TRENDS AND NEW REALITIES IN THE PERSPECTIVE OF GENERATION CHANGE

Daniela Cornelia NICULESCU[1]

ABSTRACT

In order to understand the role of knowledge management in organizational performance, we need to take a broader look at the ever-changing environment we shape, but, at the same time, a closer look at the people we work with, the leaders we work for, and to set up the equivalent practices and mechanisms that help make knowledge sharing a cultural value. While machines provide simple and plain information, people and only people bequeath knowledge. Information can be transformed into knowledge when information is disseminated to individuals in the form that allows them to ultimately decide what can be used as valuable information and what information really matters.

KEYWORDS: *Knowledge Management, Millenialls, Change, New Generation, 2030 Leadership*

1. INTRODUCTION

The future generation of leaders is challenging today's business environment in terms of developing new responsibilities, achieving alignment with the new business realities, developing a shift in mindset, creating a culture that supports a common vision of the framework-to-be, and also engendering the capacity for change to be implemented.

Leaders are called to create new settings that are able to facilitate learning and knowledge sharing in such a manner that this would generate added value for the organization, becoming a critical part of organizational success.

Through understanding, advancing and encouraging true values, any organization of the 21st century should be capable of leading its industry in terms of competitiveness and profitability. In order to be effective, organizations must strive for excellence by being persistent, motivating others, being ethical and setting true examples of responsibility. All these involve rethinking every business parameter, from the people side of the business to the systems and processes themselves.

[1] ASE, Romania, danatolici@hotmail.com

2. CHALLENGES OF MILLENNIALS

2.1. Understanding the new generation

Goldman Sachs published a research report that included a survey on a group of young people known as *The Millennial Generation*, which is the generation of children born approximately between 1982 and 2002. This generation is expected to have a considerable effect on the world's economic future, because it is a large generation of individuals, about 95 million, comprising 30% of the world's population (Kiersz, 2014). The author of the article states that there is no prevalent definition of exactly when this generation starts or ends (some studies point out that this could be between 1980 and 2000, or around those years), but, even so, this generation has some distinctive attributes. Millennials are the future generation of leaders and their dynamics and characteristics are going to fundamentally reshape the future business landscape, where economic and technological realities come together to create multilateral challenges. The Goldman Sachs study has discovered that Millennials are the greatest and most abundant natural resource left for the future. Great leaders understand that we are reaching a turning point where organizations will need to take a longer-term view and embrace the opportunity that the future generation could become an engine of economic transformation.

Being hit by the economic downturn, Millennials tend to have less spending power than previous generations, and in the meanwhile they are less likely to take on greater career challenges and greater work responsibilities. The same study found out that people of this generation do not yearn to start a family or to own a house between their 20s and 30s, instead they bear an increased accountability for their well-being and physical condition, placing emphasis on the quality of life. This way, they will probably become propellers of brands of their interest, as opposed to previous generations who were committed to a couple of prominent brands, making multiple purchases over time. (Kiersz, 2014) Life is no longer linear and sequential as before, when a person would first focus on getting the right education, later move on to working for years in a business or a specific profession of his/her choice, and, perhaps after some career changes, retire to enjoy the rest of his/her life. The lives of Millennials could be seen as more of a mixture, a mosaic of different roles and careers. The education phase is quite thorough, extending into adulthood and continuing throughout one's work life. Therefore, Millennials are very well educated, better, in fact, than previous generations: "A higher proportion of 18- to 24-year-olds are going to college now than at any time in the past" (Kiersz, 2014).

