

# **A COMBINATION WITH MULTIPLE ORGANIZATIONAL IMPLICATIONS: GENERATION Y AND KNOWLEDGE MANAGEMENT**

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**Abstract:** Generation Y is the subject of numerous speeches in public, particularly in relation to the work, the expectations and behaviors in the organisation. Current management is surprised by the integration of these young people in the work environment. The solution of integration of these young people would be, as most specialists appreciate, in an management “between generations” to adapt their practices to the specific characteristics of each generation, an evolving technological environment and its ways of organizing work to reach for the model enterprise 2.0, according to the allegedly logic of action of youth.

But this solution transfers a large part of the problem within the scope of knowledge management. This paper analyzes the new studies that were concerned with the need for the integration of young people who belong to generation Y in enterprises and the impact of this integration to achieve a new stage in the development of knowledge management that will increase organizational performance. The chosen research methodology is qualitative, imposed by the chosen issue and incorporeal nature phenomena to be observed; more precisely by identifying how the knowledge transfer occurs between generations within SMEs.

**JEL classification: M50, M51,M54**

**Key words: Generation Y, knowledge transfer, integration, specifically in SMEs**

## **1. INTRODUCTION**

Since the early nineties, the process of knowledge encounters many difficulties. The latter are beginning to detach from material resources in favor of immaterial. The challenge for an enterprise now resides in its ability to identify, preserve, enhance, share and update its stock of knowledge. In recent years, by a particular interest was the study of knowledge transfer process and, in particular, in-between generations’ aspect, ie the exchange of knowledge and experience from the most experienced individuals of an organization to the young and vice versa in the largest organizations worldwide.

In the past, knowledge transfer between generations was mainly operated in one direction: an experienced person conveyed what he knew to a newcomer whose contribution become important only in the medium or long term. However, now the transfer is more susceptible to occur in both directions. Indeed, as stated by Heidi Anderson in Harvard Management Communication Letter, "rapid scientific and

technological breakthroughs make young workers have now invaluable knowledge for the workers with more experience."

New recruitment, coming from places high of technical knowledge or university, often contains explicit and tacit knowledge, which can be a source of innovation. These are basically new knowledge that elders do not necessarily hold. The analysis of in-between generations' transfer of knowledge is the main objective of this paper. The research aims to bring a new vision for the transfer of knowledge to the intra-organizations with the integration of its generational specificity.

## **2. GENERATION Y: CHARACTERISTICS AND MOTIVATION**

Relevant studies of several professional agencies shows that Generation Y will represent between 30-40 % of the active population of the EU countries over the next 2-5 years. It is estimated that the level reached by this generation will be 36% in the U.S. in 2014 and 46 % in 2020 (Business School of the University of North Carolina). Their arrival is therefore inevitable, massive and durable, and it becomes an emergency not only to understand, but also to take specific action to put the energy and creativity of these young people with many qualities in the service of creating value.

Generation Y represents an added value for organizations. Thirsty for knowledge, because they were incited from an early age to express preference for activities that enrich this perspective, the youth of this generation have grown up with these new technologies, the Internet, the social networks, and are used to access large amounts of information and take advantage of them according to their needs. Spontaneously they reflect, work and interact in a much collaborative way. Followers of forums, of brainstorming, have an ability to find innovative solutions together and offer fresh perspectives. The skills of "digitalis natives" to use social networking gives them instinctively, for example, a wide range of knowledge in areas where previous generations are less practical, ie. technological innovations such as digitalis, social media etc. Their reflection in the field is even more interesting, as it is about the strategic sectors for many organizations.

It was always believed that employees must be on the same wavelength with organization values. Most management experts agree that the new model will not longer be that of a company whose values are not necessarily required to its employees, and new solutions must be brought. The new generation carries values questioning current methods of enterprise management. Most managers are are looking for their identical people, their age, but new information and communication technologies have profoundly changed the society, behaviors, and the organization must be aware of these changes and adapt.

