

MASTER IN MANAGEMENT PROGRAM

# Generation diversity and its implementation to talent management and firm performance.

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MIM Thesis

Master's Thesis by the 2nd year student  
Feliks V. PODGAINYI

Research advisor:  
Doctor of Economics,  
Associate Professor  
Organizational Organizational Behavior  
and Personnel Management Department  
Marina O. LATUKHA

## АННОТАЦИЯ

Автор	Феликс Владимирович Подгайный
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Описание цели, задач и основных результатов	<p>Талантливым человеком и ценным сотрудником для компании может оказаться представитель любого поколения. Наиболее распространенными практиками для управления талантливыми сотрудниками являются привлечение, развитие и удержание. Данное исследование опирается на доказанное утверждение, что люди (человеческий капитал) важны для организаций и влияют на эффективность компании. Согласно теории поколений каждое поколение имеет свои особенности. Поэтому одним из наиболее важных вопросов является создание комфортных условий и коммуникаций для сотрудников разных поколений. Это исследование дополняет исследования по управлению разнообразием, улучшая понимание масштабов разнообразия и его роли в организационном контексте, а также исследования по управлению талантами, предоставляя знания о роли практик в управлении различными группами талантов поколений. На основе первичных данных полученных от 82 компаний и 476 сотрудников, а также экспертного интервью, были определены основные факторы, которые влияют на практики управления талантливыми сотрудниками, которые учитывают различия в поколениях. Кроме того, была подтверждена положительная связь между разнообразием поколений и эффективностью работы</p>

	компании, а также были выявлены наиболее важные практики управления талантами относительно каждого поколения.
Ключевые слова	Управление талантливыми сотрудниками, возрастное разнообразие

## ABSTRACT

Master Student's Name	Feliks Podgainyi
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Description of the goal, tasks and main results	<p>A representative of any generation may turn out to be a talented person. When staffing a company, it is normal to attract, develop, retain, and motivate talented employees. This study is motivated by the argument that people (human capital) are important to organizations and they affect firm performance and survival. According to the generational theory each generation has its own peculiarities. Therefore, one of the most important issues is to create a comfortable environment and communication channels for employees or team members of different generations. This study supplements diversity management studies by enhancing understanding of the diversity scope and its role in an organizational context and talent management research by providing knowledge about the role of TM practices for managing generational diverse talent groups. Based on primary data collected from 82 companies and 476 employees and an expert interview, the main driving factors that influence generation-focused TM practices were identified.</p>

	Moreover, a positive relationship between generation diversity and firm performance was confirmed and the most important TM practices for employees from each generation were revealed.
Keywords	Talent management, talent attraction, talent development, talent retention, firm performance, generational theory, generational diversity

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## Introduction

**Topicality.** Due to recent socio-cultural and economic trends such as globalization, increased life expectations, ethnic and gender differences of employees at the workplace, business society is turning its attention to the management of different diversity dimensions (Bernard et al., 2019). Taking these trends into consideration, workforces will continue to become more heterogeneous (Mor Barak & Travis 2013). The scientific definition of diversity refers to a range of differences in nationality, age, gender, language, function, ability, religion, and etc. (Anita & Swamy, 2018). Diversity at the workplace additionally covers cultural and intellectual capabilities because such parameters but not only ethnic or demographic diversity can be result in creativity that empowers companies to show better performance (Roberson et al., 2017). It is considered that entities prosper workforce diversity in order to enhance organizational effectiveness according to the 18th Annual Global CEO Survey (PwC, 2015) and Forbes Insights survey (2011). There is also evidence in recent researches that gender-diverse and education-diverse senior management as well as implemented gender diversity human resource (HR) practices positively impacts strategic changes in high-tech firms, which ultimately improves firm performance (del Carmen Triana, Richard & Su, 2019), that gender and ethnic diversity in the board of directors shows a significant positive effect on firm performance in the lodging industry (Song, Yoon & Kang, 2020, Sen & Mukherjee, 2019).

Speaking especially about generational diversity in the workforce, it should be mention that this diversity could be considered as partly “natural”: today we are witnessing a global trend towards an increase in the length of the working period (Polat et al., 2017). On the one hand, the worsening economic situation in the world, which makes people constantly work, and on the other hand, increased life expectancy, which will result in a commensurate increase in retirement age, all these external factors stimulate generational diversity in the workforce.

The potential impact of generation diversity on firm performance should be taken into consideration in a more detailed way due to increased life expectancy from 48 to 74 years for men, and from 51 to almost 80 years for women during 20th century (National Center for Health Statistics, 2004) as well as the retirement of Traditionalists generation and Generation Z appearance on the threshold of employment (Dwivedula et al, 2019). Currently Baby Boomers, Generations X, Y as people with common key life events and demographics that they experience together (Howe & Strauss, 2000; Raines, 2003) form a major part of the workforce (Kilber et al., 2014). However, Generation Z representatives already started to be employed and their impact on HR and TM practices will increase from year to year. It means, that the consecution of four different generations which are heavily tightened by relations and communications at workplaces

is changing. This fact opens the field for further research in order to actualize studies about generational diversity implementation in HR and talent management (TM), as each generation contains a set of features in terms of their attraction, managing, retention, motivation, work environment requirements etc.

**Research gap.** Based on the literature reviewed in this study concerning talent management and generation diversity, several research gaps have been identified.

Previous studies concerning generation diversity impact on firm performance have considered different generations as research samples. Some of the articles cover the TM and HR practices regarding three generations - Baby Boomers, Generation X and Y (Fenzel, 2013; Kilber et al., 2014). More older researchers also consider Traditionalists generation born at 1922-1943 years (Crampton and Hodge, 2007; Parry & Urwin, 2009). Besides, there is a set of articles about TM practices' features and specialties of Generation Z, which has already started to be employed and increase its influence on HR and TM practices from year to year (Dimock, 2019; Dwivedula et al., 2020; Schroth, 2019). It is important to conclude that there is a lack of actualized study about all four generations (Baby Boomers, Generations X, Y and Z) which representatives form almost 100% of the corporate workforce nowadays.

Another gap is connected with TM practices for generation diversity management. The articles about TM practices in managing diversity are mostly focused on ethnic or gender differences of human resources (Song, Yoon & Kang, 2020; Sen & Mukherjee, 2019; del Carmen Triana, Richard & Su, 2019), but not generation ones. In case of generation diversity, there are several studies which analyze the correlation between generation diversity presence and firm performance but do not concentrate specifically on TM practices and do not specify them for different generations at the attracting, managing and retaining stages (Clark, 2017; Wegge & Meyer, 2020; Kamruzzaman, 2020). So, there is a lack of research about effective TM practices for different generations as research subject and factors which affects such practices.

**Research problem.** It is safe to say that a strong influence of generational diversity will be exerted on the formation and management of a pool of talented employees. A representative of any generation may turn out to be a talented person. When staffing a company, it is normal to attract, develop, retain, and motivate talented employees. This study is motivated by the argument that people (human capital) are important to organizations and they affect firm performance and survival (Huggins et al., 2017; Petroulas, Brown & Sundin 2010). Therefore, one of the most important issues is to create a comfortable environment and communication channels for employees or team members of different generations. This study is planning to supplement

diversity management studies by enhancing understanding of the diversity scope and its role in an organizational context and talent management research by providing knowledge about the role of TM practices for managing generational diverse talent groups.

**Research object** of this study is companies with a generation-diverse workforce. **The context** of this research is Russia. **Research subject** is generation diverse TM practices.

**Research goal** of this master thesis is to identify the relationship between generation-diverse TM practices and firm performance. To fulfill this goal, theoretical, methodological and empirical objectives were formulated for this study.

This master thesis consists of introduction, three chapters and conclusion. The structure of the thesis is determined by the set objectives. The work was divided in *three* major stages.

During *the first stage*, the theoretical review was accomplished. Diversity management concepts were studied through an overview of related literature and the link between workforce diversity and firm performance was identified. Moreover, generational theory XYZ was analyzed and the main patterns of different generations' behavior during the working process were found. The academic literature dedicated to talent definition, general concept of talent management and its application to managing generational diverse workforce was also reviewed and analyzed.

*The second stage* was dedicated to the formulation of three research questions based on the literature review:

**RQ1:** What factors influence generation diverse TM practices?

**RQ2:** Is there any relationship between generation diverse TM practice and firm performance?

**RQ3:** What TM practices are considered to be important for different generations?

According to formulated research questions, the research methodology was designed, the questionnaires were developed, the respondents' selection criteria and main channels of questionnaires distribution were determined.

*The third stage* involved data collection and analysis. Additionally, obtained results were analyzed in terms of its theoretical and managerial applicability, implications for the recruitment, development and retention as this is main TM practices were formulated, and major conclusions were defined.



# **CHAPTER 1. THEORETICAL FOUNDATIONS OF GENERATIONAL DIVERSITY AND TALENT MANAGEMENT**

## **1.1. Diversity in an organizational context**

According to the Global Diversity Practice, diversity can be considered as any dimension that can be used to differentiate individuals or groups from one another. The phenomenon in its core refers to factors that makes people different in terms of age, gender, national origin, religion, etc. (Bernard et al., 2019). Each individual in an entity brings not only with a diverse set of work expertise and life experience but also religious, cultural and generational differences. The scientific definition of diversity refers to a range of differences in nationality, age, gender, language, function, ability, religion and etc. (Anita & Swamy, 2018). Diversity at the workplace additionally takes cultural and intellectual capabilities into consideration because it is more than ethnic or demographic diversity to result in creativity that empowers companies to show better performance (Roberson et al., 2017).

In terms of management research, workforce diversity refers to an organizational composition of labor units in the context of demographical and cultural characteristics that can be considered distinctive and symbolically meaningful for group members' relationships at the workplace (DiTomaso & Parks-Yancy, 2014). In management researches, diversity management is considered as the systematic and planned commitment on an organizational structure to hire and retain employees with diverse backgrounds and abilities (Bassett-Jones, 2005). As such activities are mainly functioned through HRM training and development, diversity management can be defined as the aggregate effect of human resource management sub-systems including recruitment, onboarding and employee development, performance evaluation, reward and individual managerial behavior in terms of delivering competitive advantage through leadership and teamwork of different people (Cho et al., 2017).

It can be identified primary and secondary dimensions. Primary dimensions usually determine our basic self-image as well as fundamental narratives (Velasco et al., 2016). This group includes such factors as gender, race, ethnicity, sexual orientation, age, physical abilities and characteristics. These dimensions transfer the most impact on groups in the organization and society overall (Saxena, 2014). Secondary dimensions are less visible than the fundamental characteristics of primary ones. However, secondary dimensions of diversity enrich primary factors and provide a more variable impact on personal identity. Such a dimension group includes geographic location, religion, native language, educational background, family status, work and other activity experience, income, work and communication style, role and level in particular

institutions (Dike, 2013). The secondary dimensions impact our self-esteem and self-definition. It is important to mention that most of the researches on diversity management focus on exactly primary dimensions as a basis.

The diversity nowadays has become a crucial quality factor in the talent acquisition that corporate management must draw on to stay competitive in terms of workforce quality (Hunt et al., 2015). Workforce diversity and inclusiveness is no longer seen as a questionable issue according to 18<sup>th</sup> Annual Global CEO Survey (PwC, 2015). Nowadays this factor becomes one of the core components of competitiveness - most CEOs (77 percent) have or intend to adopt a strategy that promotes it. 64 percent of CEOs had a strategy to promote diversity and inclusion. It is also mentioned in a survey by PwC that the inclusion goes beyond the identification of differences by changing a work environment to eliminate toxicity that will lead to a respected and safe condition for different employees. As a cumulative opinion of most of the CEOs in the survey, diversity and inclusion are essential factors for a healthy enterprise environment because they lead to greater engagement, performance, teamwork, and innovation by workers (PwC, 2015).

According to Forbes Insights survey (2011) among 321 public companies, 85 percent of respondents claim that workforce diversity allows to maintain innovative approach in their business as well as to understand deeply potential customers needs which are the people of different age, gender or race. 75 percent of respondents were going to enlarge their diversity programs in their entities to provide diverse workforce to different business units as well as client service departments to support different client types (Forbes Insights, 2011).

Additionally, the corporate context is also a very important factor of diversity management practices implementation in a particular company. Ravazzani (2016) identified such contextual factors as culture, managerial demography and leadership as avenues for future inquiry. These factors could affect diversity management either positively or negatively.

The negative impact can be observed in more conservative companies with a non-flexible leadership regime and close relationships among managers. Considering this fact, the impact of diversity management policies on family firms' financial performance was investigated by Singal and Gerde (2015). The research was based on the premise that family firms have a unique goal and governance composition that may affect the adoption of such policies. After analyzing data set covering 952 publicly listed enterprises, the empirical results showed that family firms underperform nonfamily firms on diversity performance indicators. However, it was found that the weaker diversity management policies of family firms may contribute to their robust financial performance.

Contrary, McKinsey & Company (2015) conducted research which provides evidence that the diversity management enhances firms' performance. The analysis showed a statistically significant positive relationship between diverse leadership and better financial performance. Nevertheless, this is the correlation, not the causal link, top companies in terms of racial and ethnic diversity are 35 percent more likely to receive financial returns above their national industry median (15 percent for gender diversity leaders). Moreover, a linear relationship between ethnic diversity and firms' better financial performance was found. For every 10% of growth in ethnic diversity on the senior management team level, company EBIT rises 0,8% (McKinsey & Company, 2015).

Another exploratory research of the diverse workforce benefits defined significant symbolic effect of diversity management which positively affects to a company public image and employer brand. However, other effects were not fully confirmed that allows to suggest that diversity is neither a significant asset in terms of firm performance nor a liability but closer to the asset due to symbolic impact (Mazur, 2010). Diverse business unit has the capability to acquire a broader contact network. This fact enables an opportunity to get new information to support a firm's problem solving and increase commitment in conditions of uncertainty (Sastre, 2015). Thus, increased diversity decreases levels of risk aversion and enhance decision-making capability because diversity promotes a more conscious critical evaluation of the firstly offered solution to receive substantial support.

There are also evidences in more recent researches that gender-diverse and education-diverse senior management positively impacts strategic changes in high-tech firms, which ultimately improves firm performance (del Carmen Triana, Richard & Su, 2019), that gender and ethnic diversity in board of directors shows significant positive effect on firm performance in the lodging industry (Song, Yoon & Kang, 2020, Sen & Mukherjee, 2019).

In most of the researchers stated above, the key attention was concentrated on gender and racial diversity or on all dimensions of diversity in managers' perception expressed in consulting reports. However, especially generational diversity which means employing individuals from different generations becomes a challenge for modern HR and talent management due to retirement of Traditionalists generation and Generation Z appearance on the threshold of employment (Fry, 2015; Dwivedula et al, 2019). Moreover, nowadays there are four different generations which are heavily tightened by relations and communications at workplaces. Besides, several generations involved in value creation within one workplace may also have a positive impact on firm performance. In order to continue the analysis, generational diversity is studied broadly below.

## 1.2. Studies about generations

To research generation diversity and define generation differences it is necessary to specify generation definition. Basically, a generation is a cohort of people born between certain years (Parry & Urwin, 2009). Broadly, it can be recognized as an identifiable group of people that shares close birth dates and significant life events that occurred in key stages of their lives (Kupperschmidt, 2000). Generation can be characterized by both common key life events and demographics that they experience together (Howe & Strauss, 2000; Raines, 2003). Howe and Strauss (2000) defined generation as population of all people who were born in a 20 years period of time or who share certain life phase: childhood, youth, middle age and old age. The researches propose three criteria for a generation identification:

- People who share the same historical era. Individuals of one generation are faced with the same key historical events and social trends, being in the same phases of life;
- Share certain common beliefs and behaviors;
- Share a sense of belonging to some generation, knowing about the experience and characteristics that they share with their same-age peers.

The phenomenon that certain age group experience common history events results in a collective mindset. So, the common cultural experience is dictated by the time frame in which individuals were born (Campbell et al.,2015). The common experience during individuals' formative years determines the distinctive characters of each generation (Lancaster & Stillman, 2002).

One of the key researches of the generational phenomenon was conducted by Howe and Strauss (2000) who introduced the idea about the characteristics and differences of people of different age categories. They created a theory that was based on differences in people's values of different generations, and this theory nowadays serves as a base for contemporary researches. These differences and the reasons for their occurrence were studied, and as a result of the studies it was concluded that the formation of the basic common values of a generation is affected not so much by age as by the current situation in the economy and politics, the level of technological development of society as a whole and other factors. These factors are key points which distinguish different generations (Parry & Urwin, 2009). One of the evidences of technological development influence on generational self-identification is a wide range of additional skills required for most jobs since the 1980s as a result of tech progress. So, the key distinction between several generations is the obtainment of computer usage skill required at the workplace.

The age difference at the workplace is a constant characteristic for economic activities of all times and there were also generational differentiations in the past (Howe and Strauss, 2000). However, studying modern generational diversity at a workplace it is necessary to consider not only age-related differences of the employees, but also specific generations and their features which make impact on workplaces.

Going further, the subjects of the generational diversity at the workplace nowadays should be specified. In other words, it is necessary to answer what generations are actively involved in value creation process at the workplace and how they can be characterized. Howe and Strauss's (2000) generational theory includes four main components of modern generations: baby boomers, generations X, Y, and Z. In earlier researches written in 1990s and 2000s Generations Z was defined as people who were born after 2003-2004 (Howe and Strauss, 2000; Clausing, et al., 2003). However, in recent researches Generation Z are defined as individuals who were born since 1995-1997 (McCrindle 2014; Seemiller and Grace 2016; Dimock, 2019).

In addition, some previous researches about generational impact at the workplace have considered different generations as research samples. Some of them studied only Baby Boomers, Generation X and Y (Fenzel, 2013; Kilber et al., 2014). Other researches included Traditionalists or Silent Generation who was born during years 1922 through 1943 (Crampton and Hodge, 2007; Parry & Urwin, 2009). Nowadays, the workplaces are generally formed from three prevailing generations – Baby Boomers, Generations X and Y (Kilber et al., 2014) which allows us to exclude Traditionalists generation (individuals who were born during years 1922 through 1943). Besides, most of Traditionalists generation representatives are retired and do not make significant impact on corporate workplaces (Fry, 2015). On the contrary, Generation Z should be included into analysis due to increasing economic activity of this group. Generation Z representatives already started to be employed and their impact on HR and TM practices will increase from year to year. There is a set of researches which identifies and projects generational features of Generation Z at the workplace (Dimock, 2019; Dwivedula et al., 2020; Schroth, 2019).