The aforementioned study observes that the next generation of customers (Fig.1) is bigger than that of Baby Boomers, triggering a radical change in the rules of client engagement. Solomon (2014) notices that: „Baby boomers and Gen X have been watching the expanding effect of [the] amazing technological advancements since they first began to make an impact, watching the steady, relentless digital transformation of industries such as communications, banking, travel, recorded music, and cinema. […] But for the newest generation of customers, this digitally transformed landscape is how the world's always been. These are kids who have never waited in line at the bank, never waited days for a stamped letter to arrive, never used a phone that didn't take photos, never, or rarely, had their musical choices limited to what's on the AM and FM band waves or to the number of tracks that can fit on a disc or cassette tape."
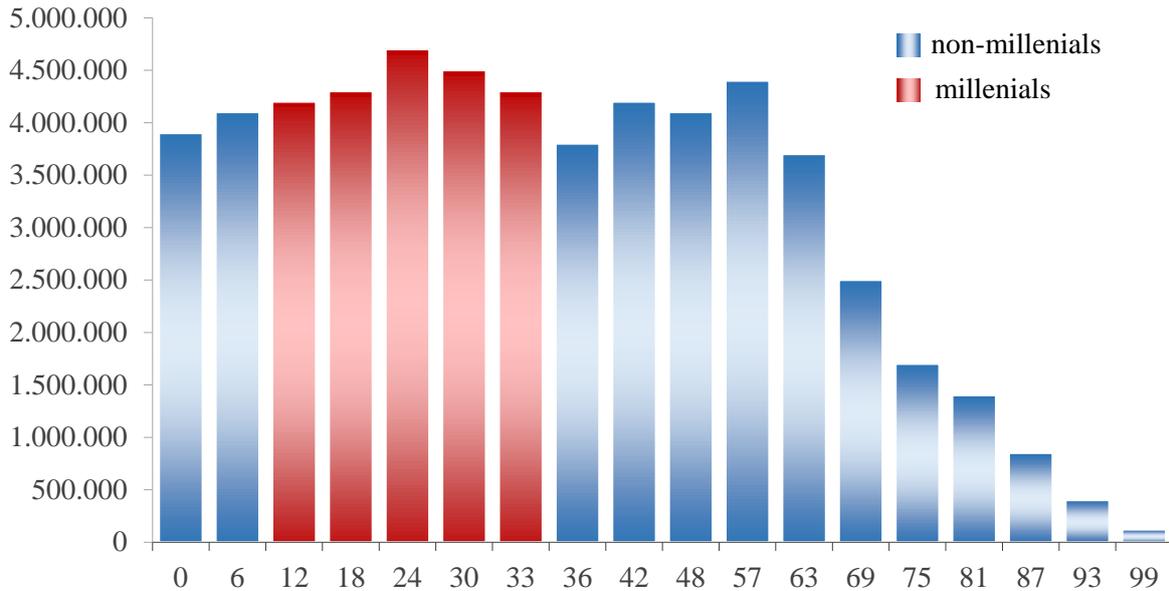
Figure 1. Number of People at Each Age

Source: Adapted from Kiersz (2014)

2.2. Achieving true values

Working in a culture of change does not mean placing unchanged people in these changing environments, but reshaping mentalities, behaviors, values and most of all attitudes into new realities. The world is changing, so are people and generations, moving forward to new frameworks, and this is why we need to understand the new generations emphasizing those characteristics that can make a difference in the future. Cain (2013) observes that in the 20th century a powerful culture of personality prevailed, where values like Charisma, Influence, Impulsiveness, Magnetism, and Power were appreciated, even though at the beginning of the century features typical of a good character were more valued. The author calls for a return to old values, and the Millennials seem to be sharing the idea: "Duty, Work, Golden deeds, Honor, Reputation, Morals, Manners, Integrity" (Cain, 2013, p. 23).

With solid values like these, any organization of the 21st Century will be capable of leading its industry in terms of competitiveness and ultimately of profitability, throughout understanding, advancing and encouraging true values. We need to help create new settings that are able to facilitate learning and knowledge sharing, in such a way that these might become explicit values of the organization. It is our duty as heads of companies or departments, as people in charge of their own work, to focus more on knowledge, which will eventually benefit us and have a better impact on the environment, than to just concentrate on the rise or drop in figures. Higher performance will be ultimately achieved when we reach a level of learning in context; every transformation creates new combinations and every change requires unstructured and unrepeatable responses – as Galbraith (2014) observes – while stating that processes need to be fluid.

2.3. The Generation of Change

We are facing the rise of a new generation, *The Millennial Generation*, which engenders new perspectives on the past; thus leaders will have a better understanding of the present, helping them take effective decisions. This new generation gives rise to new mentalities and attitudes towards labor, bearing a constant reflection on the closer relationship between work, life and self. Hunter (2013) considers Millennials to be the generation of people who will change things, referring to it as *The Generation of Change*. Furthermore, he emphasizes several features that could make a difference in the new economic environment of the 21st century. If addressed correctly, these features could help equip workers to bring about change. Among other aspects, the author discusses about justice, poverty, education, appreciation, kindness, truth, creativity, unity, and friendship in the same manner that the Millennials do, namely with self-involvement (Hunter, 2013). Despite the fact that it seems to change the world into a better place by through the use of ones self-image, Hunter (2013) notices that this new attitude might actually convince people to invest their influence in order to help others, instead of preserving their abilities for their own perspectives.