Many leaders do not take the trouble to provide the instruments and opportunities necessary for the development of the entire potential of their employees, and primarily young people. Influence that will have the arrival of this "digital generation" will not be limited only to its number but also requirements regarding instruments that young people want to use as part of their work. It is about applications and programs in connection with what they already use in everyday life. Any organization or any manager who will know how to adapt and provide lifestyle that generation Y seek to send a clear message of acceptance implementation of the potential candidates and will be successful in this regard.

To overcome the stage of a mere findings and reflect on the changes that organizations need to take in choosing the decision to resist or adapt to the enhancement of this new generation, may be used to analyze the motivation based on Maslow's model (1954), to identify some elements for understanding and tracks of some solutions.

Regarding the need for security, Generation Y was built on a background of crisis in a troubled and uncertain economic environment. Exacerbated competition, rising unemployment and frequent restructuring creates doubt and fear, and the employer can no longer guarantee its protective role. In such a context Generation Y thinks that it must surely find this one. She understands and accepts the precarious environment where can be found, and learns that it is important to develop its autonomy. This is the mechanism that caused by the development of a self-centered attitude seeking immediate gratification and an emancipation from hierarchical authority, which it expects responsible behavior. His commitment becomes conditional, meaning that involvement is achieved if the requirements are fulfilled, ie if the benefits are shared by both parties. Motivational lever is achieved by ensuring trust by proving the authenticity and courage.

The need for socialization is aimed at taking care of the individual to feel appreciated and accepted by the reference group. Nowadays the reference group and the membership do not necessarily coincide. Extension studies, adherence to various alumni associations and the emergence of social networks has as consequence an increase in membership in the social networks and reducing extra- effort to accommodate with the professional group membership, especially if it does not match the identity, values and does not integrate the personal life project. The absence of support from the person responsible will be perceived as a managerial incompetence, and the manager who does not listen enough will lose credibility and weaken its authority. Motivational lever consists in creating an atmosphere of trust by promoting empathy and by adopting ethical behavior.

The need for self-esteem requires a person to feel recognized, to enjoy the prestige and consideration as part of the group. Self-esteem is composed of three components. So far the self-image (social identity) was closely linked to professional identity, by means of which the individual has (compensation) and does (occupation). The rejection by Y culture, "what it has" and seeking of "doing" has as consequence the recognition signals expected mainly on what they are, than on what young do (strengths, potential development personal etc.). They want to be appreciated with objectivity, justice, equity and "humanity". Criticisms are voluntarily accepted, provided that they are based and followed by proposals for appropriate improvement actions. All young people of this generation wait for their manager to be together in the development of skills, to support the accumulation of new capabilities and to propose customized schemas and and polished by the evolution of the career.

In terms of self-love, generations X and Y have learned to connect to their emotions and understand the interest that this might have for them, unlike previous generations, forced to always be "the best", "most powerful", "perfect" and not allowed to express emotions.

The need for achievement is exiting a purely material condition, to achieve personal fulfillment. What has changed in terms of aspiration are reporting on time, the value of work and interest in work. Generation Y has no time to lose, she wants to achieve "here and now" and be immediately happy. In fact, recording to her work is not

a task, nor an identity and an instrument to accumulate wealth, but a contributory factor to his personal fulfillment.

This new generation aspire to a balance between private and professional life. What motivates today are conditions of employment, working hours and organizations' image. As such, managers must reconcile the pressure to meet targets and to improve working conditions, taking into account the specificities of each of the contributors. Motivational lever is to create appropriate working conditions to suit individual requirements and accepting that the work is no longer a purpose in itself.

### 3. THEORETICAL RESEARCH FRAMEWORK

In an environment as complex as that of the organization today, the concept of knowledge is not intuitive or immediately. Indeed, in the organization knowledge can be found everywhere and at all levels. Despite widespread use of the concept of knowledge, the problem of defining it continues to fuel debate among researchers. Presentation of important definitions can identify different facets of knowledge.