To sum up, the generational components of this study include four generations which currently have a main impact on corporate workplaces: Baby Boomers, Generations X, Y and Z. Summarizing the basic characteristics of these groups in the researches mentioned above, the detailed description of each generation is presented in *Table 1*.

Table 1. Description of different generations: Baby Boomers, X, Y, Z.

	<i>Baby Boomers</i>	<i>Generation X</i>	<i>Generation Y (Millenials)</i>	<i>Generation Z</i>
<b>Date of birth (approximately)</b>	1946-1964	1965-1980	1981-1996	1996-2014
<b>Value Generating Events for Western people</b>	The Cold War, Apollo Moon landings, Youth culture, Woodstock.	Continuation of the Cold War, The fall of Berlin Wall, Live Aid, Early mobile technology.	Terrorist attacks, Invasion of Iraq, Google Earth, Social media development.	Global warming, Energy crisis, Arab spring, Cloud computing, Mobile devices active usage.
<b>Value Generating Events for Russian (USSR) people (Brazhnikov, 2016)</b>	The end of the Second World War, the Soviet Thaw, space exploration, the USSR - a world superpower, the Cold War, the first plastic surgeries and the creation of birth control pills,	Continuation of the Cold War, Perestroika, the war in Afghanistan.	The collapse of the USSR, terrorist attacks and military conflicts, the SARS, the development of digital technology, mobile phones and the Internet, the Chechen campaigns.	

	uniform standards for teaching in schools and guaranteed medical care, rock music.			
<b>Common values (Beutell &amp; Wittig-Berman, 2008)</b>	Optimism, interest in awards, team spirit, cult of youth, health, loyalty, respect for positions and status.	Willingness to change, choice, technical literacy, individualism, desire to learn throughout life, pragmatism, self-reliance, gender equality.	Self-confidence, diversity, immediate reward, civic duty, naivety, work-life balance, teamwork, the usage of modern technologies.	Self-confidence, diversity, virtual communication, work-life balance, team work.
<b>Aspiration</b>	Job security	Work-life balance	Freedom and flexibility	Security and stability
<b>Attitude towards technology</b>	Early IT adaptors	Digital Immigrants	Digital natives	Entirely dependent on IT

Thus, representatives of each generation have their own peculiarities of worldview. Obviously, the personality structure is formed under the influence of various factors: family, society, environment, profession. Nevertheless, people of the same generation are united by some fundamental features. Generational values are formed under the influence of the largest, most significant events in the country and the world, under the influence of the media, the educational system adopted in society and other factors. It is also important to consider a lag between generations in different countries, when people who were born at the same time period are considering themselves as representatives of different generations (Parry & Urwin, 2009). Typically, the size of such gaps may be 5-10 years depending on a country's economic, political,

social and technological performance. Such gap can be even wider when we compare representatives from developed and developing countries.

As for the value of generation theory for management, understanding the needs and way of thinking of different generations significantly increases the potential of building effective HR practices in an entity. Moreover, it can be useful to create a strong employer brand that will be attractive and stand out in the market.

### **1.3. Generational diversity and its management**

Previously, basic information about considered generations was structured in the table. Concerning generational diversity management, characteristics of each generation representatives at the workplace which are broadly studied in scientific articles should be specified.

The term Baby Boomers arose from sharply increased birth rates after World War Second and till 1964. This generation' representatives demonstrate fewer job mobility behavior and more examples of compliance-related behaviors in comparison with than Generation X and Y (Becton et al, 2014). Indeed, one of the Baby Boomers characteristics is loyalty to employers and a major part of this group has work experience only in one company during entire life (Hoole et al, 2015). Tolbize (2008) noted solid work ethics, task-focused and hardworking attitude. Baby Boomers are often considered as workaholics due to strong belief that hard work is the price for success. They are also liberal, avoid conflicts and hold such values as personal growth, job security and personal satisfaction (Tolbize, 2008). As they usually are the oldest employees in many entities and are used to work hard, they highly appreciate different forms of volunteering to continue their contribution at the workplace (Kampf et al, 2017). Moreover, they are tending to work in cooperation with other employees and respect higher status and positions of their managers.

Generation X is currently one of the largest part of employment statistics. One of the main characteristics of them are self-reliance and independence (Chen & Choi, 2008). They witnessed high unemployment rates and family relocations which determined these characteristics (Beutell & Wittig-Berman, 2008). Generation X representatives maximize their personal goals and evaluate higher than employers goals (Johnson & Johnson, 2010; Bennett, Pitt & Price, 2012) and in general are pessimistic about their corporate authorities (Wong et al, 2008). This factor leads to higher favor of work-life balance at the workplace. They are not so loyal to employers as Baby Boomers (Chen & Choi, 2008). Generation X highly evaluates workplaces with limited supervision and informal work environment as well as resist micromanagement (Hannay & Fretwell, 2011). As for



career goals, Generation X representatives try to achieve rapid advancement in an organization and to receive fast results recognition (Wey Smola & Sutton, 2002).

Generation Y grew up at the time of massive social, cultural and technological changes which determines their preferences, values and attitude at a workplace (Coombes, 2009). Members of this generation can be characterized as team players who obtained a solid sense of group formation. However, they favor work-life balance even more than Generation X and have even less loyalty to employers (Hoole et al, 2015). Millennials have experienced the most significant technological and communication development. As a result, they currently are the most technologically skilled employees after Generation Z representatives (Srivastava et al., 2015) and at the same time the most demanding, self-confident and educated to date (Tolbize, 2008). Maximalism is a common feature of the Generation Y which is characterized in such slogans as “want everything” and “want it right now” concerning their wide range of priorities: perfect salary, work-life balance, rapid career advancement and other benefits (Parry & Urwin, 2019). However, meaningful and fulfilling job content that benefits society is more valuable for them than monetary motivation (Du Plessis et al., 2015). Besides, Generation Y may expect extra social opportunities from employers to be offered, for example sport events, master classes and other corporate events (Parry & Urwin, 2009).

The core competitive advantage of Generation Z is the entire involvement in a digital sphere. According to the Institute for Emerging Issues (2012), the Generation Z representatives are the most ethnically diverse and technology sophisticated individuals. Concerning working patterns and motivation, Generation Z is considered less money motivated than Generation Y as well as more entrepreneurial (Schawbel, 2014; Fratriciova & Kirchmayer, 2018). Findings made by Fratriciova and Kirchmayer (2018) allows to consider Generation Z as:

- More impatient, instant minded and acquired deficit of attention due to high dependency on technological instruments;
- Experience lack of the ambitions of the previous generations;
- Other characteristics: individualistic, self-directed, more materialistic and demanding.

They also are more environmentally concerned (Singh & Dangmei, 2016) which may affect their employer’s preferences. According to Gaidhani and his colleagues (2019) there are several critical features of Generation Z at a workplace:

- Career goals. Trying to diversificate their competences by building several parallel careers and work on several jobs at the same time.

- Work environment. Office is more preferable as they value personal communication. In case of the home office, they are seeking a flexible schedule.
- Technology. As the most progressive generation, they utilize instruments to create their own versions of documentation and databases, actively use web research.
- Retention. Generation Z highly evaluate personal relationships with co-workers and managers, so the communication factor within a workplace is very important instrument for their retention.
- Managing. Generation Z are seeking constant feedback about their performance to maintain self-esteem and make conclusions about their performance to change it, if it's needed.
- Attire. As an informal Generation, they do not encourage formal style and usually wear whatever to feel comfortable.

However, some generations have several similarities in workplace perception which is covered by Parry & Urwin (2009) in their comparative analysis. Money is one of the key motives to work for all generations. However, the importance of this factor differs. For example, Generations X and Y place particular emphasis on work-life balance, while the financial reward is a point of high importance for Baby Boomers as they are close to retirement and need pension provisions. Concerning training and additional education at a workplace, Generations X and Y are highly focused on skills development and prefer to study independently using the Internet and other technological capabilities while Baby Boomers prefer more traditional collective training in classrooms and paper-based materials. Regarding retention of employees from different generations, Baby Boomers tend to consider their jobs as constant life experience while other Generations consider their jobs more as an opportunity for marketable skills' development and tend to change the employer or even career path more frequently. Concerning recognition of their results, Baby Boomers expect to receive it not only for performance but also for the hours they work, while Generation X and Y are seeking immediate and frequent feedback after results achievement. Generation Z is more concentrated on constant character of the feedback.

To sum up, each Generation contains a set of peculiarities which should be taken into consideration by human resource and talent management in order to correspond expectations of each generational workforce group (Angeline, 2011). Nowadays the shift in generational diversity at workplaces may be observed when Traditionalists are mostly retired, and a group of older employees mostly is formed of Baby Boomers generation whereas the new youngest Generation

Z employees enters the labor market. This is the research gap of this study as there is no complex research about the generational diversity impact of these specific Generations (Baby Boomers, X, Y and Z) on firm performance. Nevertheless, understanding how it will be willing to perform during the shift and how this shift will influence firms' performance is a key point for corporate HR management.

#### **1.4. Talent management for generations**

##### *Talent and talent management definitions*

Many authors accentuate that talent definition should be the first step to create effective TM practices within an organization (Tansley, 2011; Nijs et al., 2014). However, the analysis of academic literature shows that at the moment there is no single definition of talent; in addition, a number of sources use other terms than talent, which refers to similar categories of employees. Moreover, some authors characterize talent as a person while others attribute this concept rather to personality characteristics (Davies, 2010). Thus, the approaches to define talent are usually divided into two general categories: object and subject. The object approach defines talent as a personality trait; in the framework of this approach, additional subcategories are distinguished, namely, the understanding of talent 1) *as a natural ability* (Davies, 2010); 2) *as a skill* (Ericsson, Prietula & Cokely, 2007; Pfeffer & Sutton, 2006); 3) *as an involvement* (Pruis, 2011); 4) and *as a compliance* (Pfeffer, 2001). In the case of the subject approach when the talent is characterized *as a person*, inclusive and exclusive approaches are considered. An inclusive approach involves the application of the concept of talent to all employees of the company, including potential (Leigh, 2009), while in terms of the exclusive approach a certain group of employees is distinguished, such as: employees who demonstrate the highest results (Smart, 2005) or with great potential (Morley et al., 2015).

The variability of "talent" definitions significantly limits the formation of a single approach to managing talented employees. It is possible to highlight the following trends in approaches to the definition of talent:

- 1) *Talent as giftedness*. In this case talent is perceived as a natural gift and quick wit, outstanding ability and genius (Latukha, 2014). Talent is constant and unique, it is given from birth, and the knowledge and skills that a person possesses thanks to him cannot be acquired without him (Ulrich & Smallwood, 2012).

- 2) Talent *as specific knowledge* and valuable skills that are necessary for any organization. Talent is the ability that can be developed with the acquisition of experience and skills (Lewis & Heckman, 2006).

Sometimes the first and second approaches are combined: talent is the sum of human abilities, skills, knowledge, experience, mental abilities, judgments, character and assertiveness, his or her ability to learn and grow (Boudreau & Ramstad, 2005).

- 3) Talent *as a performance*, which means that a person due to his abilities can achieve outstanding results. Within the framework of this approach, it is more relevant to characterize the process of managing talented employees that it is people who play a key role in achieving the company success and occupy leading positions due to their abilities and effectiveness (Hilton, 2000).

According to the McKinsey research (2019), talent employees are 10-20% of employees that are most valuable to the company. Following the report, in any company, 20% of employees bring 80% of the result. It is important to retain these 20% of employees belonging to category "A" in the company and give them greater responsibility and greater autonomy. Category "B" includes 64% of employees, "average performers", but their contribution to the company is 16%. The last category "C" is represented by 16% of employees who bring only 4% of the result (McKinsey, 2019).

- 4) Talent *as a potential*, which means that a talented employee has the potential for further advancement in the company and potential leaders are future-oriented (Collings & Mellahi, 2009). Talent is a strategic balance between performance and potential (Cappelli & Keller, 2014). In other words, talented employees are people who regularly demonstrate their outstanding abilities, achievements and opportunities for further development.

In the present paper the following definition of talented employees will be taken as the most capacious one: talented employees are those employees who make the greatest contribution to the creation of company value by 1) demonstrating extremely high labor results, 2) applying knowledge, skills and abilities corresponding to the current and future needs of the company, 3) possessing the high potential for professional development and growth.

As for TM concept, four approaches can be distinguished. Within the first approach talent and human resource management are similar concepts (e.g. Cappelli, 2008). Hence such perception leads to the fact that the researches based on this approach concentrate only on some separate HR practices, such as attraction and recruitment, leadership development, career planning, etc. Second group of authors (e.g. Lewis & Heckman, 2006) tend to consider creation and development of pools of talents as more important issue. That is why they concentrate more

on determination of employees' needs and their satisfaction as well as on management of their career progression. The representatives of the third approach (e.g. Heinen & O'Neill, 2004) concentrate their studies on managing specific talented employees.

The last approach (Collings & Mellahi, 2009) can be defined as currently the most popular one as it mostly combines all the above-mentioned ones. It implies the necessity of concentration on the determination of certain employees, whose contribution for company can be evaluated as highly effective and the formation of employees' talent pool with high productivity and potential. Moreover, the development of TM practices is aimed to maintain the sustainability of effectiveness working of such employees is also an important issue in the opinion of the authors.

It should be mentioned that contemporary world's leading companies tend to introduce different creative management methods as it contributes to the innovative development of the company. The winning position is occupied by the companies, directing their main investments in key employees, in order to create conditions that would reveal their talent (Thunnissen, 2016). The main issue of talent management is that this process is a complex and requires a large investment of resources while there is still no unique mechanism for its formulation and application.

Diverse and inclusive workforce remains a valuable resource for many organizations during last decades. TM specialists were focusing on recruitment and retention of employees balancing them by gender, race, ethnicity and other diversity dimensions. There is an increasing demand in the workforce today to add multigenerational diversity to this mix as it may have a positive effect on company performance due to the combination of talents and strengths of each generation (Bursch & Kelly, 2014). The importance and specific practices of managing talented employees from different generations are discussed further.

#### *Talent management of generational diversity*

According to Rudolph and his colleagues (2015), age bias appears because the information about how to manage generational diverse workforce is not widely distributed among recruiters. Kirton (2014) claimed that only 30 percent of companies have a strategy for managing their aging workforce. Also, there is an opinion that the majority of organizations perceive generational diversity as inevitable fact and do not consider the necessity to manage it (Rudolph, Baltes & Toomay, 2015). However, the majority of researches in TM field state that proactive management of generational diversity will definitely make the company more effective and successful in terms of performance (Nwosu, Igwe & Nnadozie, 2016; Parry & Urwin, 2009; Boehm et al., 2014). Many of present researches reveal that companies that do not address the generational differences

have a tendency of being less efficient, with higher turnover rates (Lewis & Wescott, 2017; Al-Asfour & Lettau, 2014).

Boehm and his colleagues (2014) stated as one of the main factors of effective joint work of different age groups representatives an organization-wide age-diversity climate. The authors proved by their research that age-inclusive HR practices positively affect an organization development. As for certain HR practices which could be useful to maintain the effectiveness in the workplace with age-diverse employees they highlighted recruitment process without age bias, equal access to education and development for all generations and age-inclusive corporate culture (Boehm, Kunze & Bruch, 2014). Thus, HR and TM professionals should consider the differences while focusing on the similarities of each generation when creating the strategy to attract, develop and retain employees from different generations (Bursch, 2014).

The idea that the company' organizational structure and benefits for employees should be equally attractive for all age groups was developed by Smith (2008). The author put forward a hypothesis that difference in approach to choose the job between generations is that they have different values and therefore prioritize the importance of certain working conditions and benefits in different ways, but in fact they are looking for similar working conditions and benefits. To summarize his approach, Smith highlighted six candidate's values which may be important for any generation in different order: to be respected by company and colleagues, to be recognized for accomplishments (both monetarily and non-monetarily), to be remembered, to be coached and to be consulted on actions that may affect working conditions (Smith, 2008). Thus, it is important to understand that it is impossible to find a universal approach for all generations. Organizations must be flexible, responsive to changing needs, and devise innovative ways of attraction, development and retention of talents. In addition, approaches to representatives of different generations should be personified. To provide with an enhanced understanding of ways to build an effective TM strategy to work with different generations, ***the first research question was formulated: What factors influence generation diverse TM practices?***

#### *Managing generations for firm performance*

People from different generations have different values, attitudes, behavior, professional orientation and motivation. Thus, the management of multigenerational teams requires understanding and the ability to build interaction between employees. The presence of several generations at a workplace and its interconnection with the company entity performance should be also identified.

Although some authors concluded that generation diversity has a negative effect on company performance (e.g. Jackson, 1996; Tsui, Egan, & Xin, 1995 – it can be seen that these papers are not new ones), nowadays the majority of authors consider that generation diversity may influence positively on the performance (Wegge & Meyer, 2020). According to Wegge and Meyer (2020), the presence of generation diversity significantly increases the team's effectiveness especially in case of working on complex decision tasks. Grund and Westergård-Nielsen (2008) also found a positive correlation between generation diversity presence at the workplaces and company performance. Moreover, they noticed that older employees are more valued in such characteristics as know-how, working morale and awareness for quality. In contrast, younger employees have advantages concerning ability and willingness to learn and physical resilience.

There are more recent researches which note a positive influence of generational diversity at workplaces at specific industries. Concerning healthcare organizations, generational diversity at a workplace can enhance teamwork and improve patient care (Clark, 2017). Besides, the intergenerational workforce positively impacts the hospitality industry where human dependency and employee sensitivity are pivotal to operational success (Kamruzzaman, 2020). It is noted that generational diversity in the industry may improve client services by enhancing the managers' understanding of the different generation consumer needs in a more enriching way. Moreover, employment of individuals from different generations and age-inclusive HR practices positively affects SMEs' performance as well as employees' collective turnover intentions according to the research (Boehm et al., 2014).

