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# EMPLOYEES ENGAGEMENT ACROSS THE GENERATIONS

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## **ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ**

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## АННОТАЦИЯ

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Описание цели, задач и основных результатов	<p>Целью данного исследования является выявление основных факторов вовлеченности сотрудников в рабочий процесс с учетом различий в поколениях. Данная работа изучает основные подходы к определению термина «вовлеченность» сотрудников в рабочий процесс и рассматривает существующие различия между поколениями, которые принимают участие в деятельности компании. Были проанализированы ответы представителей двух основных поколений: Поколение X и Поколение Y (Миллениумы), которые составляют подавляющее большинство сотрудников компании. Основной задачей данной работы является идентификация факторов вовлеченности в рабочий процесс представителей данных поколений. Результаты исследования показали, что для разных поколений присущи различные факторы для увеличения их вовлеченности в рабочий процесс.</p>
Ключевые слова	Вовлеченность сотрудников в рабочий процесс, теория поколений, Поколение X, Поколение Y, Миллениумы, Россия

## ABSTRACT

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Description of the goal, tasks and main results	<p>The main aim of the current research is to identify the most important factors of employees engagement according to the generational cohort he/she belongs to. This study explores flagship approaches for defining the notion of 'engagement' of employees as well as investigates existing differences between generational cohorts that are involved in the working process. There were analyzed responds of representatives of two principal generational cohorts: Generation X and Generation Y (Millennials) which comprise the majority of employees. The main purpose of this study is to identify factors that driving engagement to working process for each generational cohort. The results of the study provide information that factors of engagement differ for each generational cohort.</p>
Keywords	Employees engagement, generational cohorts, Generation X, Generation Y, Millennials, Russia

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## **INTRODUCTION**

### **Background**

Employee engagement notion is a vibrant topic these days. Business society understands the importance of employees as a major factor of organization's success. Compared to previous years' companies' main factor was to attract a big number of customers, nowadays they are also concentrating their emphasis on employees. Therefore, employees within one organization could be considered as a group of people with almost the same purpose defined by the company's goals, there are a lot of differences between them, like personal level of job satisfaction, self-performance, personal identification within the department or company, and etc. Likewise, there are a lot of people of different ages working for one company which leads to difficulties for HR department ensuring all of them are engaged for the process.

Today modern organizations are interested in high level of performance from their employees and try to encourage and motivate them in various ways. This is crucial for companies as the main driving force as well as future success of the whole organization lies on employees' shoulders. Top managers have already been able to see the importance of personnel policy issues. Company with competent personnel management, receives a significant competitive advantage among other market players. Appropriately chosen working team consisting of like-minded people and partners who are able to recognize and realize problems company faces with, are the most important requirements for company to survive in crisis conditions and for its further success. One of the main problems that Russian modern organizations and enterprises face with, is increasing economic efficiency of companies' operations. Thence, there are several alternatives to solve this problem one of which is development, growing loyalty level and employee engagement.

Nowadays there is a doubtless confirmation that an employee is the company's most important asset. On one hand, an organization could set several concrete requirements for potential and current employees, whereas on the other hand, it is employees, who are in turn could expect the company to take certain actions that will meet their requests. There is an employee's representation of its company in the cross point of these interests. In the case of incipience of company's partnership relationship with employees, the personnel would be interested in respectful acceptance of employer. Organization's efficiency in this approach could be estimated with the help of several key figures such as work ethic, work satisfaction, organization's loyalty, involvement etc.

In recent years, employees engagement started to be considered as a one of key features in organizations. Herewith leading enterprises not just estimate the commitment degree or personnel loyalty, but set an index of their engagement.

At the moment it is hard to detach questions that could help to identify would a person be involved in the working process, be engaged and obsessed with work. Notwithstanding some exacting areas could be set aside. For instance, some studies state that engagement is one of the competitive advantages and it should not be neglected during personnel job interviewing process and assessment. A few authors suppose it is a working environment that determines the engagement rate, whilst others presume that everything including engagement depend on the person himself. As well there are some opinions that engagement rate relies upon and increasing both because of personal resources and environment.

### **Research problem**

Recent investigations show that engagement has a positive effect on company's productivity. For example, organizations such as Hewitt Associates, Gallup and others publish results based on their own observations of engagement. One of the interesting notes was done by Gallup while keeping watch on leading companies is that around 90% of employees used to have high engagement rate (Crabtree S., 2013). However, employees engagement rate tends to decrease from year to year, so nowadays to the main organizations' focus which is customers' satisfaction has been adding a special attention to employees' well-being and comfort by increasing their engagement degree, and each company has its own understanding and measures to understand whether employees are involved in the working process or not. It becomes obvious that further engagement study is relevant these days. Nevertheless, there is still a scarcity of literature that could provide proper understanding and further implementing of factors that could enhance employees engagement.

In order to find out the ways to increase personnel engagement in organizations it is crucial to analyze and disclose the concept of employees engagement, evaluate current state of the organization, identify problem areas and provide necessary actions. However, it is still difficult to find out the ideal framework to motivate people involve them in different tasks and increase the level of loyalty as each person is unique and everyone has their own goals and preferences. There are already have been conducted several researches in this field and one of the primary studies took place 27 years ago and after that this field widened became popular among researches. However, even today there is no one particular definition for engagement term, that could fit every aspect included in this notion.

The main research problem could be identified as lack of researches devoted to the way how factors of engagement influence different generational cohorts despite the fact that there are a lot of studies analyzing the connection between various factors and engagement rate. As well

there are still lack of domestic studies on this topic. The existing studies are still contradictory. Also, there is lack of studies providing a comprehensive study on these factors of engagement.

Basing on a deep theoretical analysis of the literature on employees engagement and preferences of various generations the research gap has been found as an absence of studies provided in the intersection of these two research fields (as mostly engagement has been studied from the economical point of view, whereas generational differences – from psychological) especially on Russian market.

According to the identified research gap for this study, it became obvious that there is very little amount of literature and studies that provided information that includes both sides of the chosen theme: employees engagement and generational cohorts. Therefore the goal of the current research will be to identify what are the differences between factors that influence engagement degree in the context of generational differences. Based on the critical literature review and goal of the study the **research question** is:

Which factors could influence engagement according to generational cohort employee belongs to?

**Research objective:** to elicit which factors have an influence on employees engagement within the company but divided into various generational cohorts.

**Research object** was selected as Heineken employees in Russia.

**Research subject** is to identify which factors (independent variables) influence the level of employees engagement; to identify what generational cohorts are presented in the company and as a result to match which factors have more influence on which generational cohort that leads to increase in their engagement performance.

### **Structure of the study**

This master thesis consists of four main chapters: theoretical background of the research study; methodology, empirical part and conclusions and limitations parts. Chapter 1, the overview of theory sheds light on the development of the concept of employee engagement and generational theory and identifies the research gap and research question for further examination. Second chapter provides all information about chosen methods to conduct the research. Empirical part presented in Chapter 3 shows the estimations based on the previous two chapters and results of it as well as discussions on the topic. And the final chapter will be conclusions on the study, including theoretical contribution and managerial implications of the provided research as well as suggests further research recommendations and highlights limitations of the study.



## **Chapter 1. THEORETICAL BACKGROUND OF THE STUDY**

This part sheds a light on previously done researches and studies in both directions: employees engagement and generational differences. The literature review was prepared with the help of thematic approach, starting from the first mentions of the ‘engagement’ notion in the scientific literature and its further development and enlargement because of appearance of new approaches to the attempt to provide an integral definition to the term. Second part of the literature review devoted to generational differences between generational cohorts. This part will help to identify main characteristics of each generational cohort. In order to highlight main variations between generational cohorts in the USA and in Russia the next step in this chapter is to find out these differences and take them into account for further research examination and survey construction.

### **1.1 Theoretical approach to engagement definition in previous researches**

Nowadays relationship between employee and employer have changed: it is more common that people are working as agents. This means that the power balance has moved from employer to employee and business leaders nowadays have to think permanently how to create an appropriate atmosphere so that their employees are staying in love with the job and find creative solutions to the tasks.

Employee engagement is a matter of concern for leaders and managers in organizations across the globe, as it is recognized as a vital element in determining the extent of organizational effectiveness, innovation and competitiveness. Increasing interest in employee engagement led to the problem of finding a comprehensive definition for the “engagement” term in the literature. It is common tendency for business to come up with particular interpretation of a notion by covering previous scientific researches in order to create a simple and unique definition instead of complex one. Therefore, there were a lot of attempts among researches confessed that employee engagement is a multiplex concept as it was proposed earlier by Kahn (1990), there are still emerging efforts to define this notion.

Theoretical foundations of ‘employee engagement’ concept based on a relationship between employees and organization likewise on changes within the organization in short-term perspective (around 2-3 years). Firstly, engagement consists of employees’ proclivity to participate and be a part of organization’s activity, which in turn includes three components: knowledge, interest and productivity. Employee’s professional knowledge in combination with a desire to further development, be familiar with innovations leading to increase in personal productivity are

representing his/her engagement (Verba et al, 1995).

This chapter is going to be focused on two main features:

- theoretical background of employee engagement topic, main approaches to define this notion done by several authors in previous researches and developed frameworks for measuring levels of employee engagement. The analysis provided in this part will give a complete overview of main theory outcomes from previous researches done in this field.
- Theoretical background of generational cohorts' topic, which identify main groups of generations, their differences and preferences. The result of this part will be a clear understanding how population could be divided basing on previously done researches and how these groups varies from each other.

The main aim of this chapter is to come up with the common overview of the literature and researches done in this field and have a completed understanding of engagement and generation notions. This will help to further development of framework based on assembled knowledge, existing frameworks and models that will be used in theoretical part of the master thesis.

One of the most significant events of the 1990s was a research done in the field of investigation the term “engagement” by Kahn in his “Psychological conditions of personal engagement and disengagement at work”, where he discussed on personal engagement and disengagement factors basing on people experience and working environment (Kahn, 1990). He defined engagement as “involving organization members to play their roles which is leading to the state of engagement, when they are cognitively, physically and emotionally expressing themselves through their roles” whereas personal disengagement was characterized vice versa to engagement, as “a detachment from their work roles, the state, when people abstract themselves cognitively, physically and emotionally while playing their work role” (Kahn, 1990, p.694). The main idea of the research was identified in a way that “people customarily need to express themselves and be individually employed” (Alderfer, 1972; Maslow, 1999).

According to his research:

- physical performance was defined as willingness as a physical energy of employees to achieve results in a working process by fulfilling professional function;
- cognitive aspect is concerning on employees' personal beliefs about the organization, in its top management team and operational environment;
- employees are engaged emotionally in a way of expressing their feeling about the company and employers basing on all three aspects (Kahn, 1990).

In accordance with Kahn, the complex estimation of these three previously mentioned

aspects characterizes high level of engagement among employees. Kahn's work was not the first research in this field as he based his work on the research provided by Goffman and his proposition was that "peoples' preferences to their own work roles are individual and as result they differ in each particular case" (Kahn, 1990, p.539).

Kahn ascertained that there are also other 3 aspects showing the level of employees' engagement or disengagement like: meaningfulness, availability and safety. He confirmed that each situation the employee faces with led him/her to think critically about these three conditions and clarified that the higher level of safety, meaningfulness and availability is the more employee is engaged, which was later tested by May and others and results showed the positive correlation between engagement and these constructions (May et al, 2004).

Further developments of the theme define employee engagement as an adherence, increasing loyalty, intellectual and emotional commitment to organization (Baumruk, 2004; Richman, 2006; Shaw, 2005). Almost at the same time, Robinson et al characterize engagement as a "one step above responsibilities" (Robinson, Perryman & Hayday, 2004).

After a while interest in this field increased and a lot of other definitions and scales appeared widening measures, approaches and theories. Truss et al define employee engagement as a "passion for work" which is according to their opinion presents the whole concept following all psychological levels and conditions presented by Kahn's three aspects of engagement (Truss et al., 2006).

Another tendency of engagement theoretical conceptualization is intuitively attraction of exchange theory constructions which are commonly welcomed in business environment. According to Saks, high-capacity theoretical justification for explaining employee engagement could be found in Social Exchange Theory (SET) (Saks, 2006). The major principle of social exchange theory is that relationship between employee and employer (i.e. organization) are developing into trustworthy, constant mutual commitments over time until both sides are pursuing particular exchange "rules" (Cropanzano, Mitchell 2005). Consequently, engagement in this approach is interpreted as an employees' willingness to invest his cognitive, physical and emotional capital in organization's development and in exchange for resources and privileges provided by the company. The specific objective of Saks's study was extension of the existing definition of engagement by adding another main concepts: organizational engagement and job engagement.

Consolidating previously done researches in employee engagement, David MacLeod and Nita Clarke counted more than 50 various definitions for engagement phenomenon. However, there are still some difficulties in bringing them together as definitions and methodology are

different. Some of the researches are based only on one aspect of engagement (emotional, cognitive or physical), whereas others are focused on one or two of them, but not on all three at once. Moreover, estimations of the level of engagement in different companies are evaluated in various ways: according to personnel turnover, activity results, profits, productive efficiency, service quality, etc. Additionally, several researches focus on conditions whilst others estimate engagement on diverse levels, i.e. group, organization. (MacLeod, Clarke, 2006).

