

# CRITICAL FACTORS FOR ENGAGING “GENERATION Z” EMPLOYEES: A STUDY IN IT SERVICE SECTOR IN BENGALURU.

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**Abstract :** The transformation of the world economy from a “physical based one” to a “knowledge based one” envisages the paramount importance IT industry holds in the world economy. India, amidst its challenging capital & resource constraints, achieved enormous growth in the IT sector & the IT-BPM industry owes a share of 7.7 % of the country ‘s GDP in 2017. Any change in the socio political, economic, & technological scenario has its repercussions in the IT industry & the industry has to devise strategies to cope with this. Along with this, the industry has to manage manifold internal issues such as talent gap, employee disengagement, generational differences among the work force etc. With the advent of ‘Generation Z’ the issues became more complex and a restructuring of the policies & programmes have become the need of the hour to motivate and engage the new workforce. This study throws light into the different factors that affect the engagement level of Generation Z employees both positively and negatively. The study also compares the attitudes of generation X and generation Y employees on the “engagement/disengagement” factors with that of the generation Z employees.

**IndexTerms - Engagement, Generation Z employees, IT service sector.**

## 1. INTRODUCTION

Generation Z (born in between 1995 & 2005) are popularly known as Post Millennials, The digital natives, and the I generation. This generation is marked by its increased affinity & adeptness in using technology and their raptness in social media activities. With a voluminous nexus of compatible groups in virtual world and instant responses to the social happenings through social media, generation Z inevitably creates a different culture in their work space also.

Being ardent competitors in this modern era of cut throat competition and muddled with the overflow of information and opportunities, the attitude of Generation Z towards job and the different organizational factors requires a thorough study and analysis, as they are critical in determining the organizational relationships, and devising team building, employee engagement & motivational strategies.

Generation Y otherwise called as Millennials, Nexters, the digital generation etc. consist of individuals born between 1978 and 1988 (martin 2005). This generation has been shaped by parental excesses, computers, and technological advances. Being very much comfortable with technology this generation value team work and collective action (Zemke et al 2000) are very optimistic . This generation is notable for their flexibility, independent attitude, desire for a more balanced work life( Crampton & Hodge 2006).

According to the US Census Bureau, Generation X consist of individuals born between 1968 and 1978.Being called as Latchkey kids this generation is characterized as pragmatic, creative, individualistic but good team players (Karp et al). The superior-subordinate -peer relationships with a mélange of generation X, Y and Z provides the organizations also ample opportunities to extract the best out of this combo along with facing the multifarious challenges it raises.

## 2. LITERATURE REVIEW

### 2.1 THE CONCEPT OF EMPLOYEE ENGAGEMENT

The term “engagement” was first published in the article **“Psychological conditions of Personal Engagement & Disengagement at work”** by Kahn & it appeared in the 1990<sup>th</sup> edition of the Academy Of management journal. Kahn defined engagement with work “as the harnessing of organizational members selves to their work roles :in engagement people employ,& express themselves physically, cognitively & emotionally during role performances.(page 694).When people are engaged in their work they express their preferred selves of identity emotionally, physically & cognitively during role performances. Lots of research studies has taken place on the concept of employee engagement after 1990 and the major studies were conducted by Saks (2006),,Zigaramie et al(2009),Sparker, Newman, Joseph & Carpenter(2011). Most of these studies focus on the antecedents & consequences of employee engagement & Zigarami et al came up with a new construct of employee engagement named “employee work passion”.

**Dr. Wadhwa Shalini, Dr. Shetty Krishna (2018)** conducted a study **“Work Life Balance Policy & its impact on Employee engagement”**. The study intents to analyze how the satisfaction level of employees regarding work life balance policies in the organization impacts on the performance & engagement level of employees. Result indicates that if the employees can maintain proper balance between work & personal life, they can happily involve in their work more. But the attitude difference of different generations regarding work life balance policies is not explored in the study.

**Alfred Presbitero (2017)** conducted a study **“How do changes in HRM practices influence employee engagement? A longitudinal study in a hotel chain in Philippines”**. Results show that new interventions in HRM practices, particularly in reward management & training & development creates positive & significant changes in the level of engagement of employees.

