables into a manageable number of elements. Latent variables make up the factors. All scores were measured on a Likert scale ranging from 1 to 5, (1 – Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly agree). The study sought to identify the main factors influencing Gen Z.

Findings



KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.839
Bartlett's Test of Sphericity	Approx. Chi-Square	2730.653
	df	105
	Sig.	.000

Figure 1

KMO notifies us of the sampling adequacy and the sufficiency of the data acquired. It determines whether or not the analysis should be performed. The number in this case is 0.839, indicating a strong co-relation. KMO values typically range from 0 to 1. We can determine how strongly the variables are connected using Bartlett's test of sphericity. The correlation between the variables is shown by the significance value (p), which is less than 0.05. It explains how the attributes are related.

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.020	46.800	46.800	7.020	46.800	46.800	3.487	23.244	23.244
2	1.379	9.192	55.992	1.379	9.192	55.992	3.061	20.406	43.650
3	1.143	7.622	63.613	1.143	7.622	63.613	2.994	19.963	63.613
4	.920	6.133	69.746						
5	.805	5.369	75.116						
6	.725	4.830	79.946						
7	.606	4.038	83.984						
8	.552	3.682	87.666						
9	.407	2.711	90.377						
10	.332	2.215	92.592						
11	.288	1.919	94.511						
12	.249	1.658	96.169						
13	.243	1.621	97.790						
14	.211	1.405	99.195						
15	.121	.805	100.000						

Extraction Method: Principal Component Analysis.