Macey and Schneider's approach to define an 'engagement' resulted in separating this term into three main aspects: trait engagement, state engagement and behavioral engagement. However, all these three aspects are linear interrelated to each other, so the personal angle of view is determined as trait engagement, which reflects state engagement which in turn is conducive to behavioral engagement characterized in terms of discretionary efforts. Nevertheless, this proposal was argued by Newman and Harrison (2008), who confirmed that such separation is redundant to determine engagement and give nothing but the personal attitude to his/her work. Their approach to define engagement notion is the synchronous combination of these three, however this way of definition leads to the results' description missing the understanding of the psychological state.

Another way to define engagement term could be seen in Kaufman's study, where he describes engaged employees as an "initiative people who are ready to meet all organization's requirements, support corporate culture and follow the rules, are in the 'flow' condition, have the same values as the company, stay attentive and implement positive changes for the organizations' future productivity" (Kaufman et al., 2007).

### **1.1.1 Theoretical models which are alternative to «employee engagement»**

Nowadays there is a big number of 'employees engagement' definitions. Nevertheless, in order to have a complete understanding of the term, which organizational processes affects engagement, it is essential to conduct a content analysis of the term, which will highlight the main definitions and perspectives of employees engagement (see Table 1).

## Employees engagement definitions

Authors	'employees engagement' definition
Kahn (1990)	Articulates the concept of engagement through the process of mastering employees of their working roles, thereby they are realized physically – the energy that is invested in the of the labor function performance; intellectually – by formulation of the idea of the organization, work environment; emotionally – an assessment of the degree of positive or negative attitude towards the organization
Verba, Scholzman, Brady (1995)	Emphasize engagement is determined as a person's proclivity for participation in working activity, which consists of 3 components: knowledge, interest and productivity.
Frank, Finnegan and Taylor (2004)	Engagement is defined from economic point of view – “the model of contribution and investment”, that is the amount of effort employees are investing in their work performance.
Baumruk, 2004; Richman, 2006; Shaw, 2005	Employees engagement expressed as an emotional and intellectual commitment to organization.
Truss et al (2006)	These authors determine engagement from psycho-emotional aspect of the work performance process, namely, “passion for work”.
Saks (2006)	Engagement is defined as a reciprocal and interdependent process expressed in employees' willingness to invest their cognitive, physical and emotional capital in organization's activity in exchange for resources and benefits, provided by the company.
British CIPD (Chartered Institute for Personnel Development) researches (2012)	Define 'employees engagement' as an employee's concentration on operating task, job satisfaction along with devotion to organization's goals and values.
Svergun, 2012; Konovalova, 2014	Engagement is an emotional and intellectual condition, feeling which employees strive to work as best as possible.

Source (Developed for this research paper).

Analyzing the information provided in Table 1 it can be concluded that evolvement and development of the employee engagement concept could be traced throughout XX-XXI centuries.

At the first historical stage (on the edge of 20<sup>th</sup> and 21<sup>st</sup> centuries), there were a dramatic restructuring in the world of economy and geopolitics of foreign countries, public consciousness and culture changes that affected the organizational system structures. There were appeared such terms as organizational psychology (applied branch of psychology studying all aspects of mental activity and people behaviour in organizations in order to increase organizational effectiveness and to create favorable working conditions).

Furthermore, top management should maintain and realize: direct communications with employees, not just with collective representatives; develop organizational culture that would be favorable to implement flexible working procedures; improve employees long-term opportunities, aside from achieving competitive level of current duties performance.

The fundamental essence of the modern human resource concept is the recognition of economic investments feasibility in personnel recruitment, support of its working ability, training and advanced vocational training, development of personnel competencies in accordance with organization's needs specified by organization's strategic objectives, creation of personal complete identifications.

Employee engagement definition resemble to more popular and conventional constructions like **“organizational commitment”** and **“organizational citizenship behavior” (OCB)**.

Lipatov points out that in European organizational psychology organizational commitment is considered as a psychological construction in peoples' mind showing a link between a person and organization. According to research's opinion commitment is contemplated as social mindset which is appear mostly as:

- a strong desire to remain a member of the organization (loyalty);
  - a desire to make maximum efforts on behalf of the organization (involvement);
  - a solid belief in corporate values and acceptance goals of the organization (identification)
- (Lipatov, 2014).

Organizational citizenship behavior (OCB) was introduced by Dennis Organ who defined it as an “independent behaviour that is not taken into consideration of formal rewards system, nevertheless therewith is contributing to organization's effective performance” (Organ, 1998). Thuswise, organizational citizenship behavior theory considers employee's actions, which are not part of his/her job requirements, notwithstanding they (actions) are contributing to organization's more efficient performance. Examples include support to other team members, voluntary

accomplishment for additional work responsibilities, unnecessary conflicts prevention and constructive suggestions to improve team and organization's activity as well (Steven, Robbins, Coulter, 2007).

Engagement could not be counted as a "rebranding" of previously mentioned terms. Robinson et al confirm that "engagement includes some elements of commitment and OCB which results in their close connection, however, it is not analogous to them. Besides that, neither commitment, not OCB do not reflect two aspects of engagement: its two-way nature and extent to which engaged employees should have business knowledge" (Robinson, Perryman & Hayday, 2004, p.43).

May et al correlate engagement with other concepts. According to their opinions, engagement is more related to "job involvement" and "flow" constructions (May, Gilson & Harter, 2004).

Job involvement is often defined as knowledge or persuasion, condition of personal identification. It is a degree to which an individual is personally involved in his/her work role. Kanungo defines job involvement as a degree of psychological identification with his/her work (Kanungo, 1982). These concepts differ from engagement as researches' focuses on cognition in the first instance, whereas according to most definitions engagement includes emotions and behaviour as well.

In alternative studies work involvement is considered as a positive antithesis of burnout so these terms have a negative correlation (Schaufeli, Salanova, 2007). Another important feature that was disclosed by the authors was the testing of existing relationship between workaholic and burnout terms and as achieved results showed positive interconnection. It is an alternative model of describing engagement which noting that "burnout is a consequence of destruction of engagement with work role" (Maslach et al, 2001). According to this study, there are 6 main areas of working life that are leading to engagement or burnout: work pressure, control, rewards and recognition, social support, justice and values. However, in this case job involvement concept almost interfused with flow concept. Another implication of this research to the field of exploring engagement notion was that authors define 'engagement' with the help of other terms: vigor, dedication and absorption. Vigor is characterized by high level of energy involved in role performance, mental sustainability, high level of willingness to invest in working process as well as perseverance in facing complicated situations. Dedication includes feelings that show person's enthusiasm, sense of importance and pride. Absorption is defined as a complete concentration and engulfed by work, so time flies and there could appear some complications to distinguish work and life.

Different concept “flow” notion which is very close to absorption was formulated by Csikszentmihalyi (1990). He argues that people are happier in case of they are in a specific flow state – Zen-like state of complete union with activity and situation (Csikszentmihalyi, 1990). According to his study, a person in a flow does not need any external rewards or motivation goals, as this is provided by the activity itself. In this flow condition a person forgets about the time, hunger, his/her social role etc. a cognitive mechanism as attention plays the main role in the definition of flow. Consequently, flow is a moment of highly possible concentration even if it lasts for a while without being perceived by the subject. Engagement concept implies more long-lasting relations with work performed (Holbeche, Springett, 2003).

Gallup’s study about relationship between customers satisfaction and customers engagement highlighted the strong relationship between these two terms showing that the level of satisfaction has a positive effect of further customer engagement with the bank (Gallup, 2008, cited in Scarborough, 2008). In a similar vein Koscec proposed that the relationship between employees’ satisfaction with work could be a quintessence for employees engagement: the higher is the satisfaction level the more these employees are engaged with the company and their roles (Koscec, 2003). Nevertheless, the Gallup’s research states that there is a relationship between these two concepts, there is still could be seen a difference according to their approach to performance. It is an argumentation that engagement could be a predecessor of satisfaction and performance results whilst the latter does not often have straight connections with performance outcomes (Blizzard, 2004). From the other point of view satisfied employees in terms of their job are not always satisfied with their salaries and other rewards, which in turn cannot lead to engagement (Blizzard, 2004). This conclusion was further developed by Young and he states that satisfaction occurrence is almost always at the same level in spite of the company’s performance level (low versus high) and employees even in companies with poor performance could be satisfied which led to the argumentation that there is no connection between satisfaction level and productivity degree. This research acknowledged that it is an engagement which is the main reason of organizational effectiveness (not satisfaction).

Finally, the main outcomes from these studies are:

1. According to Macey and Schneider (2008) and Frese (2008) satisfaction is approximately negligible aspect of engagement state.
2. Satisfaction has interconnections with engagement state of employees, however, stress stimulated situations are not included in the scope of engagement. For example, if an employee is under stress and press from the management team, he may still show



dedication and absorption, nonetheless, there he will not go through the feelings which specify engagement like vigor and passion.

Heintzman and Marson (2006) and Gallup (2003) in their researches used terms engagement and commitment correspondently (almost like a synonyms) (Heintzman and Marson, 2006; Gallup, 2003, cited in Koscec, 2003). They propose to use engagement as an interpretation of commitment and some other components of satisfaction. Still there are some scarcity of qualities in commitment definition that prevents to be correlated with engagement (some elements like personal expression and absorption).

Another big input to the engagement definition was done by Hallberg and Schaufeli in 2006 after their research among IT consultants and administration department employees in Sweden to discover if work engagement is discerning from job involvement and commitment (Hallberg, U. E., Schaufeli, W. B., 2006). The main outcome of this conducted study was that all these three measures are varying from each other and serve as three specific concepts of work adhesion.

Moreover, May et al define job involvement as a totally cognitive action that differ this term from engagement definition which in order includes physical and emotional elements as well (May et al., 2004). Nonetheless, they have a thought that employee's deep engagement to their work could resulted in job involvement.

In general, the results of the conducted studies show that commitment to organization and involvement in work could be combined in the engagement concept. Conversely, engagement may have some related elements with organizational commitment and job involvement, however, these terms are not equal as there is no emotional and physical aspects as well as absorption and personal expression in job involvement and organizational commitment, correspondingly. There are still a lot of researches conducted in this field, as it is crucial to find out the way to distinct these terms.

### **1.1.2 JD-R model**

Job Demands-Resources model firstly appeared in Demerouti et al study as a tool to understand the level of burnout (Demerouti et al, 2001). Job demands were defined as a “those physical, social and organizational aspects of work that require sustained physical or mental effort and therefore associated with certain psychological costs” (Demerouti et al, 2001, p. 501). Overload performance on work, lots of work, interpersonal conflict, work insecurity could be good examples of these definition. Job Demands-Resources model suggests that increased level of

effort could be undertaken to achieve the work objectives and prevent a decline in productivity (based on Hockey' s model of compensatory control, 1997).

Job resources are determined as “those physical, social and organizational aspects of work that can perform any of the following:

- be functional in achieving work objectives;
- reduction of jobs and associated psychological costs;
- stimulate personal growth and development” (i.e. feedbacks, work control, social support etc.) (Demerouti et al, 2001, p.501).

By the way the earlier model of JD-R showed the development of burnout and defined two process of it. One of them was a long-lasting work requirements that lead to employees activation overpotential which in turn leads to exhaustion. Another cause is lack of resources prevents the satisfaction and goals achievement and as a result comes to refusal to work (Bakker, Demerouti & Euwema, 2005; Bakker, Demerouti & Verbeke, 2004; Bakker, Demerouti, Taris, Schaufeli & Schreurs, 2003; Demerouti et al., 2001; Hansen, Sverke & Näswall, 2009; Xanthopoulou et al., 2009).

This early model could express an outcome in advance that job resources could moderate negative interrelation between job demands and exhaustion. In overall this model of JD-R was broaden and consisted of performance measurement, which were perceived as a burnout outcomes.

Later this model was revised and new version was a positive-psychological view of previous version (Schaufeli and Bakker, 2004). So, the new variation of JD-R model now gives not just negative explanation of burnout, but its positive state as well (like work engagement) (see Figure 1).

