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# IMPACT OF THE CHANGE OF GENERATIONS OF PERSONNEL ON AN ORGANIZATIONAL CULTURE OF A COMPANY

## ВПЛИВ ЗМІНИ ПОКОЛІНЬ ПЕРСОНАЛУ НА ОРГАНІЗАЦІЙНУ КУЛЬТУРУ КОМПАНІЇ

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Currently, the management of many Ukrainian companies is faced with the problem of generational change in company's personnel structure, while it is important to take into account the impact of the war in Ukraine, which affects the psychological state of a company's personnel. Therefore, the management of companies faces the problem of creating a comfortable psychological climate and adapting the organizational culture to new realities and a new staff composition. Thus, the generation of baby boomers is gradually retiring due to age, and the generation of millennials is increasingly joining the workforce of Ukrainian companies, and generation Z is also actively beginning to grow and mature. Such changes in the composition of company personnel lead to the need to adapt the organizational culture of companies to the values that are important for representatives of these generations. People of the same generation are united by an economic or social context. Each generation has its own formed system of priorities and personal views of life, developed under the influence of many environmental factors of the era, and the change of these values is repeated periodically.

**Keywords:** generational change, generation X, Millennial generation, generation Z, generational theory, values, organizational culture.

Наразі керівництво багатьох українських компаній зіткнулося з проблемою зміни поколінь у структурі персоналу компаній, при цьому важливо враховувати і вплив війни в Україні, який впливає на психологічний стан персоналу компаній. Тому перед керівництвом компаній постає проблема створення комфортного психологічного клімату та адаптації організаційної культури до нових реалій та нового складу персоналу. Так, покоління бейбі-бумерів у зв'язку з віком поступово виходить на пенсію, а покоління міленіалів все більше вливається до складу робочої сили українських компаній, також активно починає зростати і дорослішати покоління Z. Такі зміни у складі персоналу компаній призводять до необхідності адаптації організаційної культури компаній до цінностей, важливих для представників саме цих поколінь. Людей одного покоління об'єднує як економічний чи соціальний контекст. Кожне покоління має свою сформовану систему пріоритетів і особистих поглядів життя, вироблена під впливом безлічі навколишніх чинників епохи, причому зміна цих цінностей періодично повторюється. На даний момент в Україні у складі робочої сили задіяні представники чотирьох поколінь: бейбі-бумерів, покоління X, міленіалів та покоління Z. Проте бейбі-бумери йдуть на пенсію, а покоління міленіалів та покоління Z розпочинають свою трудову діяльність. Однак, покоління бейбі-бумерів поступово за віком виходить на пенсію, а представники покоління Z це здебільшого ще діти та підлітки, тому ще складно повністю дослідити особливості цього покоління. В результаті дослідження систематизовано основні конкурентні переваги представників поколінь X та міленіалів, які на даний момент є ключовими як співробітники українських компаній. Також виділено і цінності організаційної культури, які

важливі для представників покоління, для того, щоб утримати співробітника у колективі та отримати від нього максимальний результат.

**Ключові слова:** зміна поколінь, покоління X, покоління міленіалів, покоління Z, теорія поколінь, цінності, організаційна культура.

**General problem statement.** Nowadays scientists [7; 9; 13] note that the management of companies has additional difficulties with the formation of a team of employees belonging to different generations, with different expectations and working methods. This greatly complicates the selection of personnel, team building, the choice of training programs and motivation for employees. And it significantly affects the entire organizational culture of the company as a whole. Since it is the organizational culture of the company that is, first of all, a system of corporate values that influence the behavior model of employees within the team and their attitude towards the organization itself as a whole [1; 4].

Organizational culture is one of the important tools of personnel management of a modern organization, since organizational culture is not only an important factor in updating the economic climate of the organization, but also a significant factor in the formation of the internal environment of this organization. It is the organizational culture of the organization, influencing the management system, that reflects the management ideology of this organization, while a necessary and fundamental condition is that all members of the organization must accept the organizational culture. Various scientists and researchers consider organizational culture from different points of view in the context of modern theory and practice of personnel management, while noting its importance in solving the problem of regulating the behavior of employees and increasing the effectiveness of the organization. However, most interpretations of the concept of organizational culture [6; 8; 10; 12], considers organizational culture based on a value approach, that is, through the prism of values that form the basis of organizational culture.

**Formulation of the article's purposes.**

Therefore, the purpose of this research is to identify and analyze the influence of generational change, and, accordingly, their values, which should be proclaimed in the organizational culture of a company with a new staff structure. To achieve this goal, the authors set the following tasks: to analyze the essence of the characteristics and values of the generations that are now formed new staff structure of Ukrainian companies; and to identify the key features of these generations.

