

CSR AND THE COMPETENCES OF EMPLOYEES FROM GENERATIONS Y AND Z

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Abstract: The article presents an analysis of competences and attitudes of the new generations currently entering the labour market (Generations Y and Z) in the context of the challenges of the modern job market. The analysis was carried out on the basis of surveys, thanks to which recommendations were formulated regarding the use of the competences of this generation by employers in the wider context of corporate social responsibility (CSR). The widespread digitalisation of reality (cloud talent management) and the competences and attitudes of the new generation determine the change in employers' approach to attracting, developing and retaining employees. As a result, the concept of Corporate Social Responsibility shifts the focus to the internal stakeholders of the organisation. Consequently, a debate begins on the legitimacy of implementing a new turquoise management model.

Keywords: CSR, Generations Y and Z, competences, motivation, talent cloud.

1. Introduction

The contemporary concept of corporate social responsibility (CSR) has been gaining popularity for over 20 years now. It is based on voluntary consideration by business organisations of the interests of society, environmental protection and relations with various stakeholder groups: employees, consumers, suppliers and society as a whole. It is generally accepted that financial outlays for these activities are not counted as costs, but as investments that will pay for themselves. Until recently, CSR was considered to be the domain of only large, global enterprises (due to the necessary financial outlays it requires). However, this philosophy is in fact part of the profile of every organisation, regardless of its size and area of operation. This is supported by the fact that no organisation operates in isolation from its external environment and is therefore linked to various stakeholder groups, and the products of the organisation's activities (its products and services) are directed to the general public.

Of the two dimensions of CSR: the internal dimension (including relations with internal stakeholders, i.e. employees) and the external dimension (including relations with external stakeholders, i.e. customers, suppliers and society), the latter yields the greater impact. This is because its activities are more spectacular and include sponsoring, philanthropy, involvement in public social programmes. The internal dimension of CSR is often neglected – unjustly so, because in the 21st century and in the fourth industrial revolution, human capital (including the competences of employees) determines the competitive advantage of any organisation. **Directing additional activities and organisational effort to human resource development should be the axis of activities related to corporate social responsibility, not least because employees of the organisation often play the role of external stakeholders as well.**

This issue is important in the context of the progressive development of modern technologies and trends in the labour market (first of all, the emergence of Generations Y and Z).

The aim of this article is to analyse the competences and attitudes of Generations Y and Z in the context of contemporary market challenges and on the basis of a large-scale survey. Moreover, the aim of this article is to formulate recommendations on how employers should use the competences of these new generations in line with the concept of corporate social responsibility.

2. Trends in the labour market in the 21st century

The first aspect which must be mentioned here concerns the automation of processes, replacement of employees with robots and the use of algorithm-based artificial intelligence (AI). In a study published in 2013, C. Frey and M. Osborn addressed the vulnerability of US workplaces to computerisation. The study showed that as much as 47% of all workplaces are in the "high-risk" category, which could mean that they will be replaced with artificial intelligence (Frey, and Osborne, 2013). The study is of great importance, first of all because it concerns the labour market in the USA, an economic superpower where the most modern technologies are applied. Basic production processes have been moved overseas to cheaper locations than the USA a long time ago. Replacement and automation will therefore apply to advanced processes (e.g. in the service sector). The research also indicates a group of "resilient" professions that tap into such competences as social sensitivity, negotiation, persuasion and creativity (Frey, and Osborne, 2013), which may be a foundation **for enterprises to develop a competitive advantage.**

Another important phenomenon on the labour market is undoubtedly the emergence of a new generation of employees – Generations Y and Z.

There are many studies describing the attitudes of the "millennium generation" in the labour market. Millennials are defined as multi-taskers open to new challenges who expect satisfactory work and adequate pay. It is worth pointing out that the eldest representatives of this generation currently occupy managerial positions both in international corporations in Poland and in domestic companies. They are doing very well in the labour market. It is largely thanks to their commitment and dedication that organisations are able to achieve their corporate results. Although a large part of this generation entered the labour market in the years following the financial crisis in 2008-2010, it has been able to do well and waited with humility through the challenging years in order to benefit from the ensuing economic upturn.