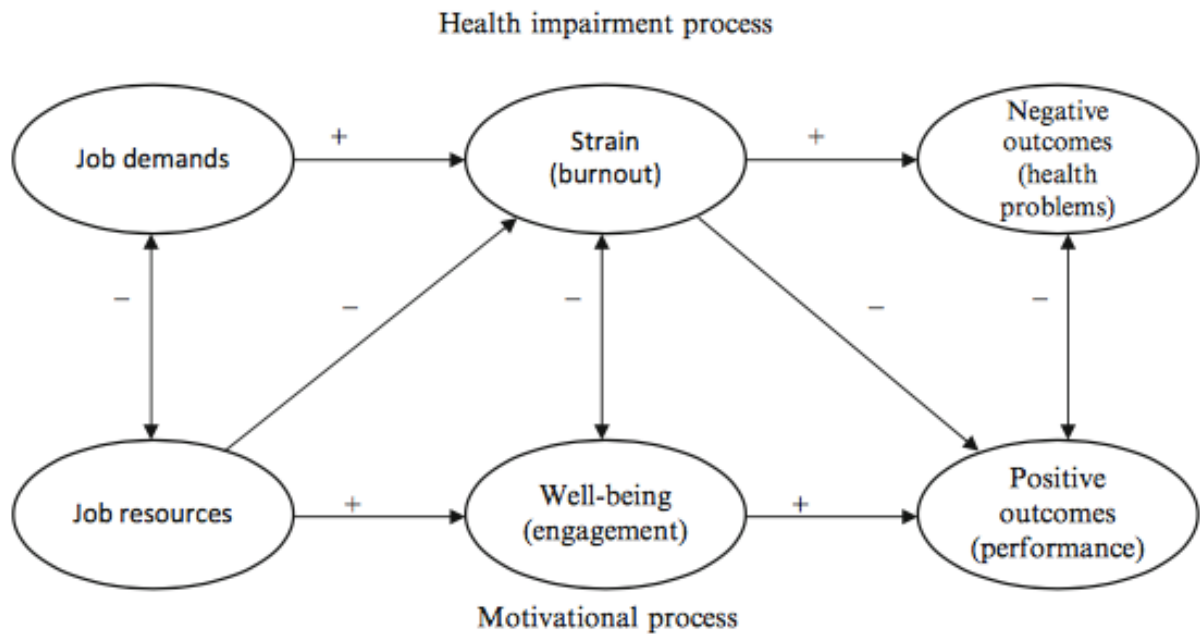


Figure 1 Revised JD-R model. Source: (Schaufeli, W.B.; Taris, T.W., 2014).

Nevertheless, this study will focus mostly on engagement rate, not burnout, that is why this model is not going to be used as a research tool.

### 1.1.3 Utrecht work engagement scale

At the beginning, the first Utrecht work engagement scale consisted of 24 items (UWES – 24), which in turn were divided into three main groups: absorption, dedication and vigor. Later on 7 items turned out to be inefficient so the model was reduced by them which led to UWES – 17 (including 5 dedication, 6 vigor and absorption items each) (Schaufeli, Salanova, González-Romá & Bakker, 2002). However, some researchers prefer to avoid using two items and use UWES – 15 (Demerouti, Bakker, Janssen & Schaufeli, 2001). Today there are two main types that are widely used are UWES – 17 and UWES – 9 (the latter one is a shortened version of 17-items scale). The short version is more preferred by scientists as it provides more clear outcomes. The main purpose of conducting an UWES based surveys is to identify to which group an employee’s engagement devoted to more (dedication, absorption or vigor). The structure of the scale is following: there are several statements (around 5-6 per each in UWES-17) which each employee should rate according to his/her preference. This statements are affirmative sentence (i.e. “time flies when I am working”; “I feel happy when I work intensely” etc.) that each employee should rate based on 7 point scale where 0 – is never, and 6 – is every day. As it is seen from the previous sentence mostly all statements provided in UWES are about feeling that an employee could use to characterize his/her engagement rate. However, as it was mentioned previously, one of the main disadvantages

of this scale is that it is based only on emotional and cognitive aspects avoiding physical involvement.

#### **1.1.4 A new approach to engagement. Five driving elements of engagement by Bersin**

Josh Bersin is a founder and Director at Bersin from Deloitte, an outstanding provider of research –based programs for membership in HR (human resources), talents and learning. Based on his deep knowledge of human resource practices he found out five main drivers and twenty factors of employees engagement that are presented in his work “Becoming irresistible: A new model for employee engagement” (Bersin, 2015).

His approach is based on the division of factors according to 5 drivers so than the model could be explained in a following way.

Five driving elements of engagement (Bersin, 2015):

1 driver – Meaningful work – includes such factors as:

- Autonomy
- Select to fit
- Small, empowered teams
- Time for slack

2 driver – Hands – on management

- Clear and transparent purposes of work
- Coaching
- Invest in management development
- Modern performance management

3 driver – Positive work environment:

- Flexible work environment
- Humanistic workplace
- Culture of accomplishment recognition
- Inclusive and diverse working environment

4 driver – Growth opportunity

- Training and support on the work
- Facilitated talent mobility
- Self-directed and dynamic learning

- High impact learning culture

5 driver – Trust in leadership

- Mission and goals
- Constant investment in people
- Transparency and honesty
- Inspiration

This model has been used for conducting this study and to create a unique questionnaire. This model provides a systematic view on the factors driving engagement that are divided into five drivers. The questionnaire constructed on this theoretical framework is presented in the Appendix. The attained results are going to be discussed in the Chapter3.

## **1.2 Generational cohorts' differences**

People plays the main role in organizations and could a result of its success or misfortune. It is one of the main driving force in organizations nowadays, therefore it is very important to find the right access to each person, encourage and motivate him/her for future high quality performance which consequently will lead to increasing in overall organization's productivity.

In general generation could be described as a group of individuals, born in almost the same years, having and experienced particularly the same historical events happened in exact time in the past (Ryder, 1965). It is easy to separate them on cohorts for better understanding like it was done in the previous researches and studies, so the representatives of a distinct generational cohorts have the same years spent in the primary, secondary schools as well as university time as they entered these institutions nearly at the same years; as a sequence they started their professional career and will retire at the same moment in the future and as a result they had the same historical conditions (external environment) and events on similar stage of personal development (Kupperschmidt, 2000; Kowske et al., 2010).

People discern and illustrate these historical events in different ways basing on which levels of development they examined these situations (Duncan and Agronic, 1995; Kupperschmidt, 2000). General experience at the time of the developmental years (i.e. during teenage period, when a person is partially in his late childhood but at the same time he/she is entering the adult life) is leading to construction of definable characteristics peculiar to certain generational cohort, which consecutively are having an influence on personal preferences and values created in further social life (Schuman and Scott, 1989; Patterson, 2008). Generational characteristics impact was characterized generally in organizational scope, concentrating on concepts connected with work,

such as work-related values, attitudes and preferences (Park and Gursoy, 2012).

### **1.2.1 Main generational cohorts identified by previous researches**

Some researchers have separated the whole generation into several groups according to previously mentioned groups of factors (Smola and Sutton, 2002). The main outcomes from these studies are that in average each new wave in generation lasts around two years, until the next one are born, however, at the same time it is inappropriate to confirm that generational classification could be directly separated according to time intervals (Schaeffer, 2000; Shepard, 2004).

Basing on previous studies in this field, there are such groups as: Baby Boomers, Generation X, Millennials and Generation Z.

### **1.2.2 Baby Boomers (born 1946 – 1964 (or 1943 – 1960))**

As mostly researches were done by American or European scientists all definitions will be based on the economic and psychological environment in these countries of those times. People born from 1946 to 1964 are called Baby Boomers generation. This term came from the rapid population growth because the newborns number increased by extra 17 million babies (O'Bannon, 2001). They were raised in economic exuberance after World-War II and went through several cardinal economic and political changes in history such as civil rights movement, Watergate, the Vietnam War etc., (Twenge et al., 2010; Dries et al., 2008).

Inasmuch as this generation is huge enough it takes the largest niche in workplace (Bureau of Labor Statistics in AARP, 2007). Boomers tend to be more laborious and the work is one more important part of their lives in comparison to their descendants (Twenge et al., 2010; Meriac et al., 2010; Smola and Sutton, 2002). People of this generation are recognized as a loyal and committed to their companies in exchange for a comparable reward as they consider that hard work should be done in justice (Smola and Sutton, 2002; Gursoy et al., 2008; Patterson and Pegg, 2009). As a consequence, Boomers are more oriented on goals and rewarding, which results in high ambitions to be on higher positions within the company with more administrative functions (Families and Work Institute, 2006). They are not just addicted with responsibilities and power, but it helps them to increase self-esteem and evaluation of other people (Sherman, 2005). These are important inconsistencies between this generation and latter generations as they suppose others will have the same ethics and will be involved in working process for the same amount of hours (Burke, 2005).

### **1.2.3 Generation X (born 1965 – 1980 (or 1961 – 1981))**

This generational cohort is a dominant generation after Boomers' retirement and they were growing up facing various cardinal political changes like the end of Cold War as well as economic downturns (late 1970s – earlier 1980s); unemployment and families moves due to economic instability (Twenge et al., 2010).

Born in 1965 – 1980 Generation X they were the first generation to grow into “making-lists” and were under the shadow of powerful antecedent – Boomers' generation. They were observers of their parents donate a lot for their companies. Consequently, Generation X tried to become more independent (according to behavior, not value), learn to be stable and adaptable in comparison to previous generations (Beutell and Wittig-Berman, 2008). They are distinguishing from hard-working Boomers, this generation work to live (in contrast to live to work as their antecedents do) and accept this imperfect world with a little cynicism and mistrust (UNJSPF, 2009).

Generation X wants a sense of security / teamwork, the possibility to learn something new, they have more entrepreneurial skills than Boomers do, as well as they are more flexible (Tulgan, 2004). This generation could be described as fast learners, who can balance between work and personal life, do not expect rewards and respect only because of the title, technologically savvy and embrace diversity (Burke, 2005; Kopperschmidt, 2000; Jurkiewicz, 2000). However, Highhouse et al study provides an information that the ethic of this generation is steadily declining in comparison to previous generations (Highhouse et al., 2010).

### **1.2.4 Millennials (or Generation Y) (born 1981 – 2000 (or 1982 – 2004))**

This generational cohort is the next huge one counts for 76 million people. Excessively forceful group, they were raised up in the period of “empowerment” when everyone were a winner and gain medals. Their parents raised this generation being cherished and with everything was structured in advance, as well as their families protected and safe. They were always given a possibility to make their own choices and teach them to doubt their credibility (Nobel et al., 2009). Correspondingly, Generation Y expects to receive more even as employer should pay more attention to his employees even if the latter do not necessarily see the extra amount.

Millennials has grown up with the technology. In comparison to the Generation X, they were the first generation using computers and Internet throughout their childhood and for now it (technology) takes a significant part of their lives.

Significant impact on the style how this generation solve problems was due to continual experience in the networked world. The emergence of interactive media like social networks, immediate messaging, blogs, multiplayer games led to developing of new skills and styles of cooperation in X and Y generations to be enough to make them different (Kim et al., 2009). Basing on previous researches it might be certainly resulted that this generation is still needed to be guided (Burke, 2005). This is the next huge generation to change Generation X on their workplaces.

### **1.2.5 Generational differences in workplace**

As it could be seen from previous part, generations have different preferences and desires according to their workplace. As a result there could appear some misunderstandings between different generations (Zvikaite-Rotting, 2007). Consequently it is one of the most important challenges management is facing nowadays: to maintain all these three generations, encourage them according to their differences and make sure that the whole personnel could work together and interact in company's faith.

### **1.2.6 Generational cohorts in Russia**

As most of Baby Boomers' generational cohort were involved in World War II, their proportion in workplaces are lower in comparison to previously mentioned researches. Therefore, in this chapter there will be provided analysis of 2 main generational cohorts (Generation X and Millennials or Generation Y) and whose proportion is larger in workplaces in Russian companies.

Russian scientists are also involved in the adaptation of existing theory to Russian historical conditions, which is especially important due to the fact that during Soviet Union period the country remained sufficiently closed and isolated, especially ideologically. The main outcomes of Russian researches' approach to the generational periodization is presented in Table 2.



## Russian approach to generational periodization

Generational cohort	Birth dates	
	Strauss-Howe generational theory	Russian approach
Baby Boomers	1943 – 1960	1943 – 1963
Generation X	1961 – 1981	1963 – 1984
Generation Y (Millennials)	1982 – 2004	1984 - 2000

Source: (Developed for this research paper based on Howe, N., Strauss, W., 1991, Howe, N., Strauss, W., 1997 and Nesmeeva, A., 2013).

As it could be clearly seen from the table there are still some differences in birth dates, however, according to Russian scientists with the further technological development these differences will be reduced. Strauss and Howe justify the 20 – year cycle of the generation including social and biological causes, however not due to technology. (Howe, N., Strauss, W., 1991, Howe, N., Strauss, W., 1997).

Another important moment that should be mentioned is junction of generational cohorts. In these points, there were born people who represent or at least have values of both generational cohorts and are called “echo”-generations. They are acting as an intermediaries between two main generational groups (see Table 3).

Table 3

## Differences in periods between basic generational cohorts and “echo” – generational cohorts

Basic generational cohorts periods		“Echo” – generational cohorts periods	
Baby Boomers	1943-1960	Baby Boomers – Generation X	1960-1967 (68)
Generation X	1961 – 1981	Generation X – Generation Y (Millennials)	1981 – 1987
Generation Y (Millennials)	1982 – 2004	Millennials – Generation Z	2000 – 2005 (6)

Source: (Developed for this research paper).

As Generation Z could not be accounted as employable due to their age (the eldest are still younger than 18 years) the next hugest part of working people nowadays are Generation Y or Millennials. This generational cohort is identified as optimistic, team players, willing to build their own career and succeed. Millennials have been developing during several important historical moments and such events as rapid growth and spread of technologies, new forms of communication like Internet and networks had a huge influence on them. As a result of globalization and rapid information expansion Millennials in Russia, especially those born between 1995 and 2000 (at the end of this generational cohort) are more similar to their peers from the USA and other countries, much more than previous generations.

The main outcome of this chapter was to understand how different researches and studies defined engagement term and vary differences between three main generational cohorts. It is necessary to find out this information before going to the methodology part, where there will be introduced and discussed several research methods applied to test research question.