Kogut and Zander (1992) and Grant (1993) define knowledge as information bearing experience and distinguish three forms of knowledge: information, experience and understanding. Information refers to data, facts or symbols and can be changed according to the rules of standard syntax. Experience refers to the accumulated knowledge regarding the way to perform an action. It provides meaning to information by binding elements in a relationship of cause and effect. Understanding refers to the knowledge of the mechanisms underlying the causal relationships observed.

In terms of knowledge, definitions here are many and varied, but with a common point, linked to the distinction developed by Polanyi (1980) between tacit and explicit knowledge. This distinction was thorough in the researches of Winter (1987), Zander and Kogut (1995), Nonaka (1992), Nonaka and Takeuchi (1992,1995), Simonin (1999) and Hall (2000). It is particularly important especially in terms of knowledge transfer, which can not be identical when it comes in the form of tacit or explicit. *Explicit knowledge* is encoded and easily transferable knowledge through information systems. They are already transcribed and therefore are easily captured and transmitted. Unlike explicit knowledge, implicit or tacit knowledge refers to experience, the skills and abilities that are not written, as it is found only in the minds of employees and transmitted orally. Since there are formalized, tacit knowledge is difficult to convey (Nonaka et Takeuchi, 1995), "being anchored in action, proceedings, values and emotions."

*Tacit knowledge* is difficult or sometimes impossible to encode. Their assimilation by an individual involves a series of adjustments and transfer mechanisms enabling a richer communication compared with classical supports encoding.

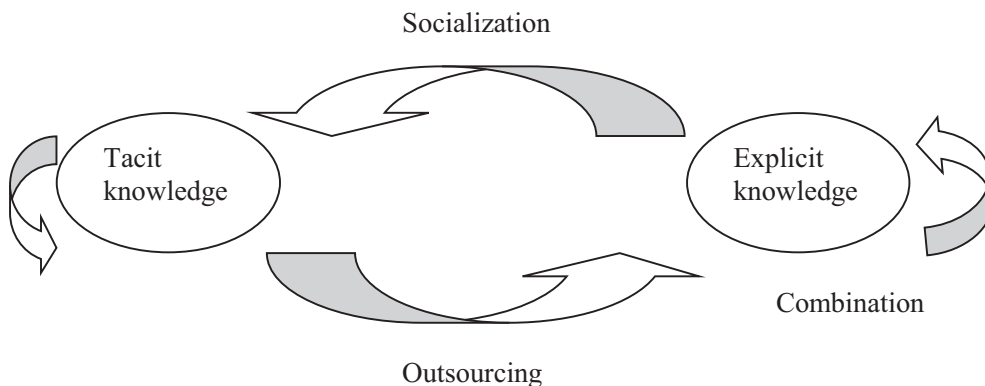
The definition of knowledge according to their transfer facility is particularly important in the research management as knowledge transfer issues is a crucial challenge of management of organizations.

Knowledge can also be characterized by its locality criterion. Kogut, Zander (1992) and Spender (1993) distinguish four levels of localization: individual, group, organization and network. From this perspective it can be done a distinction between individual and collective knowledge.

The unanimous opinion is that the basis of any knowledge is the human. At the same time, the sharing of knowledge between different units of an organization is what is known as the collective knowledge or "collective memory" of the organization (Kogut and Zander, 1992). Collective knowledge may be higher or at least equal to the sum of individual knowledge of the organization, and this depends mainly on the effectiveness of the mechanisms which implement individual knowledge into collective knowledge.

Internal transfer of knowledge is "the process by which a unit (individual, group, department, division ) is affected by the experience of another" (Argote et al, 2000). This transfer process is not limited to an adaptation of procedures and continues until the employees give new meaning and value.

The process of creation and knowledge transfer has been the subject of much research and modelling attempts. Two of these models are the ones that stood at the basis of this research. In his research, Nonaka shows that the development of knowledge and learning organization involves transmission between individuals and describes the dynamics of transformation between these different statuses ( Figure 1).