On the other hand, Stein (2013) considers this generation self-centered, lazy and narcissistic, claiming that Millennials are overconfident, a feature that actually helps them adapt to a rapidly changing environment. Nevertheless, the author believes they are very optimistic, pragmatic and realistic people, being also extremely confident in their own abilities, especially when difficult situations arise. Therefore, a review of the entire business, from the outside-in, tackling all crucial aspects as well as maintaining the consistence of the processes involved, could be of help to meet the expectations of the next generation of customers, thus becoming customer-centric processes (Zwilling, M., 2014). Resorting to more modern IT tools is an expectation of the new generation, providing added value to the customer interaction experience. Reassessing every business parameter also means taking action with a view to transforming the people side of the business by modifying training processes, as well as performance, reward and recognition systems. Organizational strategic priorities must be aligned with organizational culture, monitoring key measures, since the culture of every organization has an impact on performance. This enables leaders to achieve a connection, a bridge between real day-to-day activities and new business realities. Leaders will be able to have higher objectives and a greater vision for their organization. Zwilling (2014) urges the following action to be taken: "Adopt new core principles to stay competitive and assure survival. These must include democratizing how you do technology, thinking in layers, and using modern analytics to optimize continually. Technology need no longer be only the realm of expert gurus, business professionals in each layer of the business can build solutions, and executives with analytics can continuously refine the high-definition view of the customer." This generation moves at a digital speed that offers a range of choices outlined by digital alternatives. Millennials are more demanding customers and leadership abilities must be learnt and improved in order for the business to adapt to the ever-changing environment and meet the needs of the less tolerant purchasers.

2.4. Interpretations of Research Findings

In providing a numerical picture of Millennials' values, beliefs and areas of interests in the Romanian community, we would like to get a grasp of the scale of their features using the quantitative data collection method, which comprises a questionnaire in order to evaluate and determine the current state of the Millennial Generation's beliefs. Our primary data is gathered from the student community, using a structured questionnaire with closed questions. The questionnaire, comprising 17 questions, was distributed to 120 students at two of the best Romanian universities, with ages between 18 and 24, and the answers to questions in the survey were structured in a five-point Likert scale in order to find out how strong their beliefs in all the relevant topics are.
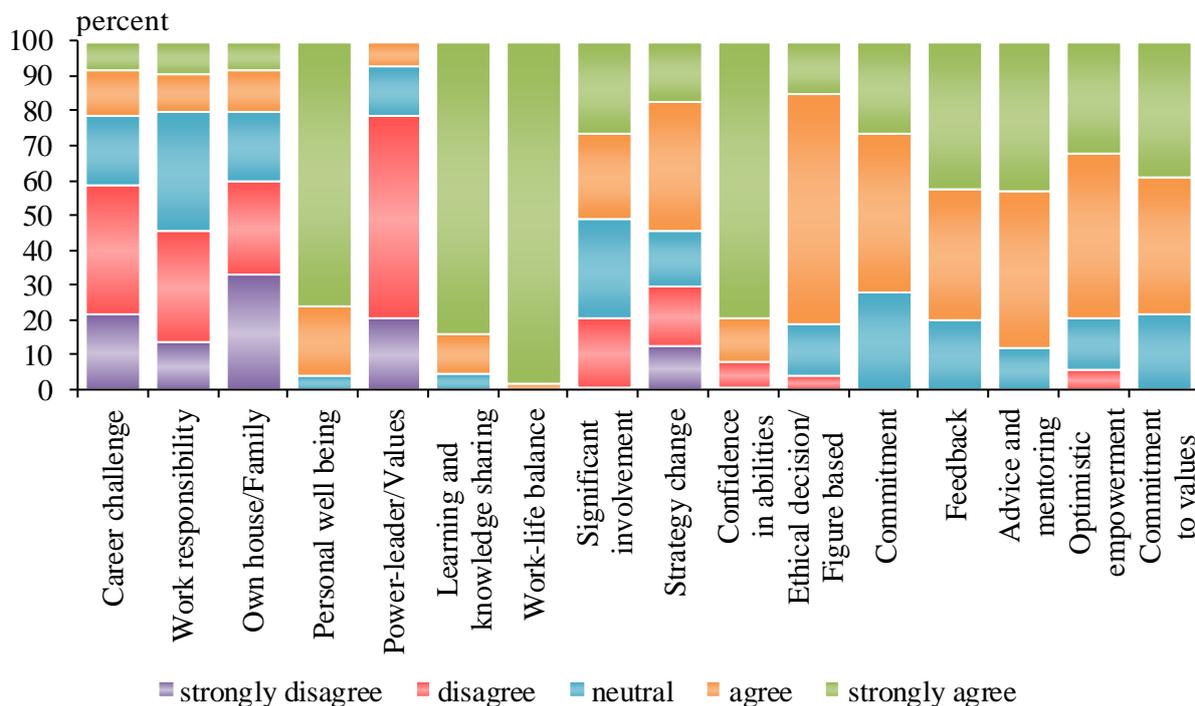

Figure 2. Survey Results

We found (Fig. 2) that Romanian students are less interested in taking on greater career challenges (59% either disagree or strongly disagree with greater career challenges) or greater work responsibilities (46%). 20% of the respondents are undecided about taking on career challenges, while 34% of them are undecided whether to take greater work responsibilities or not. These figures suggest that most of the young people would like a great career with fewer responsibilities and only 20% to 34% would change their view under certain circumstances.