## **Summary of Chapter 1**

Generally, statistics provided in Russia has significant differences in comparison to the data collected in other countries all over the world. Therefore, if there is the share of "enthusiasts" throughout the world, particularly people who are loyal to their company and work, is predominant (43% of workers), and the next largest group is "dissatisfied", i.e., not committed to any company, (35%), Russian employees are mostly "dissatisfied" (42%), and there are only 30% of "enthusiasts", likewise Eastern Europe countries and South-East Asia (Bulgaria, Poland, Czech Republic, Hong Kong, Taiwan), fell into the number of states with low adherence to the company. The country, where the least "dissatisfied" and most "enthusiasts", was Israel. Australia is the leader in the share of employees "focused on the company", and the United States - by the share of "careerists." Most of all Russian "enthusiasts" work in the field of education (43%), information technology and the media (38%), as well as in professional services (38%); the majority of employees focused on the company are engaged in trade (16%), in state (15%), as well as in financial and insurance institutions (14%). Career-oriented employees are more likely to work in marketing and advertising companies, as well as in law institutions (31%), and the largest number of "dissatisfied" work in transport (53%), manufacturing (54%) and state organizations (52%).

Research studies identify that issues of retaining and recruiting staff are on the second place of importance in business leaders' minds while being inferior only global leadership development (Schwartz J., Bersin J., and Pelster B., 2014). This statement is based on following data:

- Gallup study results provided in 2014 show that just 13% out of all employees are “highly engaged” whereas 26% - disengaged (Crabtree S., 2013). And according to these indexes in Russia Figure @ shows the exact percentages (see Figure 2).

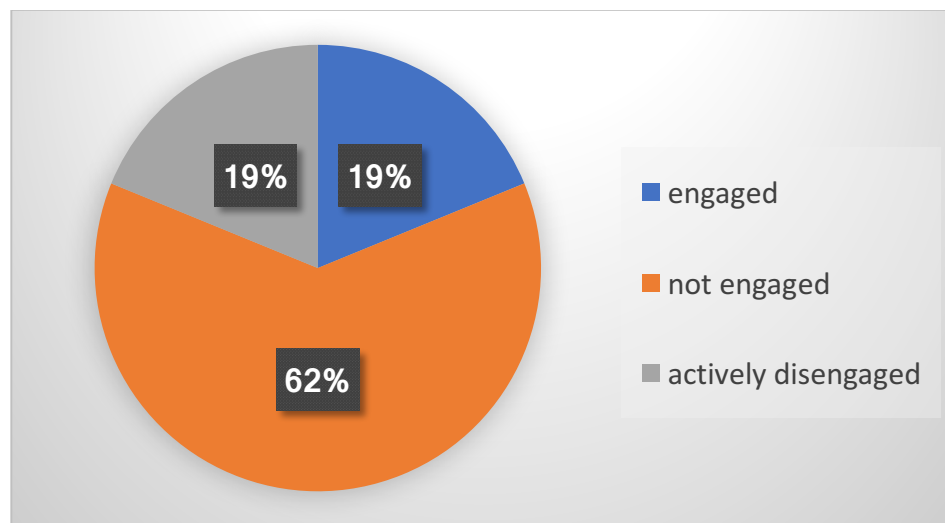


Figure 2 Gallup study research results on engaged employees in Russia. Source: (Crabtree S., 2013).

#### Theoretical outcomes:

- Results of the conducted studies show that commitment to organization and involvement in work could be combined in the engagement concept (Organ, 1998). Conversely, engagement may have some related elements with organizational commitment and job involvement, however, these terms are not equal as there is no emotional and physical aspects as well as absorption and personal expression in job involvement and organizational commitment, correspondingly (Lipatov, 2014).
- Some researchers have separated the whole generation into several groups according to previously mentioned groups of factors (Smola and Sutton, 2002). The main outcomes from these studies are that in average each new wave in generation lasts around two years, until the next one are born, however, at the same time it is inappropriate to confirm that generational classification could be directly separated according to time intervals (Schaeffer, 2000; Shepard, 2004). Basing on previous studies in this field, there are such groups as: Baby Boomers, Generation X, Millennials and Generation Z.
- Russian approach to generational theory slightly differs from the Strauss – Howe theory, the main difference is a time displacement (Nesmeeva, A., 2013; Howe, N., Strauss, W., 1991; Howe, N., Strauss, W., 1997).

- According to Glassdoor study outcomes which helps employees to appraise employers, there are only 54% of workers who will recommend their companies as a potential employer (Bersin J., 2014).
- There are two thirds of employees in high technology industry suppose that they could find a better job less than in 60 days, if they want (Dice, 2014).
- 80% of organizations consider that its employees are overloaded with work, however, just 8% of them have programs to solve this problem (Hodson T. et al., 2014).
- More than 70% of Millennials are waiting their employers to focus on social problems solving actions or problems connected with task performance; 70% desire to be creative at work; more than two thirds think that the main management task is to assure that there are opportunities for development to their employees (Deloitte, 2014).

The critical analysis of the literature review on employees engagement and generational cohorts' differences lead to the existence of a gap for the current study. Namely, there are researches conducted in this field in USA among U.S. hotel employees provided by Gursoy et al., in 2008 and Gursoy and Park in 2012, which found out the generational differences in work engagement, however, there is still no literature and studies providing this kind of research among Russian employees (Gursoy et al., 2008; Park J., and Gursoy D., 2012). This is crucial to find out the factors of engagement in Russia separately as there are differences first of all in generational theory as it has some differences from the USA theory. Based on the mentioned findings above and the research gap has been identified as the absence of appropriate literature which could show the differences in generational cohorts' preferences and factors that increase employees engagement rate.

Studies provided by Zvikaite-Rotting (2007), Park and Gursoy (2012) in the generational cohorts' differences as well as main researches provided by Kahn (1990), Heintzman and Marson (2003), Robinson, Perryman & Hayday (2004), Schaufeli, W. B., (2006) sheds light that there is still absence of the systematic approach to define the factors that increase work engagement of employees across the generations. This lead to the formulation of **research question** as:

**Which factors could influence engagement according to generational cohort employee belongs to?**

The issue of research in a qualitative study is an assertion that identifies the subject area and explains the main features of this particular topic to the reader.

## Chapter 2. METHODOLOGY

There are two main approaches lying in the base of every research: quantitative and qualitative types of analysis. Business Research Methods by Alan Bryman and Ella Bell provided a table, which is very useful to understand the differences between these approaches and choose the most appropriate to conduct the study (see Table 4).

Table 4

Fundamental differences between quantitative and qualitative research methods

	<b>Quantitative</b>	<b>Qualitative</b>
Principal orientation to the role of theory in relation to research	Deductive; testing of theory	Inductive; generation of theory
Epistemological orientation	Natural science model, in particular positivism	Interpretivism
Ontological orientation	Objectivism	Constructionism

Source: (Bryman A., and Bell E., 2003).

### 2.1 Description of methodological research process.

Basing on the research question the study will be provided as a case study research of Heineken company in Russia.

The main goal of the research is to identify what factors will have an influence on Heineken personnel, that was previously divided into several generational cohorts that were clearly identified in the theoretical background chapter. This ambition goal might help the company to improve their engagement system (that already includes financial rewarding system) and resulted in increased numbers of engaged employees which will lead to overall productivity climb.

This research was conducted as a case study research as the company shows high level of engagement according to their performance and the willingness of students to be a part of this huge international company.

The case study is an empirical academic pursuit that:

- Explores the modern phenomenon in the context of the real life, videlicet when

- The borders between the phenomenon and the context are not obvious.

Saying in a different way, case study as a research method includes a comprehensive method that encompasses design logic, data collection methods, and specific approaches to analyzing the data. Within this framework, the case study is neither a tactic of data collection nor simply a constructive feature (Stoecker, 1991), but it is a comprehensive research strategy.

Yin identified five main components of a research design of a case study method that are very important to be pursued (Yin, 2004, p. 21):

1. “Research question
2. It’s propositions, if any
3. its unit(s) of analysis
4. the logic linking the data to the propositions
5. the criteria for interpreting the findings”.

The first and the most important aspect is «Research question». This point has been followed and based on the literature review of previously done researches in the field of employees engagement and generational cohorts division the research question was proposed in the Chapter 1. The second aspect to be followed is Propositions that is conscientious for involving the importance of the theoretical problem. This prerequisite reflects the fact that consistently there can be an official justification for the absence of any proposals. The third aspect is the "Units of Analysis", and its main purpose is to identify the problem by itself. A unit of analysis could be an economic environment in the country, a specific industry, economic trade policy or politics, etc. In this research the unit will identified as main factors and drivers of engagement rate that are differ among employees across the generational cohort he/she belongs to. The last two aspects: a fourth one - "logic linking data to propositions", and the fifth - "criteria for interpreting the results" will be developed in the following chapters (Yin, 2014).

The case study is applicable in the real life context, and the main purpose is to apply the distinctiveness of each case to receive a comprehension of the complex problem in general. As with every method of research, there are many advantages and disadvantages, among the main advantages are:

- Accessible design
- Multiple sources are suitable
- In-depth subject analysis

Nevertheless, there are also some evident disadvantages which are:

- Subjectiveness
- Timeconsuming
- Problem of confirmation of managerial implications

According to the research provided by Josh Bersin in Deloitte Review there are three main aspects that could help to solve the existing problem:

1. Companies should expand their view on engagement. There are 5 elements and 20 factors that could be used by managers.
2. Companies need appropriate instruments and methods for estimation of feedback in real time mode to be able to make corrections into the management techniques and work conditions. This instrumentarium includes feedback system as well as data analytical systems that could help to identify and forecast factors leading to low engagement rate and problems with staff retention.
3. Business leaders and HR department should transfer the employee engagement problem from the HR sphere to business strategy department.

There were identified 5 important elements and 20 basic factors that are working in a synergy. This method is used in the research paper to create a questionnaire for further analyzing of outcomes (see Figure 3).



Figure 3 Five driving elements of engagement. Source: (Bersin, J., 2015).

Most studies provide information that compensations are one of the core factors affecting employee engagement. Aon Hewitt research found out that this factor is included in the Top-5 driving forces of engagement (however, it is not the prior factor). In most cases if the compensation is not high enough, people are retiring. Nevertheless, increased amount of compensation does not level up the engagement rate. Highly qualified employees could be motivated with high compensation, however, for other 90% of workers this rule will not work in the same way. And as a result, compensation for them have to be competitive and fair within the department.

#### 1. Make a meaningful work

One of the most important aspects of employee engagement rate is the coincidence between the work and person's goals. Nowadays, there are a lot of technological changes that are affecting the transformation of work and the main aim is to find the best opportunities to minimize costs without losing the quality. Many studies show that in case when the company kit out working places with new technologies providing more ownership of the work, decision making power and indorsement to employees it has a higher overall performance and as well earns high profit. According to phycologist Daniel Pink "people are governed by autonomy, mastery and purpose". They want a kind of a work so it let them to make a contribution to development of finished goods. Professor of Massachusetts Institute of Technology, Zeynep Ton, in his book The Good Job Strategy points out that the retailers of Whole Foods, Costco, UPS and Mercadona reach higher



income per one worker by paying above-average wages in comparison to the market average and strengthening the control over them. Another way is to create groups of professionals who have collateral skills so it results in compilation of highly-skilled groups that are good trained, self-consistent, efficient herewith engagement rate are above average. Another important outcome from the research is that the work is becoming meaningful in small teams. This is so because in small teams decision making process takes less time, intergroup relations are closer and could help each other in any moment. Engaged people need time for thinking process, creation and having a rest. Some companies applying the “20% percent” approach when working day could be devoted to personal needs like working on a project not connected with the work or spend time with family and children. Nevertheless, in the most intensive working moments everything fit together.

## 2. Maintain great management

In many case management is more important function than leadership. Managers could elaborate a strategy, investors – optimize structure of capital, marketing specialists – conduct surveys, however, when it comes to internal processes development and customer service the main role is played by the middle management. Many researches show the importance of simple and clear goal setting. Meanwhile this goal setting could become a problem for the company. There are just 51% of companies which are trying to develop and conciliate goals, whereas only 6% out of them are monitoring their goals and improving them. Most companies fix annual goals and return to them only at the end of the year to reconcile planned and actually received results. By the way, these companies who are reconciling their goals every quarter are three times more effective in comparison to annual reconciling companies.

That is why one of the first and important issues for the company is to set clear goals and improving them more frequently than once a year. The second important issue affecting the engagement rate is coaching. At the moment of new managers are appointed on senior positions the first issue they think to start with is manage people and evaluate their performance. However, their most important function is trainings and development of employees within their departments. Enlighted coaches are disclosing people’s strengths and promote their further development by introducing to other departments to reveal development of their capabilities. Third issue within this driver is indispensability of simplifying and reconstruction of annual performance. This process has been officially implemented by more than 75% of companies and is becoming one of the most destructive processes that leads to employees’ despondency. There are only 8% of companies suppose that this process is worthwhile and spending a lot of time on it. Nevertheless, many companies do not include a feedback point to the process that results in highly productive specialists are staying on the same level without going on a higher level of their performance. As

a rule this concept attracts middle players and frighten hyperperformers. Finally, it is worth noting that the main manager duty is to attract talents and sustain culture of constant development.

