

A study on the role of millennials in changing workplace dynamics: How millennials can help businesses move ahead in the post COVID-19 world

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Abstract

Organizations are increasingly evolving their workplace climate to accommodate the youngest generation with millennials slowly taking over leadership positions. Millennials have transformed the way businesses interact with workers by sheer force of numbers. India has one of the youngest demographics in the world, with post-millennials also starting to join the workforce. Studies have shown that millennials are different from the earlier generations in their work attributes. Some of their workplace expectations collide with the conventional workplace norms; yet many organizations have started to reshape their workplace strategies to provide more opportunities to the millennials. The COVID-19 pandemic pushed a Fast Forward button to these efforts and 2020 saw almost all the businesses promptly changing their working norms. Remote working, along with digital technology and flexi-hours – once

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characterized as the millennial work characteristics – became the new normal for everyone. Retaining tech-savvy employees has become a significant concern of business, and they are fighting for the best talent to overtake the now aging Gen X employees. As new ground realities of remote working hit us, this research seeks to gain an insight into the minds of senior-level managers who are facing the new class of workers. This study is an attempt to fulfil this gap in the industry and facilitate a more relatable work environment for the millennials.

Subject Classification: 90B50.

Keywords: Millennials, Generation X, Generation Z, Relatable workplace, Post-COVID work dynamics.

Introduction

March 2020 brought an abrupt change in the way people worked worldwide. After the outbreak of COVID-19 pandemic, compulsory lockdowns left businesses with no other option but to resort to remote working to continue their operation during the crisis. Almost overnight, to be able to work from home became the need of the hour. Workplace flexibility was no more a perk demanded by the new generation of employees or a benefit offered only by a few businesses.

Regardless of a company's long-term priorities and strategies, the ability to attract and maintain young talent would be crucial to its growth. The pandemic has thrown a challenge to the businesses of this age – of continuing operations despite lockdowns, resource scarcity and economic downturns. The solutions that can save the day include flexible work hours, open and honest communication, work flexibility, recognition, and digital socialization – all that is a norm with the millennials.

During the past decade, workplace flexibility has become an important issue for the new entrants, particularly Millennials, who by 2030 may become the largest constituent globally [21]. This generation has been demanding flexiwork, higher engagement, better work-life balance and job satisfaction. So, when the businesses adapted to face the COVID crisis, millennials were ready.

Disruptions in business – whether it is technological, economic, or any other type — generally trigger significant and permanent changes in the organizational culture, which in turn gives rise to both, challenges and opportunities [1]. Today, businesses face the prospect of massive work culture shift. Companies need to reassess their plans, policies, regulations, strategies and expenditures [23]. Only those which can take prompt and

firm decisions, and make the right moves in time will get to move ahead of competition and continue their growth.

That's where millennials come into the picture. Attracting the best of this millennial staff is key to a company's long-term growth. The twenty-first century corporate community will be characterized by professional goals, attitudes toward jobs, and awareness of emerging technology.

It is important to understand the work preferences of millennials. One, they are noticeably different from the earlier generations at work; and two, they comprise the most numerous work generation.

Changing the outdated power-at-the-top leadership model that does not align with the work attitude of millennials today, is the key to success for businesses. Millennials' desire for interaction and respect for modern values, such as technology as well as their beliefs and identity make them less immune to change [2].

Employers must adapt directly to millennials' characteristics as well as their determination to move on quickly if their expectations are not met. Millennials like a versatile job environment with frequent reviews [15]. Companies like Google and Apple that have already been effective in recruiting young millennials, are naturally creative employers that are never constrained by "how things used to be done". These firms follow millennial consumers, and so does their work culture, management style, recruiting process and retention practices. As a result, they can choose from the best young talent available.

Background of the study

In this post-lockdown era, companies have realized that the business world has started to change over the years to suit the demands of the millennials, especially with regards to flexible work schedules. Some of these new-found ground realities are:

- a. Spending more time in office is no indication of high productivity. [8]
- b. Digital communication has become the way of life and will continue to increase. [24]
- c. Travelling for business has become a thing of past. It does not matter if the employee attends a meeting from home, hotel or airport. [4]
- d. One has to be present in office only on certain circumstances [7].