It is possible to conclude that generational diversity may positively influence firm performance. However, HR and TM practices also play a crucial role to efficiently form and manage such diversity in order to reach a positive impact. The majority of authors emphasize the topicality of working out some specific practices to maintain a positive climate in multi-generation collectives (Pugh et al., 2008). Some authors highlight that it is also important to understand potential risk that can appear in the intergenerational team (Murphy & Gibson, 2010). Among them can be distinguished such risks as lack of mutual understanding, different working styles, communication gaps.

Thus, maintaining generational diversity in the workplace may be a challenging path for both employers and employees. However, the strong competitive advantage is hidden in this challenge for entities that are planning to establish an intergenerational approach, that is why progressive companies already understand the importance of developing and implementing TM practices in order to attract, develop, motivate and retain multigenerational workforce within the company.

To verify this, ***the second research question was formulated for the present study: Is there any relationship between generation diverse TM practice and firm performance?***

### *Talent management practices for different generations*

In contemporary literature it is customary to distinguish three main categories of practices: attraction, development and retention of talented employees (Tarique and Schuler, 2010).

#### *Talent attraction*

The TM system begins with the attraction of specialists with high potential. For this purpose, HR department has to master and apply HR marketing tools. The importance of company brand and reputation for employees was proved by several authors (e.g. Vaiman, Scullion & Collings, 2012). Some authors consider that the overall attractiveness of the company is also significant (e.g. Chapman et al., 2005).

#### *Talent development*

It is important to use not only initial skills which the specialist of the company has been endowed with, but also to develop his abilities in the right direction in order to achieve better results and greater profit. It can be useful to retain specialists in the company, motivate them and also develop a career development plan. In addition, caring for talented employees also creates the image of an organization that invests in its team. Garavan and his colleagues (2012) defined four types of programs that a company may implement in order to develop its talents: formal programs; relationship based developmental experiences; job-based developmental experiences; informal/non-formal developmental activities. Moreover, some authors divide talent programs by exclusive (high-profile programs tailored to an elite group) and inclusive (learning opportunities to the whole workforce) (Stahl et al., 2007; Collings and Mellahi, 2009).

#### *Talent retention*

This practice is aimed to prevent employee turnover, as it is expensive, and to motivate top performers who actually drive business performance to stay working in the company. Thus, the key issue here is to implement practices which could increase employee's involvement in company's activities. Traditionally, retention practices for talented employees include performance management and reward systems (DeTuncq, Schmidt, 2013; Stahl et al., 2012). Lockwood (2006) also discusses the significance of cultural and national characteristics of the country for which the methods of talent retention are developed. For instance, Varlamova (2004) claims that social package and high salary are the most important points for Russian employees.



Many authors state that the attraction of diverse workforce and the creation of a balance in terms of employees' age in working teams is one of the major issues for contemporary talent management (Bohm et al., 2013). As for recruitment process Parry and Urwin (2009) highlighted two crucial points. The first one is to apply a wide range of recruitment channels for candidates' selection. For example, generations Y and Z prefer to use social media for job searching and desire to use social media networks in the future workplace to communication issues (Leidner et al., 2010). The second point is to create a company brand which could be attractive for all generations. As an example, Baby Boomers might positively react to mentions of company's industry awards or other successes while Millennials would care more about personal development opportunities and social responsibility (Stewart et al., 2017). Speaking about company brand and image for potential candidates the optimal option is to create an organizational structure which allows to choose different career tracks and promote this among potential candidates (Parry & Urwin, 2009). For young generations this will be valuable because they will have an opportunity to understand entering the company their career development options. As for older generations, especially Baby Boomers, it will mean for them that the company is ageing friendly (Bohm et al., 2013). According to Rudolph and his colleagues (2018), successful ageing in the work context means that older employees are still able to maintain the desirable level of social and material well-being and at the same time keeping up the required level of productivity.

Retention of the talented employees in multigenerational workforce may be also challenging. According to Du Plessis and his colleagues (2015) generations Y and Z are less inclined to continuous work within the same organization than older generations. A possible reason for this can be the fact that people from these young generations are more focused on their private life that is why changing working places is not a problem for them (Crumpacker, 2007). Hartman and McCambridge (2011) noted that among the young generations there is a high degree of ambition and rapid career growth, so if they do not see career opportunities within the company, they prefer to change it. Festing and Schafer (2014) also argued that younger generations do have ambitious goals and quickly absorb information. Accordingly, this leads to fast career growth and talent management especially for retaining these individuals becomes more crucial than is the case for the Baby Boomer generation (Festing & Schafer, 2014). A study by Barkhuizen (2014) showed that career development opportunities within the company increases the chances to retain generation Y employees in the workplace. Dawley and his colleagues (2008) assumed that if companies give an understanding to their employees about their value and provide high levels of support, it allows to decline a turnover among young generations. The employee's responsiveness to such actions on the part of the company can lead to higher organizational commitment and loyalty.

Moreover, in a number of studies it was mentioned that mentoring could be effective practice to develop and retain Generation Y representatives (Stahno & Yang, 2014; Holt et al., 2012). At the same time, providing an opportunity to be a mentor can help to retain employees of older generations, according to other studies (Bohm et al., 2013; Bursch, 2014). Thus, mentoring as a part of TM seems to be effective to retain employees.

Speaking about Baby Boomers' retention in particular, the majority of researches reveal that good practices for companies may become providing the flexibility of organizing work, permitting a part-time work, creating an enabling environment and using recognition systems to motivate them to stay working in the organization (Armstrong-Stassen & Ursel, 2009).

Additionally, the company should encourage communication between different generations of employees as well as integrate teambuilding practices. It is important to understand the differences between their approaches to work and the importance of digital reality for each segment of employees. This can help to build respect and improve communication within individual groups (Mehra & Nickerson, 2019). Vargas-Hernández and Rodriguez (2013) also highlighted that business leaders at all levels should be flexible in their management styles.

To summarize, the majority of contemporary researches reveal that issues related to managing talents from different generations are necessary to be carefully analyzed in order to develop effective TM practices which will enable to attract, motivate and retain multigenerational workforce. In order to achieve this balance, the companies should build such organizational structure which would consider values of each generation. Thus, ***the third research question was formulated: What TM practices are considered to be important for different generations?***

Despite the fact that generations differ in many respects among themselves, the similarities could be also found, and it is worth starting from them. For example, a flexible working schedule or extra day-offs could attract Baby Boomers as well as younger generation while the reason for this could be different (Stewart et al., 2017). Clear education process is also an important element of TM especially in multigenerational workforce (Lowell & Morris, 2019). Providing a wide range of opportunities that will be convenient and interesting for all employees will bring the desired result for the company development.

Analyzing the mentioned researches in the field of generational diversity and TM practices, the following conclusions can be drawn. Concerning Baby Boomers, it is important to consider that representatives of this generation value personal and professional development. That is why a company should provide them opportunities to pump their skills in leadership as well as mentoring and coaching. In order to develop effective TM strategies for generation X, the company

should provide the prospect of stable professional growth and the right motivation (monetary as well as non-monetary rewards). Speaking about generation Y, here the main value may be interesting corporate culture and clear company's vision and mission. The youngest generation Z do expect not only a good salary and job stability, but also a clear career plan. A special attention should be paid this generation, since it differs in many ways in its approaches to work due to the fact that people of this generation were born in the digital era.

Thus, a major part of researches reveal that it is still hard to create universal HR and TM practices for motivation and retention of multigenerational workforce (Parry & Urwin, 2009; Bohm et al., 2013; Festing & Schafer, 2014). Each company represents a unique set of key factors and features that should be taken into consideration in this process. However, understanding and knowledge of the main differences and specifics of each generation can significantly help both in finding and attracting talents, and in the process of forming a successful team which allow for company to achieve the high-performance results.

The present research is aimed to prove the statement that employers should identify the separate characteristics of each generation which is present in their workplace. Further, employers should foster a work environment that aids productivity for every generation; they must give their employees the information and skills needed to understand the generational characteristics of their co-workers to create understanding among employees. Moreover, including mentor programs, generational diversity training, and enhanced communication methods designed to cater to each generation's preferences seems to be important part to attract, develop and retain talents.

After the literature review it can be considered that there is no enough evidence of generation diversity factor impact on firm performance as majority of current studies are concentrated on gender and racial diversity dimensions, while studies dedicated to generational diversities mostly provide analysis of generation's differences or chaotic recommendations for managing and retaining talented employees in multigenerational workforce conditions. Nevertheless, the formulation of certain TM practices which could be distributed and unified in various companies has high practical value for the contemporary business environment. Taking this fact into consideration, the research gap for the study was defined and it was decided to focus on generational diversity dimension impact on firms' performance and figure out the role of TM practices and the factors which influence these practices.

## Summary of Chapter 1

In this chapter theoretical foundations of diversity and generational diversity in particular as well as diversity and talent management were reviewed.

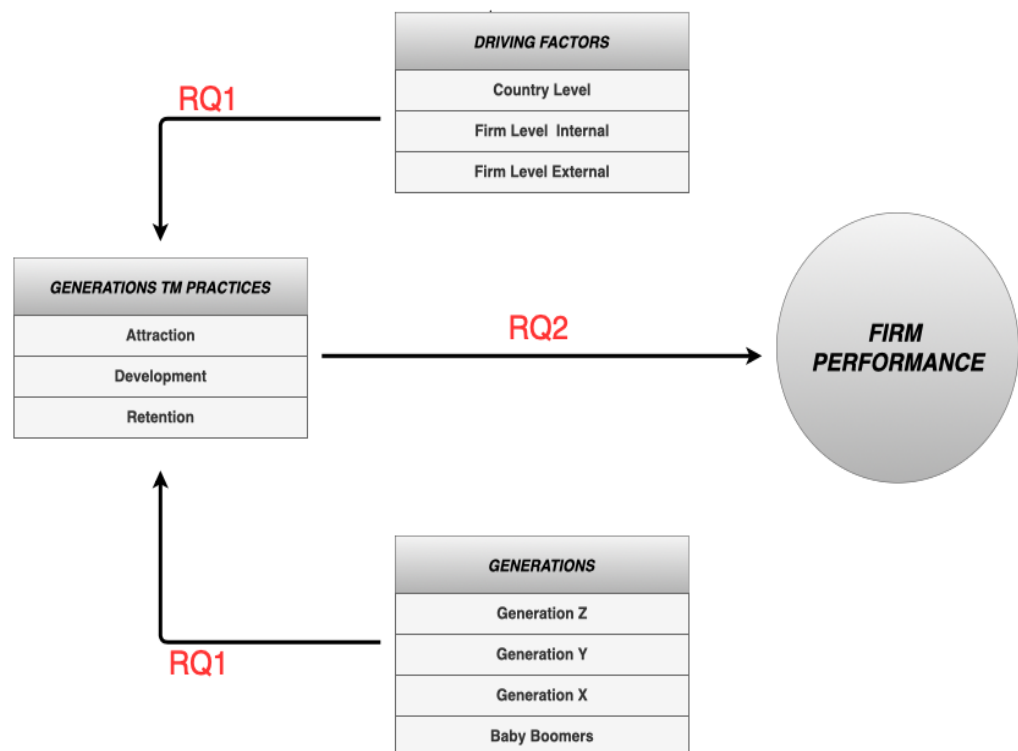
The diversity related articles' overview showed that the diversity and inclusion is one of the straightforward trends in modern managerial practice. It was noted that diversity factors are taken into consideration during the corporate decision-making process in case of human resource management. More diverse business unit enhance the innovative approach and creativity in organization as well as growth of financial performance and several additional benefits (Singal and Gerde, 2015; Sastre, 2015). As corporations enlarge their diversity programs, the TM practices are involved in recruiting and retention of employees with different diversity dimensions such as geographic location, race, language and age. However, the most investigated of diversity dimensions now are those related to gender and race diversity and it was noted that generational diversity impact on companies is significantly less researched.

Nevertheless, the generational diversity dimension importance has been increased dramatically during the last decade and managing multigenerational workforces became a challenge for human resource management. Nowadays there are four different generations presented in modern organizations: Baby Boomers, Generations X, Y and Z, which are heavily tightened by relations and communications at workplaces. Therefore, the features of each generation were considered in the second sub-chapter. First, generational theory XYZ introduced by Howe and Strauss (1991) about the characteristics and differences of people of different age categories was observed. It was concluded that generational values are formed under the influence of the largest, most significant events in the country and the world, under the influence of the media, the educational system adopted in society and other factors. The literature review of researches dedicated to generational dimensions showed the value of generation theory for management. Thus, understanding the needs and the way of thinking of different generations could significantly increase the potential of building the effective HR and TM practices in an entity.

Second, the features of each generation in relation to work were considered. It was noticed that each generation contains a set of peculiarities which should be taken into account by human resource and talent management in order to correspond expectations of each generational workforce group. The majority of authors emphasized the topicality of working out some specific practices to maintain the positive climate in multi-generation collectives (Pugh, Dietz, Brief, & Wiley, 2008). Thus, maintaining generational diversity in the workplace may be challenging path for both employers and employees. However, the strong competitive advantage is hidden in this

challenge for entities which are planning to establish the intergenerational approach, that is why progressive companies already understand the importance of developing and implementing TM practices in order to attract, develop, motivate and retain multigenerational workforce within the company. As for the certain practices to manage generational diversity (including attraction, retention and development) a major part of authors highlighted recruitment process without age bias, equal access to education and development for all generations and age-inclusive corporate culture.

Figure 1. Model for the empirical research



## CHAPTER 2. RESEARCH METHODOLOGY

This chapter describes the methodology that was used in this master thesis. The main goal of this study was to identify the relationship between generation-diverse TM practices and firm performance, therefore the explanatory type of the research was approached. The research is based on a mixed-method research. Data collection instruments and overall processes are indicated. Moreover, this chapter provides the questionnaire design and characterizes the major variables used in this research. The aim of this chapter is to provide information to the reader to exactly replicate the process of data collection and analysis to assure the transparency of the progress.

This empirical study is aimed at fulfilling several objectives. First, factors that influence generation diverse TM practices should be determined (*RQ1*). Second, the presence of a relationship between generation diverse TM practice and firm performance proposed earlier in theoretical section based on a literature review should be examined (*RQ2*). Finally, it is important to understand which specific TM practices are valuable for different generations (*RQ3*).

The research process was conducted in *three stages*. The first stage was qualitative study. In order to determine driving factors that influence generation diverse TM practices and to enhance understanding of managing generational diversity in practice interview with HR expert was conducted. The second and third stage were quantitative study, the methodology of questionnaire was applied to answer for the questions *RQ2* and *RQ3*. The respondents were HR directors from 82 different companies were surveyed to examine the relationship between generation diverse TM practice and firm performance and 476 employees from 4 different generations were surveyed to identify which specific TM practices are valuable for different generations. Both surveys were conducted in an online format. Both questionnaires were compiled on the basis of the literature review and included all theoretical aspects that required confirmation in practice.

### 2.1. Stage One. Qualitative study

The main purpose of the expert interview was to check if there are cases of generational diversity management in companies operating in the Russian market. Moreover, the goal was to understand the importance and the necessity of managing generational diversity and find out what practices are applied currently in companies operating in the Russian market.

The interview consisted of 27 open questions. First questions were introductory about respondent's profile (gender, age and current position in the company) and company' profile (size, availability of diversity management practices and distribution of employees by different generations). The main block of questions related to contemporary generational diversity

management and TM practices. This block included questions about respondent's and company's understanding of generation diversity definition and specific differences between generations; what difficulties people from different generations may face in an organization context; the discussion about the necessity of specific practices and which practices are implemented in company where respondent works. Moreover, the respondent was asked to give an example of how generation diversity is managed in the company he or she works (in recruitment/trainings and development/motivation/compensation). The complete list of questions is presented in the Appendix.

The interview was conducted with an expert who works as HR and TM managers for more than 5 years. The current position of respondent is an HR business partner in a multinational FMSG company in the local office in Russia.

The information obtained from the interview with an expert was well correlated with the information that was obtained by analyzing the literature review. Moreover, it made possible to validate the factors that influence generation diverse TM practices and verify them in a larger sample of respondents using quantitative research in the next stage.

## **2.2. Stage Two. Questionnaire for HR directors**

This questionnaire was developed in order to examine the relationship between generation diverse TM practice and firm performance.

### ***Sample profile***

The respondents of this questionnaire are representatives of Human Resource departments and/or representatives of management who have access and actively participate in actions which are systematic, planned at the organizational level and meant to hire, develop and retain employees with diverse background and abilities. The requirement for companies was presence in the Russian market.

The sample is represented by respondents from 82 companies. Among these companies 85% have headquarters in Russia, 15% in other countries. As for geographic scope of operations, 27% of companies have regional scope of operations, 35% - local, 28% - global. The age of organizations is distributed as following: 1-5 years (10%), 6-10 years (17%), 11-20 years (24%), 21 and more years (49%). 27% of represented companies are small-size (less than 50 employees), 45% are middle-size companies and the rest of sample is companies with more than 500 employees. The complete companies' profile is presented in *Table 2*.

Table 2. The companies' profile for the first survey (HR directors)

<i>Characteristics</i>	<i>Frequency</i>	<i>Percentage (% out of total N = 82)</i>
<u>HEADQUARTERS LOCATION</u>		
Russia	70	85.37
Other countries	12	14.63
<u>AGE OF ORGANIZATION</u>		
1-5 years	8	9.76
6-10 years	14	17.07
11-20 years	20	24.39
20 or more years	40	48.78
<u>GEOGRAPHIC SCOPE OF OPERATIONS</u>		
Global	29	37.80
Regional	31	26.83
Local	22	35.37
<u>COMPANY SIZE</u>		
1-50 employees	22	26.83
51-500 employees	36	43.90
501-1000 employees	12	14.63
more than 1000 employees	12	14.63
<u>COMPANY' INDUSTRY</u>		
Chemical and Petrochemical	3	3.66
Development	3	3.66
Education	6	7.32
Electronics	1	1.22
FMCG	11	13.41
Fuel and Energy	5	6.10
HoReCa	8	9.76
IT/Telecom	2	2.44
Iron and Steel	2	2.44



Management/Finance/Consultancy services	8	9.76
Medicine	4	4.88
Municipality	2	2.44
Pharmaceutical	4	4.88
Production Engineering	13	15.85
Science	5	6.10
Transportation	2	2.44
Wholesales	3	3.66

### ***Questionnaire design***

The questionnaire consists of 75 questions. Two questions are open related to respondent's and company' profile. All other questions are closed; the majority of questions are with the Likert-type scale from 1 (absolutely disagree with the statement) to 7 (absolutely agree with the statement).