### 3. Create a flexible and humanitarian environment

Nowadays, it is common for many employees to have a complicated life. The researches provide an information that 68% of women prefer to have more idle time than earn more money, meanwhile 40% of people working 50 hours per week, 80% want to spend less time at work. If the employers want their employees to stay engaged to the working process, they should construct a flexible and inclusive working environment. For instance, SAS, second attractive employer during last fifteen years, offer its employees child center, fitness center and swimming pool. The index of fluctuation of personnel is below 2%. The studies show as well that inclusive and friendly environment is also have an impact on an engagement rate of employees. This kind of environment simplifies communications and have a more inclusive way to working places. The second key driver of engagement rate within this category is necessity for constant accomplishment recognition. That could sound quite unsophisticated, but just simple word “thank you” is an unique tool to construct an engaged team. In companies with high level of accomplishment recognition there are 31% less retired employees in comparison to companies with undeveloped recognition culture. Such companies are creating the recognition culture throughout the social revival system (the instrumentarium that helps people earn points and an accolade), weekly and monthly activities and implementation of promotion culture as it is. The key to success is to compose of a social environment where managers are free to be judges and become eligible juror in an employee’s accomplishment recognition.

### 4. Build up growth opportunities

Many retired employees often use a phrase “I do not see further growth opportunities in this companies”. As a result, nowadays some studies on engagement identified that education opportunities, professional growth and career development are the core drivers of employees’ satisfaction. Therefore, it is a complicated issue to create possibilities for growth within a company. First of all, there are should be official and as well unofficial growth opportunities that help people to learn something new during their working process, develop themselves as professionals and find support in case they need it. That means a development of adaptation system in the company and conversion programs, enlargement of support and education cultures and providing separate time for employees’ education. Secondly, company should vindicate and respect the “facilitated mobility of talents”. It is necessary to favour internal talent mobility and allow people a freedom to create something new. After all, companies should give notice to managers’ and leaders’ behavior to make sure that education, trainings and mobility are rewarded.

## 5. Define mission, vision and purposes in leadership

Studies show that some leadership practices have straight impact on employees engagement rate.

The first one is in goals setting and its in-depth understanding. In case the organization states its success from the point of view of clients, key players of society, people are become alive. The research conducted by Deloitte identifies that organizations oriented on purpose achievement the level of innovations is 30% higher and the level of retention is 40% more and as a rule these kinds of organizations tend to be the leaders in their market segment. Nevertheless, it is sometimes difficult to create clear mission, vision and purposes. According to many researches' point of view it is necessary to identify organization's values in respect to all interested and involved parties like employees, partners, investors, clients etc. In case all parties are on velvet the business process is successful. When the organization set a meaningful mission and goals with more sense than just a financial advantage, then the organization receives more involved and engaged workers.

Second important issue is transparency. By the aid of social networks and the Internet people are get used to fast, open and transparent communications. In case when there is an accident (like a swindle) took place in the company this could be easily spread among the Internet users as well the achievements of personnel or clients' admiration could be posted on the Internet and shared within the company.

Transparency relationships creation is an enormously complicated task for traditional leaders. In most cases, they assure that they could "manage the truth" with the help of public relations specialists. However, nowadays it is almost impossible as people will detect a lie.

Third significant issue is that leaders should always invest in people. In companies with high engagement rate there are managers spending money on educational processes, have regular meetings with teams, insure there is a feedback and sincerely take care of each person in the organization. Studies conducted in 2005, 2008 and 2011 (before, during and after the recession) provided information that organization which are investing a lot in personnel education (according to the costs per one employee) are on the highest places in personnel retention, innovations implementation and relational customer care and as well three times ahead their colleagues in long-term profitability. Such tendency proclaims that investments in people both during hard and good time are worthwhile. Another point that should be presented is constant encouragement provided by the company's management. According to the future, sharing the same mission and vision, providing business strategies the management could become on of the most important engagement drivers.

Organizations with high engagement rate take away administration barriers and lay emphasis on trust, autonomy and collaboration. A number of studies on work and productivity conducted by The University of Rotterdam proclaim that employees in quite difficult situations are more tend to suffer from cerebrovascular diseases if they do not receive a local support. Without increasing amount of opportunities and administration at that kind of places these difficulties may cause numerous mistakes and heightened stress level.

Firstly, it is important HR department and high level management to have a wholesome view on the factors that were introduced before and understand the interconnections between them. Secondly, there should be an instrumentarium that helps to receive regular, objective an anonymous feedback. People always want to notice what is good and what is not, but in many cases, are afraid of consequences if they have to say it not anonymously. Annual survey among employees may be not so efficient as it is very rarely, slow and squeezed process.

This chapter provided information about the methodology chosen to conduct this research, results of which will be further described in the following chapter and adjusted if it is necessary. The next chapter will show the results and its analysis.

## **2.2 Case study selection**

Strategy of choosing the company for conducting research as a case study "focuses on the research question and tasks, the amount of existing knowledge, the limit of time and other resources that are at the researcher' command" (Saunders et al, 2007, p. 157). Each strategy can be used for research, descriptive and explanatory studies (Saunders, 2009). The most common research strategies are experiment, review, case study, action research, sound theory, ethnography and archival research (Bryman and Bell, 2007). In this study, there was used a case study approach. The selection of companies for this study was selected with targeted selection. Targeted selection "is a strategy in which specific settings, persons or actions are chosen intentionally to provide information that cannot be obtained from other options either" (Maxwell, 2005, p. 97). "These cases can be chosen to repeat previous cases or expand the emerging theory, or they can be chosen to fill theoretical categories and provide examples of polar types" (Eisenhard, 1989, p. 537). The choice of companies was based on the supposed possibility to get a better idea of the process of internationalization of Russian oil companies set up to select companies, to engage the logic of replication in several case studies.

## **2.2.1 Heineken company's background**

The story of the Heineken company starts in winter 1864 in Amsterdam when Gerard Adriaan Heineken bought a small De Hooiberg brewery. The next big step in the history of the company was in 1873 with the company's name changing to Heineken's Bierbrouwerij Maatschappij. First steps growing globally took place in 1900 when the first company's import to Africa and in 1932 when company co-founded Malayan breweries which gave it a possibility to operate in Asia Pacific region as well as from 1933 the company expanded its business to America. One of the significant events took place in 1939 when company was listed on the Dutch Stock exchange for the first time. Another noteworthy event was Heineken's acquisition of Amstel, one of the most considerable adversary in The Netherlands. The largest modern brewery in the whole Europe at that time, a new Dutch brewery in Zoeterwoude, was opened in 1975 by Heineken which was a remarkable even for the company. Starting from 2000s there was a lot of acquisitions made by Heineken: Brau Union in Austria, Czech Republic, Poland, Romania, Hungary; The Krusovice brewery in the Czech Republic; Scottish & Newcastle; the beer businesses of FEMSA in Brazil and Mexico (consisting of its US and other exports) as well as announced Heineken Africa Foundation for supporting and enhancing the improvement of health for the Sub-Saharan African people in 2009. So, the company achieved full control on Asia Pacific breweries by the year 2012. Heineken won Creative Marketer of the Year in 2015 for the second time. Nowadays Heineken has more than 165 breweries in 70+ countries and has over 73,000 employees all over the world. Its production line includes 250 types of beers and ciders which brought revenue of about 20,511 million euros in 2015. Present-day Heineken is a huge brewer in Europe and third largest brewer by volume in the world. Heineken's beer is available almost in each part of the Earth (maybe except Antarctica and the Sahara Desert) and is considered as one of the most valuable international beer brand of premium (Heineken, 2016).

The company has been operating on Russian market since 2002 with an acquisition of the first factory "Bravo International" (later rebranding to Heineken Brewery LLC) in Saint-Petersburg. Nowadays the company has 8 breweries (acquired during 2004-2005) and more than 2000 employees in Russia. There are around 30 beer brands produced by the company including worldwide known brands as Heineken, Amstel, Desperados, Guinness and national and regional brands such as "Okhota", "Tri medvedya", "Stepan Razin", "Okskoe" and others (Heineken, 2016).

## **2.2.2 Heineken company's rewarding system**

In order to make a sustainable development to become an integral part of the company's daily work, employees of all levels are involved in projects and programs related to the strategic initiative "Brewing - We Create the Future". HEINEKEN is aware that the involved employees understand the ideology, aspirations and tasks of the whole business as a whole, feel their ownership and, accordingly, conscientiously contribute not only on a professional, but also on a personal level. The company promotes the implementation of this initiative through the improvement of existing and the creation of new communication channels at the central and local levels, including the development of corporate platforms.

In addition, there is an educational center within the Company - HEINEKEN University, which significantly facilitates the process of sharing positive experiences and introducing its best practices into practice, and, also allows employees to take training courses that are always directly related to the company's general facilities. Special education modules HEINEKEN are being developed in this center, according to which training is being conducted to support the strategy "Brewing - We Create the Future".

There is an existing rewarding system in Heineken company. The main type is based on premium payment. The main aim of this rewarding system is to involve all personnel in the working process. However, there are still difficulties when even this financial support could not influence employees to perform better. This process is mostly oriented on preparing various learning materials that help to optimize the working process of one subdivision, division, cross divisional functions or developing a whole organizational process for the whole concern. From the previous sentence, it could be clearly seen that all these rules are divided on several levels: those that are necessary only for one process; those that are involve process of cross divisions; those that are appropriate for the whole company's working process optimization and those that are rules for all companies of Heineken concern all over the world.

One of the most spread form to create and show the involvement in working process is to create a OPL – one page lesson. This form should be accomplished on one page including the division where it could be implemented as well as the suitable number and the working process optimization itself. Employees at the beginning of each quarter set their own goals and fulfill the essential electronic form. This process has been already optimized so now, it does not take a lot of time to propose your own idea for the company. The next step after filling the form is to send these goals to the immediate management and the person who is responsible for the division is looking whether these goals are accomplishable or not. This process is called confirmation the form with the immediate manager. After the manager make some corrections and approve the form with set

goals the employee starts working to reach all goals that he/she has set. At the end of the quarter the employee shows his/her results as well by filling form of accomplished goals and send it to the manager. The manager, in his turn, compares what was set as goals and how these goals were achieved (fully or not) and writes a report on the working performance of the employee that is sent to another department for further decision making regarding the rewards the employee deserved.

However, there are still some difficulties in implementing non-financial rewards as this question is still not fully covered in the scientific literature. Another problem that occurred is that there is still a gap in the literature on how companies could involve employees of different ages within one company. The case of Heineken company is applicable for conducting this study as the company pays a lot of attention to their employees' well-being as well as to their level of engagement for work. Another important issue that should be mentioned for this case study and the evidence that the chosen company is suitable for the research is that there are representatives of both targeted generational cohorts that are gathered under the same working conditions and organizational context. This will help to clearly identify which exactly factors could be identified as the most important for each generational cohort.

### **2.3 Data collection**

It is common for researches to be provided in various ways, using different approaches to collect necessary data. It could be done as a survey, questionnaires, through interviews or in-depth interviews with significant representatives and so on. In accordance with Corbin and Strauss, a researcher could use several of the methods in various combinations or separately, that depends on the difficulty of the research and problem to be examined (Corbin and Strauss, 2015).

This research is based on several in-depth interviews in combination with provided survey among Heineken company employees. So, the research is based on a one case study approach. As it was proven before the one case study research could be considered as a research method and the outcomes will be explained in the empirical part of the current research which is covering contextual conditions as well (Yin, 2004).

#### **Primary data collection with the help of interviews**

The main purpose of this kind of collection the data is to accumulate information and as much as it could be possible. For the current study, deep data collection was based on in-depth interviews. This research method provides a lot of supplementary information that is going to be helpful in further steps of the study. Although, this research method is not going to be the only one

to conduct the study, it is necessary to provide enclosed information of the steps included to this part of research. As it is a source to collect the primary data straightforwardly from the key representatives of the research it is necessary to be sure that several important issues are pursued. At first, all in-depth interviews should be provided face to face, in confidential way of conversation. Confidentiality means that real names of respondents, places and other private issues should be hidden or encrypted if only the respondents are not allowing to the research use this private information for the research purposes. There are four leading types of the way interview could be conducted (Corbin and Strauss, 2015):

- In informal way;
- Asking just general questions (those could be answered only yes or no answers);
- Open-ended questions (those that have to answered directly by the respondent explaining his/her opinion on the subject of the question);
- Fix-response (those that are already have answers, so the respondent just need to choose one or several variants according to his/her opinion, like multiple choice question).

As the first two types are not quite appropriate for the scientific research, as they do not provide as much information as two following types, that is why in this research the first two types, namely informal interview and asking general questions are excluded. The main disadvantage of this particular type of method is that there are should be high communication skilled person, who could maintain a dialog with the respondents, so the latter will feel themselves comfortable enough to answer the question and provide all necessary information. Another threat of interviews is that they could be biased according to subjectivity of people-respondents that could lead to biased point of view which is not appropriate for the research. As any method, interviews should be conducted in an accurate way so the respondent is following the flow of thoughts of the interviewer and as a result the outcomes of such kind of conversation may disclose even more interesting insights that were not considered before.

