

Performance Management and Generation Z:

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Abstract – Generation is understood as the “identifiable group that shares birth years, age, location, and significant life events at critical developmental stages”. Corporate have seen many generations at work and each of the generations have displayed many different traits and characteristics. When it comes to managing the performances of individual employees, it becomes imperative for the manager or the supervisor to understand each employee and their behavior.

Thus one such demarcation of traits can be understood by the generation they belong to. This research article deals with the critical traits of Gen Z employees, their strengths and weakness and discusses that based on their traits the performances could be managed appropriately well.

Key Words: Performance Management, Generation Z, Organization, Desired Performance.

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INTRODUCTION

Generation is understood as the “identifiable group that shares birth years, age, location, and significant life events at critical developmental stages, divided by five to seven years” (Kupperschmidt, 2000; Tolbize, 2008). Zemke, Raines, & Filipczak, (2000), states that though there are marked differences between two generation employees but similar events in both era’s highlight similar thoughts, values and behavior (Tolbize, 2008). On the other hand, Jurkiewicz & Brown, (1998, p.29), opine that the variations can be seen in the employee’s Life cycle or career stage and what do they want from their jobs.

Generation Z is also addressed as “next generation”, or the ‘digital natives’ or ‘Facebook generations’ or ‘the iGeneration’ (Tari, 2011; Andrea, Gabriella & Timea, 2016). The Gen Z are found to live their lives on different principles in comparison to previous generations. Gen Z has their own set of vocabulary of short words, expressions and slangs (Andrea, Gabriella, Timea, 2016). They are born amidst the upgraded techno-environment and love to be surrounded within it. In comparison to other generations, Gen Z is found to be more intelligent rather being wise or pragmatic in their work approach and display strengths to be leaders (Andrea, Gabriella, Timea, 2016). Their impulses are to look for new challenges and are impatient and more agile as compared to their predecessors. They are more internet dependent for solutions of their problems (Tari, 2011; Andrea, Gabriella, Timea, 2016). Gen Z

is considered to be excellent work force as they are expert & efficient with technical know-how and are very ambitious for their career. Thus they look forward to a stable work environment and strive to achieve work-life balance in their personal and professional lives (Andrea, Gabriella, Timea, 2016).

The literature provides a lot of different attempts to define *Generation Z* (Pál, 2013). There are research studies which rate those who were born after 1982 as members of this generation (Howe–Strauss, 1991), while other researchers suggest that those who were born between 1991 and 2010 belong to this generation. According to some approaches, members of Generation Z were born after 1995 (Grail Research, 2010 and Tari, 2011) and 1996 (Torocsik, Szucs, Kehl, 2014).

METHODOLOGY

This research article is based on secondary data, exploring the factors affecting the performance and the management of Generation Z employees. Generation Z employees are considered different from generation X&Y in characteristics, nature and working style. The research is a combination of qualitative and descriptive methodology which gives an insight towards the problems in managing generation Z employees. It endeavors to present a comparative theoretical analysis of generation Z performance and its management at their work place.

The paper explores various performance factors and endeavors to understand the basic nature and characteristics of the Gen Z employees while at work. This paper also focuses on understanding the performance management process for Gen Z.

PERFORMANCE TRAITS OF GENERATION Z

Gen Z is also addressed as Generation C or Generation D meaning Connection and Digital respectively or Generation R, i.e. Responsibility (Heckenberg-McDuff-Smith-White, 1991; Torocsik, Szucs, Kehl, 2014). This efficient knack with the digital world results in incomprehensible behavior with their elderly generations. Some of their prominent traits are:

1. **Short Attention Span:** They are quick in creating and transforming messages which is short, updated with real time information and pictures. Their working principle is "Less is more", (Torocsik, Szucs, Kehl, 2014). This at times could be productive, saving time, but at times may lead to misinterpretations and in appropriate conclusions.
2. **Social Media work Methodology:** Gen Z employees makes use of social media platforms to communicate and respond. They make themselves immobile thereby avoiding face-to-face interaction (Torocsik, Szucs, Kehl, 2014). They think in hyperlinks, they multi-task and absorb information from multiple sources (McCrindle, 2006; Grail Research, 2010; Ferincz, Hortovanyi, Szabo, Tarody, 2010).
3. **Role Models:** Gen Z people do not have ideals from older generations. They get inspired from their contemporaries, who are successful, and would compete, with them (Torocsik, Szucs, Kehl, 2014).
4. **Degree of Freedom:** Gen Z employees prefer to solve problems by their own sensibilities and expertise. They also avoid spending time in their cubicles devoting long hours of work (Renfro, 2012; Ghura, 2017). They focus on precision and speedy working. "They prize freedom and freedom of choice. They want to customize things, make them their own. They're natural collaborators, who enjoy a conversation, not a lecture. They scrutinize and insist on integrity" (Ferincz, Hortovanyi, Szabo, Tarody, 2010).
5. **Speed & Accuracy:** "Speed and innovation is normal work process for them, as part of their life" (Ferincz, Hortovanyi, Szabo, Tarody, 2010).
6. **Response to Change:** Gen Z prefer to keep its pace of life fast and rhythmic. They

seldom like to adjust, ever-ready to change if conditions are not conducive for them (Mutte, 2004; Ferincz, Hortovanyi, Szabo, Tarody, 2010).

7. **Supervision & Feedback:** Gen Z employees do not expect a dictatorial supervision but a friendly one. Moreover they do not prefer to wait for annual reviews, rather they like frequent and continuous conversations and instant feedback (Ranstad, 2016).
8. **Employee Retention:** Gen Z employees are popular for frequent changes in their job. However their retention is decidedly correlated to the pecuniary motivation factors. It is important that not only the basic needs be fulfilled, but other expectations from the job should also be satisfied (Ranstad, 2016).
9. **Job Stress:** Gen Z is also nicknamed as the 'stress generation'. The global Randstad and Future Workplace study sheds more light on the impact of stress among Gen Z employees. In fact, the survey found that stress was named as the biggest obstacle that could get in the way of work performance for the Z generation (37% for Gen Z). The two major factors causing stress are Money and Work (Ranstad, 2016).

One of the reasons being difference in attitude of younger generation as instead of traditional monetary incentives, they value passion, purpose, flexibility, transparency, collaboration, trust and autonomy (Bond, 2016). The organizations that desire to be entrepreneurial need to learn how to engage, inspire, incentivize and motivate this younger generation intrapreneurs; as this may require organizations to re-think and make changes in the existing organization structures (Grafton, 2011; Ghura, 2017).

PERFORMANCE MANAGEMENT:

Ranstad (2016), stated in the research article that employee and the manager must work in collaboration of each other. He found that dimensions such as: employee effectiveness (68%), efficiency (67%), creativity and innovation (67%) and operational performance (67%), require collaboration as the driver to put them in action. The relationship between manager and employee represents a vital link in performance management. Communication is crucial for that relationship to succeed. (Ranstad, 2016). The biggest issue with Gen Z employees is their retention span. They easily adapt to changes and do not fear to adopt them. Thus the frequency rate to switch jobs is becoming higher with time.

Performance management is said to be “a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with strategic goals of the organization” (Aguinis, 2007, p. 2; Mumford, 2009). The communication process under performance management is operationalised between the employees and their superiors (Bacal, 1999; Mumford, 2009), with proper and appropriate setting of objectives and being a problem solver (Latham & Wexley, 1994; Mumford, 2009) and make use of equipments & tools in proper forms (Deblieux, 2003; Mumford, 2009).

Principles of Performance management for Managers, (Mumford, 2009).

1. **Performance Reviews:** to be done by giving employees an outline and explanation of the work and its objectives (Aguinis, 2007; Deblieux, 2003; Folger, Konovsky, & Cropanzano, 1992; Mumford, 2009). Moreover the employees should be allowed to assess themselves and this self-assessment must be added to the review report. Hence, this shall create an amicable and supportive work-climate and would develop faith among the employees on their superiors (Atwater, 1998; Deblieux, 2003; Morgeson, Mumford, & Campion, 2005; Kanfer, Sawyer, Earley, & Lind, 1986; Mumford, 2009).
2. **Employee Discipline:** “The perceptions of interactional justice are also enhanced by showing empathy and respect for the employee (Aguinis, 2007; Wexley, 1986; Mumford, 2009). However, a written warning must be issued wherever required and it must have reference to the past performance and the employee discipline process of verbal warnings or employee feedback in the past (DePo & Guerin, 2001; Latham & Wexley, 1994; Mumford, 2009). The superior must specify the future repercussions if the employee does not display the desired behavior (Aguinis, 2007; Grote, 2002; Mumford, 2009).
3. **Employee termination:** If the process of performance management results into the termination of any employee, the termination process must be conducted in such a manner that no employee must feel that it was unfair or unjust. When the disciplinary procedures is a multi-step process, the last stage must always be short with a small meeting and it must be “devoid of equivocation”, (DePo & Guerin, 2001; Grote, 2002; Malos, 1998; Mumford, 2009).