80% do not consider owning a house by their 20s or 30s, while a large percent, i.e. 96%, of the Romanian Millennials would like to take charge of their well-being. When asked about building their career on features like Charisma, Influence, Impulsiveness, Magnetism, and Power rather than Duty, Work, Golden deeds, Honor, Reputation, Morals, Manners, Integrity, 79% disagree or strongly disagree, while a low 7% percent of students agree with our statement. All the respondents (98% of the questioned students strongly agree and 2% agree) would like a perfect work-life balance, while 92% are confident in their abilities and characteristics. An interesting finding is related to the following statement: "I would like to

work in a company that allows me to bring about significant changes to the business", with respect to which only 26% strongly agree, 25% agree, 28% are undecided, while 20% disagree. These figures, correlated with their disagreeing with taking on greater career challenges and greater work responsibilities, indicate that future leaders are eager to have a strong impact on their environment, without being responsible for their results or even promoted in their work. They simply want to make a difference. They want to change things and frameworks, or even beliefs. Our conclusion is corroborated by high scores on decisions based on ethical values (81% agree or strongly agree), commitment to company's goals and objectives (72%), optimistic empowerment (79%), and commitment to company's values (78%). This generation is willing to learn more and acquire knowledge (95%), being highly appreciative of advice and mentoring (88%).

2.5. The Altro-Centric Leader

Hay Group has been researching the right features that leaders of 2030 should have (Vielmetter and Sell, 2014), advancing first the question about the readiness of today's organizations, namely whether they are really prepared for the future or not. Under the framework of new rules that shape the environment – globalization, the rise of a global middle class, the constant search for top talents, climate change and its consequences, the new media, networks in the context of the digital era, technology convergence –, the authors investigate what the new values are and what the economic environment will be driven by in 15 years. Accordingly, the research puts forward the idea that individualization and value pluralism are strong attributes that promote freedom of choice, different work expectations, the rise of a creative class, non-standard biographies and careers, in a framework of values-driven engagement. True values create a mentality that fosters high levels of competence, achievement-driven behaviors, affiliation, or loyalty. The study reveals a new concept, that of the "altro-centric" leader. The opposite of the egocentric leader, the altro-centric leader is strong and confident, valuing relationships above position and boosting socialized power. The authors emphasize that there are three social motives that propel behavior, namely achievement, power and affiliation. The driver of achievement is the desire to achieve excellence and to surpass others in performance; the driver of power is the need to influence others, to be capable of making a difference through certain actions and accomplishments, while the driver of affiliation is the necessity to create harmony in one's relationships with colleagues and other persons. These motives remain constant throughout one's life, being "the least conscious characteristics […] as they influence almost everything we do" (Vielmetter and Sell, 2014, p. 172). Altro-centric people, managers or leaders of the next generation will build on their inner strengths and achieve personal maturity (that of admitting that many undistinguished facades might be left and that ambiguity is normal), intellectual curiosity (openness), and empathy (recognizing emotions and acting accordingly). The ability to create value resides in high ethical standards because the commitment to keep to high standards of behavior is underpinned by the core values set in the framework of full comprehension of the spirit and energy of the new generation. Individual beliefs and values have an impact on ethical decisions, and in turn those decisions also give rise to ethical standards and principles that, if respected, help promote fairness, kindness, trust, honor, integrity, etc. In the new economy, people must embrace strategic thinking within contextual awareness, acknowledging all the stakeholders within the new form of management through which managers seek to ensure development and long-term organizational performance, by

emphasizing the rigorous formulation of the strategy, its systematic and effective implementation, as well as its ongoing evaluation.

2.6. Key Aspects of the Next Generation Leadership

The new generation has a distinctive curiosity to continuously seek knowledge and new experiences, and an openness to change and learn, as observed in our research. Harvard Business Review (Fernández-Aráoz, 2014) opened an area of investigation regarding talent attraction and retention, drawing attention to the fact that people are more and more committed to the goals of the organization, where employees feel they are playing a suitably significant role, ensuring personal development.