The questions were aggregated into four major blocks. The first block was aimed to identification of respondent's profile (questions about gender, age, education level, position in the company) and of company's profile where the respondent works (questions about company' industry, numbers of employees, geographic scope of operations, presence of diversity programs). The second block was dedicated to exploring the factors influencing generational-focused TM practices of diverse talent groups. It includes questions about driving factors on country level (the presence of age-based stereotypes related to the recruitment process, the influence of national culture, certain economic conditions) and on company level (a demand of innovation, creativity, and diverse background; a need to operate and compete in the global market, personal attitude of the CEO, strategic partners' and suppliers' expectations, employer brand and other questions). The list of these driving factors which influence generation-focused TM practices was formed after the expert interview analysis and based on the literature in the field of TM (Boehm, Kunze & Bruch, 2014; Bursch, 2014; Parry & Urwin, 2009).

The third block is the major and was aimed to identify which generation-focused TM practices are presented in the company. The scale includes 47 items, which, based on the TM practices, are divided in three groups: attraction (12 items), development (14 items), and retention (12 items), with each item being measured with a 7-point Likert scale. The scale from Latukha and

Veselova (2019) was adopted for this study setting and properly validated and checked for reliability. Thus, in each subcategory there are statements aimed at identifying the company's attitude to generational diversity and practices to manage it. The respondents should evaluate the level of their agreement with these statements. For example: "Attraction/development/retention of talented employees from different generations is very important and it is of high priority in my organization".

The last block examines firm performance to identify its link with TM practices targeted at generation diversity. Firm performance is the major dependent variable which is assessed in comparison to the average primary industry performance. For the purpose of this assessment, the 7-item Khandwalla (1977) scale was adopted. Market share, sales growth, return on investment, and profit, which are related to the performance of the firm, were included in the analysis. The complete list of questions is presented *in the Appendix*.

### **2.3. Stage Three. Questionnaire for employees from different generations**

This questionnaire was developed in order to identify which specific TM practices are valuable for different generations.

#### ***Sample profile***

There were only two requirements for this group of respondents: being an employee in company's Russian office for more than a year. The sample is represented by 476 respondents, 67.4% of women and 32.6% of men. The generations of respondents are distributed the following: Generation Z (13.9%), Generation Y (62.4%), Generation X (9.5%), Baby Boomers (14.3%). Such a disproportionate distribution will be taken into account in further analysis. For the purposes of the final analysis, this problem will be worked out and the sample will be balanced. This is one of the limitations of the study. A little more than half of respondents has a master's degree (64.3%), 16.4% - college degree, and 19.3% - bachelor's degree. The majority of participants work on the specialist position (43%), middle and junior managers are distributed 30% and 17% respectively, and 9% were representatives of the top-level positions. Mostly, participants work in Russian companies (76%); as for companies' size, 34% of the group is working in small companies (less than 50 employees), 25% of the group is working in middle-size companies (50-500 employees), the rest of the group is working in companies with more than 500 employees. The complete respondents' profile is presented in *Table 3*.

Table 3. The respondents' profile for the second survey (employees from different generations)

<i>Characteristics</i>	<i>Frequency</i>	<i>Percentage (% out of total N = 476)</i>
<u>GENDER</u>		
Male	155	32.56
Female	321	67.44
<u>GENERATION</u>		
Z (23 or younger)	66	13.87
Y (24-39 years)	297	62.39
X (40-55 years)	45	9.45
Baby Boomer (56 or older)	68	14.29
<u>EDUCATION</u>		
College degree	78	16.36
Bachelor's degree	92	19.33
Master's degree	306	64.29
<u>POSITION LEVEL</u>		
Junior manager	84	17.65
Specialist	206	43.28
Middle manager	144	30.25
Top manager	42	8.82
<u>POSITION TITLE</u>		
Accountant	27	5.67
Economist	3	0.63
Education professional	17	3.57
Engineer	17	3.57
Expert/Specialist	142	29.83
Lawyer	14	2.94
Manager	208	43.70
Medical Professional	13	2.73
Programmer	3	0.63
Sales	32	6.72

<u>OFFICE LOCATION</u>		
Russian company	365	76.68
International company (Russian office)	111	23.32
<u>WORK DURATION</u>		
less than a year	77	16.18
1 to 3 years	157	32.98
4 to 6 years	101	21.22
more than 6 years	141	29.62
<u>COMPANY SIZE</u>		
1-50 employees	162	34.03
51-500 employees	119	25.00
501-1000 employees	57	11.97
more than 1000 employees	138	28.99

### ***Questionnaire design***

This questionnaire consists of 46 questions, out of which only 3 are open, and all other 43 questions are closed. The questions are aggregated into four major blocks. The first block consists of 14 multiple choice questions aimed to identify the respondent's profile and the company's profile where the respondent works. Also, it includes 3 questions about the respondent's opinion about the necessity of generational diversity within the company and certain practices which a company should use to manage it.

Three other blocks of questions were dedicated to generation-focused TM practices. The main issue was to identify which practices are used currently in companies and overall perceptions of each generation representatives towards these TM practices. The scale includes 29 items, which, based on the TM practices, are divided in three groups: attraction (10 items), development (9 items), and retention (10 items), with each item being measured with a 7-point Likert scale. The scale from Latukha and Veselova (2019) was adopted for this study setting, and properly validated and checked for reliability.

### **2.4. Data analysis**

For the given research on TM practices and generational diversity several analyzing techniques were used, the main tool for technique implementation was Stata software. First of all,

it was planned to perform descriptive statistics for the average assessment of parameters such as gender, generation, education, position and position level, companies' origin and its size in terms of the quantity of employees. Further, the data analysis process was divided into three parts, in accordance with the three stages of the research methodology.

As for the first stage of the study, an expert interview, a qualitative analysis of the data was done. All answers were processed using content-analysis, it made possible to identify the main driving factors that influence generation diverse TM practices. On the second stage, the questionnaire for HR directors, various types of analysis were conducted in order to understand whether there is a relationship between generational diversity practices and firm performance and to identify specific TM practices and its role in the Russian context. Precisely, factor analyses, regression analyses and one-way ANOVA were processed.

On the third stage, the questionnaire for employees from different generations, the descriptive statistics of respondent's profile and companies' profile was processed. After that one-way ANOVA analysis was applied to the data in order to identify which specific generation-focused TM practices are valuable for each generation. The main idea was to understand if there are any significant differences between perception of TM practices by representatives of various generations at the stages of attraction, development, and retention. Moreover, the comparison of respondent' perception with companies' view was done.

## **Summary of Chapter 2**

This chapter presents a description of the chosen research methodology and proves its relevance. To answer the RQ1 an expert interview was conducted. To investigate RQ2 and RQ3, the questionnaire was chosen as it allows gathering huge amount of structured data and enables its utilization in a quantitative study.

The research design, which includes data sample, research design description and the steps of data analysis are also included in this chapter. The research process was conducted in three stages. The first stage was qualitative study (an interview with an HR expert who works in the Russian office of multinational company). The main goal of this stage was to understand the importance and the necessity of managing generational diversity and find out what practices are applied currently in companies operating in the Russian market. Moreover, after the interview it became possible to retrieve the main driving factors that influence generation diverse TM practices. The second and the third stages were parts of the quantitative study. On the second stage, primary data was collected from 82 HR directors in the form of a questionnaire in order to examine

the relationship between generational diversity and firm performance. On the third stage, primary data was collected from 476 employees of different generations in order to identify TM practices which are important for each generation.

## CHAPTER 3. RESULTS AND DISCUSSION

This chapter is dedicated to the description and discussion of research findings: the results of qualitative analysis (expert interview) as well as quantitative analysis. To answer the research questions developed in the result of the literature review, a number of statistical tests should be run with the use of Stata software for statistical analysis.

### 3.1. Factors that influence generation diverse TM practices

In order to identify the factors that influence generation diverse TM practices expert interviews were conducted.

First of all, the concept of diversity was defined. According to the expert's opinion: *“Diversity means the company's willingness to tolerate any possible human manifestations (age, gender, religion, culture, tradition). Especially generational diversity means that it is possible to attract any person if he or she has the abilities, psycho-emotional, expert and professional functions that allow him (her) to currently win in a competitive advantage”*.

The topicality of developing specific strategies for working with each of the generations was confirmed by expert. As the main reason was mentioned that generation Z is actively coming into the working-age and after some time the ratio of generation Z and generations Y and X will be approximately equal. Thus, it is necessary to prepare now for the fact that the main workforce will be the generation of people who have a different way of thinking. Among the most frequent differences, the experts identified the following: the speed of decision making, the learning speed, flexibility to changes (to their adoption), the ability to empathically perceive the surrounding context, the depth of the task elaboration, a degree of immersion in the details, the level of responsibility. Moreover, the fact that generational differences have also a huge impact on corporate culture formation was emphasized.

As for specific TM practices which are the most effective to manage generational diversity, experts mentioned the graduate's development program, the mentorship program, the relocation program and close interaction and cooperation of different levels experts with universities (company' employees give lectures for students and participate in various student events as speakers). Speaking about difficulties which company faces while managing generation diversity, experts distinguished a different skillset overall between generations and especially retention of Generation Z, as these young people have a tendency to be overambitious and company not always is able to meet their expectations and at the same time it is difficult to motivate them as they are interested not only in a high level of salary but non-monetary rewards are also important.

Thus, obtained information obtained can be summarized as follows:

- 1) Generation Z is rapidly becoming the largest part of the workforce. Their way of thinking, the way of decision-making, the level of responsibility, the reaction to changes and innovations differs from previous generations. Therefore, there is a need to working out new TM practices which consider peculiarities of each generation and allows to create a comfort organizational environment for everybody.
- 2) Each generation has different skillset due to the nature of modern education. Young people lack the skill of working out the problem deeply, while the older generation is good at it.
- 3) Different level of ambition between generations. Young employees have more expectations but sometimes their ambitions do not correspond to organization and employers not ready to support them. However, it affects other generations and stimulate them to become more ambitious too.
- 4) Generational diversity is of great importance in the formation of corporate culture.

Moreover, it was found that the main driving factors that influence generation diverse TM practices can be divided into three groups: country-level, internal and external firm-level factors. The first group includes such factors as age-based stereotypes related to the recruitment process, national culture specifics, economic conditions, including the cost of human capital and the situation on the labor market, related to TM practices for different diverse groups including generations. A group of internal factors includes the need for innovation, creativity, diverse background and skills of talents, corporate culture specifics, personal attitude of the CEO and heads of departments regarding TM for talents from different generations. The third group, external factors, includes the need to global market operation, the need to meet customers, suppliers and strategic partners' expectations, the need to maintain strong employer brand.

The information obtained from the interview with an expert was well correlated with the information that was obtained by analyzing the literature review. Moreover, it made possible to validate the factors that influence generation diverse TM practices and verify them in a larger sample of respondents using quantitative research in the next stage (HR questionnaire).

### **3.2. Relationship between generational diversity and firm performance**

In order to examine the relationship between generational diversity and firm performance a number of statistical tests were run, including descriptive statistics, factor and regression



analyses. **First**, descriptive statistics were calculated for the following variables: company’ office and headquarters location, geographic scope of operations, company’ size, age of organization, company’ industry. Moreover, was analyzed whether companies consider that there is a necessity to manage diversity, and which types of diversity is crucial to manage. According to the results presented in the *Table 4*, the majority of respondents (55%) chose generational diversity as the main type, which should be taken into account when implementing and improving a TM system.

*Table 4. The importance of managing diversity in organizations  
(HR questionnaire: all respondents data)*

Variable	Observations	Percentage (% out of total N = 82)
Gender	19	23.17
Race & Ethnicity	6	07.57
<b>Age &amp; Generation</b>	<b>45</b>	<b>54.87</b>
Workers with disabilities	25	30.48
Sexual orientation	5	06.09
Religion	5	06.09
No of the listed	26	31.70

**The second step** was to reveal the role of generation-focused TM practices at the stages of attraction, development and retention. In order to do this, the constructs utilized by Latukha and Veselova (2019) were adopted and adjusted, the importance of implementing these practices is evaluated using 7-points Likert scale to ensure the consistency of measures. The descriptive statistics results are presented in *Table 5*.

*Table 5. TM practices: attraction, development, retention  
(HR questionnaire: all respondents data)*

	Mean	Median	Max	Min	Std. Dev	Obs
<b>TALENT ATTRATION PRACTICES</b>						
1.Attraction talent from different generations is very important and it is of high priority	4.96	5	7	1	1.72	82
2.Equal opportunities for candidates-representatives of different generations in the recruitment process	<b>5.37</b>	5.5	7	1	1.54	82
3.No difficulty attracting talents of diverse age	4.66	5	7	1	1.82	82
4.Organization can predict both short-and long-term positive outcomes from managing different generations	4.44	5	7	1	1.69	82
5.Organization’s profile is attractive enough for employees from different generations	5.09	6	7	1	1.69	82
6.Equal salary opportunities for employees from different generations	<b>5.45</b>	6	7	1	1.66	82
7.Recruitment advertising shows that employees from different generations are welcome	4.77	5	7	1	1.79	82
8.Recruitment methods are based on different approaches to ensure to have employees from different generations	4.66	5	7	1	1.74	82
9.Recruitment campaigns of our organization are focused on generational differences	3.74	4	7	1	1.85	82
10. To ensure unbiased and fair hiring, organization avoids using age-based stereotypes	4.99	5	7	1	1.84	82
11.The interview questions are carefully examined for age-based biases and stereotypes	4.51	5	7	1	<b>2.05</b>	82
12.Organization has different TM practices aiming to attract employees from different generations	4.34	4	7	1	1.75	82
<b>Attraction TM Overall</b>	4.75	4.67	7	1	1.24	82
<b>TALENT DEVELOPMENT PRACTICES</b>						

1.Development talents from different generations is very important and it is of high priority	5.15	5	7	1	1.66	82
2.The quality of learning and development programs for employees from different generations is high	4.99	5	7	1	1.61	82
3.Organization has a mentorship program specially designed for employees form different generations	4.27	4	7	1	1.99	82
4.Organization provides an equal access to learning and development programs for all employees regardless of age	<b>5.90</b>	6.5	7	1	1.59	82
5.Organization provides enough financial assistance to all employees regardless of age to upgrade their skills	<b>6.04</b>	7	7	1	1.44	82
6.As many career advancement opportunities for employees from different generations	5.11	6	7	1	1.83	82
7.Career advancement opportunities are equal for employees from different generations	5.46	6	7	1	1.69	82
8.Employees from different generations receive the same training opportunities	<b>5.92</b>	6	7	1	1.34	82
9.Performance evaluation as base for promotion in our organization is free from generation bias	5.77	6	7	1	1.45	82
10.Information about job rotations, special assignments and opportunities for promotion is freely available to employees from all generations	5.57	6	7	1	1.65	82
11.Performance evaluation allows fair distribution of promotions and lateral moves for diverse age employees	5.57	6	7	1	1.50	82
12.Employee promotion processes are transparent and employee selection criteria for promotion are free from age-based bias and stereotypes, available and accessible to everyone	5.42	6	7	1	1.70	82
13.Organization actively encourages employees from all generations to participate in the internal recruitment	5.35	6	7	1	1.57	82
14.Organization has customized development practices for diverse age employees	4.78	5	7	1	1.92	82
<b><i>Development TM Overall</i></b>	5.39	5.46	7	1	1.24	82
<b>TALENT RETENTION PRACTICES</b>						

1.Retention talents from different generations is very important and it is of high priority	5.35	6	7	1	1.59	82
2.Organization has customized motivation programs based on generation differences	4.72	5	7	1	1.78	82
3.Employees from all generations are fully engaged in the working processes	6.05	7	7	1	1.33	82
4.Employees from different generations are given enough autonomy and responsibility for decision-making	5.85	6.5	7	1	1.49	82
5.Monetary rewards and/or compensation and benefit programs for all employees from different generations are clear and transparent	<b>6.16</b>	7	7	1	1.35	82
6.Non-monetary rewards and recognition for employees from different generations are clear and transparent	5.95	6.5	7	1	1.41	82
7.Organization has no difficulties creating a secure and safe workplace regardless of age	5.89	6	7	1	1.30	82
8.Organization conducts surveys to identify issues related to attitudes and behaviors in the workplace as they are relevant to progress in managing generation diversity	4	4	7	1	<b>2.17</b>	82
9. The disciplinary procedures of our organization are applied equally to all employees regardless of age	<b>6.31</b>	7	7	3	1	82
10.Organization has a policy on part-time and flex-time employment for all employees regardless age	5.09	6	7	1	<b>2.21</b>	82
11.Organization provides honest financial motivation regardless of age and generation	<b>6.22</b>	7	7	1	1.32	82
12.Organization provides equal non-monetary rewards and recognition regardless of age	6.13	7	7	1	1.43	82
<b>Retention TM Overall (mean)</b>	5.64	5.79	7	1.67	1.03	82
<b>TM Overall (mean)</b>	5.26	5.37	7	1.21	1.10	82

The table shows that companies are more focused on talent retention practices, showing mean 5.64 compared to 5.38 for talent development and 4.74 for talent attraction practices. Considering generation-focused talent attraction practices statistics, the represented companies believe that the most important points are equal salary opportunities for employees from different

generations (5.45, item 6), equal opportunities for candidates-representatives of different generations in the recruitment process (5.38, item 2) and the attractiveness of organization's profile for employees from different generations (5.08, item 5). Recruitment campaigns focused on generational differences were estimated with the lowest indicator (3.74, item 9) which means that companies strive to create equal working conditions for all employees however do not focus especially on generational differences on the stage of recruitment campaigns creation.