PROBLEMS WITH GENERATION Z EMPLOYEES

At present the corporate are not only endeavoring to retain and engage Gen X & Y employees, but there future fears is to accommodate the Gen Z a contrasting generation from the Xers and Yers (Singh & Dangmei, 2016). However little is known about generation Z's characteristics, needs, work style and attributes (Singh & Dangmei, 2016). According to the Institute for emerging Issues (2012) (Singh & Dangmei, 2016), the Gen Z is said to be unconventional individuals who prefer direct communication and are social through the social networking platforms. The main attitude of working is “do it yourself” and shows attributes such as trustworthy, entrepreneurship, more patient and not motivated by money (Dan Schawbel, 2014; Singh & Dangmei, 2016). On the contrary, the findings of the Generational White Paper, 2011, shows that Gen Z people are impatient, instant minded, and do not have long term ambitions, with low attention span and show deficiencies towards giving attention (Singh & Dangmei, 2016). According to Amanda Slavin (2015), Generation Z stands to be heard irrespective of their age or experience (Singh & Dangmei, 2016). Joseph Coombs 2013, states that Gen Z might be masters of technology but they are found to be less skilled when it comes to a problem solving situation (Singh & Dangmei, 2016). More over Gen Z people are seen to be less participative in community programmes (Institute for emerging issues, 2015; Singh & Dangmei, 2016).

PERFORMANCE MANAGEMENT SYSTEM FOR GENERATION Z EMPLOYEES:

Bascha (2011), in his study stated that Gen Z employees are found to prefer autonomy, transparency and flexible work environment and if they do not receive it they tend to incur frustration, lowers productivity and work with a low morale and are vulnerable towards changing their organization. They expect timely information and immediate response and acknowledgement (Singh & Dangmei, 2016).

In terms of work Environment, Gen Z employees expect a professional environment supported by mentors, and learning opportunities (Teresa Bridges, 2015; Singh & Dangmei, 2016). Moreover, an environment which is friendly having flexible schedules encouraging entrepreneurial skills (Singh & Dangmei, 2016).

A successful performance management system as given by Bragger, Kutcher, Sessa & Summer (2014) in their research work. They highlighted certain factors which are essential to the success of performance management. These factors are organizational culture and how people bond with each other (Katz & Kahn, 1978; Dahling, Chau, &

O'Malley, 2012; Dahling & O'Malley, 2011; Bragger et.al. 2014). Secondly, Social factors (Levy and Williams, 2011; Bragger et.al, 2014), play a significant role and influence the result of performance management implementation. Thirdly, another most important factor is trust on the organization and the management (De Cremer, Brockner, Fishman, van Dijke, van Olffen, & Mayer, 2010; Salamon & Robinson, 2008). Fourthly, one of the essential elements of performance management is to generate commitment and organizational objectives and its achievement (Aguinis, 2009b; Latham, & Mann, 2006; Pulakos, 2004). Fifth, Communication between the employees and the manager's including feedback (Dahling & O'Malley, 2011; London, 2003; London & Smither, 2002; Bragger et.al. 2014).

CONCLUSION:

From the above discussion it is observed the generation Z employee shall be inclined towards expecting flexible work conditions and timings. Moreover they are quick learners and performers. They believe in direct bonding and are highly committed towards their responsibilities. With a less patient attitude they do tend to get aggressive. Thus in order to generate desired performance it is imperative for any organization to mentor them patiently and provide build a trusting organization culture with transparent communication system. Generation Z's performance could be managed if they have an equally active Mentor/supervisor who provides them information timely and establish a trusted bond between them.

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