Several surveys have outlined the problems that millennials bring to the workplace, including those relating to millennial workforce recruiting, productivity, leadership, management, and engagement and more [6, 17, 21]. The business is ready to revise its strategies to suit millennials, but it is also important to judge which factors would increase work productivity.

Review of Literature

About 78 million Baby Boomers and 45 million Gen Xers comprise a major section of workforce today. These two groups are known to be seasoned staff and administrators while millennials are still joining the workforce [9].

Literature on generational cohorts divides employees based on their birth years. The criteria primarily relate to the formative experiences of different age-groups when they were growing, and impacts their aspirations and work behavior. Some of their work-related traits are explained in this section.

a. Baby Boomers

Born between 1948 and 1964 (in the age group of 56-74 years today), the Baby Boomer generation has developed and established much of today's corporate culture and work ethics. They grew up in paternalistic households, instilling ideals, such as group commitment and corporate focus [13]. Promotion, commitment to managers, and a desire for continuity are their significant job traits [25].

b. Generations X

Generation X comprises those born between 1965 and 1980. They have reshaped the workplace to emphasize worker fulfillment, quality of living, and workplace empowerment [25]. They select individualism over collectivism due to persistent socioeconomic, family, and social insecurities, as well as a plethora of transformation and the influx of diversity [15]. Gen Xers are committed to their career, and they pursue ways to develop their job skills [25].

c. Millennials (Generation Y)

Raised in a completely different era and in distinctive ways, Millennials evidently differ from the previous generations, both in their attitude and approach to work [24]. Millennials are known for having a positive

outlook on life and seeking productive opportunities on teams of strongly dedicated and inspired peers [martin]. Millennials focus on demanding jobs and value artistic expression over organizational leadership positions [1620].

How are millennials different?

Millennials mark the most critical shift in social ideologies since the Baby Boomer generation, [1620]. This generation redefines how an organization creates, interacts with workers, and reacts to today's technology advancements, with ideals and principles such as a coordinated approach to management [**Error! Reference source not found.**]. Some of their unique work traits include the following:

- i. **Driven by Technology**

Millennials' is the digital generation who lives in a constantly evolving world where technology is way of life [20]. Millennials are engaged in the innovation and growth of technology, which is becoming consistently easier to use [1420]. This generation has an edge over the previous generations.

- ii. **Open communication**

The millennial generation's ability to communicate has also increased due to their regular use of social media. They work best as part of a team and thrive in a positive atmosphere that facilitates cooperation [12]. Millennials put a greater priority on the team's performance and well-being than on personal accomplishment [55].

- iii. **Autonomy of work**

The willingness of Millennials to respond to changing circumstances can be attributed to their work commitment. Employee engagement is described as the process of positively empowering workers to achieve organizational goals on cognitive, emotional and behavioral levels [23].

- iv. **Value and recognition**

According to Gill [11], the integrative leadership transition model will help a corporation with organizational growth. Millennials are more likely to engage with and succeed in organizations where value is ingrained in the paradigm. Resistance to change is an obstacle to the integrative leadership change paradigm definition. [16]

v. **Work-life balance**

Millennials value collaboration, building partnerships, and maintaining a work-life balance [10]. Seniors often see their desire for social contact, quick outcomes, and instant progression as shortcomings [10]. Many Millennials prefer occupations that are not well-paid but are fun and allow them maintain a good work-life balance [33].

vi. **Growth and Flexibility**

According to a Gallup [9] survey, Millennials are the least committed generation in the workplace, with just 28.9% claiming to be engaged at work and high turnover rates. They like to work as freelancers and look for business opportunities. If companies wish to keep them, they must double down in their efforts to fulfil their demands.

vii. **Job-hopping vs Job security**

Gallup reports that 21% of Millennials switch jobs in a year. Hiring new employees is an expensive and lengthy process; businesses, therefore, try to attract candidates who will stay for long. Salary is not a significant motivating factor in this as millennials prioritize workplace flexibility and growth opportunities higher than salary [66].

Objective of the Study

Millennials have brought a striking change to the corporate world, with focus on collaboration and transparency. It will not be incorrect to say that they are changing the rule book. Only their immediate seniors and supervisors – who interact with them on daily basis and who have the first-hand experience on what makes them function smoothly – can highlight if they assign the same importance to the variables that may have impact on the workplace productivity.