**The main research material.** The generational theory is based on the cyclical development of society, taking into account the regular alternation of the stages of rise and crisis. History develops in cycles, the duration of which is approximately equal to the duration of a human life, that is, 80–90 years. One cycle consists of four periods, each of which is characterized by certain values and foundations accepted in society [11].

Each generation is considered in the period of the average duration of human life (80-90 years), during which, at one age or another, it goes through four different stages (alternating with a frequency of 20-25 years) – awakening, rise, destruction and crisis. In addition, with the same frequency, a new generation appears in the world, which is brought up in a situation corresponding to a specific stage of the social environment, which means that it has a certain set of value characteristics that differs from the attitudes of the previous generation up to the opposite.

A generation is a certain set of people born in one twenty-year period and having three common criteria: age position in history, which implies experiencing the same historical events at about the same age, common, unified beliefs and behaviors, and a sense of belonging to this generation [11].

Allocation of generational groups within the framework of the generational theory [11] is due not just to the date of birth, but to a set of similar basic values formed under the influence of certain social, economic and political conditions, i.e. features of the social environment surrounding him (her) and the norms of family education, characteristic of the corresponding period. The common values that explain the revealed identity of the way of thinking, motives and behavior patterns of the studied groups of people – representatives of the middle class belonging to a particular generation.

Nowadays, representatives of four generations are involved in the labor force in Ukraine: baby boomers, generation X, millennials and generation Z. However, baby boomers are retiring, and generation millennials and generation Z are starting their careers. Let us analyze the features of Ukrainian generation X, millennials and generation Z.

**Generation X employees.** Generation X in Ukraine was born in the Soviet Union (born from

1963 to 1983) and was already formed during its collapse. The worldview of the Ukrainian generation X was influenced by such important economic and political changes in the country as perestroika, total deficit, and Ukraine's independence [2].

The distinctive features of generation X are: the ability to rely only on oneself, alternative thinking, awareness of what is happening in the world, willingness to choose and change. They move through their careers for many years, following the same direction [7].

Representatives of generation X highly value knowledge, continue to consistently study and build a career throughout their lives, and their education is quite deep and systematic. They are happy to share their knowledge, skills, value time, choice; in the work they must definitely see the meaning and require the constant realization of their creative abilities, the manifestation of non-standard thinking [5].

Representatives of generation X are of great importance to moral standards, therefore they are attentive to people and know how to successfully build business communications. They differ in the ability to make decisions, but, at the same time, they are focused on the opinion of loved ones in the implementation of important steps. These people are potential entrepreneurs, effective leaders, good experts and mentors.

Representatives of generation X as a component of the company's personnel are considered X – the “golden” personnel group [3]. These people are energetic and responsible persons who are ready to engage in self-education, actively developing their careers. They understand that learning new technologies and information is the key to success. For the company, Generation X employees are of significant value. They are not difficult to train and do not need to be retrained, they have a good base of knowledge and experience, are focused on achieving high results in their activities, and are actively involved in the tasks of any company.

Generation X employees make up the most dynamic group of the company's staff [3], but if they are not satisfied with motivational programs, they will look for a new job even during a crisis, no matter what, increasing their material well-being. Representatives of generation X know what difficulties are and are ready to overcome them regardless of the circumstances.

**Millennial Generation Employees.** Millennial generation in Ukraine (born from 1983 to 2003) was born and grew up under the influence of terrorist attacks, military conflicts, epidemics and the development of digital technologies. And the

process of socialization of this generation and the formation of representatives of this generation as individuals is being completed right now [2].

The study [7] noted that the events currently taking place on the territory of Ukraine have a direct impact on the dominant values and expectations of this Ukrainian Millennial generation.

Millennial generation has a different understanding of purpose and achievement: in most cases, they do not like to start professional growth from lower levels, counting on the fact that they will be promoted in a few years. The main focus of this generation is immediate growth. The same is considered their disadvantage. The representatives of Millennial generation were mainly influenced by the intensive development of ICT and digital technologies, as a result of which one of their main properties is the flexibility of thinking, the ability to quickly gain experience, a strong dependence on digital technologies, a high level of knowledge of modern means of communication, mobility, and friendliness. As a rule, these are easily adaptable energetic people who are able to carry out work of large volumes. They constantly strive for new knowledge, development; they understand that time moves quickly, so they do not want to be a narrow specialist, but develop in different areas at the same time. Representatives of this generation have a rather formal attitude to learning and, as a rule, do not strive to receive a fundamental education. They are able to adapt in a corporate environment, but their work cannot take up all the time. Millennial generation people will always strive to adjust working conditions to suit their lives, preferring flexible hours and remote tasks [5].