A study conducted by **Society for Human Resource Management “Employee job satisfaction & engagement :Revitalizing a changing work force”** (April 2016 )needs special mention, as the study has shown that the engagement levels of employees are dependent very much on the coworker & superior -subordinate relationships.

**Madura Bedarkar & Deepika Pandita(2014)** in their study “A study on the drivers of employee engagement impacting employee performance” identifies the importance of communication, leadership & work life balance on employee engagement. According to the study ‘employee engagement should not be a one time action & it requires continuous monitoring & improvement.

**Rama J Joshy & J.S Sodhy (2011)** conducted a study on the drivers of engagement & found out that work life balance, monetary benefits, team orientation & job content as the drivers of engagement for non executives as well as executives , & scope for advancement, top management -employee relations remains as the major engagement drivers for executives.

## 2.2 THE STUDY OF GENERATIONS IN INDIAN WORK SPACE

Researches on the characteristics of different generations in the workspace, their management , different strategies to bring about proper collaboration among multigenerational workforce have been taking place in the industry as well as in academics.

**“Employee generations in the Indian Work space” (2017) by SHRM & Vasanthi Srinivasan (IIM)** details on the different characteristics of generations in Indian workspace, generational differences in work values& how to introduce a productive collaboration among this multigenerational work force & also outlines on the opportunities provided by generational diversity & its implications for line managers, HR managers, & leaders.

**Deepak Chawla, Snighda Rai(2017) in their study “Multigenerational differences in career preferences, reward preferences, & work engagement among Indian employees”** analyzes the preferences of Senior generation, Generation X and Generation Y & found out that there is no significant differences in the reward preferences among these three generations.

## 2.3. RESEARCH GAP

The advent of Generation Z to the Indian work space has created lots of changes in the overall work environment. This aspect has not been explored yet, and this study tries to focus on the different characteristics of Generation Z , their attitude towards monetary benefits, work, work life balance & also tries to identify the critical factors that could engage Generation Z.

## 3. RESEARCH METHODOLOGY

### 3.1 THE OBJECTIVES OF THE STUDY

The major objective of conducting this study is as follows:

- To identify the critical factors that affect the engagement level of Generation Z employees
- To compare the attitudes of generation X & generation Z employees on critical factors such as monetary benefits, work life balance, committing mistakes, behavior in the work space with that of generation Z.

### 3.2 RESEARCH DESIGN

The study is purely a qualitative one and both primary as well as secondary data is used.

### 3.3 DATA COLLECTION METHODS

Primary data is collected through direct and telephonic interviews and secondary data is collected from books, articles, and websites. A sample of twenty each from Generation X, Generation Y and Generation Z from an IT firm in Bangalore is used for the study and the total sample size is 60.

### 3.4 LIMITATIONS OF THE STUDY

This is purely a qualitative research and in order to get a more accurate result the responses have to be quantified and analyzed. This study gives a direction for further researches on employee engagement of generation Z but more conclusive researches are needed to arrive at proper conclusions.

### 3.5 SUGGESTIONS FOR FURTHER RESEARCH

This study tries to identify the various factors that affect the engagement level of generation Z employees in IT service sector. More conclusive researches can be conducted on the attitudes of generation X, Generation Y & Generation Z employees regarding the organizational factors that contribute to engagement as well as disengagement. A comparative study of the “multigenerational engagement models” of different companies can also be conducted to identify the different strategies adopted by organizations to face this multigenerational challenge.

## 4. FINDINGS

### • **Changing work space relationships**

The result of the study indicates that the workplaces have now revamped into a more employee friendly space, where the new generation employees are given due freedom and respect. Organizations try to impress the new generation and try to put them in a comfortable zone by providing “welcome kits” comprising of company laptops, souvenirs’ like T-shirts, pen, coffee mugs, sweets etc.