This understanding may help the business take informed decisions and frame new workplace policies that will extract the best from this growing proportion of workforce and retain the millennial talent for longer periods.

On the basis of the literature review, the following hypotheses were formulated for the study:

- I. H_0 : Millennials do not assign equal importance to their characteristic workplace-related attributes.

- II. H_0 : There is no significant difference of opinion among the senior managers of the IT companies in NCR regarding millennials' work preferences.

Methodology

Data was collected from a cross-section of senior managers ($n = 125$) working in different IT companies in the NCR region. They were asked about the changes in the workplace dynamics they have observed as senior managers and by being at administrative positions, mainly as an impact of the millennials' entry to the workforce. Multiple regression analyses and Structural Equation Modeling (SEM) technique were used to assess the mentioned objectives.

Five respondents were selected from each of the 25 IT companies. The questions related to their experience with millennials in their teams. Responses were collected on numerical scaling (1- 10).

Table 1
Descriptive Statistics of Survey Participants (n=125)

	N	Missing	Mean	Median	Standard deviation	Minimum	Maximum
Have you experienced work culture dynamics are changing?	125	1	8.31	9	1.67	3	10
Do millennial expect flexible work hours?	125	1	8.06	9	1.57	3	10
Do millennial expect open and honest communication?	125	1	8.02	9	1.87	2	9
Do millennial expect autonomy of work?	125	1	8.1	9	1.41	3	9
Do millennial expect work flexibility?	125	1	8.29	9	1.53	3	10
Do millennial expect recognition?	125	1	8.17	9	1.81	3	10
Do millennial expect job security?	125	1	8.22	9	1.68	4	10
Do millennial expect the technology-enabled system?	124	2	8.15	9	1.43	4	9
Do millennial expect socialization?	125	1	7.94	8	1.47	3	10
Do millennial expect work diversity?	125	1	7.57	8	2.18	1	9
Do millennial expect work-life balance?	125	1	8.02	9	1.4	5	9

Data Interpretation, Analysis & Results

The questionnaire comprised close-ended questions to assess the millennials' expectations from the workplace, as observed by their seniors at work, and to identify work culture factors and workplace norms that may need to be revised to meet the demands of this growing workforce population. Similar and close value of mean shows most of the respondents had an equivalent level of responses, as shown in Table 1.

Predictors are correlated

R-value of 0.981^a states that Predictors: Flexible work hours, open and honest communication, work autonomy, work flexibility, job security, technology-enabled system, work diversity, recognition, and socialization are highly correlated and associated with the work culture of an organization. Whereas R Square (.962) indicated that these predictors: (flexible work hours, open and honest communication, the autonomy of work, work flexibility, job security, and technology-enabled system, work diversity, recognition, and socialization) explain the work culture by 96%, although there may have been other factors too, which may affect innovative behavior, as depicted in Table 2.

Table 2
Regression Model Summary

Model Fit Measures						
			Overall Model Test			
Model	R	R ²	F	df1	df2	p
1	0.981	0.962	288	10	114	<.001

Impact on workplace dynamics

As the p-value of flexible work hours, open and honest communication, work flexibility, recognition, and socialization are less than (0.05), it can be concluded that there is a significant difference of opinion among the senior managers' perception regarding the variables that can impact the work culture dynamics in information technology companies in NCR and this difference is not identical across companies, as shown in Table 3.

Table 3
ANOVA Table

Omnibus ANOVA Test					
	Sum of Squares	df	Mean Square	F	p
Do millennial expect flexible work hours?	1.3416	1	1.3416	11.220	0.001
Do millennial expect open and honest communication?	2.2798	1	2.2798	19.066	< .001
Do millennial expect autonomy of work?	0.1010	1	0.1010	0.845	0.360
Do millennial expect work flexibility?	7.5657	1	7.5657	63.272	< .001
Do millennial expect job security?	0.3140	1	0.3140	2.626	0.108
Do millennial expect technology-enabled system?	0.0799	1	0.0799	0.669	0.415
Do millennial expect work diversity?	0.3914	1	0.3914	3.273	0.073
Do millennial expect recognition?	0.7621	1	0.7621	6.374	0.013
Do millennial expect socialization?	11.6025	1	11.6025	97.031	< .001
Residuals	13.7511	115	0.1196		

Note: Type 3 sum of squares

Table 4 shows *B* value of flexible work hours (0.4274), open and honest communication (0.4558), and technology-enabled system (0.0661), work diversity (0.0390), expectation of recognition (0.1793), and socialization (0.6759) are high on the list of millennials' workplace preferences. Ensuring a work environment that assures millennials of these factors may help in hiring and retention of the millennials. For this, companies need to adopt a work environment with flexi work hours – it is just a lifestyle demand as they do not want to be forced in any manner.