As for generation-focused talent development practices statistics, financial assistance to all employees regardless of age to upgrade their skills is estimated the highest with the mean 6.03 (item 5). There are also two more items (4 and 8), which are prominently higher: equal access to learning and development programs and equal training opportunities for all employees regardless of age with high means of 5.91 and 5.92. The range of means of the last group of practices (generation-focused talent retention practices) is the highest among all three groups. The disciplinary procedures applied equally to all employees regardless of age (6.3, item 9), honest financial motivation regardless of age (6.22, item 11), equal non-monetary rewards and recognition regardless of age (6.13, item 12) and transparency of monetary rewards and/or compensation and benefit programs for all employees from different generations (6.16, item 5) are estimated the highest with the means above 6. It can be concluded that the companies are ready to invest in the learning and development programs for their employees and recognize the importance of taking into account age diversity in this matter, however, according to the companies' representatives opinion, the main efforts should be aimed at developing talent retention practices.

The most significant variation of answers in part of TM attraction is spotted in item 9 (the standard deviation is 2.05) which is dedicated to the examination of interview questions for age-based biases and stereotypes. In part of TM retention, the most significant variation of answers can be viewed regarding surveys' conduction to identify issues related to attitudes and behaviours in the workplace (item 8, the standard deviation is 2.17) and a policy on part-time and flex-time employment for all employees regardless age (item 10, the standard deviation is 2.22).

In order to further investigate the relationship between TM practices and firm performance, as well as to identify which groups of practices have the greatest impact on firm performance, the factor analysis was conducted - a method that is used as a data reduction method, to reduce a dataset containing a large number of variables down to one of more manageable size. The exploratory factor analysis was applied using principal component extraction method. In order to determine the number of factors, Kaiser's criterion was employed: only factors with eigenvalues greater than 1 was retained in the analysis (Kaiser, 1960). Promax rotation method was used as the underlying factors were expected to be intercorrelated. All in all, three factors were retained with

factor loadings above 0.4. These are talent attraction, talent development, and talent retention. Cronbach's Alpha of each factor is above 0.9 confirming their reliability and accuracy. Further, due to the objectives of the study, the fourth factor – TM system- was obtained as a second-order factor of previously identified talent attraction, talent development, and talent retention. The KMO test (0.85 - meritorious) and Bartlett's test of sphericity (Chi-Square = 2919.084; df = 703; p < 0,01) justified the adequacy of sample for conducting the factor analysis. *Table 6* represents the results of the factor analysis.

*Table 6. Factor analysis of TM practices (attraction, development, retention)*

Items	Factors			
	1	2	3	4
<b>TALENT ATTRATION PRACTICES</b>				
1.Attraction talent from different generations is very important and it is of high priority	0.53			
2.Equal opportunities for candidates-representatives of different generations in the recruitment process	0.63			
3.No difficulty attracting talents of diverse age	0.59			
4.Organization can predict both short- and long-term positive outcomes from managing different generations	0.71			
5.Organization's profile is attractive enough for employees from different generations	0.68			
6.Equal salary opportunities for employees from different generations	0.62			
7.Recruitment advertising shows that employees from different generations are welcome	0.75			
8.Recruitment methods are based on different approaches to ensure to have employees from different generations	0.76			
9.Recruitment campaigns of our organization are focused on generational differences	0.60			
10. To ensure unbiased and fair hiring, organization avoids using age-based stereotypes	0.81			
11.The interview questions are carefully examined for age-based biases and stereotypes	0.66			
12.Organization has different TM practices aiming to attract employees from different generations	0.83			
<b>TALENT DEVELOPMENT PRACTICES</b>				
1.Development talents from different generations is very important and it is of high priority		0.66		
2.The quality of learning and development programs for employees from different generations is high		0.70		
3.Organization has a mentorship program specially designed for employees from different generations		0.44		
4.Organization provides an equal access to learning and development programs for all employees regardless of age		0.73		
5.Organization provides enough financial assistance to all employees regardless of age to upgrade their skills		0.70		
6.As many career advancement opportunities for employees from different generations		0.71		
7.Career advancement opportunities are equal for employees from different generations		0.86		

Table 6. Factor analysis of TM practices (attraction, development, retention)

Items	Factors			
	1	2	3	4
8. Employees from different generations receive the same training opportunities		0.79		
9. Performance evaluation as base for promotion in our organization is free from generation bias		0.85		
10. Information about job rotations, special assignments and opportunities for promotion is freely available to employees from all generations		0.90		
11. Performance evaluation allows fair distribution of promotions and lateral moves for diverse age employees		0.88		
12. Employee promotion processes are transparent and employee selection criteria for promotion are free from age-based bias and stereotypes, available and accessible to everyone		0.88		
13. Organization actively encourages employees from all generations to participate in the internal recruitment		0.79		
14. Organization has customized development practices for diverse age employees		0.56		
<b>TALENT RETENTION PRACTICES</b>				
1. Retention talents from different generations is very important and it is of high priority			0.73	
2. Organization has customized motivation programs based on generation differences			0.61	
3. Employees from all generations are fully engaged in the working processes			0.73	
4. Employees from different generations are given enough autonomy and responsibility for decision-making			0.73	
5. Monetary rewards and/or compensation and benefit programs for all employees from different generations are clear and transparent			0.80	
6. Non-monetary rewards and recognition for employees from different generations are clear and transparent			0.80	
7. Organization has no difficulties creating a secure and safe workplace regardless of age			0.69	
8. Organization conducts surveys to identify issues related to attitudes and behaviors in the workplace as they are relevant to progress in managing generation diversity			0.44	
9. The disciplinary procedures of our organization are applied equally to all employees regardless of age			0.42	
10. Organization has a policy on part-time and flex-time employment for all employees regardless age			0.33	
11. Organization provides honest financial motivation regardless of age and generation			0.83	
12. Organization provides equal non-monetary rewards and recognition regardless of age			0.73	
TM Attraction				0.85
TM Development				0.93
TM Retention				0.29
<b>Cronbach's Alpha</b>	<b>0.91</b>	<b>0.94</b>	<b>0.97</b>	<b>0.92</b>
<i>Kaiser-Meyer-Olkin - 0.85 MERITORIOUS</i>				
<i>Bartlett test Chi-square 2919.084*** (p-value 0.000)</i>				

Thus, after the factor analysis, the four new variables were identified which will be used in the further step of analysis: talent attraction practices, talent development practices, talent retention practices and talent system.

**The third step** was aimed to identify the factors which influence generation-focused TM practices. This part of the analysis was divided into three sections: country-level factors, internal and external firm-level factors. Before running the factor analysis, the descriptive statistics for all the variables was conducted as a preliminary step. In *Table 7* the main results are presented.

*Table 7. Driving factors of the TM system for generations*

	Mean	Median	Max	Min	Std. Dev	Obs
<b>Country level Factors</b>						
1.A lot of age-based stereotypes related to the recruitment process	<b>5.48</b>	6	7	1	1.49	82
2.National culture influences introduction of diverse TM practices	4.57	5	7	1	1.67	82
3.Economic conditions, including the cost of human capital and the situation on the labor market, related to TM practices for different diverse groups including generations	4.62	5	7	1	1.50	82
<i>Country level factors overall</i>	4.89	5	7	1	1.21	82
<b>Firm level Internal Factors</b>						
4.Need for an innovation	<b>5.55</b>	6	7	1	1.47	82
5.Need for creativity and agility	<b>5.32</b>	6	7	1	1.43	82
6.Need for diverse background of talents	<b>5.32</b>	6	7	1	1.47	82
7.Demand for diverse skills of talents	<b>5.74</b>	6	7	2	1.28	82
8.Demand for a diverse style of leadership and management	4.80	5	7	1	1.62	82
9.Demand for a diverse style of communication	4.84	5	7	1	1.64	82
10.Corporate culture affects the generations TM for talents from different generations	4.46	5	7	1	1.71	82
12.Personal attitude of the CEO and heads of departments affects TM for talents from different generations	4.84	5	7	1	1.58	82



13.Existing employees-representatives of different generations push diverse TM practices	4.71	5	7	1	1.49	82
<b><i>Firm level Internal factors overall</i></b>	5.07	5.33	7	2.11	1.04	82
<b>Firm level External Factors</b>						
11.Need to operate and compete in the global market	4.38	5	7	1	2	82
14.Need to meet customer expectations	<b>5.44</b>	6	7	1	1.72	82
15.Need to meet strategic partners expectations	4.93	5	7	1	1.72	82
16.Need to meet suppliers expectations	4.30	4	7	1	1.81	82
17.Need to maintain strong employer brand and reputation	<b>5.46</b>	6	7	1	1.62	82
18.Business competition in the market pushes attraction, development and retention of employees from different generations	5.15	5.5	7	1	1.58	82
<b><i>Firm level External factors overall</i></b>	4.94	5.17	7	1.5	1.26	82

According to the results demonstrated in *Table 7*, internal firm-level factors play overall more important role than other factors, showing mean 5.06 compared to 4.89 for country factors and 5.94 for external factors. Among internal factors the need for innovation, for creativity and agility, for diverse background of talents and the demand for diverse skills of talents are estimated with the highest mean above 5. As for external firm-level factors, the most important ones are need to meet customer expectations (5.44) and need to maintain strong employer brand and reputation (5.46). The country-level factors seem to be less important for companies, however age-based stereotypes related to the recruitment process were estimated with the mean 5.48.

After descriptive statistics, the factor analysis was conducted in order to reduce the number of variables, validate the scale, and obtain factors' scores. The factors were extracted using alpha factoring extraction method. To decide on the number of factors, Kaiser's criterion (Kaiser, 1960) for eigenvalues greater than 1 was followed. Factor loadings lower than 0.4 were taken into analysis. Bartlett's test of sphericity proved the significance of the results: Chi-Square = 749.081;  $df = 153$ ;  $p < 0,01$ . The factor analysis results are presented in *Table 8*.

Table 8. The factor analysis: country-level factors, internal and external firm-level factors

Items	Factors		
	1	2	3
<i>Country level Factors</i>			
1.A lot of age-based stereotypes related to the recruitment process	0.64		
2.National culture influences introduction of diverse TM practices	0.69		
3.Economic conditions, including the cost of human capital and the situation on the labor market, related to TM practices for diverse groups including generations	0.46		
<i>Firm Level Internal Factors</i>			
4.Need for an innovation		0.71	
5.Need for creativity and agility		0.68	
6.Need for diverse background of talents		0.82	
7.Demand for diverse skills of talents		0.65	
8.Demand for a diverse style of leadership and management		0.74	
9.Demand for a diverse style of communication		0.68	
10.Corporate culture affects the generations TM for talents from different generations		0.54	
12.Personal attitude of the CEO and heads of departments affects TM for talents from different generations		0.46	
13.Existing employees-representatives of different generations push diverse TM practices		0.52	
<i>Firm level External Factors</i>			
11.Need to operate and compete in the global market			0.52
14.Need to meet customer expectations			0.62
15.Need to meet strategic partners expectations			0.74
16.Need to meet suppliers expectations			0.62
17.Need to maintain strong employer brand and reputation			0.76
18.Business competition in the market pushes attraction, development and retention of employees from different generations			0.65
<b>Cronbach's Alpha</b>	0.7	0.85	0.81
<i>Kaiser-Meyer-Olkin - 0.76 MIDDLING</i>			
<i>Bartlett test Chi-square 749.081*** (p-value 0.000) Degree of freedom 153</i>			

As a result, three factors were extracted: country-level factors (cronbach's alpha: 0.7, internal and external factors (cronbach's alpha: 0.81 and 0.85). High levels of Cronbach's alpha highlight the reliability of the obtained factors.

The first factor consists of 3 items related to country-level factors such as age-based stereotypes related to the recruitment process, national culture, economic conditions, including the cost of human capital and the situation on the labour market, related to TM practices for different diverse groups including generations. The second factor includes 9 items related to the need of innovation, creativity, diverse background of talents, diverse skills of talents, diverse style of leadership, management and communication, corporate culture issues, personal attitude of the CEO and heads of departments. Thus, this factor is denoted as internal firm-level factor. The third factor is comprised of 6 items related to the need of operation in the global market, to meet customer, strategic partners and suppliers' expectations, to maintain strong employer brand and reputation. This items is logical to denote as external firm-level factor. Thus, after the factor analysis, new variables were calculated as means of items that comprised the corresponding factors: country-level factor, internal and external firm-level factors.

**The fourth step** was aimed (1) to reveal what country-level, external and internal firm-level factors affect the talent attraction, talent development and talent retention practices as well as TM system overall and (2) to evaluate the extent to which they are doing that. For this purpose, the regression analysis was employed (OLS regression) and four models were run. The equations for each model were compiled:

$$y = \beta_0 + \beta_1 * \textit{Country Level Factors} + \beta_2 * \textit{Firm Level Factors Internal} + \beta_3 * \textit{Firm Level Factors External} + \beta_4 * \textit{Number of Employees} + \beta_5 * \textit{Office Location} + \epsilon$$

where "y" is talent attraction/talent development/talent retention/talent system.

*Table 9* represents the results for the four models.

Table 9. The regression analysis results

VARIABLES	Model-1	Model-2	Model-3	Model-4
	TM Attraction	TM Development	TM Retention	TM System
Country level Factors	-0.16 (0.14)	-0.15 (0.14)	-0.17 (0.14)	-0.16 (0.13)
Firm level Internal Factors	-0.07 (0.14)	-0.16 (0.14)	-0.03 (0.14)	-0.12 (0.13)
Firm Level External Factors	<b>0.43***</b> (0.15)	<b>0.44***</b> (0.15)	<b>0.381**</b> (0.15)	<b>0.44***</b> (0.14)
Number of Employees	0.16 (0.12)	0.17 (0.12)	0.04 (0.12)	0.14 (0.11)
Office Location	0.032 (0.29)	0.33 (0.29)	0.33 (0.28)	0.27 (0.27)
Constant	0.36 (0.37)	0.59 (0.36)	<b>0.93**</b> (0.36)	<b>0.63*</b> (0.35)
Observations	82	82	82	82
<b>F (6, 75)</b>	<b>2.99</b>	<b>3.88</b>	<b>3.54</b>	<b>4</b>
<b>Prob&gt;F</b>	<b>0.011</b>	<b>0.002</b>	<b>0.004</b>	<b>0.002</b>
<b>R-squared</b>	<b>0.193</b>	<b>0.237</b>	<b>0.220</b>	<b>0.242</b>
<u>Standard errors in parentheses</u>				
<u>*** p&lt;0.01, ** p&lt;0.05, * p&lt;0.1</u>				

It might be observed from the table that all four models are statistically significant (Prob>F <0.05) with the highest R-squared observed in the case of the fourth model (0.242). According to the obtain results, the following conclusion can be made: among all models only external firm-level factor turned to be statistically significant. All four models show similar results. The outcomes show that increase by for 1 point in external factors influence results in increase of generation-focused TM practices implementation for 0.38-0.44.

It can be explained by the fact that the company is a living organism and especially the external environment influence, i.e. external factors such as orientation to its partners, suppliers,

customers, reputation, competition makes the companies to develop and apply TM practices in order to improve firm performance. Moreover, it can be explained by the mimetic isomorphism mechanism from institutional theory (DiMaggio and Powell, 1983) – organizations tend to copy practices and policies of their counterparts that seem to be more successful.

**The fifth step** was aimed to reveal the relationship between the implementation of generation-focused TM practices and firm performance. To do this, the factor analysis was conducted in order to obtain the firm performance variable for the further analysis. The results are presented in *Table 10*.

*Table 10. The factor analysis for firm performance*

<b>Items</b>	<b>Factor1</b>
Market share growth over the past three years	0.70
Sales growth over the past three years	0.89
Average return on investment over the past three years	0.81
Average profit over the past three years	0.95
Average profit growth over the past three years	0.95
<b>Cronbach's alpha</b>	<b>0.93</b>
<i>Extraction Method: Principal Component Analyses</i>	
<i>Rotation Method: Varimax with Kaiser Normalization</i>	
<i>Kaiser-Meyer-Olkin - 0.85 MERITORIOUS</i>	
<i>Bartlett test Chi-square 401.577*** (p-value 0.000) Degree of freedom 10</i>	

The value of KMO test (0.85 - meritorious) and Bartlett's test of sphericity (Chi-square 401.577, p-value 0.000) signify the adequacy of sample for conducting the factor analysis. Cronbach's Alpha (0.93) for the obtained factor confirmed its reliability and accuracy.

To confirm that the variables (TM attraction, TM development, TM retention, TM system and firm performance) are interconnected, the correlation matrix was created. Overall, the correlation demonstrated the adequate level of correlation between items (*Table 11 in the Appendix 4*). After that the OLS regression analysis was employed in order to identify the relationship between firm performance and generation-focused TM practices. Four models were run (the

difference between the models lies in the structure of independent variable). Firm performance was independent variable for each model. The equations for each model were compiled:

$$\begin{aligned} \text{Firm Performance} = & \beta_0 + \beta_1 * (\text{TM Attraction or TM Development or TM Retention or} \\ & \text{TM SYSTEM}) + \beta_2 * \text{Headquarters location} + \beta_3 * \text{Number of Employees} + \beta_4 * \text{Office} \\ & \text{Location} + \beta_5 * \text{Scope of Operations} + \varepsilon \end{aligned}$$

The results are presented in *Table 12*.