But there are lots of conflicts happening in between the generations. The attitude of Generation Z towards work and work place is entirely different from that of generation X and some what different from that of generation Y. Generation X considers work as a formal, official one and shows more seriousness in case of critical job responsibilities. They are more concerned about the consequences of mistakes and works under high pressure within themselves. But Generation Z on the other hand follows their “relaxed attitude” in the work space also; even though they are very much committed to their work. They don’t bother

much about committing mistakes and at the same time have an attitude that they can correct it next time. Generation Y follows a mid-way in between Generation X and Generation Z and the Generation Y respondents replied that both generations(X & Z) are committed to their job in their own way but their treatment towards the job responsibilities are different.

Generation X often views everything with a doubt but Generation Z demands transparency and honesty in the work place and does not stand authoritative behavior from their superiors.

- Monetary rewards as a Hygiene factor**

While Generation X and Generation Y considers monetary benefits as one of the important engaging factors of their job, Generation Z considers the challenges, & the opportunities for learning and development as the critical factors for engaging in the job.

- Distractions from job involvement**

For Generation X and Generation Y, work stress and family issues act as distracting factors that hinders them from involving in their job, but for Generation Z the increased use of gadgets & frequent travelling sometimes distract them from involving in their jobs.

- Prioritization of work**

Generation Z expects their organizations to devise suitable career plans for them and confirms that appropriate career plans definitely act as an engaging factor for them.

Generation X and Generation Y expressed the opinion that Generation Z sometimes fails to prioritize their work and this causes lots of problems to them. At the same time Generation Z are dissatisfied with the seniors' reluctant approach to provide specific information and knowledge in case of critical matters. They opined that sometimes seniors without considering the inhibitions and lack of knowledge of Generation Z, expects them to raise to their level and this sometimes creates difficulties for them.

- Changing face of work life balance programmes**

Regarding the work life balance programmes also Generation Z shows different preferences to that of Generation X and Generation Y. While Generation X and Generation Y prefers Flexi timings, work from home options, Generation Z has the opinion that organizations should provide job locations nearby their stay. They also prefers the organizational policies of self rostering, domestic leave, compressed working hours, seasonal leave to the traditional fixed work timings.

## 5. SUGGESTIONS

The study indicates that organizations have to formulate a holistic package of engagement strategies that encompasses the preferences of Generation X, Generation Y & Generation Z. The challenges in front of the organizations are high because the organizations have to provide an 'environment of freedom' for the 'always cool' generation but have to constantly monitor that they are not misusing it. At the same time organizations have to take precautions for not harming the feelings of Generation X and Generation Y and their opinions should be given due respect.