What millennials seem to rank even higher is an environment of honest communication. This requires a paradigm shift from the conventional top-down communication approach to an open and interactive attitude. It is in their upbringing – they need to be included in the decision making process; they need to know that their opinion is valued.

Business also need to make socialization a regular activity to promote an atmosphere of familiarity and team bonding. Millennials seem to add a strong emphasis on harmonious relations with work mates in order to boost productivity.

In this age of machine learning, tech-savvy millennials have an added advantage. Senior managers often seek their help in using the emerging

technologies well, and that adds to their confidence and makes up for their lack of experience. Companies that are ready to provide them a favorable environment so that they do not need to work backwards will sure reap results.

Changing Work Dynamics

There are some general productivity-enabling factors that the managers think do not hold any value to the millennials, yet somehow added to their list of work preferences. These are autonomy of work, work flexibility, and job security. Millennials are also very clear about the type of work they want to do. Employee retention is, therefore, a major pain area for the employers who have to think of newer ways to keep millennials engaged and happy.

Millennials are happy when they are working in teams. Autonomy or leadership does not excite them, but they do look for a decentralized environment. A centralized decision-making worked best for Baby Boomers and to some extent for Gen-Xers as well, but not for the later generations. To get the work done, seniors have to change their work habits.

In a way, it is the right time to transform the workplace entirely by including these independent variables in order to ensure a positive impact on work. Therefore, null hypothesis is rejected, and an alternative is accepted.

Table 4
Regression Coefficients

Model Coefficients - Have you experienced work dynamics are changing?				
Predictor	Estimate	SE	t	p
Intercept	0.8793	0.3907	2.251	0.026
Do millennial expect flexible work hours?	0.4274	0.1276	3.350	0.001
Do millennial expect open and honest communication?	0.4558	0.1044	4.366	< .001
Do millennial expect autonomy of work?	-0.1394	0.1517	-0.919	0.360
Do millennial expect work flexibility?	-0.6069	0.0763	-7.954	< .001
Do millennial expect job security?	-0.1415	0.0873	-1.620	0.108

Contd...

Do millennial expect the technology-enabled system?	0.0661	0.0808	0.818	0.415
Do millennial expect work diversity?	0.0390	0.0215	1.809	0.073
Do millennial expect recognition?	0.1793	0.0710	2.525	0.013
Do millennial expect socialization?	0.6759	0.0686	9.850	< .001

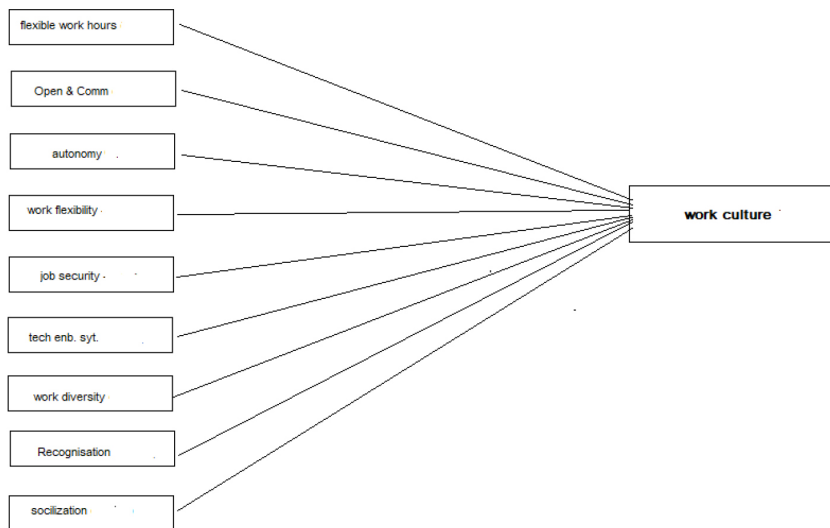


Figure 1

Validated model of the impact of work culture dynamics

The data sets were combined, and a unified model was created to understand the impact of various factors, such as flexible work hours, open and honest communication, the autonomy of work, work flexibility, job security, technology-enabled system, work diversity, recognition, and socialization on work culture. Using Partial Least Square, a structured equation model was created that is illustrated in Figure 1.