Table 12. The regression analysis for firm performance

VARIABLES	Model-1 Firm Performance	Model-2 Firm Performance	Model-3 Firm Performance	Model-4 Firm Performance
TM Attraction	<b>0.26***</b> (0.09)			
TM Development		<b>0.24***</b> (0.09)		
TM Retention			<b>0.22**</b> (0.11)	
TM System				<b>0.28***</b> (0.10)
Headquarters location	-0.53 (0.69)	-0.47 (0.70)	-0.43 (0.71)	-0.51 (0.70)
Number of Employees	0.1 (0.11)	0.10 (0.16)	0.14 (0.12)	0.10 (0.12)
Office Location	0.89 (0.68)	0.72 (0.68)	0.74 (0.70)	0.79 (0.68)
Scope of Operations	0.15 (0.14)	0.17 (0.14)	0.15 (0.14)	0.16 (0.14)
Constant	-1.02 (0.66)	-1.12 (0.73)	-1.07 (0.87)	<b>-1.33*</b> (0.77)
Observations	82	82	82	82
F (7, 74)	3.50	3.22	2.67	3.32
Prob>F	0.003	0.005	0.016	0.004
R-squared	0.249	0.233	0.202	0.239
<u>Standard errors in parentheses</u>				
<u>*** p&lt;0.01, ** p&lt;0.05, * p&lt;0.1</u>				

It might be observed from the table that all four models are statistically significant (Prob>F <0.01) with the highest R-squared observed in the case of the first model (0.249) – with talent attraction as an independent variable. It can be concluded that there is a positive relationship between the implementation of generation-focused TM practices and firm performance. As for the first model, coefficient for talent attraction equals to 0.26 and statistically significant (p<0.01)

meaning that increase of talent attraction practices implementation by 1 point results in subsequent increase of firm performance by 0.26 (relative to a 7-point scale). Talent development implementation (Model 2) increases firm performance by 0.24, and for TM retention by 0.22 (both results are statistically significant with  $p < 0.05$ ). As for the fourth model, it can be seen that TM system as a combination of TM attraction, TM retention and TM development has a positive relationship with firm performance that confirms the necessity of implementation generation-focused TM practices into the organizational context.

### 3.3. Analysis of different generations

In order to identify which specific TM practices are valuable for each generation, the questionnaire developed for employees of different generations was analyzed. **First**, descriptive statistics were calculated for the following variables: gender, generation, education level, position level, company' office location, company' size, presence of diversity practices.

**The second step** was to define whether the employees from different generations consider that diversity should be managed, and which types of diversity is crucial to manage. According to the results presented in the *Table 14*, the vast majority of respondents of all generations believe that companies should take this into account. It is noteworthy that the major number of all generations representatives consider generation and age diversity as the most important (69%). The following positions by importance were gender and workers with disabilities (slightly less than 50% each). Moreover, it can be seen from the *Table 14*, that there is a clear need for consideration of generation diversity during development (88%). 66% of respondents mentioned that generation diversity is also an important factor during attraction process. It is noteworthy that only 3.5% of respondents choose the answer "none of the listed", which means that representatives of each generation consider generation diversity management as important part of TM.

As for specific TM practices, the respondents chose the learning and development as the most important practice where generation diversity should be considered (69%). The results are presented in *Table 13*. This additionally confirmed the results of the previous question that development is the highest priority, where generation matters. The second priority is attraction (62%). It should be mentioned that opinions of all generations' respondents do not differ dramatically answering this question. The detailed statistics is provided in *Tables 14 and 15 in the Appendix 4*.



*Table 13. The importance of managing diversity in organizations (all respondents' data)*

Variable	Observations	Percentage (% out of total N = 476)
<i>Please select a type or types of diversity you believe the company should manage?</i>		
Gender	210	44.12
Race & Ethnicity	136	28.57
<b>Age &amp; Generation</b>	<b>329</b>	<b>69.12</b>
Workers with disabilities	177	48.48
Sexual orientation	91	37.18
Religion	100	21.01
No of the listed	84	17.65
<i>On which stage you believe the company should consider generational diversity of its employees</i>		
Attraction	314	65.96
<b>Development</b>	<b>417</b>	<b>87.60</b>
Retention	275	57.77
None of the listed	17	03.57
<i>Which practices should company include to manage generational diversity</i>		
Equal opportunities/recruitment process	296	62.18
<b>Learning and development programs</b>	<b>329</b>	<b>69.12</b>
Organizational culture	252	52.94

**The third step** was to reveal the role of generation-focused TM practices at the stage of attraction. The descriptive statistics results presented in *Table 16 in the Appendix* would give an overview of the respondents' perception. The ANOVA statistics are presented in *Table 17*.

Table 17. ANOVA analysis of the role of generation-focused TM attraction practices.

<i>Variable</i>	<i>Z</i> <i>mean</i>	<i>Y</i> <i>mean</i>	<i>X</i> <i>mean</i>	<i>Baby B.</i> <i>mean</i>	<i>Sig.</i>
1 Attraction people from my generation is of high priority in any organization.	5.96	5.57	5.88	2.89	0.000***
2 Almost all organizations are attractive enough for my generation due to their attention to us.	4.84	5.09	4.44	3.64	0.000***
3 The salary for my generation is competitive enough in comparison with other generations.	4.77	4.77	4.46	4.19	0.099*
4 Advertising methods are customized to the needs of my generation.	4.36	4.91	3.66	2.79	0.000***
5 My generation can easily get an access to job advertisements.	5.40	5.65	4.28	2.79	0.000***
6 Recruitment methods used by different organizations today are customized to the needs of my generation.	4.87	5.13	3.77	2.29	0.000***
7 To ensure unbiased and fair hiring, the majority of organizations avoid using age-based stereotypes.	3.84	3.86	3.66	2.66	0.000***
8 When I participated in the recruitment process last time, all the interview questions were carefully examined for age-based biases and stereotypes.	3.96	3.21	3.33	2.14	0.000***
9 When I participated in the recruitment process last time, the methods of the interview were customized for my generation.	4.16	3.77	3.35	2.07	0.000***
10 The organization where I am employed or plan to be employed TM practices specially aimed to attract employees from my generation.	4.27	3.86	3.08	2.48	0.000***
11 Attraction (mean)	4.65	4.59	3.99	2.79	0.000***
<u>Standard errors in parentheses</u>					
<u>*** p&lt;0.01, ** p&lt;0.05, * p&lt;0.1</u>					

All variables (items from 1 to 10) including aggregated one were taken into the analysis. Speaking about the aggregated variable, it is possible to notice that the attracting process is well adapted for representatives of generation Z. As for generations Y and X the situation is worse, and for Baby Boomer the coefficient is the lowest one. The result is statistically significant.

It can be clearly noticed that generations Z, Y and X consider that their attraction is important for companies, while Baby Boomers are experiencing difficulties and probably believe that companies are not interested in them. Considering variables 4 and 5 related to advertisements' adoptability and accessibility for different generations, the difference between generations is significant at the level of 0.00. Thus, Generation Z estimates these practices lower than generation Y, which represents the main labor force today. Representatives of generations X and especially Baby Boomers evaluate these practices much lower, which means that companies do not take into account the difference between generations in this case. Analyzing variables 8 and 9 related to the interview process, the highest indicators are noticed for generation Z. It can be assumed that companies are actively using new methods to which older generations have not yet adapted. Only one variable, namely "salary competitiveness" is not significant. It can be concluded then that representatives of each generation believe that their salary level is competitive in relation to representatives of other generations.

**The fourth step** was to reveal the role of generation-focused TM practices at the stage of development. The descriptive statistics results presented in *Table 19 in the Appendix 4* would give an overview of the respondents' perception. The ANOVA statistics are presented in *Table 18*.

Table 18. ANOVA analysis of the role of generation-focused TM practices at the stage of development.

<i>Variable</i>	<i>Z</i> <i>mean</i>	<i>Y</i> <i>mean</i>	<i>X</i> <i>mean</i>	<i>Baby B.</i> <i>mean</i>	<i>Sig.</i>
1 Development programs for my generation are of high priority.	4.57	4.06	3.28	3.26	0.000***
2 Learning and development programs for my generation are customized and based on the development needs of our organization.	4.78	4.24	3.24	2.42	0.000***
3 Mentorship programs is specially designed for my generation.	4.12	3.86	3.04	2.41	0.000***
4 Many career advancement opportunities for people from my generation.	5.00	4.33	3.53	3.10	0.000***
5 I receive enough support to have effective collaboration and cooperation with other generations.	4.77	4.37	3.73	3.89	0.013**
6 Performance evaluation procedures are customized for my generation.	4.31	3.79	3.26	2.36	0.000***
7 Job rotations, special assignments and opportunities for promotion are freely available to my generation.	3.89	4.34	4.28	2.92	0.000***
8 Performance evaluation allows equal and fair distribution of promotions and lateral moves for my generation.	4.74	4.54	4.11	3.66	0.001***
9 Employee promotion processes are transparent and employee selection criteria for promotion are free from age-based bias and stereotypes, available and accessible to my generation.	4.40	4.06	4.20	3.57	0.124
10 Development (mean)	4.51	4.18	3.63	3.07	0.000***
<u>Standard errors in parentheses</u>					
<u>*** p&lt;0.01, ** p&lt;0.05, * p&lt;0.1</u>					

All variables (items from 1 to 9) including aggregated one were taken into the analysis. It can be clearly noticed a trend towards a decrease in the average indicator with an increase in the age of respondents. The result is statistically significant at the level of 0.00, which means that the differences between the groups are significant and it is reasoned to talk about different attitudes among different generations.

Considering variables 1 and 2 related to development programs, a negative trend can be seen, which means that companies are more focused on the younger generation and are not inclined to take into account the generation differences. As for performance evaluation customization for each generation (variable 6), it can be seen the statistical significance at the level of 0.00; a downtrend can be noticed. The generation Z is most adapted to this process, the generations Y and X have a positive perception also, while Baby Boomers believe that this practice is not adapted to the needs of their generation. Basing on the statistical significant result for variable 7 (“Job rotations, special assignments and opportunities for promotion are freely available to my generation”) it is possible to say that the highest indicators belong to generations X and Y, the slightly lower result is shown by the generation Z. This means that the practices are currently more focused on the majority (X and Y generations). Baby Boomers has the lowest result, in the negative zone of the 7-point scale, thus it can be concluded that companies do not pay much attention to the needs of older employees. The variable 9 (“Employee promotion processes...”) was not statistically significant (0.124). This means that in general, the promotion process is understandable to representatives of all generations and there is no significant difference in their perception.

**The fifth step** was to reveal the role of generation-focused TM practices at the stage of retention. The descriptive statistics results presented in *Table 21 in the Appendix 4* would give an overview of the respondents’ perception. The ANOVA statistics are presented in *Table 20*.

Table 20. ANOVA analysis of the role of generation-focused TM retention practices.

Variable	Z mean	Y mean	X mean	Baby Boomers mean	Sig.
1 Retention programs for my generation are of high priority.	4.84	4.05	3.71	3.33	0.000***
2 People from my generation are motivated equally with other generations.	4.54	4.88	4.77	3.88	0.001***
3 Motivation programs for my generation are customized and based on the needs of my generation.	4.68	4.06	2.77	2.38	0.000***
4 People from my generation are fully engaged in the working process in almost all organizations.	4.75	5.38	5.02	3.82	0.000***
5 Employees from my generation are given the same autonomy and responsibility for decision-making as employees from other generations.	4.62	5.46	5.84	4.44	0.000***
6 Monetary rewards and/or compensation and benefit programs are clear and transparent.	4.80	4.95	4.42	5.07	0.339
7 Non-monetary rewards and recognition are clear and transparent.	4.74	4.54	4.77	4.89	0.552
8 There are no difficulties creating a secure and safe workplace for representatives of my generation.	5.19	5.11	5.04	5.29	0.893
9 There are surveys (or other feedback channels) to identify issues related to attitudes and behaviors of my generation.	4.46	3.73	2.75	2.86	0.000***
10 There is a policy on part-time and flex-time employment for people of my generation.	4.78	3.96	3.86	3.55	0.015**
11 Retention (mean)	4.74	4.61	3.30	3.95	0.000***
<u>Standard errors in parentheses</u>					
<u>*** p&lt;0.01, ** p&lt;0.05, * p&lt;0.1</u>					

All variables (items from 1 to 10) including aggregated one were taken into the analysis. Speaking about the aggregated variable, the result is statistically significant. It is possible to notice that generations Z and Y have the highest indicators. This means that companies are interested in representatives from the young generation Z as well as from generation Y, which forms the largest group in terms of employees' number on average. It is worth noting that Baby Boomers also have rather high indicators. Thus, it can be suggested that there are a lot of experts among this generations, that is why companies are interested in them. Generation X shows an average result with a negative bias.

As for the engagement in the working process (variable 4), it can be seen that three generations namely Z, Y and X are highly involved in the workflow. Baby Boomers show an average result with a negative bias, thus it can be suggested that companies are not working enough in this direction and Baby Boomers do not feel involvement in work processes. Analyzing the practices related to the feedback from employees (variable 9), it can be noticed that differences between groups are statistically significant. There is a trend towards a decrease in the average indicator with an increase in the age of respondents. Generation Z has the highest result: companies are interested and are trying to connect with representatives of the younger generation. Generation Y has an average result with a positive bias. Generations X and Baby Boomers show clearly negative results, which means that companies are less interested in the difficulties associated with the age diversity of these groups.

Variables 6 and 7 related to monetary and non-monetary rewards turned to be not statistically significant. Variable 8 related to the security and safety of the workplace also did not show a statistically significance. Thus, at this point there are no differences in perceptions by representatives of different generations. It can be concluded that the results of all generational groups are positive. This indicator confirms the validity of our data.

To sum up, each block of questions (respondent's and company' profiles, diversity and TM practices perception, generation-focused TM practices at the stages of attraction, development and retention) was properly analyzed and conclusions were drawn. It is necessary to mention that the uneven distribution of respondents by generations may affect the results.

### **3.4. Discussion**

The relevance of the present research was proved by several findings. First, the major number of all generations representatives (69%), as well as companies' representatives (55%) consider generation and age diversity as the most important diversity dimension. On the second

positions are gender and workers with disabilities were highlighted (slightly less than 50% each). The comparison analysis of both companies and different generations representatives is presented in *Table 22*.

*Table 22. The importance of managing diversity in organizations (respondents' data from both questionnaires)*

Variable	COMPANIES		INDIVIDUALS	
	Observations	Percentage (% out of total N = 82)	Observations	Percentage (% out of total N = 476)
<i>Please select a type or types of diversity you believe the company should manage?</i>				
Gender	19	23.17	210	44.12
Race & Ethnicity	6	07.57	136	28.57
<b>Age &amp; Generation</b>	<b>45</b>	<b>54.87</b>	<b>329</b>	<b>69.12</b>
Workers with disabilities	25	30.48	177	48.48
Sexual orientation	5	06.09	91	37.18
Religion	5	06.09	100	21.01
No of the listed	26	31.70	84	17.65

Second, the expert confirmed the topicality of developing specific strategies for working with each generation due to differences such as the speed of decision making, the learning speed, flexibility to changes (to their adoption), the ability to empathically perceive the surrounding context, the depth of the task elaboration, a degree of immersion in the details, the level of responsibility. Moreover, both methods of research, qualitative as well as quantitative showed that there is a clear need for implementing generation-focused TM practices.

The majority of different generations representatives (88%) mentioned that consideration of generation diversity on development stage is the highest priority, the stage of attraction and retention also are important, according to the respondents (66% and 58%, respectively). According to the descriptive statistics analysis of both HR questionnaire and different generations representatives showed that companies are mostly focused on TM retention practices rather than on TM development and TM attraction practices. The results are presented in *Table 23*.



Table 23. The comparison of talent attraction, development and retention practices perception by companies and employees from different generations

	<i>COMPANIES</i> <i>N = 82</i>		<i>INDIVIDUALS</i> <i>N = 476</i>	
	Mean	Std. Dev	Mean	Std. Dev
<b>TALENT ATTRACTION PRACTICES</b>				
<i>Overall</i>	4.75	1.24	4.28	1.16
<b>TALENT DEVELOPMENT PRACTICES</b>				
<i>Overall</i>	5.39	1.24	4.01	1.45
<b>TALENT RETENTION PRACTICES</b>				
<i>Overall</i>	5.64	1.03	4.51	1.20

According to the results of HR questionnaire analysis, companies' representatives highlighted equal salary opportunities, equal opportunities for candidates in the recruitment process and the attractiveness of organization's profile for employees from different generations among valuable TM attraction practices. This finding well correlates with the conclusions made by other authors (Bohm et al., 2013; Parry & Urwin, 2009; Leidner et al., 2010). The analysis of questionnaire for generations showed that practices related to advertisements' adoptability and accessibility for different generations are highly evaluated by generation Y, generation Z evaluate these practices at an average level, while older generations rate these practices as poorly adapted to their age. According to Leidner et al. (2010), one of the most effective channels to attract generations Y and Z is social media. However, this recruitment method absolutely not in demand among generation X and Baby Boomers. Thus, it can be assumed that companies are oriented towards the majority currently. Nevertheless, attraction of older generation can be effective to improve company's performance as their skillset differs and they are mostly workaholics due to strong belief that hard work is the price for success (Tolbize, 2008). Overall, the analysis of respondent's perception of attraction showed a trend towards a decrease in average indicators with an increase in the age of respondents.

As for TM development practices, financial assistance to all employees regardless of age to upgrade their skills, equal access to learning and development programs and equal training opportunities for all employees regardless of age are highly estimated from the companies point of view. However, it can be clearly noticed in employees' perception of development practices the tendency towards a decrease in average indicators with an increase in the age of respondents, according to the results from the questionnaire of different generations. This allows to conclude

that employers are highly oriented especially to young generations. According to the obtained data, Baby Boomers and generation X consider the learning and development programs as low adopted and customized for them. However, it seems important to consider generation diversity at this point because their way of thinking and perception of new information dramatically differs from younger generations. It was found by Peter and Urwin (2009) that young generations are highly focused on skills development and prefer to study independently using the Internet and other technological capabilities while Baby Boomers prefer more traditional collective training in classrooms and paper-based materials.

The focus on development practices for young generations can be explained by the fact that they have a higher ambitions' level and expect a rapid career growth, so if they do not see career opportunities within the company, they prefer to change it (McCambridge, 2011; Festing & Schafer, 2014). This was also proved in the expert interview. Moreover, an expert highlighted that the ambitiousness of young employees affects other generations and stimulate them to become more ambitious too, while companies are not always ready to support such aspiration.

Taking into consideration above mentioned it becomes clear that TM practices oriented to retention of employees should be on high priority also. According to the questionnaire for employees of different generations results, there was not statistical significance in items related to monetary and non-monetary rewards, which means that they are clear and transparent for all generations representatives. Moreover, it coincides with the results of the HR questionnaire. Companies' representative highly evaluated the importance of equal non-monetary rewards and recognition regardless of age and transparency of monetary rewards and/or compensation and benefit programs for all employees from different generations. This is very positive result as money is one of the key motives to work for everybody.