In our complex economic environment, the market for high level talent is too compact and imposes new models. This is why the solution to this problem could be the following: focus on potential – the ability to adapt to new business realities and to prepare for new and challenging roles. The key aspect of taking the right view on potential lies in an appropriate motivation. Managers and leaders must use elements of appropriate motivation interventions in the form of candid feedback, responsibility, advice on change, self-directed improvement and optimistic empowerment. Another aspect of promoting potential is engagement, namely ensuring that people are committed to their organization's values and objectives. Employees who are highly engaged but face barriers at work that prevent them from performing their jobs effectively become frustrated (Royal and Agnew, 2011), frustration being a silent epidemic that weakens the organization of its talented employees. The organization's focus on potential could also be gauged via determination, "the wherewithal to fight for difficult goals despite challenges and to bounce back from adversity" (Fernández-Aráoz, 2014, p.48) as well as via the energy, perseverance and tenacity to overcome obstacles.

3. CONCLUSIONS

21st Century organizations must take a holistic view and an integrated perspective in addressing generation change. For business leaders, it is not enough to observe the changing environment; they must rather understand this complex reality, by analyzing the fundamental characteristics of our times. This observation is helpful in order to understand the logical consequences that derive from this truth. Millennials are the future generation of leaders and their dynamics and characteristics are going to fundamentally reshape the future business landscape, where economic and technological realities come together to create multilateral challenges.

Our research findings demonstrate that Millennials are driven by determination and the willingness to change things in order to realize a better business framework, a framework that is impelled by high moral values (Duty, Honour, Integrity, etc.), commitment, and ethical decitions. They are keen to learn and they are open to be thought, they seek advice and feedback in almost everything they undertake. Millenialls are full of energy, optimism, and they simply want to make a difference. Great leaders should understand that we are reaching a turning point where organizations will need to take a longer-term view and embrace an opportunity: that the Millennials could become an engine of economic transformation. If the direction that leaders have chosen to follow has many unseen turns and loops, then

predictability becomes shorter, which means a constant challenge to the short- and long-term planning capacity. On taking such a road, one must have the ability to recognize, in a timely manner and with great accuracy, the correct direction to follow, and then demonstrate overall readiness and flexibility to make the best turn, regardless of the angle needed. Moreover, true organizational and personal values create a mentality that fosters high levels of competence and achievement-driven behaviors, which are typical of an altro-centric leader. With new perspectives on the past, leaders will have a better understanding of the present, helping them take effective decisions. Organizational culture aligned with its strategic priorities becomes critical in achieving interconnectivity with new business realities and setting even higher visions and ambitions for organizations. Reshaping mentalities, behaviors, values and most of all attitudes into new realities means working effectively in a culture of change where change is the only constant element.

ACKNOWLEDGMENT

REFERENCES

Cain, S. (2013), *Quiet: The Power of Introverts in a World That Can't Stop Talking*, Broadway Books.

Fernández-Aráoz, C. (2014, June), The Big Idea: 21st-Century Talent Spotting, *Harvard Business* Review.

Galbraith, J.R. (2014), *Designing Organizations: Strategy, Structure, and Process at the Business Unit and Enterprise Levels*, Jossey-Bass, 3rd edition.

Hudson, P. (2013), Why Generation 'Me' Will Change The World. *Elite Daily*. Retrieved from http://elitedaily.com/life/why-generation-me-will-change-the-world/.

Hunter, Z. (2013), *Generation Change: Roll Up Your Sleeves and Change the World*, Zondervan/Youth Specialties, Zondervan/Youth Specialities edition.

Kiersz, A. (2014), 15 Facts About Millennials And The Economy That Everyone In Business Should Know. *Business Insider*. Retreived May 19, 2014 from http://www.businessinsider.com/millennial-facts-2014-5

Royal, M. & Agnew, T. (2011), *The Enemy of Engagement: Put an End to Workplace Frustration--and Get the Most from Your Employees*, AMACOM.

Solomon, M. (2014), Millennials, The Biggest Generation Of Customers Ever, Don't Care About The Internet. *Forbes online*. Retreived April 21, 2014 from http://www.forbes.com/sites/micahsolomon/2014/04/21/millennials-the-biggest-generation-of-customers-ever-dont-care-about-the-internet/

Stein, J. (2013), The ME ME ME Generation, *Time*, Vol. 181, No. 19, USA.

Vielmetter, G. & Sell Y. (2014), *Leadership 2030*, Hay Group Holdings, Inc, USA.

Zwilling, M. (2014), Next Generation Customers Will Test Every Business. *Forbes online*. Retreived July 14, 2014 from http://www.forbes.com/sites/martinzwilling/2014/07/14/kickstart-your-stratup-credibility-with-a-prototype/