Some of the factors: Flexible work hours, open and honest communication, work autonomy, work flexibility, job security, technology-enabled system, work diversity, recognition, and socialization have a much more significant impact on changing work culture than the other factors of convenience and other variables are not significantly related to work culture, as demonstrated in Figure 2.

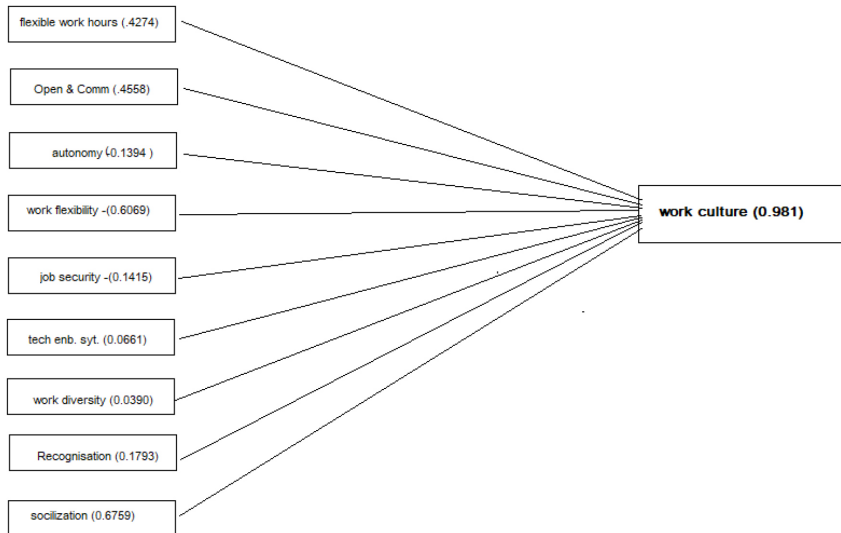


Figure 2
Estimated model using PLS

Conclusion

Millennials are naturally adventurous and carry new perspectives and concepts to the organization. A company should be open to innovative ideas and techniques, allowing employees to doubt and criticize traditional working methods. When used favorably, millennials will add a new outlook to conventional systems and deliver highly creative ideas and never done before while staying grounded.

Understanding Millennials will help them retain this growing group of employees and cut down on the hiring costs. In addition, job satisfaction increases productivity and helps employees' organization behavior and relationships with co-workers, families, and communities as a whole.

Understanding the workplace expectations of millennials will help in keeping them for long and cut down hiring costs. In addition, job satisfaction increases productivity and helps employees' organization behavior and relationships with co-workers, families, and communities as a whole. Many earlier studies have listed some of the basic attributes of millennials that make them different from the earlier work generations, as described in this section.

To keep this crop of promising young talent, businesses must strike the right balance between inclusion, community and growth. The millennial

generation is fueled by a feeling of belonging to something greater than themselves, which gives them concentration and a sense of mission, allowing them to be fully committed at work. They should be motivated to take responsibilities and push for success and balance themselves and those with whom they work around mutual transparency. Millennials will make over one-third of the workforce by 2030, according to projections. Not only the reason for most the decision, millennials will also become decision makers in the next decade. So, to survive and prosper, a company will need to understand that the nation is undergoing a demographic change in an increasingly linked environment. It is pointless to expect millennials to change; instead, leaders need to consider the millennial work preferences and devise strategies as per their preferences.

However, managing flexible schedules and changes in the workplace dynamics is a balancing act. Significant difference of opinion was found during this study among the senior managers' regarding the millennials' work preferences that can have a positive impact on the workplace dynamics. Organizations, therefore, will need to customize their policies and norms to suit specific situations for flexible work and any other factors millennials prefer to get the optimum output of employees and retain them for long periods.

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