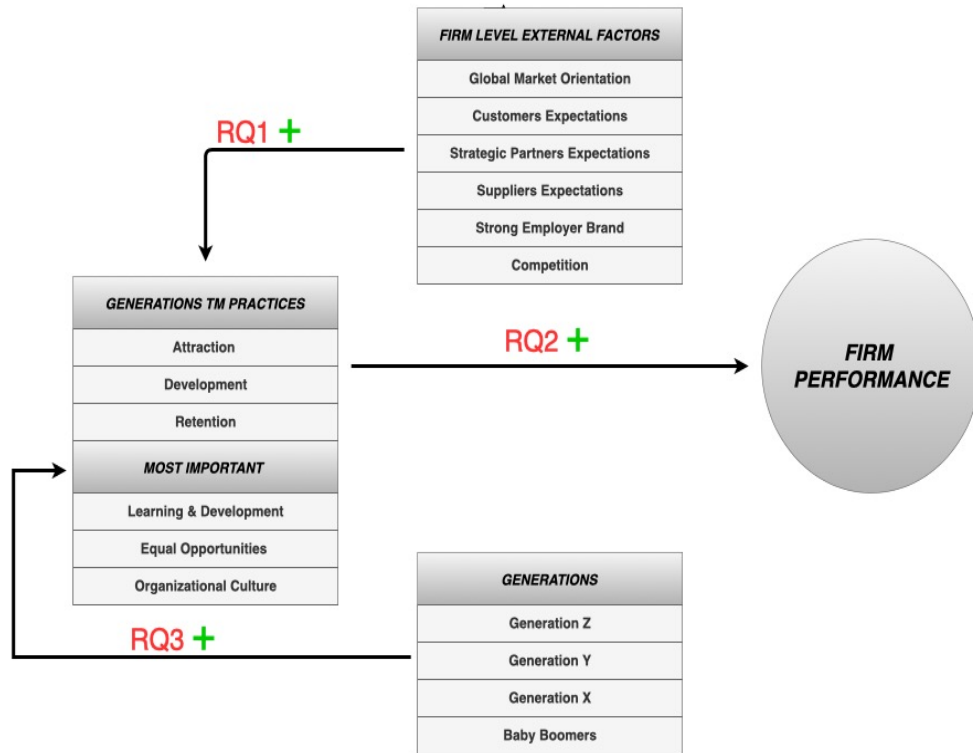
As for feedback collection from employees regarding their attitude to the working process within the company, the results showed that companies are mostly oriented to connect with representatives of the generation Z, the generation Y showed an average indicator, while results of generation X and Baby Boomers confirmed that companies are less interested in the difficulties associated with the age diversity of these groups. These well correspond to each generation' expectations. According to Peter and Urwin (2009), for generations Z and Y is highly important to giving a feedback constantly after results achievement, while more older generations are more concentrated on recognition on their results by company and do not have an internal need to give their feedback for companies. Probably it can be explained by the fact that Baby Boomers tend to consider their jobs as constant life experience while other generations consider their jobs more as

an opportunity for marketable skills' development and tend to change the employer or even career path more frequently.

Moreover, in the present research main driven factors that influence generation diverse TM practices were identified. First conclusions were made based on expert interview. The expert highlighted the following factors: different way of thinking, way of decision-making, the level of responsibility, the reaction to changes and innovations differs from previous generations; different skillset due to the nature of modern education; different level of ambition and corporate culture specifics. Afterwards, the data obtained from the HR questionnaire was analyzed. As a result of factor analysis, three groups of factors were obtained: country-level factors, internal and external firm-level factors. To investigate the relationship of these factors, regression analysis was run, which showed that only external factors are statistically significant and influence of TM practices and TM system overall. Among external factors it is possible to highlight the need to operate in the global market, to meet customer, strategic partners and suppliers' expectations, to maintain strong employer brand and reputation.

To sum up, based on the presented research, it can be stated that there is a positive relationship between generation diverse TM practices and firm performance. It corresponds with other recent researched in this field (Wegge and Meyer, 2020; Grund and Westergård-Nielsen; 2018), where a positive correlation between generation diversity presence at the workplaces and company performance was also confirmed. The obtainable results clearly demonstrate the importance of implementing and developing generation-focused TM practices in organizations.

Figure 2. Model for the empirical research (findings)



## Conclusion

The paper aimed at investigating generational diversity as important diversity dimension and analyzing its implication to TM practices and overall firm performance. In order, to achieve it, there was a need to answer the following questions, which were formulated in the introductory part:

**RQ1:** What factors influence generation diverse TM practices?

**RQ2:** Is there any relationship between generation diverse TM practice and firm performance?

**RQ3:** What TM practices are considered to be important for different generations?

In the first chapter of this master thesis, the relevant theoretical concepts of diversity management, talent and TM were reviewed as well as studies dedicated to generation diversity and its management were analyzed and discussed. It was found that generation diversity becomes a challenge for modern HR and TM due to retirement of Traditionalists generation and Generation Z appearance on the threshold of employment (Fry, 2015; Dwivedula et al, 2019). It was concluded that generational values are formed under the influence of the largest, most significant events in the country and the world, under the influence of the media, the educational system adopted in society and other factors. The literature review of researches dedicated to generational dimensions showed the value of generation theory for management. Thus, understanding the needs and the way of thinking of different generations could significantly increase the potential of building the effective HR and TM practices in an entity. The specific TM practices namely attraction, development and retention were also discussed in relation to generation differences.

In the second chapter the choice of research methodology was proven, it was developed in accordance with the research goal and objectives. The interview with experts was part of qualitative study and two questionnaires were a part of quantitative study. One questionnaire was developed for HR directors and another one was developed for employees who represent different generations.

The third chapter plays a key role in this master thesis as it contains the main findings considering factors influencing the generation diverse TM practices in the Russian context, the role of TM practices to improve firm performance and specific TM practices which are important for each generation namely Z, Y, X and Baby Boomers. Thus, the research findings allowed to answer all research questions, indicated in the introduction part. The following driving factors that

influence generation diverse TM practices were identified: (1) generational differences in the way of thinking, the way of decision-making, the level of responsibility, the reaction to changes and innovations differs from previous generations; (2) different skillset due to the nature of modern education; (3) different level of ambition. The positive relationship between firm performance and generational diversity was found after applying the factor analysis. Moreover, specific TM practices which are important for each generation were identified. Based on the results of the present research, a number of theoretical and managerial implications might be retrieved.

#### *Theoretical contribution*

There are several aspects in which this master thesis contributes to existing literature. First, TM theory is revised from a different angle in this study; namely, it was reviewed in the light of generational diversity concept. This work also expands the contemporary academics literature especially on TM practices, exploring it in terms of generation diversity. The analysis of generation-specific initiatives for talent attraction, development and retention practices from both sides (from companies' view and from employees of different generations' view) enabled to summarize previous studies (Peter and Urwin, 2009; Boehm et al., 2014; Bursch, 2014; Du Plessis et al., 2015) and reveal the concept of diversity TM in a new perspective.

Second, it was shown the role of generational theory (Howe & Strauss, 2000) for creating an effective organizational context. The mechanisms were identified that help each generation adapt to the organizational context, and on the other hand, help organizations to understand how to maximize talent capacity. The present research supplements studies dedicated to the investigation of different generations' working expectations as employees' opinion about specific TM practices was analyzed.

#### *Managerial implications*

From the practical point of view, the present study can be valuable for several reasons. First of all, organizations can consider current research as an agenda to create an effective generation-focused TM system and make it a source of sustainable competitive advantage. Moreover, the positive relationship between generation diverse TM and firm performance in the Russian context confirm the relevance of the implementation of specially designed TM practices. This study allows to configure TM system according to the needs of company organizational structure providing with more sophisticated understanding of the perception of each generation about TM practices. The results are presented in *Table 24*.

Table 24. Managerial implications

Research question	Key findings	Managerial implication
<b>RQ1</b>	<p>External factors that influence generation diverse TM practices:</p> <ul style="list-style-type: none"> <li>(1) global market orientation;</li> <li>(2) customers' expectations;</li> <li>(3) suppliers' expectations;</li> <li>(4) strategic partners' expectations;</li> <li>(5) strong employer brand;</li> <li>(6) competition.</li> </ul>	<p>Companies that face these challenges should not ignore generation diverse TM practices and refocusing to be adjusted for different generation's needs.</p>
<b>RQ2</b>	<p>A positive relationship between generation diverse TM practice and firm performance was found.</p>	<p>There is a need to working out TM practices which consider peculiarities of each generation and allows to create a comfort organizational environment for everybody as it improves performance.</p>
<b>RQ3</b>	<p>The same trend is observed for all generations regarding TM practices which are considered to be important for different generations. All respondents noted that:</p> <ul style="list-style-type: none"> <li>(1) generational diversity is the most important diversity dimension;</li> <li>(2) the company should consider generational diversity of its employees primarily for TM development practices (88%), in second place – TM attraction practices (67%) and TM retention practices turned out to be last in priority (57%);</li> <li>(3) the most important practices to manage diversity are equal opportunities in the recruitment process (62%), accessibility of learning and development programs (69%) and organizational culture/generational values (53%), according to all respondent opinion.</li> </ul>	<ul style="list-style-type: none"> <li>(1) This study allows to configure TM system according to the needs of company organizational structure providing with more sophisticated understanding of the perception of each generation about TM practices.</li> <li>(2) Organizations can consider current research as an agenda to create an effective generation-focused TM system and make it a source of sustainable competitive advantage.</li> </ul>

### *Limitations and recommendations for further research*

In addition to important practical and managerial contributions, the current research has a number of limitations that should be considered.

First, the research questions can be tested for the bigger sample. Second, the context of the present study was Russia. However, country specific issues could be valuable as the definition of different generations and its distribution can vary in different countries due to demographic, economic reasons and others (Kilber et al., 2014). Therefore, a cross-countries study is the direction for the further research. Third, industries were not differentiated in the present study. Nevertheless, the research of generational diversity phenomena from this angle can result in more specific managerial implications for companies.



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## Appendix 1. The expert interview design

### I. General Information

<b>Expert's profile:</b> Please, fill in or select an appropriate response	
1. Gender	<ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>
2. Age (generation)	<ul style="list-style-type: none"> <li>• 23 or younger (Generation Z)</li> <li>• 24 – 39 (Generation Y)</li> <li>• 40 – 55 (Generation X)</li> <li>• 56 or older (Baby Boomers)</li> </ul>
3. Education level	<ul style="list-style-type: none"> <li>• College degree</li> <li>• Bachelor's degree</li> <li>• Master's or Specialist's degree</li> <li>• Doctorate degree</li> </ul>
4. Your position	
5. Management level	<ul style="list-style-type: none"> <li>• Specialist</li> <li>• Junior manager</li> <li>• Middle manager</li> <li>• Top manager</li> </ul>
6. Years on this position	<ul style="list-style-type: none"> <li>• Less than a year</li> <li>• 1 – 3 years</li> <li>• 3 – 6 years</li> <li>• More than 6 years</li> </ul>
7. What is the number of employees in your company?	<ul style="list-style-type: none"> <li>• 1 – 50 employees</li> <li>• 51 – 500 employees</li> <li>• 501 – 1000 employees</li> <li>• More than 1000 employees</li> </ul>
8. Please estimate (approximately, around) how many employees (or the part of such employees in percent) from different generations are presented in your company	<ul style="list-style-type: none"> <li>• Generation Z (___)%</li> <li>• Generation Y (___)%</li> <li>• Generation X (___)%</li> <li>• Baby Boomers (___)%</li> </ul>
9. Does your company practise diversity management or diversity & inclusion?*	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
<i>* actions which are systematic, planned at the organizational level and meant to hire and retain employees with diverse background and abilities</i>	
10. Please select a type or types of diversity you believe the company should manage	<ul style="list-style-type: none"> <li>• Gender</li> <li>• Race and ethnicity</li> <li>• Age and Generation</li> <li>• Workers with disabilities</li> <li>• Sexual orientation</li> <li>• Religion</li> </ul>

<b>Expert's profile:</b> Please, fill in or select an appropriate response	
	<ul style="list-style-type: none"> <li>• All listed</li> <li>• None of the listed (Your opinion)</li> <li>• Other _____</li> </ul>

**II. Generational diversity management practices.**

<b>Please, answer the question.</b>	
1.How do you understand generation diversity? What is diversity for you and your organization?	
2.Do you think that generations are really different when employed in an organization? If yes, how, in your opinion, are they different?	
3.What difficulties do people from different generations face (or may face) in an organization context?	
4.Do you think companies should consider specifics of different generations? (Why?)	
5.Do you think companies should have managerial practices (in particular, talent management practices) focused on different generations? (Why?)	
6.What difficulties does your company face (or may other companies face) while managing generation diversity?	
7.Could you please give an example of the situation when different generations are in conflict or need to be managed?	
8.Could you give an example of how generation diversity is managed (in recruitment/trainings and development/motivation/compensation)?	

<b>Please, answer the question.</b>	
9. Who is involved (or should be involved) in activities (events, practices, etc.) related to generation diversity management?	
10. What talent management practices are the crucial/ most important for managing generation diversity?	
11. Please explain how generation diversity is managed in your company?	
12. Is diversity in your company supported by the corporate culture? What corporate values are linked to diversity?	
13. What barriers now exist in managing generation diversity in Russian companies? Worldwide?	
14. If there are two candidates with more or less the same competences, which generation group would you (your company) prefer? (Why?)	
15. Do you think that generation diversity influences firm performance or other KPIs? What are the benefits (for a firm) of generation diversity?	
16. What benefits are brought by each generation to a company?	
17. Are there any cultural influences on generation diversity management in Russia? Should they be considered? (Why?) Is this process the same as in your company's headquarter?	

## Appendix 2. The questionnaire with HR directors design

### I. General Information

<b>Respondent's profile:</b> Please, fill in or select an appropriate response.	
1. Gender	<ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>
2. Age (generation)	<ul style="list-style-type: none"> <li>• 23 or younger (Generation Z)</li> <li>• 24 – 39 (Generation Y)</li> <li>• 40 – 55 (Generation X)</li> <li>• 56 or older (Baby Boomers)</li> </ul>
3. Education level	<ul style="list-style-type: none"> <li>• College degree</li> <li>• Bachelor's degree</li> <li>• Master's or Specialist's degree</li> <li>• Doctorate degree</li> </ul>
4. Your position	
5. Management level	<ul style="list-style-type: none"> <li>• Specialist</li> <li>• Junior manager</li> <li>• Middle manager</li> <li>• Top manager/</li> </ul>
6. Years on this position	<ul style="list-style-type: none"> <li>• Less than a year</li> <li>• 1 – 3 years</li> <li>• 3 – 6 years</li> <li>• More than 6 years</li> </ul>

<b>Company's profile:</b> Please, fill in or select an appropriate response	
1. Company name	
2. Industry	
3. Headquarters location (country)	<ul style="list-style-type: none"> <li>• Russia</li> <li>• Other countries</li> </ul>
4. Age of the organization (year of foundation)	<ul style="list-style-type: none"> <li>• less than 1 year</li> <li>• 1-5 years</li> <li>• 6-10 years</li> <li>• 11-20 years</li> <li>• more than 20 years</li> </ul>
5. Number of employees	<ul style="list-style-type: none"> <li>• 1 – 50 employees</li> <li>• 51 – 500 employees</li> <li>• 501 – 1000 employees</li> <li>• More than 1000 employees</li> </ul>
6. Geographic scope of operations	<ul style="list-style-type: none"> <li>• Global</li> </ul>

<b>Company's profile:</b> Please, fill in or select an appropriate response	
	<ul style="list-style-type: none"> <li>• Regional</li> <li>• Local</li> </ul>
7.Does your company practise diversity management or diversity & inclusion?*	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
* <i>actions which are systematic, planned at the organizational level and meant to hire and retain employees with diverse background and abilities</i>	
8.Please select a type or types of diversity you believe the company should manage	<ul style="list-style-type: none"> <li>• Gender</li> <li>• Race and ethnicity</li> <li>• Age and Generation</li> <li>• Workers with disabilities</li> <li>• Sexual orientation</li> <li>• Religion</li> <li>• All listed</li> <li>• None of the listed</li> <li>• Other_____</li> </ul>

**II. Factors influencing generation-focused talent management practices of diverse talent groups**

<b>Driving factors of the talent management system for generations:</b> To what extent do you agree with the following statements	1=Small degree	7= High degree
1. There are a lot of age-based stereotypes related to the recruitment process in the country where I work	1	2 3 4 5 6 7
2. National culture influences introduction of diverse talent management practices in the country where I work	1	2 3 4 5 6 7
3. In the country where I work there are economic conditions, including the cost of human capital and the situation on the labor market, related to talent management practices for different diverse groups including generations	1	2 3 4 5 6 7
4. There is a need for an innovation in my firm	1	2 3 4 5 6 7

<b>Driving factors of the talent management system for generations: To what extent do you agree with the following statements</b>	1=Small degree	7= High degree
5. There is a need for creativity and agility in my firm	1 2 3 4 5 6 7	
6. There is a need for diverse background of talents in my firm	1 2 3 4 5 6 7	
7. There is a demand for diverse skills of talents in my firm	1 2 3 4 5 6 7	
8. There is a demand for a diverse style of leadership and management in my firm	1 2 3 4 5 6 7	
9. There is a demand for a diverse style of communication in my firm	1 2 3 4 5 6 7	
10. Corporate culture of my firm affects the generations talent management for talents from different generations	1 2 3 4 5 6 7	
11. There is a need to operate and compete in the global market in my firm	1 2 3 4 5 6 7	
12. Personal attitude of the CEO and heads of departments affects talent management for talents from different generations	1 2 3 4 5 6 7	
13. Existing employees-representatives of different generations push diverse talent management practices	1 2 3 4 5 6 7	
14. There is a need to meet customer expectations in my firm	1 2 3 4 5 6 7	
15. There is a need to meet strategic partners expectations	1 2 3 4 5 6 7	
16. There is a need to meet suppliers expectations	1 2 3 4 5 6 7	
17. There is a need to maintain strong employer brand and reputation of my firm	1 2 3 4 5 6 7	
18. Business competition in the market pushes attraction, development and retention of employees from different generations	1 2 3 4 5 6 7	