Younger representatives of the millennials, i.e. people born around 1990 and later, i.e. Generation Z, or Generation C (from the English words *Connect*, *Communication*, *Change*), most definitely differ from their predecessors in terms of their worldview, attitudes and expectations.

This difference results primarily from the context in which they were brought up. First of all, we can certainly call them the digital generation - people who see the virtual world as parallel to the real world. Secondly, their parents paid more attention to their upbringing, which translated primarily into shaping Generation Z's ambitions and the belief that they could change the world. They represent the uncompromising pursuit of the goal, which helps them overcome challenges, and the pride combined with disregard for traditional values that safeguard the morality and the world order as understood by the previous generations (Sheahan, 2005).

On the one hand, therefore, Generation Z offers large amounts of creativity, the ability to use technology, passion, innovation, openness to new ideas, willingness to learn and adaptability to change (Smolbik-Jęczmień, 2013). On the other hand, however, they often exhibit a demanding attitude towards the employer and are prone to a superficial analysis and assessment of a situation. They also put excessive trust in unverified information found online and have problems recognising external authority based on experience. Another problematic area for Generation Z is direct communication (which has been replaced by e-communication) and acceptance of criticism, which leads to decreased loyalty, or even a lack of elementary responsibility for one's actions, as well as the need for constant stimulation through feedback (Ray, and Singh, 2018). As a result, an employer who wants to take advantage of the clear advantages of this generation must apply a new approach, going beyond previous experience and commonly used measures.

Although the negative characteristics of Generation Z – when defined through the lens of the system of values applied by the previous generations – tend to dominate the picture, we must remember that the majority of technological advances result from a belief in human capabilities and crossing defined boundaries.

It is in the well-understood interest of the upcoming "narcissistic" generations (i.e. Y and Z), as well as in the interest of Generation X and earlier generations, to avoid a cross-generation conflict. Rather than trying to impose their system of values on the adversary,

there should be efforts made to search for a symbiosis and take advantage of the unique features of all generations. All the more so because the new generation of employees has nothing against transactional relations based on an honest, clear "something in exchange for something else" approach, which can be perceived as parallel to the "win-win" paradigm in business transactions. Joint problem-solving by intergenerational teams, drawing on the experience of other generations and open-mindedness are not so much a proposal to overcome an impasse in mutual relations, but rather a requirement of the present reality. It seems that the desired cross-generational cooperation will consist in the combination of the determination of older generations to maintain their position and the non-recognition of the existing barriers on the part of the new generation, in line with the opinion of P. Drucker: "The best way to predict the future is to invent it".

Table 1 presents selected work-related attitudes of Generations Y and Z which are a source of intergenerational problems and conflicts, as well as proposals for management to mitigate them.

Table 1.

Selected attitudes of Generations Y and Z at work as a source of intergenerational problems and conflicts, as well as proposals for their mitigation for managers

Generation Y: approach and definitions of managerial competences		
Perceived attitudes of millennials	Problems faced by millennials at work	General competence for consensus-building
Autonomous	Rigid processes – lack of flexibility in action	Flexibility
Demanding	Being perceived as someone who thinks he/she "deserves" benefits	Rewarding (creating the right recognition)
Ingenious	Rigid processes and the need to prove one's own value	Developing (harnessing one's imagination to deliver work)
Focusing on oneself	Lack of respect and lack of serious treatment by superiors and co-workers	Engagement (relationship building)
Defensive	Lack of feedback	Disarmament (a positive approach during correction)
Annoying	Poor communication with elder employees	Self-differentiation (not taking matters personally)
Short-sighted	Lack of experience	Expanding the perspective (showing them the big picture)
Indifferent	Lack of patience	Motivating (making it meaningful for them)

Source: Espinoza, Ukleja, 2018, pp. 80-82, 249-252.

3. Results of own research

Elements such as short-sightedness, indifference, lack of experience and lack of patience, as well as employers' commonly expressed opinion that these generations represent a lack of commitment and responsibility, are also confirmed by the results of this research conducted on

a group of 1,170 students in the final four semesters of their studies across 5 different academic centres in Poland¹.