The second step of the research is to conduct a questionnaire. The main aim of this step is to reach as many representatives of all generational cohorts as possible. As well as make sure that the quantity of all groups will be almost equal, so then there could be possible to compare the results. The questionnaire was prepared basing on the five elements that drive engagement by Josh Bersin from Deloitte. This approach was considered to be the best option as other two variants (JD-R model and UWES-17 or UWES-9) was considered to be less efficient in this particular case. Both of them would be the best options in case of this will be a quantitative research, however, this study is a qualitative research that is five drivers and 20 factors that could help the author to



identify the main for the respondents according to the generational cohort they belong to. In order to understand which generational cohort the respondent is belonging to it is necessary to include this point as a first question to the questionnaire, nevertheless the real names and departments the respondent is working at are not necessary, so these points were avoided to make sure that the survey is conducted in a confidential way.

Heineken company consists of huge number of representatives of the main generational cohorts: Generation X and Millennials. Baby boomers are not included in the research as:

1. There are not a large number of the representatives of this generational group in the company as a lot of them suffered during World War II;
2. Most of them are retired according to their age (the eldest are 74 this year) whereas the youngest are on their 57 year which means that in a year or three they will retire as well, according to Labour Code of Russian Federation.

Generation Z is also excluded from the data as the eldest representatives are still not of legal age (they are going to be 17 years in 2017), and they do not have higher education degree, which is required in Heineken company.

At first, there was conducted seven in-depth interviews with the representatives of both generational cohorts. All interviews were recorded by permission of the respondents and the average length of one interview constituted 53-57 minutes. Interviews included planned questions as well as unplanned that are occurred during the discussion. All respondents were very open-minded, however at first, some of them remained nervous due to the fact that the information they provided could be disclosed. According to this fact all recording avoids names and departments, so all results are somehow encrypted. This helps a lot, so the results of discussions could be evaluated as really truthful. At the same time as it mentioned previously, all results are confidential, so if there will be a necessity for the company to receive the results they will receive them in a confidential way, not being informed which person provided his/her answers.

## **2.4 Time horizons**

In most cases qualitative analysis should be conducted during long period of time. Nevertheless this research has been conducted for academic purposes, that was the reason that the study took a limited period of time that were enough to collect necessary amount of data and have significant outcomes and results. Another reason for limited time horizon is due to the research has been provided in particular period and the literature review has up-to-date outcomes, which in sometime might be not so significant as for the moment it was prepared and analyzed for this

particular research purpose. Going back to the scientific literature, Saunders et al (2007) suppose that research according to time could be divided into 3 groups: time horizon, cross-sectional and long-term research. In the particular case, the research is regarded as a second type – cross-sectional study.

## **2.5 Evaluation criteria and viability**

"Validity is the goal, not the product; it is never something that can be proven or taken for granted " (Maxwell, 2012, p 105). Validity is concerned about "objective truth", and there is no possible certainty that could decide whether analysis is useful or not. The most valuable issue is to determine and achieve the desired efficacy in the study. The validity of this exact research is going to be evaluated according to Yin's four criteria for case studies: construct validity, internal validity and reliability (Yin, 2004).

Constructiveness (construct validity) could be enlarged by a number of sources of evidence (Maxwell, 2012). In this particular research, the validity is enhanced by 7 representatives of two generational cohorts, 7 interviews results have been collected; 74 respondents answered questionnaire (born from 1964 to 1995).

Internal validity is commonly spread in causal and explanatory studies (Maxwell, 2012). This is also the case of this study as it attempts to identify factors that drive employees engagement rate according to the generational cohorts the respondents are belonged to in Heineken case study.

Reliability is the reasonableness of replicating the study. The researcher will be involved in the research as an active participator of the study. It is important to understand the impact and use the results of findings and conclusions productively. (Maxwell, 2012).

## **2.6 Limitation of the study**

Limitations is an important part of the research analysis so it is necessary to explain them. First of all there were strict limitations in time and sample. Time limitation have a direct impact and affected the limitation of sample so the results were slightly in comparison to the probability of having less strict time limitations and as well sample might be increased. Avoiding time limitations, the research might include not the sample of just one company, but as well two or more companies and their employees as potential respondents. Nevertheless, despite of time limitations the sample which included 7 in-depth interviews and 74 responds on questionnaire provided quite significant results and all finding will be discussed in Chapter 3.

## **Summary of Chapter 2:**

- Basing on the research question the study will be provided as a case study research of Heineken company in Russia;
- According to Bersin (2015) there are identified 5 important elements and 20 basic factors that are working in a synergy. This method is used in the research paper to create a questionnaire for further analyzing of outcomes.
- There is an existing rewarding system in Heineken company. The main type is based on premium payment. The main aim of this rewarding system is to involve all personnel in the working process.
- The research is based on the analysis of primary data from the in-depth interviews and further questionnaire created on the theoretical framework.

## **Chapter 3. EMPIRICAL STUDY**

The research consists of three main stages:

1. to study how the company estimates the engagement rate of their employees, which factors do they include and which model do they follow that help to enhance the level of engagement, how effective it is, how they stimulate personnel to pursue these system (model), which type of engagement estimation is used, what statistics shows, what documents do the company follow according to financial aspect, what is the level of importance for the company engagement is;
2. to be introduced to the personnel in the company, that provides a possibility to provide semi structured interview with representatives of each identified generational cohort (Baby Boomers, Generation Xers, Millennials) and preliminary survey that will be discussed in this chapter.
3. To analyze all interviews and survey outcomes and determine whether the same independent factors have particularly identical impact on representatives from different generational cohorts, or whether some factors are more significant for one generation while there is no effect that it could bring to another one generation.

### **3.1 Results of the research**

The interviews are constructed as a semi structured dialog between the author of the study and different generational cohorts' representatives. This type of interview provide a possibility to get a more deep insight into additional factors that would be taken into consideration of further questionnaire construction and analysis of the findings. Overall there were provided 7 in-depth interviews with Heineken employees who were representatives of both generational cohorts which are in focus within this study. For this particular research it is not required to divide the representatives' answers on men and women. All respondent's answers are recorded with consent of the interviewed employees. The next part of the research was to conduct a questionnaire. There were overall 74 respondents to answer the questionnaire, however, only 60 of them were taken in consideration and further analysis of the findings. These 14 questionnaires were excluded from the research due to the fact that they were filled incorrectly according to the rules of the questionnaire, so the results were not clear for future analysis.

The questionnaire had been constructed based on the five driving elements by Bersin (2015). It includes 5 aspects (elements) that drive employees engagement whereas each element

includes 4 factors as it was presented in Chapter 2 (see Figure3). Each respondent was asked to evaluate each statement in the questionnaire basing on 5 – point scale (where is 1 – is totally agree, and 5 – totally disagree). Next step was to choose just 5 the most important factors that drive the highest engagement rate according to the provided points. In case that employees could not find the factors that really could help them to show their highest level of engagement, there were provided an extra point, where they could write their own factors and mark them as the most attractive within their choice of the best five ones.

The methodology was validated in cross-cultural studies and representatives were Heineken employees of different professions of both genders and with various work experience.

Within this research the term of engagement has been identified as “one step above the responsibilities”. This factor is already included in both the interview and questionnaire and during the dialog there will be a clear understanding whether this concept of engagement have its followers (people who really identify engagement as extra work performance) and which of generational cohort has more significant results. As well there were mentioned and used other definitions of engagement that were presented in the literature to have a full view of how each generational cohort identify engagement according to their experience and other generational factors.

Starting from the purpose of the research, the study can be a descriptive research, which portrays profiles, events or situations, exploratory research, which is the study of a new phenomenon to understand what is happening, and finally explanatory research which focuses on cause-effect analysis (Saunders, 2007). This study could be determined as exploratory. The primary advantage of this type of study is that it is flexible and could be changed, without losses in the direction of the enquiry (Matthews and Ross, 2010). Saunders underpin that exploratory research can be conducted through a literature review, interviewing experts and analysing the data. Bryman and Bell, on the other hand, suggest that there can be more than one ways used (Bryman & Bell, 2007). Thus in this study, apart from the literature, the researcher is conducting interviews and questionnaires among Heineken employees of different generational cohorts.

All relevant answers were counted and transformed into percentages for better visual understanding. As it was mentioned above there were taken only 60 responds into consideration out of 74 on account of 14 were filled wrong, so there could not be educed any clear results. All appropriate answers were divided into two generational cohorts in equal quantities, so further there could be possible to compare the results.

The preliminary part of the research constituted questions regarding the rating the following three options according to the employees' personal preference (see Appendix 1). That was done to identify which option each generational cohort prefers more. There were given 3 main options to evaluate:

1. Proud for the company
2. Team work
3. Importance of the work itself

It was assumed from the previous researches on descriptions of generational cohorts that Generation X prefer to choose first option ("Proud for the company") as they are more tend to choose stability and patience. On the other hand, for Millennials (especially its younger representatives) the most obvious answer should be the importance of work itself and the fascinating working process. This generation is identified as more liberals and optimists so even hard and unsolvable problems should increase their passion for work which leads to over performing which in turn means that these employees are really engaged. Here are the results of this part represented as pie charts for each generational cohort separately. (see Figure 4 and Figure 5).

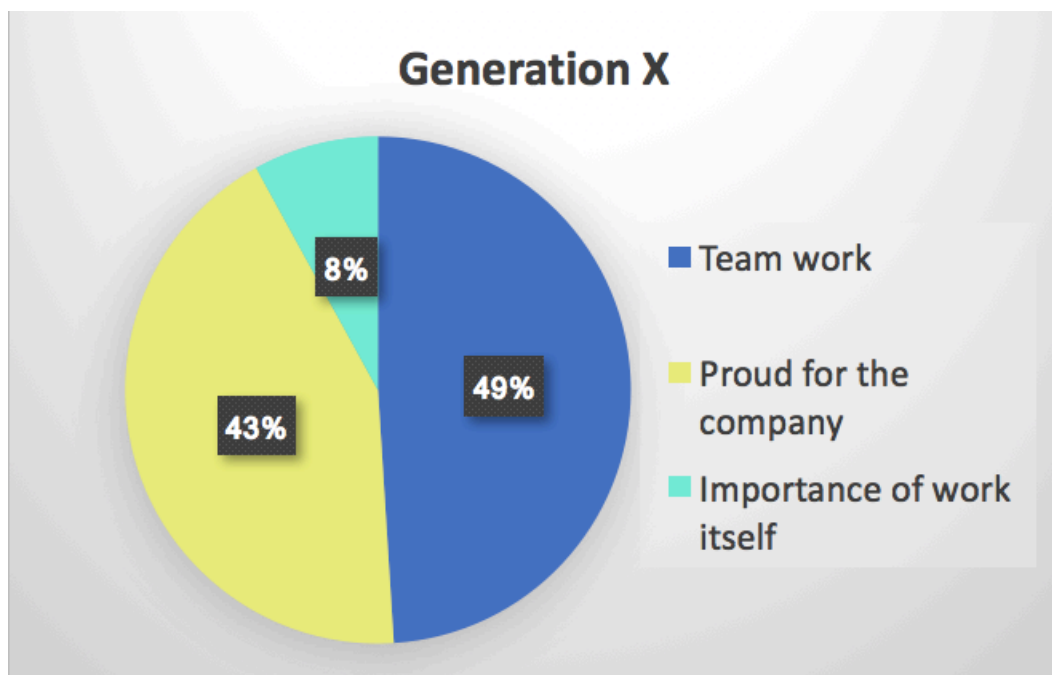


Figure 4 Generation X's results of the survey's preliminary part. Source: (Developed for this research paper).

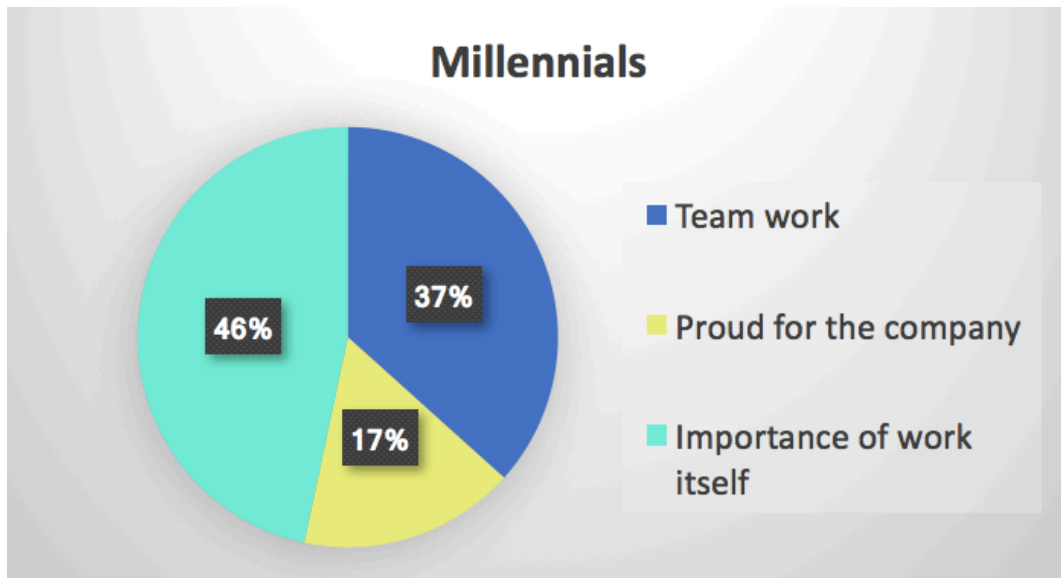


Figure 5 Millennials' results of the survey's preliminary part. Source: (Developed for this research paper).