Figure 2

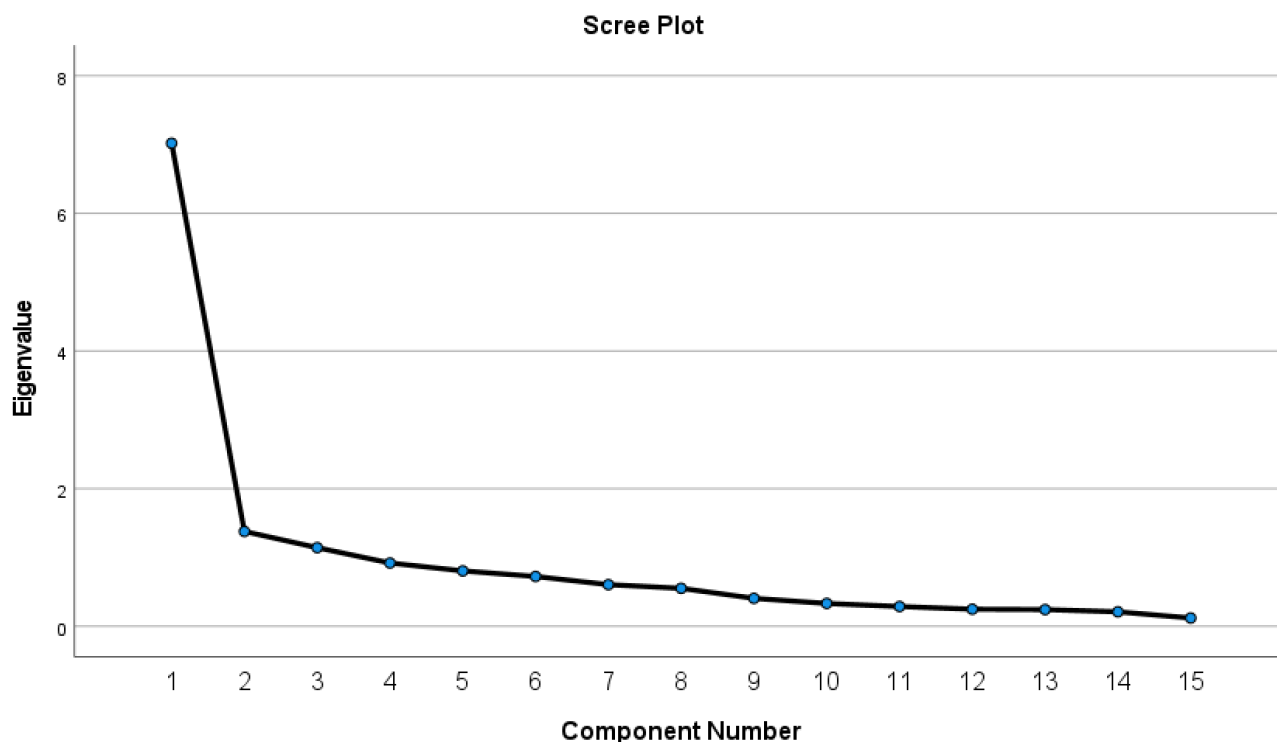


Figure 3

Component Matrix^a

	Component		
	1	2	3
Work-life balance Respected	.826	.058	.172
Flexibile work hours location	.579	.680	-.122
Regular performance feedback	.696	.019	-.246
Constructive feedback	.576	.194	-.492
Personal growth support	.768	-.230	-.320
Learning opportunities	.608	-.521	.150
Comfortable time off	.561	.392	.555
Employee feedback	.710	.022	.014
Fair performance evaluation	.773	-.053	-.290
Growth-oriented environment.	.659	.080	-.262
Career goals alignment	.741	.107	.165
Valued on personal development	.664	-.217	-.010
Stress Mgmt resources	.719	.202	.304
Employee input on evaluation	.719	-.124	.254
Personal growth impact on culture	.593	-.522	.162

Extraction Method: Principal Component Analysis.

Figure 4

Rotated Component Matrix^a

	Component		
	1	2	3
Work-life balance Respected	.405	.444	.595
Flexibile work hours location	.607	-.259	.614
Regular performance feedback	.625	.311	.239
Constructive feedback	.772	.050	.113
Personal growth support	.671	.535	.095
Learning opportunities	.156	.787	.143
Comfortable time off	.027	.115	.873
Employee feedback	.442	.375	.412
Fair performance evaluation	.691	.402	.214
Growth-oriented environment.	.628	.238	.242
Career goals alignment	.368	.357	.571
Valued on personal development	.377	.537	.240
Stress Mgmt resources	.271	.299	.698
Employee input on evaluation	.237	.551	.488
Personal growth impact on culture	.137	.782	.142

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Figure 5

The overall variance is explained in Figure 2. It illustrates how several variables differ or diverge from one another. In this instance, the factors have been condensed to 3, and when combined, they may account for 63.61% of the variables.

Figure 3, explains about the scree plot. the eigen value which exceeds more than 1 are considered to be the main factors contributing. To understand the rotated component matrix, refer to Figure 5. Varimax rotation method is used to calculate. This table identifies the variable that has contributed, and we must group the components that are closer to 1 together and treat them as a single factor.

In component 1, it focuses more on personal growth and the feedback received from the colleagues which can be named as 'Growth insight'. Since it concentrates more on the feedback which helps employees to improve and grow in the particular field. Component 2, focuses more on learning opportunities and impact on culture and it can be names as 'Learning and cultural impact index'. Gen Z are more prone to new experiences and are fast learners, which helps them climb any step in the organization with a bit of training.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
1	.862 ^a	.743	.731	.496	.743	60.761	14	294	<.001	2.103

Figure 6

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	209.396	14	14.957	60.761	<.001 ^b
	Residual	72.371	294	.246		
	Total	281.767	308			

Figure 7

Multiple regression is used to know how much independent variables are reliable on dependent variable. Here the dependent variable is considered to be the work life balance. And the other factors like personal growth, flexible work hours, performance, feedback, learning opportunities and career goals are the independent variables.

Model summary gives the information about multiple R, R square, Standard error and significant value. Here multiple R estimates the strength associated between the explanatory and response variables. In this case it is 0.862 which means it has high positive correlation between the variables.

R square is also called as coefficient of determination. It explains how the response of dependent variable varies with that of independent variable. It ranges from 0 to 1. Here the value is 0.743 which means 74% of variation in response variable is explained by explanatory variables. Higher the value better the model fit. Adjusted R square explains the model fitness by adding additional variables. The value here is 0.731 indicating that additional variables have contributed. Standard error determines whether the model is fit or not. The value here is 0.496 which is acceptable. Less the standard error more is the model fitness. The significant value tells us whether the variables should be considered or no. If the values is less than 0.05 the variables are considered.

Conclusion

The study focuses on Gen Z's preferences at work. They generally pay attention to the values-based workplace culture, treating everyone equally, and the feedback they receive from their coworkers, which in turn helps them develop and perform better. Additionally, they are distinctive and priceless assets for an organisation because of their high skill sets, adaptability, and desire to learn. Organisations must recognise the distinctive traits of Gen Z and adapt to them in order to advance in this time period. They must also provide possibilities for personal development, open communication, and learning opportunities. By doing this, businesses may not only improve employee wellbeing but also tap into Gen Z's potential for encouraging innovation and expansion. To sum up, as the Gen Z workforce is becoming more and more dominant, it is crucial that IT firms understand them and provide for them in order to unleash their full potential. Organisations that embrace these traits will be better positioned for long-term success in the rapidly changing technology industry.

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