These students were offered the opportunity to participate in extra-curricular projects improving their competences and which were tailored to the needs of employers, co-financed by EU funds. The students were offered specialist, certified training carried out by experienced trainers, workshops conducted by employers, study visits and paid internships aimed at offering the experience of a real work environment. The average cost of educational support per student was approx. PLN 12,000. Eventually, only 280 students joined the project, i.e. less than 24% of the group.

When analysing the reasons for the failure to join the projects, it was discovered that 65% of the students who did not decide to participate in the projects declined the proposal to join the project because they did not recognise any benefits resulting from participation, 37% of the respondents feared that they would not meet the mandatory requirement to participate in all elements of the project, and 24% quoted lack of time² as the key reason.

Comparing the above results of the study with the evaluation of the effects of one of the implemented projects covering the population of 112 students, it can be concluded that participation in the project(s) was evaluated positively by the students and that it brought measurable results – predominantly because certified training and practical workshops allowed the beneficiaries to acquire the competences required at work (74% of positive answers).

The basic conclusion of the study is that the prospective benefits of engaging in additional, extra-curricular tasks (participation in the project, participation in corporate training with intangible results) are not widely recognised.

4. New dimensions of organisation and talent management

The findings quoted above may prove that traditional employee management models have become outdated. Therefore, employers seeking to hire new employees (mostly from Generations Y and Z) must try to anticipate, taking into account the possible full robotisation of some business processes, and look for alternative forms of incentives which will work for their current and prospective employees.

One of the proposals is the concept of the so-called conscious organisation and turquoise (teal) management model, which is becoming more and more popular, but which is not yet mainstream.

¹ The survey was conducted in the period from January to November 2018 as part of the recruitment of students for projects co-financed from EU funds under the activities of the Operational Programme Knowledge, Education and Development 3.1.

² The results do not add up to 100, as the respondents could opt for more than one answer.

In simple terms, the model of the so-called conscious organisation is derived from the application of psychology to management processes, e.g. on the basis of neuroscience, which puts emotion ahead of rationality. For over a dozen years, this concept has aroused increasing interest among researchers (Ohme, 2018). Generally, the so-called conscious organisation is considered to be one in which there is an increase in self-awareness of the people of the organisation: they become creators of their own business environment, as opposed to being simply passive recipients. This development is combined with increased attention and readiness for action. Organisations of this type are characterised by low tolerance for dysfunctions in such areas as: functioning of their own creators and employees, as well as persons and organisations from the business environment (customers, suppliers, business partners) (Zarębska, 2013).

On the other hand, the teal management model, extensively described by F. Laloux, which is an expression of the next stage of development of human consciousness, is to be a cure-all solution to employee fatigue resulting from the classic *corporate governance* model of large globalised multinational organisations. At this point, it is worth quoting two arguments that arguably confirm not so much the abandonment of the modern version of management, but provoking the launch of a public debate in this area. Firstly, the causes of the global financial crisis of 2008; secondly, the increasingly common criticism of consumerism of the modern world, described, for example, in the famous work by Czech economist Tomas Sedlacek entitled "Economics of Good and Evil", in which he states that (economic) growth for the sake of growth itself should cease to be the paradigm of economics.

The turquoise management model is based on three pillars: self-organisation, wholeness and evolutionary purpose. The first pillar is understood as the rejection of the hierarchical model of management and putting management in the hands of each employee, where the "glue" is the responsibility of each employee and where control is replaced by trust. The second pillar – wholeness – is seen as blurring the boundaries between professional and private life: by bringing to work everything that we represent, we are able to achieve much better results. In this model, we do not have to cover up human imperfections, such as uncertainties or weaknesses, which are often stigmatised in conventional work environments. The last pillar – evolutionary purpose (setting the strategy) – consists in perceiving this type of organisation as a living organism with a sense of its own direction. In other words, any attempt to predict the future resulting from the definition of long-term goals is replaced by an evolutionary approach in terms of direction and intensity of actions, depending on the signals coming from the environment and their perception by the team (Laloux, 2018).