The results of this preliminary part have some divergences with the expectations provided earlier (see Figure 4 and Figure 5). Despite the fact that Generation X representatives are really devoted to the company and their pride in company is high enough (43% is 13 people out of 30 respondents), there are more percentage (almost half of the sample – 49%) of respondents prefer working in teams to show more significant working performance. The importance of work itself is not appraised so high as two previous aspects for this generational cohort. This also might be due to the fact that the company is oriented on solving problems with the help of various projects so they are got used to this type of work and such projects could help them to be fully engaged. Projects are mostly involving several departments which means that the Generation X could learn something more in their own professional field as well something extra new form other fields which in turn helps them to develop professionally.

According to the Millennium respondents, they are really tended to prefer and chose the importance of work instead just being proud of the company they are working in (46% is 14 people versus 17% - 5 people). On the second place, according to the personal preference is team work – 37% - 11 people). This might be justified as Millennials are used to be free and for the moment the research has been conducted the most significant point was the importance of their work and the value they bring to the company.

The main outcomes from the in-depth interviews which was a first part of the whole research are that in fact, as it was proposed, different generational cohorts working within one company have various factors driving work engagement. Results of this part of the questionnaire became a complementary element that helped to understand the preferences of the respondents.

The questionnaire has been created based on the theoretical framework provided in the Chapter 2 which provided a more in-depth understanding and clear visual results that are shown in the Figure 6 (see Appendix 2).

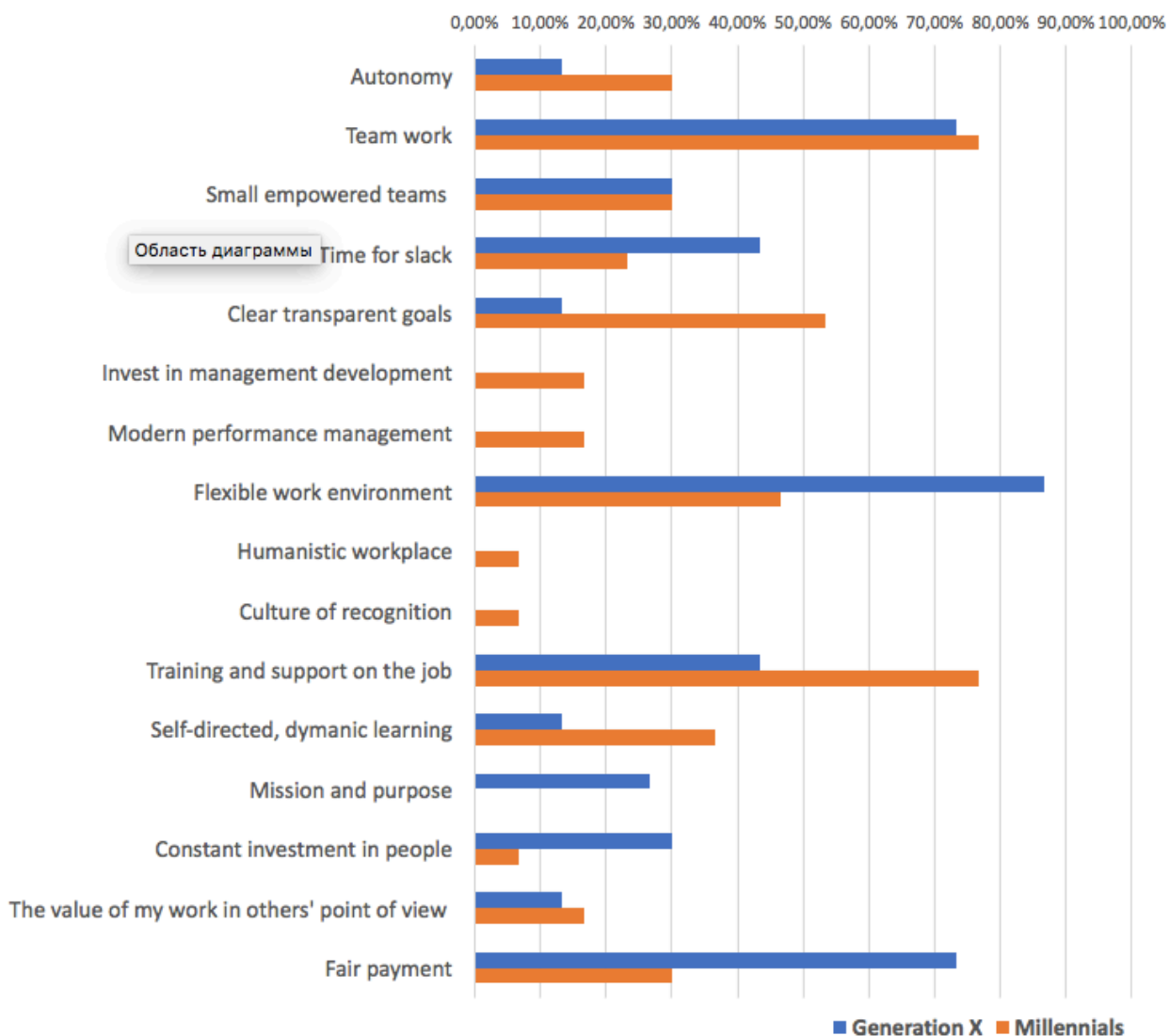


Figure 6 Questionnaire results (in percent). Source: (Developed for this research paper).

As it is clearly could be observed from the Figure 6 there are some significant differences in factors that drive engagement rate for two different cohorts. Nevertheless, there is still one of the most important factor that was mentioned by both cohorts during the interviews with the representatives as well as it could be notices from the Figure 6, is work in teams.

Meanwhile as it could be proposed Generation X is more tend to prefer to work in flexible environment (87% - 26 persons) as they are not (as some of them were mentioned during the interviews) ready to significant changes in the company. As well they are anticipating fair payment for their work (22 people out of 30 choose this factor as one of the 5 most important for engagement rate increase) because of their knowledge, work experience and qualification which are in many



cases slightly richer than among representatives of the Millennials. Even if they are interested in trainings and other ways of education provided by the company, they are still not so hungry for the knowledge as younger Millennials are. Furthermore, some factors have not been chosen by Generation X at all, like culture of recognition or humanistic workplace. Another significant difference in the survey's outcomes could be mentioned in the factor of including trainings and support on work which was very popular answer among the Millennium representatives (almost 77% that contributes 23 people out of 30). Millennials justified their choice to prefer trainings and support at work due to the fact that their colleagues have already a huge work experience and for their further development these trainings are interesting but not so necessary as for the younger generation. Including trainings to the working process might be resulted in a higher productivity of the whole company as there will not be any gaps performed mostly by Millennials for now so Generation X do not need time to fix all problems, as they are going to disappear. Nevertheless, Generation X representatives are also interested in development trainings (43% - 13 people) as the technology is in constant progress, so their skills should also be in tune with the times. This is necessary for them first of all to stay top requested on the labour market. Another significance was mentioned in the point devoted to mission and goal factor. As it is obvious from the Figure 3 Generation X people desire to have a clear understanding of the purposes they are going to achieve and as well to have a whole visualization of the working process and its final destinations. On the other hand, Millennials are differ with X-ers in this aspect, as none of the respondents mentioned this factor neither as significant nor even paid a little attention to it. As it could be proposed, Generation X is more tend to request high salaries and prefer a stable organization with guaranteed payments and benefits as well as they want the work to be in balance with their personal life. According to these answers it could be summarized that Generation X is engaged when everything remains the same as they already have suffered from a number of historical great changes and went through a lot of challenges, so now all that they need is to have steady job and that is what make them feel themselves comfortable and confident in tomorrow day which in turn is leading to increasing level of engagement. They are ready to "go one step above their responsibilities" if the company will assure them their requirements.

As for Millennials, they are more flexible for now, however some of them (especially those who were born at the beginning of the generational cohort) have the same work requirements to the company as Generation X have. The main cause of such commonality was the reason that have been presented in the Chapter 1 where there were discussed that there is such practice when people born at the joint of two cohorts could inherit some generational characteristics. This was called "echo" – generational cohort in the previous researches. As for other representatives of this generational cohort, they prefer to mention factors, that could help them to grow professionally.

Meanwhile it is still very important for the Millennials to have clear transparent goals instead of having a visualization of the whole working process and its results. The reason for such significance might be due to the fact that nowadays most of Millennials are still not on senior positions (the outcome of the interviews) so it is enough for them to understand settled goals and vision for the recent working tasks not for the whole picture like spread of work at once as it should be done by senior management team.

Therefore, some factors were commonly mentioned by both generational cohorts like they prefer to work in small empowered teams. The reason for confirmation of their choice has been also mentioned during in-depth interviews and the answer was that it is easier to make decisions in small teams as it takes less time, which is might be due to intergroup relations which are closer in comparison to relations in big teams and the members of small teams could help each other in any moment on an as-needed basis.

However, there was a surprising moment in this study that the factor of earning fair payment for the work is not so important for the Millennials as well as the fact that culture of recognition is not interesting for the Generation X. This might be in a such way as all respondents were asked to choose just five main drivers of engagement among 20 statements, so the Millennials prefer to choose trainings (77%) instead of fair payment. Another moment for such decision might be due to the fact that there is already implemented a financial rewarding system in the company so employees are already satisfied with their current payment and prefer to implement a professional development for an alternative rewarding system to increase their engagement rate. Anyway, fair salary is still one of the essential moments in matter of workplace choice so it is necessary to take into consideration this factor. Salary is truly one of the most important factors in choosing the company nowadays. As it could be supposed the main drivers for such answers could be the current economic situation in the country. Even if the rate of unemployment has slightly increased from 2013 to 2016 (from 5,2% up to 5,5% in the whole country) there took places a large number of layoffs and downsizing in the companies. This could have frightened people (especially young specialists who just started their professional career and could be dismissed first of all others) and make their priorities to change and be similar to each other.

Next significant and important moment was to look how the results were spread among the drivers of engagement based on the conducted questionnaire (see Tables 5 – 9).

Table 5

Questionnaire results on 1<sup>st</sup> driver

1 driver – Meaningful work					
Generation X – 32%			Millennials – 32%		
Factors	Percent	Number of respondents	Factors	Percent	Number of respondents
Autonomy	13,33%	4	Autonomy	30%	10
Team work	73,33%	22	Team work	76,67%	23
Small, empowered teams	30%	9	Small, empowered teams	30%	10
Time for slack	43,33%	13	Time for slack	23,30	7

Source: (Developed for this research paper).

Table 5 above provides information about the preference of element of meaningful work as a driver for engagement and as it could be seen there is no difference between two generational cohorts according to equal percentages, however, there are still various preferences in the factors this driver includes. This means that the meaning of the work is important for both generational cohorts in equal portions, nevertheless, there are differences between preferences of representatives of the cohorts among the factors this driver consists of.

Table 6

Questionnaire results on 2<sup>nd</sup> driver

2 driver – Hands-on management					
Generation X – 2,67%			Millennials – 17,33%		
Factors	Percent	Number of respondents	Factors	Percent	Number of respondents
Clear transparent goals	13,33%	4	Clear transparent goals	53,3%	16
Coaching	0%	0	Coaching	0%	0
Invest in management development	0%	0	Invest in management development	16,67%	5
Modern performance management	0%	0	Modern performance management	16,67%	5

Source: (Developed for this research paper).

Table 6 shows that there is a big difference in respondents' preferences for the second driver – Hands-on management. This distinction is due to the fact that Millennials tended to prefer clear transparent goals more than the Generation X did. As well the same trend could be followed in the 2 other factors, when respondents from the younger generational cohort preferred more.

Questionnaire results on 3<sup>rd</sup> driver

3 driver – Positive work environment					
Generation X – 17,33%			Millennials – 12%		
Factors	Percent	Number of respondents	Factors	Percent	Number of respondents
Flexible work environment	86,67%	26	Flexible work environment	46,67%	14
Humanistic workplace	0%	0	Humanistic workplace	6,67%	2
Culture of recognition	0%	0	Culture of recognition	6,67%	2
Inclusive, diverse work environment	0%	0	Inclusive, diverse work environment	0%	0

Source: (Developed for this research paper).

The third driver is almost the same for both generational cohorts with slight difference in several answers that contributes around 5 percent. This trend could be justified as all employees prefer to have a friendly working environment which in turn could help them be highly engaged in the working process. However, it is worth mentioning that the responds of Millennials were spread among 3 factors, whereas Generation X's respondents preferred just the first factor – Flexible work environment. Such distribution might be due to the fact that almost all representatives of Generation X have families and it is crucial for them to have a flexible work environment to be able to spend their off-duty time with them. Whereas not all Millennials have started a family that is why they could spend their off-duty time at work as well.