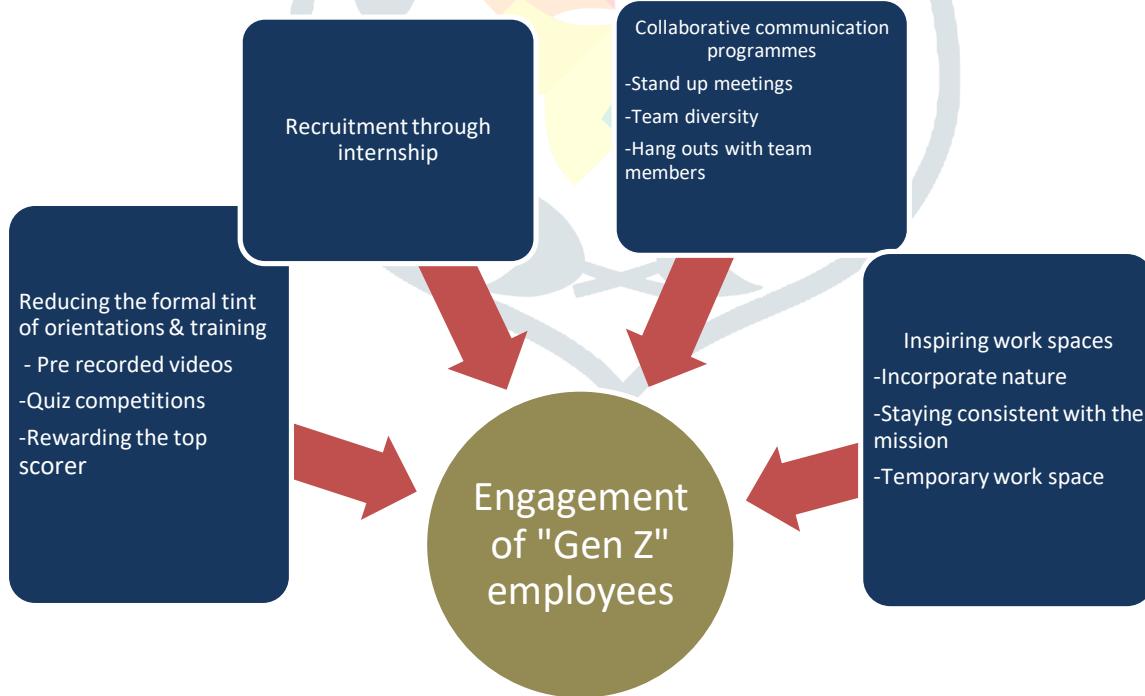


figure 5-1:Bottom line model for engagement of “generation z” employees in indian IT organizations

### 1) Reducing the formal tint of orientations & training

Modern organizations have incorporated lots of radical changes in their formal processes, to identify with “Generation Z” employees. New engagement strategies followed by the organizations include,

- Orientation & training through pre- recorded videos.
- Conducting quizzes as a part of the orientation programmes
- Rewarding the top scorer etc.

These methods help the new comers to get a thorough idea of the company's mission, the technologies used and this provides them opportunity to watch the training & orientation programs multiple times instead of attending it once and also get chances to interact with the trainer whenever necessary.

## 2) Recruitment through internship

Recruitment of the trainees before completing their last semester education has now become a new trend among the IT organizations. Through this strategy they are providing the 'Generation Z' employees the opportunity for doing their internship with stipends with their future employers. This will help to engage them from the initial stages itself.

## 3) Collaborative communication programmes

In order to reduce the communication gaps the organizations have introduced ,

- Stand -up meetings in which all the team members have to brief about their every day work at a particular time.
- Hang outs- A peculiar thing that is noticed in this study is, though Generation Y are interested in informal team building exercises such as 'hangouts' with Generation Z, Generation X does not show much interest in such affairs.

## 4) Inspiring work spaces

The concept of "inspiring & diversified work space" is an engagement strategy in vogue. This includes changing the face of work space from a monotonous to a highly diversified one. This keeps the employees motivated & fresh throughout the day . The major challenge of handling 'Generation Z employees' is that they will easily get bored of things & is difficult to maintain a consistent level of motivation for a longer time. Through introducing a dynamic concept of work space, organizations try to inculcate a feeling of 'freshness' among the new generation employees. There are different strategies adopted in this dimension & it includes

- **Incorporate Nature into the work space-** This is a new strategy adopted by modern organizations. This will help to change the ambience of the office room into a much greener one. The presence of trees & plants inside the office will provide a more peaceful & comfortable atmosphere for the employees to work.
- **Staying consistent with the mission-** Instead of following the stereotyped wall hangings or landscape pictures, the organizations redesign their work space to connect more to their tech roots. A combination of the photos of circuit boards, tech themed quotes, the score board showcasing team performance , hours of work & client satisfaction survey reports make the work space more professional & helps to consistently link the employees to their area domain.
- **Temporary work space-** The concept of a permanent work space for each & every employee is not in trend today. Instead of that, organizations are following an open policy in work space allocation , in the sense, employees can choose their work location anywhere inside the organization& can even change it on a daily basis. The advantage of this method is employees will enjoy a sense of freedom in choosing their workspace, & at the same time organization can go for an optimum utilization of power & other resources. In most of the IT organizations, all the employees won't be present everyday owing to flexi timing policies, on site programmes, leaves etc. So by following a 'temporary work space policy' organizations can eliminate unnecessary expenses & can improve its efficiency.

Generational conflicts in the work space may hamper the productivity & efficiency of the organizations. But, the challenge of managing multigenerational work force can be transformed into promising opportunities through proper interventions & adopting suitable engagement strategies. Thus this study identifies the need for exploring & adopting new dimensions of "employee engagement" by IT organizations that encompasses the requirements of Generation X, Generation Y, & Generation Z.

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