The characteristics of Generations Y and Z described above fit perfectly into this new management model, both in the context of: striving for self-fulfilment (Heyns, and Kerr, 2018), seeking internal motivation for all actions, active creation of one's future, and through tapping into large deposits of unbridled emotionality. What is more, it can be assumed that the teal management model fits into the concept of corporate social responsibility, as it focuses,

to a large extent, on the development of the employee and his or her comfort of functioning in the organisation.

Not so long ago, a permanent employment contract was synonymous with luxury, especially for young people entering the labour market who could only count on precarious work contracts (contracts for specific work) without any social protection. Along with the fall in the unemployment rate, and above all with the progressive specialisation of competences and the entry into the labour market of Generations Y and Z, the application of non-standard forms of employment has been observed. What is important, such forms are often the result of a voluntary decision by the employees. A 2012 study by McKinsey, a renowned international consulting and advisory firm, found that short-term hiring of highly qualified employees by intermediaries (Manyika, Lund, Auguste et al., 2012) is becoming increasingly common. We are therefore witnessing a phenomenon in which the current perception of temporary employment agencies takes on a different dimension. Along with the automation of simple professions, such agencies will take the form of specific brokers of specialised competences (and become competence and knowledge boutiques). The use of external human resources by organisations becomes possible by creating a *cloud of talents*, i.e. a virtual network of experts. An alternative name for this phenomenon is the TaaS model (*Talent as a Service*), the name referring to the popular SaaS model (*Software as a Service*), sometimes also referred to as "uberisation" of the workforce. The use of the talent cloud, especially the digitalised Generation Y, can contribute to a better division of labour. This model is an opportunity for an organisation to use not only highly specialised and directly relevant skills, but will also deliver benefits in the form of more efficient use of available resources by all labour market actors (e.g. in large urban centres and in rural areas).

At this point, it is worth explaining the understanding of the concept of talent itself. Of course, there are many definitions of the term available in literature, but it is worth quoting the one developed in one of the studies by CIPD (*Chartered Institute of Personnel and Development*). This definition has no formal dimension and consists of four areas (CIPD, 2016, pp. 6-13):

- the ability to learn, evolve and adapt – the need to be up to date in a changing environment and to look at what is emerging on the horizon,
- the ability to create and implement innovations – generating new ideas in their areas of specialisation,
- delivering results in an effective way – thanks to one's special abilities and skills, ensuring the delivery of outstanding results that outperform those of other employees,
- capacity – since it is not enough to take only current results into account, real "talent" has to have the potential for further development.

The consequence of TaaS is the emergence of a new ecosystem for managing the competencies needed by an organisation – *Agile Talent*, based on a flexible approach to the use of all internal and external resources of competence and knowledge. On the other hand, in order

to effectively use talents from the cloud (external resources), but also taking into account the increasing use of voluntary non-standard forms of employment (i.e. the existing internal resources), J. Younger and N. Smallwood propose the following principles (Younger, and Smallwood, 2016):

- 1) Building relationships with talents – creating a network of talents who can be attracted to cooperate with the organisation.
- 2) Effective on-boarding of a talented employee and maintaining a work relationship based on clear communication and guidelines.
- 3) Policy management facilitating clear and transparent communication of the role, objectives and tasks of the people in the *talent agility* to all other employees.
- 4) Thinking of talents as partners, not customers.
- 5) Taking care of talent development (training, coaching, etc.).
- 6) Acquiring feedback from all stakeholders affected by decisions related to *agility talent*.

The above principles form the foundation of the *agile* policy in the context of human resources management in the organisation. It is also worth paying special attention to principle 3-transparency, which is inseparably linked to perfect communication. This is very important, because many organisations, especially those with an established position on the market (e.g. companies established several dozen years ago), employ representatives of many generations, and the most severe misunderstandings may result from a clash of different attitudes and patterns of behaviour, which is becoming increasingly significant across generations.