Table 8

## Questionnaire results on 4th driver

4 driver – Growth opportunity					
Generation X – 11,33%			Millennials – 22,67%		
Factors	Percent	Number of respondents	Factors	Percent	Number of respondents
Training and support on the work	43,3%	13	Training and support on the work	76,67%	23
Facilitated talent mobility	0%	0	Facilitated talent mobility	0%	0
Self-directed, dynamic learning	13,3%	4	Self-directed, dynamic learning	36,67%	11
High-impact learning culture	0%	0	High-impact learning culture	0%	0

Source: (Developed for this research paper).

The table above provides information on the fourth driver of engagement – Growth opportunity. As it could be noticed there is a huge difference between the preference of two cohorts. This is due to Millennials preferred to choose training as a dominant factor of their engagement in comparison to the Generation X, who are still interested in this factor, however, not as much as Millennials are. As well this driver is very important for the Millennials as their preference for this driver constituted almost 2 times more that Generation X's preference.

Table 9

## Questionnaire results on 5th driver

5 driver – Trust in leadership					
Generation X – 36,67%			Millennials – 16%		
Factors	Percent	Number of respondents	Factors	Percent	Number of respondents
Mission and purpose	26,67%	8	Mission and purpose	0%	0
Continuous investment in people	30%	10	Continuous investment in people	6,67%	2
The value of work in other's point of view	13,3%	4	The value of work in other's point of view	16,67%	5
Fair payment	73,33%	22	Fair payment	30%	10

Source: Developed for this research paper.

The last driver also shows a big discrepancy between two generational cohorts' preferences. The main reason is that people of elder generation preferred fair payment for their

work as most of them are having families and it is vital for them to have enough financial opportunities to maintain a family (this was found during the interview part). As well as it is found from the results of the questionnaire, Generation X representatives are paying more attention to the mission and goals of the organization in comparison to Millennials.

### 3.2 Discussions

The conducted questionnaires in conjunction with in-depth interviews and preliminary survey provided interesting and significant results for the research by answering the research question. The aim of the results is to provide evidence of which factors are preferred by each generational cohort (see Table 10).

Table 10

The outcomes of the provided questionnaire

Factors driving employee engagement	Generation X		Millenniums	
	Percentage	Number of responds (out of 30)	Percentage	Number of responds (out of 30)
Autonomy	13,33%	4	30,00%	9
Team work	<b>73,33%</b>	<b>22</b>	<b>76,67%</b>	<b>23</b>
Small empowered teams	30,00%	9	30,00%	9
Time for slack	43,33%	13	23,30%	7
Clear transparent goals	13,33%	4	<b>53,30%</b>	<b>16</b>
Invest in management development	0,00%	0	16,67%	5
Modern performance management	0,00%	0	16,67%	5
Flexible work environment	<b>86,67%</b>	<b>26</b>	46,67%	14
Humanistic workplace	0,00%	0	6,67%	2
Culture of recognition	0,00%	0	6,67%	2
Training and support on the job	43,30%	13	<b>76,67%</b>	<b>23</b>
Self-directed, dymanic learning	13,30%	4	36,67%	11

Mission and purpose	26,67%	8	0,00%	0
Constant investment in people	30,00%	10	6,67%	2
The value of my work in others' point of view	13,30%	4	16,67%	5
Fair payment	<b>73,33%</b>	<b>22</b>	30,00%	9

Source: (Developed for this research paper).

As it could be seen from the Table 10 the results of conducted questionnaire provided some significances between factors that each generational cohort prefers more. There were identified by three most important factors for each cohort: Generation X mostly chose flexible work environment, fair payment and team work. Millennials also paid a lot of attention to work in teams, however, their other two preferences were trainings and clear transparent goals. Trainings is significant for Millennials as many of them have just started their career path and they prefer some developments that will help them to grow professionally.

Nevertheless, there should be paid attention not just to the most significant moments, but also to the differences between preferences of different generational cohorts. That is why the first difference could be mentioned in the fact that Millennials' preference in autonomy is twice more than Generation X's respondents. This is reasonable because as it was mentioned in Chapter 1, Millennials are more liberty lovers in comparison to their elder colleagues. Another important difference is that Millennials need less time to have a rest than X-ers do, that is why the results show that the latter prefer to have more time for slack, while Millennials are ready to work harder for the moment the research was conducted. Culture of recognition is also very important mostly for Millennials as the youngest representatives of this generational cohort have just entered the company and they want to be recognized for their achievements which in turn could help them to fast development on a professional path. As it was mentioned before, Millennials are get used to be free in decision making process from their childhood, consequently they prefer to have self-directed and dynamic learning more than their colleagues from another generational cohort. According to fair payment factor, it is worth to mention that Millennials are not rejecting to have a fair salary based on their results and productivity, however, for the now, they are ready to sacrifice it return of professional development and career advancement. Also, as this study has been provided in Heineken company, there is already an existing financial rewarding system, which could be a reason why younger employees paid less attention to this factor and did not choose it as one of the main factor for their increased engagement.

Next chapter will provide some recommendations how to use the obtained results and findings to increase the engagement rate of the personnel based on the knowledge of the generational cohort they belong to.



## **Chapter 4. CONCLUSIONS AND IMPLICATIONS**

### **4.1 Conclusions**

The main purpose of the research was to identify which factors could have an influence of employees engagement rate according to the generational cohort employee belongs to. Despite of a number of provided researches and studies in both these fields (employees engagement from the economic science point of view and generational cohorts' differences from the psychological point of view) there are still very small number of studies that would look at the crossing point of both theories and sciences. Even if there were conducted some researches in the United States based on the sample of hotel employees (Gursoy et al., 2008; Park J., and Gursoy D., 2012) this research problem has not been explored using a comprehensive and systematic approach on the Russian market yet. This could be accounted as a novelty of the current research paper. As well there are still some significant differences between generational cohorts in the USA and Russia, that is why this issue have also been discussed in Chapter 1.

Empirical part of the research paper provided significant results that were presented in Chapter 3. Here are some meaningful outcomes from the findings mentioned after analyzing the collected data.

As the result provided in the Table 10 are clear and meaningful, it could be said, that the main aim of this research paper have been achieved. Generation X's factors of engagement are:

- Team work;
- Flexible working environment;
- Fair payment.

Whereas the main driving factors for Millennials are:

- Team work;
- Clear and transparent goals;
- Trainings and support on work.

Basing on the provided survey, Generation X prefers to work in teams, which means that they could share their experience and learn something new from their colleagues and develop themselves professionally and personally. In this case their knowledges will expand and they will be in demand even in comparison to their younger colleagues. Whereas younger Millennials nowadays put the importance of work and fascinating the working process before all else. These results are showing that if the company wants their employees to over perform they should vary rewarding system (include not just financial benefits), but as well distribute all the employees

basing on the knowledge of their factors of engagement and make all the conditions for the employee to be self-motivated which in turn means that his own engagement rate will increase.

Research gap could be also filled by answering the research question with the help of conduction qualitative analysis through in-depth interviews and questionnaire spread and filled by Heineken company's employees of different generational cohorts. The results of the study could allow coming up with theoretical contribution and managerial implications.

#### **4.2 Theoretical contribution**

The current research contributes to the sphere of employees engagement factors that could differ for different generational cohorts. Theory in both fields are developed and there are a lot of studies providing relevant information however, there are still a shortage of information that could give a whole understanding of which exactly factors could increase the engagement rate of employee according to the differences in preferences characterized by generational division.

To sum up, as the literature review's results showed the existence of research gap for further development in the cross of the two scientific fields which are employees engagement and generational cohorts differences the research gap for this inquiry has been found. As well the interest in this topic increases among practitioners (companies and organizations) which now tend to increase employees engagement for further company's development.

As the theoretical implication, there could be noted that the research identified the factors of engagement for two generational cohorts, namely Generation X and Millennials based on the analysis of Russian employees in Heineken Russia. This could be mentioned as a novelty in the scientific point of view, as previously done researches did not have results on Russian market. The theoretical input has been made with the help of employees responds on questionnaire and provided 7 in-depth interviews, that helped more deep understanding of which exact factors are driving the increase in engagement rate of employees.

#### **4.3 Managerial implication**

Nowadays many companies are trying to put their employees needs and wants on a high importance level, however most of them are still trying to motivate their employees providing them financial benefits. There are, of course some improvements in personnel's performance after implementation of financial rewarding system, however this mechanism is not going to work at the same way in future, so these companies are struggling to deal with this type of problem. Furthermore, it is not applicable for everyone and the overall employees performance even

including these rewarding systems might be low. This is leading to poor company performance in overall as well. As well engagement is not just an abstract indicator, it helps to find out what is going wrong and why employees satisfaction is lower than it expected to be. That is why the main aim of this research is to identify which factors have an influence on employees engagement (not motivation from the company, but self-motivation) according to the generational cohort the employee belongs to.

The managerial implication of this research results' could be interpreted as a list of recommendations. Companies should pay a huge attention to the employees' needs, as they are the main competitive advantage of each company. This means that it is necessary to provide some sort of questionnaires or surveys. However, the frequency should be at least once in a half-year, or even better if it will take place once in a quarter. Another point is to provide these surveys in an anonymous way, so then the respondents will feel themselves secure and the outcomes would be trustful. Another important issue for the company is to create various rewarding systems for different generational cohorts. As that could be clearly seen from the results of the research the factors for each generational group are different, which means that increase in salary could increase the engagement rate of Generation X (as it is considered as one of the most important factors – 73%), whereas this factor would not interest Millennials so far as their interested more in trainings and support on work rather than fair payment. In case the company could be able to take into consideration all factors (sometimes they might change according to some external reasons) and create a system that will take into account an employees preference to “go one step above his/her responsibilities” than such company will earn an unflinching competitive advantage among its competitors, which in turn will attract more employees to this company. The most important issue for each organization is to identify which factors will increase the level of engagement of its employees and create a comprehensive approach that will take into consideration all factors, drivers of engagement of employees by separating them into the generational cohorts. Implementation of such systematic approach in the companies will help to improve employees engagement rate and as a sequence of satisfied personnel the whole organization's performance will increase.

#### **4.4 Recommendations for future researches and limitations**

Future researches should be provided on a bigger number of companies, both in Russia and abroad in order to get a better understanding of which factors could influence employees engagement rate and enucleate if there are more significant differences between chosen factors among Russian and foreign employees. There also could be created a framework including more

factors of engagement according to generational cohorts' preferences. This could be considered as a tremendous opportunity for further researches to create a consolidated framework that could help to identify main factors. In turn this framework could be used in companies instead of providing quarterly surveys among employees that could reduce time and helps to find out the necessary information in short period.

According to the limitations of this research there are should be mentioned a shortage of time which led to limit sample. Also according to the method to conduct such type of research, it should be run as a Factor analysis. This method will provide more in-depth understanding and identifying other significant factors and generational cohorts and correlations and interconnections between these variables. However, there was impossible to run Factor analysis as the sample was too small to conduct a quantitative research in this particular case. Another significant limitation is that the research excluded Generation Z as respondents because there are still no representatives of this generational cohort in the companies due to their age (the eldest ones are just 17 which means that they could not be involved in the working process of the company). This limitation should be considered as future possibility to investigate factors that will drive increase in engagement rate of this partial generational cohort.

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**Preliminary survey**

Please evaluate each point on a 3-point scale (1- totally unimportant; 2 – average importance; 3 – totally important) according to Your priorities:

	<b>Totally unimportant</b>	<b>Average importance</b>	<b>Totally important</b>
<b>Proud for the company</b>	1	2	3
<b>Team work</b>	1	2	3
<b>Work importance</b>	1	2	3

## Questionnaire

Could you please answer the following questions.

1. Your birth date is \_\_\_\_\_
2. Your gender (circle one)      Male                  Female

Could you please choose and evaluate ONLY FIVE statements from the following list. Evaluate them please on a 6-point scale:

**Which characteristics (factors) should the work have for my engagement to be on a maximum level?**

Factors driving engagement	Obligatory	Required	Preferable	Does not matter	Cannot identify
1. <b>Autonomy</b>	1	2	3	4	5
2. <b>Team work</b>	1	2	3	4	5
3. <b>Small empowered groups</b>	1	2	3	4	5
4. <b>Time for slack</b>	1	2	3	4	5
5. <b>Clear transparent goals</b>	1	2	3	4	5
6. <b>Coaching</b>	1	2	3	4	5
7. <b>Invest in management development</b>	1	2	3	4	5
8. <b>Modern performance management</b>	1	2	3	4	5
9. <b>Flexible work environment</b>	1	2	3	4	5
10. <b>Humanistic workplace</b>	1	2	3	4	5
11. <b>Culture of recognition</b>	1	2	3	4	5

<b>12. Inclusive, diverse work environment</b>	1	2	3	4	5
<b>13. Trainings and support on the job</b>	1	2	3	4	5
<b>14. Facilitated talent mobility</b>	1	2	3	4	5
<b>15. Self-directed, dynamic learning</b>	1	2	3	4	5
<b>16. High-impact learning culture</b>	1	2	3	4	5
<b>17. Mission and goals</b>	1	2	3	4	5
<b>18. Constant investment in people</b>	1	2	3	4	5
<b>19. The value of work in my colleagues' point of view</b>	1	2	3	4	5
<b>20. Fair payment</b>	1	2	3	4	5
<b>21. Other factors (specify)</b>					