### III. Generation-focused talent management practices at the stage of attraction

<b>Attraction:</b> Please, rate your agreement with each of the following statements	1=Strongly disagree	7= Strongly agree
1.Attraction talent from different generations is very important and it is of high priority in my organization	1 2 3 4 5 6 7	
2.There are equal opportunities for candidates-representatives of different generations in the recruitment process	1 2 3 4 5 6 7	
3.Our organization has no difficulty attracting talents of diverse age	1 2 3 4 5 6 7	
4.Our organization can predict both short- and long-term positive outcomes from managing different generations	1 2 3 4 5 6 7	
5.Our organization’s profile is attractive enough for employees from different generations	1 2 3 4 5 6 7	
6.There are equal salary opportunities for employees from different generations	1 2 3 4 5 6 7	
7.Our recruitment advertising shows that employees from different generations are welcome.	1 2 3 4 5 6 7	
8.Recruitment methods are based on different approaches to ensure to have employees from different generations.	1 2 3 4 5 6 7	
9.Recruitment campaigns of our organization are focused on generational differences	1 2 3 4 5 6 7	
10.To ensure unbiased and fair hiring, our organization avoids using age-based stereotypes	1 2 3 4 5 6 7	
11.The interview questions of our organization are carefully examined for age-based biases and stereotypes	1 2 3 4 5 6 7	
12.Our organization has different talent management practices aiming to attract employees from different generations	1 2 3 4 5 6 7	



## VI. Generation-focused talent management practices at the stage of development

<b>Development:</b> Please, rate your agreement with each of the following statements	1=Strongly disagree	7= Strongly agree
1.Development talents from different generations is very important and it is of high priority to the organization	1 2 3 4 5 6 7	
2.The quality of learning and development programs for employees from different generations is high	1 2 3 4 5 6 7	
3.Our organization has a mentorship program specially designed for employees form different generations	1 2 3 4 5 6 7	
4.Our organization provides an equal access to learning and development programs for all employees regardless of age	1 2 3 4 5 6 7	
5.Our organization provides enough financial assistance to all employees regardless of age to upgrade their skills	1 2 3 4 5 6 7	
6.There are as many career advancement opportunities for employees from different generations	1 2 3 4 5 6 7	
7.Career advancement opportunities are equal for employees from different generations	1 2 3 4 5 6 7	
8.Employees from different generations receive the same training opportunities	1 2 3 4 5 6 7	
9.Performance evaluation as base for promotion in our organization is free from generation bias	1 2 3 4 5 6 7	
10.Information about job rotations, special assignments and opportunities for promotion is freely available to employees from all generations	1 2 3 4 5 6 7	
11.Performance evaluation allows fair distribution of promotions and lateral moves for diverse age employees	1 2 3 4 5 6 7	

<b>Development:</b> Please, rate your agreement with each of the following statements	1=Strongly disagree	7= Strongly agree
12.Employee promotion processes are transparent and employee selection criteria for promotion are free from age-based bias and stereotypes, available and accessible to everyone	1	2 3 4 5 6 7
13.Our organization actively encourages employees from all generations to participate in the internal recruitment	1	2 3 4 5 6 7
14.Our organization has customized development practices for diverse age employees	1	2 3 4 5 6 7

#### V. Generation-focused talent management practices at the stage of retention

<b>Retention:</b> Please, rate your agreement with each of the following statements	1=Strongly disagree	7= Strongly agree
1.Retention talents from different generations is very important and it is of high priority for our organization	1	2 3 4 5 6 7
2.The company has customized motivation programs based on generation differences	1	2 3 4 5 6 7
3.Employees from all generations are fully engaged in the working processes	1	2 3 4 5 6 7
4.Employees from different generations are given enough autonomy and responsibility for decision-making	1	2 3 4 5 6 7
5.Monetary rewards and/or compensation and benefit programs for all employees from different generations are clear and transparent	1	2 3 4 5 6 7
6.Non-monetary rewards and recognition for employees from different generations are clear and transparent	1	2 3 4 5 6 7
7.Our organization has no difficulties creating a secure and safe workplace regardless of age	1	2 3 4 5 6 7

<b>Retention:</b> Please, rate your agreement with each of the following statements	1=Strongly disagree	7= Strongly agree
8.Our organization conducts surveys to identify issues related to attitudes and behaviors in the workplace as they are relevant to progress in managing generation diversity	1 2 3 4 5 6 7	
9.The disciplinary procedures of our organization are applied equally to all employees regardless of age	1 2 3 4 5 6 7	
10.Our organization has a policy on part-time and flex-time employment for all employees regardless age	1 2 3 4 5 6 7	
11.Our organization provides honest financial motivation regardless of age and generation	1 2 3 4 5 6 7	
12.Our organization provides equal non-monetary rewards and recognition regardless of age	1 2 3 4 5 6 7	

## VII. Firm performance/Результаты деятельности компании

<b>Performance:</b> Please, rate your firm's performance relative to your primary industry's average	1=Well below industry average	7= Well above industry average
1.Market share growth over the past three years	1 2 3 4 5 6 7	
2.Sales growth over the past three years	1 2 3 4 5 6 7	
3.Average return on investment over the past three years	1 2 3 4 5 6 7	
4.Average profit over the past three years	1 2 3 4 5 6 7	
5.Average profit growth over the past three years	1 2 3 4 5 6 7	

## Appendix 3. The questionnaire with employees from different generations design

### I. General Information

<b>Respondent's profile:</b> Please, fill in or select an appropriate response.	
1. Gender	<ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>
2. Age (generation)	<ul style="list-style-type: none"> <li>• 23 or younger (Generation Z)</li> <li>• 24 – 39 (Generation Y)</li> <li>• 40 – 55 (Generation X)</li> <li>• 56 or older (Baby Boomers)</li> </ul>
3. Education level	<ul style="list-style-type: none"> <li>• College degree</li> <li>• Bachelor's degree</li> <li>• Master's or Specialist's degree</li> <li>• Doctorate degree</li> </ul>
4. Do you work currently	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
5. Where do you work currently	<ul style="list-style-type: none"> <li>• Russian company</li> <li>• International company (Russian office)</li> <li>• International company (office outside Russia)</li> </ul>
6. Your position	
7. Management level	<ul style="list-style-type: none"> <li>• Specialist</li> <li>• Junior manager</li> <li>• Middle manager</li> <li>• Top manager</li> </ul>
8. How long have you been working in this company	<ul style="list-style-type: none"> <li>• Less than a year</li> <li>• 1 – 3 years</li> <li>• 3 – 6 years</li> <li>• More than 6 years</li> </ul>
9. What is the number of employees in your company	<ul style="list-style-type: none"> <li>• 1 – 50 employees</li> <li>• 51 – 500 employees</li> <li>• 501 – 1000 employees</li> <li>• More than 1000 employees</li> </ul>
10. Does your company practise diversity management or diversity & inclusion?*	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
* actions which are systematic, planned at the organizational level and meant to hire and retain employees with diverse background and abilities.	

**Respondent's profile:** Please, fill in or select an appropriate response.

<p>11. Please select a type or types of diversity you believe the company should manage</p>	<ul style="list-style-type: none"> <li>• Gender</li> <li>• Race and ethnicity</li> <li>• Age and Generation</li> <li>• Workers with disabilities</li> <li>• Sexual orientation</li> <li>• Religion</li> <li>• All listed</li> <li>• None of the listed</li> <li>• Other _____</li> </ul>
<p>12. Do you think that the company should consider generational diversity of its employees?</p>	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
<p>13. Please select on which stage you believe the company should consider generational diversity of its employees</p>	<ul style="list-style-type: none"> <li>• Attraction</li> <li>• Retention</li> <li>• Development/</li> <li>• All listed/</li> <li>• None of the listed</li> <li>• Other _____</li> </ul>
<p>14. Please select which practices should company include to manage generational diversity</p>	<ul style="list-style-type: none"> <li>• to provide equal opportunities for candidates-representatives of different generations in the recruitment process;</li> <li>• to provide different learning and development programs for employees of different age;</li> <li>• to develop the organizational culture without age biases and considering generation values;</li> <li>• Other _____</li> </ul>

## II. Generation-focused talent management practices at the stage of attraction

<b>Attraction:</b> Please, rate your agreement with each of the following statements	1=Strongly disagree	7= Strongly agree
1.Attraction people from my generation is very important and it should be of high priority in any organization	1 2 3 4 5 6 7	
2.Almost all organizations are attractive enough for my generation due to their attention to us	1 2 3 4 5 6 7	
3.The salary for my generation is competitive enough in comparison with the salary for other generations	1 2 3 4 5 6 7	
4.Advertising methods used by different organizations today are customized to the needs of my generation	1 2 3 4 5 6 7	
5.My generation can easily get an access to job advertisements	1 2 3 4 5 6 7	
6.Recruitment methods used by different organizations today are customized to the needs of my generation	1 2 3 4 5 6 7	
7.To ensure unbiased and fair hiring, the majority of organizations avoid using age-based stereotypes	1 2 3 4 5 6 7	
8.When I participated in the recruitment process last time, all the interview questions were carefully examined for age-based biases and stereotypes	1 2 3 4 5 6 7	
9.When I participated in the recruitment process last time, the methods of the interview were customized for my generation	1 2 3 4 5 6 7	
10.The organization where I am employed or plan to be employed practises talent management specially aimed to attract employees from my generation	1 2 3 4 5 6 7	

### III. Generation-focused talent management practices at the stage of development

<b>Development:</b> Please, rate your agreement with each of the following statements.	1=Strongly disagree	7= Strongly agree
1.Development programs for my generation are very important and they are of high priority in the organization where I am employed or plan to be employed	1 2 3 4 5 6 7	
2.Learning and development programs for my generation are customized and based on the development needs of our organization	1 2 3 4 5 6 7	
3.There is a mentorship program specially designed for my generation in the organization where I am employed or plan to be employed	1 2 3 4 5 6 7	
4.There are many career advancement opportunities for people from my generation in the organization where I am employed or plan to be employed	1 2 3 4 5 6 7	
5.I receive (or will receive if employed) enough support to have effective collaboration and cooperation with other generations	1 2 3 4 5 6 7	
6.Performance evaluation procedures are customized for my generation	1 2 3 4 5 6 7	
7.Job rotations, special assignments and opportunities for promotion are freely available to my generation	1 2 3 4 5 6 7	
8.Performance evaluation allows equal and fair distribution of promotions and lateral moves for my generation	1 2 3 4 5 6 7	
9.Employee promotion processes are transparent and employee selection criteria for promotion are free from age-based bias and stereotypes, available and accessible to my generation	1 2 3 4 5 6 7	

## VI. Generation-focused talent management practices at the stage of retention

<b>Retention:</b> Please, rate your agreement with each of the following statements	1=Strongly disagree	7= Strongly agree
1.Retention programs for my generation are very important and they are of high priority in the organization where I am employed or plan to be employed	1 2 3 4 5 6 7	
2.People from my generation are motivated equally with employees from other generations	1 2 3 4 5 6 7	
3.Motivation programs for my generation are customized and based on the needs of my generation	1 2 3 4 5 6 7	
4.People from my generation are fully engaged in the working process in almost all organizations	1 2 3 4 5 6 7	
5.Employees from my generation are given the same autonomy and responsibility for decision-making as employees from other generations	1 2 3 4 5 6 7	
6.Monetary rewards and/or compensation and benefit programs are clear and transparent	1 2 3 4 5 6 7	
7.Non-monetary rewards and recognition are clear and transparent	1 2 3 4 5 6 7	
8.There are no difficulties creating a secure and safe workplace for my generation in the organization where I am employed or plan to be employed	1 2 3 4 5 6 7	
9.In the organization where I am employed or plan to be employed there are surveys (or other feedback channels) to identify issues related to attitudes and behaviors of my generation	1 2 3 4 5 6 7	
10.In the organization where I am employed or plan to be employed there is a policy on part-time and flex-time employment for people of my generation	1 2 3 4 5 6 7	



## Appendix 4. Tables

**Table 11. Pairwise correlations**

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Firm Performance</i>	1.000							
<i>TM Attraction</i>	0.384* **	1.000						
<i>TM Development</i>	0.384* **	0.859* **	1.000					
<i>TM Retention</i>	0.316* **	0.763* **	0.848* **	1.000				
<i>Country-level Factors</i>	0.104	-0.016	-0.025	-0.025	1.000			
<i>Internal firm-level Factors</i>	0.169	0.231	0.174	0.273	0.337* **	1.000		
<i>External firm-level Factors</i>	0.259	0.388* **	0.351* **	0.346* **	0.205	0.682* **	1.000	
<i>TM System</i>	0.388* **	0.934* **	0.967* **	0.915* **	-0.024	0.234	0.384* **	1.000
Standard errors in parentheses								
*** p<0.01, ** p<0.05, * p<0.1								

**Table 13. Types of diversity the company should manage (each generations responses)**

<i>Variables</i>	<i>Observations</i>	<i>Percentage</i> <i>(% out of total N = 66)</i>
<u>Generation Z</u>		
Gender	38	57.57
Race & Ethnicity	29	43.94
Age & Generation	48	72.72
Workers with disabilities	32	48.48
Sexual orientation	17	24.24
Religion	14	21.21
None of the listed	13	19.69
<u>Generation Y</u>		
Gender	124	41.75
Race & Ethnicity	84	28.28
Age & Generation	200	67.34
Workers with disabilities	94	31.97
Sexual orientation	61	20.53
Religion	63	21.21
None of the listed	56	18.86

<u>Generation X</u>		
Gender	13	28.89
Race & Ethnicity	6	13.33
Age & Generation	34	75.76
Workers with disabilities	7	31.97
Sexual orientation	4	15.56
Religion	2	04.44
None of the listed	11	24.44
 <u>Baby Boomers</u>		
Gender	35	28.89
Race & Ethnicity	27	13.33
Age & Generation	47	75.76
Workers with disabilities	44	31.97
Sexual orientation	9	15.56
Religion	21	04.44
None of the listed	4	24.44

**Table 15. Practices where company should consider generational diversity (each generation responses)**

<i>Variable</i>	<i>Observations</i>	<i>Percentage</i> <i>(% out of total N = 66)</i>
<u>Generation Z</u>		
Attraction	49	74.24
Development	55	83.33
Retention	37	56.06
None of the listed	6	09.09
<u>Generation Y</u>		
Attraction	198	66.67
Development	261	87.88
Retention	194	65.32
None of the listed	9	03.03
<u>Generation X</u>		
Attraction	36	80.00
Development	41	91.11
Retention	32	71.11
None of the listed	2	03.03

<u>Baby Boomers</u>		
Attraction	31	45.59
Development	60	88.23
Retention	12	17.65
None of the listed	0	00.00

**Table 16. The descriptive statistics of the role of generation-focused talent management practices at the stage of attraction.**

<i>Variable</i>	<i>Mean</i>	<i>Std.dev</i>	<i>Min</i>	<i>Max</i>
Attraction (aggregated)	4.28	1.16	1	7
1 Attraction people from my generation is of high priority in any organization.	5.27	1.91	1	7
2 Almost all organizations are attractive enough for my generation due to their attention to us.	4.78	1.85	1	7
3 The salary for my generation is competitive enough in comparison with other generations.	4.66	1.84	1	7
4 Advertising methods are customized to the needs of my generation.	4.41	1.91	1	7
5 My generation can easily get an access to job advertisements.	5.08	1.90	1	7
6 Recruitment methods used by different organizations today are customized to the needs of my generation.	5.56	1.82	1	7
7 To ensure unbiased and fair hiring, the majority of organizations avoid using age-based stereotypes.	3.67	1.79	1	7
8 When I participated in the recruitment process last time, all the interview questions were carefully examined for age-based biases and stereotypes.	3.17	2.00	1	7
9 When I participated in the recruitment process last time, the methods of the interview were customized for my generation.	3.54	2.03	1	7

10 The organization where I am employed or plan to be employed practises talent management specially aimed to attract employees from my generation.	4.28	2.07	1	7

**Table 19. The descriptive statistics of the role of generation-focused talent management practices at the stage of development.**

<i>Variable</i>	<i>Mean</i>	<i>Std.dev</i>	<i>Min</i>	<i>Max</i>
Development (aggregated)	4.01	1.45	1	7
1 Development programs for my generation are of high priority.	3.94	1.99	1	7
2 Learning and development programs for my generation are customized and based on the development needs of our organization.	3.96	1.99	1	7
3. Mentorship program is specially designed for my generation.	3.61	2.27	1	7
4 Many career advancement opportunities for people from my generation.	4.17	1.95	1	7
5. I receive enough support to have effective collaboration and cooperation with other generations.	4.30	1.98	1	7
6 Performance evaluation procedures are customized for my generation.	3.61	1.99	1	7
7 Job rotations, special assignments and opportunities for promotion are freely available to my generation.	4.07	2.14	1	7
8 Performance evaluation allows equal and fair distribution of promotions and lateral moves for my generation.	4.40	1.93	1	7
9 Employee promotion processes are transparent and employee selection criteria for promotion are free from age-based bias and stereotypes, available and accessible to my generation.	4.05	2.08	1	7



**Table 21. The descriptive statistics of the role of generation-focused talent management practices at the stage of retention.**

<i>Variable</i>	<i>Mean</i>	<i>Std.dev</i>	<i>Min</i>	<i>Max</i>
Retention (aggregated)	4.51	1.20	1	7
1 Retention programs for my generation are of high priority.	4.02	2.08	1	7
2 People from my generation are motivated equally with other generations.	4.68	1.94	1	7
3 Motivation programs for my generation are customized and based on the needs of my generation.	3.78	2.01	1	7
4 People from my generation are fully engaged in the working process in almost all organizations.	5.03	1.88	1	7
5 Employees from my generation are given the same autonomy and responsibility for decision-making as employees from other generations.	5.23	1.89	1	7
6 Monetary rewards and/or compensation and benefit programs are clear and transparent.	4.90	2.03	1	7
7 Non-monetary rewards and recognition are clear and transparent.	4.64	2.00	1	7
8 There are no difficulties creating a secure and safe workplace for representatives of my generation.	5.14	1.96	1	7
9 There are surveys (or other feedback channels) to identify issues related to attitudes and behaviors of my generation.	3.62	2.22	1	7
10 There is a policy on part-time and flex-time employment for people of my generation.	4.01	2.31	1	7