Millennials value freedom and are very ambitious. These are modern, free and liberated people, adapted to change, sociable and positive. Their maturation took place during a period of powerful technological progress, they easily master computer technology, communicate easily, and know what virtuality is. They find themselves in creativity, freelancing, are well versed in fashion trends, respect personal independence. Millennials have good learning abilities and choose large companies that are well-known in the market to work. These are good employees, easy-going [3]: they quickly adapt to changes, participate in the corporate life of the company, they are more often sent on business trips and to field events.

Millennials are focused on building a fast and successful career because they want to grow rapidly in a professional way, receiving high fees right away. They can master several pro-

fessions at the same time, study remotely and cover several streams of diverse information. An employee of the Millennial generation will work actively if the enterprise has a clear and interesting organizational culture, the company's missions, values, and traditions of the enterprise are highlighted. Management needs to set specific and clear goals, pointing out the nuances.

**Generation Z.** Generation Z in Ukraine (born from 2003 to 2023) is mostly still children and adolescents, so it is still difficult to fully explore the characteristics of this generation. But it is already clear that these are the children of globalization and the digital society. Their social outlook was influenced by the global financial and economic crisis, the development of mobile technologies and digital technologies. The study [7] noted that the events currently taking place on the territory of Ukraine have a direct impact on the dominant values and expectations of this Ukrainian generation.

Generation Z is distinguished by the absolute absence of a clearly defined life position, which is associated with excessive parental overprotection. Therefore, they are even less independent and more self-oriented than Millennials. Representatives of generation Z are wary of everything unfamiliar, they feel completely free only in a network environment, they are perfectly oriented in artificially simulated situations and experience significant difficulties during teamwork. Representatives of this generation are not independent, they constantly need guardianship and someone to point out what they should do, however, they are quite freedom-loving, it is difficult to force them to do anything, because they will never do what they do not want [5].

Representatives of generation Z are still very young to [3] show their talents and professional power. Technologies and values are changing rapidly, and it is still difficult to say what will be their priority and what will be the next generation

of employees. The predominant qualities of this generation are the desire for constant learning and self-education, creativity. It is assumed that the growing generation will be interested in innovative technologies and science, biomedicine, art, robotics. The main activities of the company, in which the children of the new era will work, will be innovative activities, in the foreground – the promotion of creativity, freedom, and a non-standard approach to completing tasks. Their main motivation is the opportunity to work on important and interesting projects, such as developing a new vaccine or creating unique technologies to solve global problems.

Thus, the Table 1 systematizes the main competitive advantages of representatives of generations X and Millennial, who are currently key employees of Ukrainian companies. The values of the organizational culture are also highlighted, which are important for the representatives of the generation in order to keep the employees in the team and get the maximum result from them.

**Conclusions of the research.** Thus, the authors come to the following conclusions:

1. The main generations that are currently key in the workforce of Ukrainian companies are generation X and Millennial generation, since baby-boomer generation is already at retirement age, and most of the representatives of generation Z are just growing up. Therefore, the management of Ukrainian companies, first of all, needs to adapt the organizational culture specifically for the representatives of these generations.

2. Generation X as a staff is the “golden” group of company’s personnel, while this is the most dynamic group of personnel in the company. At the same time, generation X is ready to engage in self-education and actively develop a career. Representatives of this generation know what difficulties are and are ready to overcome, they are very energetic and responsible.

Table 1

**Organizational culture of a company, taking into account the generational theory**

| Generation            | Organizational culture values that are important for generations                       | Competitive advantages (characteristics) of representatives of the generation   |
|-----------------------|--|---|
| Generation X          | education and knowledge<br>career<br>morality<br>attention to others<br>communications | readiness for continuous learning;<br>having a good base of knowledge and experience;<br>focus on achieving high results in their activities;<br>active involvement in tasks of any orientation |
| Millennial generation | liberty<br>ambition<br>adaptability<br>clarity and specificity<br>positivity           | mastering several professions at the same time;<br>readiness for distance learning remotely;<br>ability to cover and process several streams of diverse information                             |

3. Millennial generation as a company's personnel will work most effectively if the company has a clear organizational culture: the company's mission, values, traditions and norms of behavior are defined. At the same time, this generation is ready to master several professions at the same time and study remotely, and is aimed at building a fast and successful career.

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