Even if we come to terms with the lack of loyalty of Generation Y, who often change their jobs and careers, from the employer's perspective, it is important not so much to fight for maintaining talent in the organisation, but for the talent to return to cooperation on another project. A history of good relations and interesting work experiences acquired during the implementation of an interesting and engaging project are factors that employees can take into account when selecting their next job or project. **Since employers use *agile* talent management techniques, employees can also use *agile* techniques to select a portfolio of their projects.**

Until now, organisations have implemented training programmes for their employees either as a form of reward for their contribution and commitment to the development of the company or as a mandatory process without which the organisation would not be able to provide its services in a competitive market that is constantly evolving (e.g. through the use of the latest technologies). Leaving aside the motivation, such actions strengthen the relationship between the employee and the employer. Employee loyalty reduces human resource fluctuations. It is therefore assumed that the implementation of socially responsible actions in the context of competence development translates into increased motivation, productivity and willingness to stay in the workplace (Burton, and Goldsby, 2009). All the more so if we consider the need to effectively manage and utilise of the potential of Generations Y and Z. However, in the case of

this group of employees, the motivations for such activities may be different, too: they can open up the full capacity of employees and develop a type of "something for something else" transaction model that will allow the employer to take advantage of the undisputed talents of this group of people.

5. Summary

It may not yet be the time to implement the model of the so-called conscious organisations. Nevertheless, more and more employers face the challenge of engaging new employees – representatives of Generations Y and Z. The problem of employee retention is a consequence of this, which is further reflected in high operating costs.

Large enterprises and international corporations operating on the Polish market have been facing this problem for a long time. However, it should be remembered that the strength of the Polish economy (and similar economies) relies on small and medium-sized enterprises, which usually do not have extensive human resources departments and talent management programmes.

Therefore, it is worthwhile extending the public debate on the labour market to include issues related to motivating and engaging employees from Generations Y and Z. Recommendations in this respect are presented below:

- 1) Treat each newly hired employee as a diamond to be polished, which requires time and commitment from the employer (i.e. active mentoring) (Lancaster, and Stillman, 2010; Deloitte, 2017).
- 2) Determine clearly the employee's scope of responsibility within a given business process and explain the impact of the tasks performed on the final result for the organisation (company).
- 3) Use the potential of matching some tasks to unique competences (e.g. using social media (Dannar, 2013).
- 4) Take risks by offering employees some freedom to act (e.g. Google employees may use 20% of their working time for non-assigned tasks, provided that such activities may bring benefits for the organisation in the future; this is how Google Maps was created, for example).

From the above recommendations, we can see that one coherent level emerges, i.e. the need for permanent education and development of the employee, which is consistent with the concept of corporate social responsibility, both in its internal and external dimension. On the one hand, this is a requirement of a changing working environment and a result of the need for continuous adaptation of competences. On the other hand, it is a process of cognition, acquiring new

experiences which stimulate one's development and are a fuel for building commitment and internal motivation.

In science, we tend to use a narrow definition of cognition and refer to the fact that the brain's left hemisphere is responsible for analytics, whereas the right hemisphere is responsible for the creative process. This is reflected in the dichotomous division into technical studies and humanities. It is likely that the new dimension of the approach to education will seek to combine these two spheres in the form of convergence of professions (e.g. an IT and humanities specialist) or in the form of a holistic approach in which teaching will also concern the body, spirit, emotions (neuroscience), as well as the relations between nature and spirit.

Perhaps the educational process itself will be reformed in such a way that students, instead of being formed into a standardised "product", as is currently the case, will participate and co-create their "unique journey into the world of knowledge" (Laloux, 2015). This seems probable in the context of the development of new technologies and the possibility of applying an individual approach to each student (such a solution is nothing new on the education market, which has offered e.g. Montessori education or master-disciple methods for quite some time now).

So what can life in the world of teal look like? Laloux provides a hint: *Searching for wholeness beyond one's ego and treating the inner life of a person (emotional, intuitive and spiritual) as valuable areas of learning and development. We define a life well lived through internal rather than external standards. We look at life as a journey in progress and try to live in trust in abundance and not fear of deprivation. We are able to transcend the either-or-type of thinking that characterises modernity by the ability to reason and act, taking into account polarised views and paradoxes* (Laloux, 2015, p. 359).

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