**Figure 1: Modes of knowledge transfer**

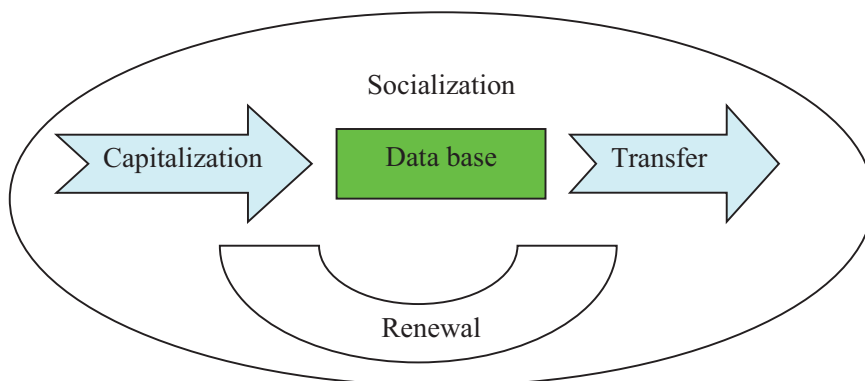
*Socialization* is the process of transmission of tacit knowledge. It thus comes to pass mental models or technical skills. This transmission can be achieved effectively without a verbal exchange. Indeed, the transmission of experience is generally performed through observation, imitation and especially through practice. As highlighted by Nonaka et Takeuchi, the key to achieving tacit knowledge is experience. *Outsourcing* is a process that allows the transformation of tacit knowledge into explicit knowledge in the form of concepts, models or assumptions. Modelling a concept often results in dialogues and discussions between individuals.

*Internalization* is the process of converting explicit knowledge into tacit knowledge, often as a learning process that has as base documents, manuals etc.

*Combination* is a process of creating explicit knowledge gained through various communication channels. As Nonaka and Takeuchi (1995, 1997) point, interactions between tacit and explicit forms form the basis of a dynamic spirals of creation of new knowledge. Knowledge spiral implies that once tacit knowledge is converted into explicit knowledge, the latter is used, in turn, to create new tacit knowledge. If the latter

is converted into explicit knowledge, the organization is positioned within the virtuous cycle of knowledge creation.

The research of both authors have shown that the source of the innovation cycle and improvement of professional practice in a particular work environment remains the ability of a person or an informal group to externalize their tacit knowledge to subsequent capitalization and sharing them to a more collective group. This externalization can occur in a context favorable work socialization, ie "a set of direct exchanges through oral communication, collaboration or discussion" (Ballay, 2002). In an effort to operationalize the Nonaka and Takeuchi's research, Ballay (2002) developed a framework of reference for knowledge management, which revolve around the capitalization process, transfer and renewal.



Source: (Ballay, 2002)

**Figure 2: Knowledge management: the model of CTR-S**

In this model socialization represents a metaproces that transcends the other three. Capitalization of knowledge represents the activities aimed to unite, to synthesize, codify, classify in order to build knowledge bases available which generally take the form referential knowledge; knowledge transfer activities relate to distribution, usage, transposition, combining with which people acquire knowledge base content. As an example, accompanying individual, online training, instruments to support the tasks, the call to other communities, practice communities are practices that facilitate knowledge transfer.

Ballay finally describes the upgrade process that includes activities aimed to adapt critic and renew the knowledge capital of the organization. In its analysis can be found practices such as exchanges of experience, mentoring, track record of teams' performance, the calibration of data analysis of best practices etc. The process of innovation requires a culture of continuous improvement, a leadership style that fosters change and also waking strategic capabilities (Jacob and Ouellet, 2001).

Taking a communicative vision between transmitter and receiver, Szulanski (1996, 2000) explains the difficulties encountered by organizations in internal transfer of knowledge, especially in case of best practices. Analysis made in the transfer of 122 best practices in 8 organizations allowed highlighting a four-step process, starting from the initialization of the transfer, monitoring implementation, implementation and acquisition of knowledge. The following table summarizes all these steps.



1.Initiation.	This phase includes all the events that lead to the decision to transfer. Transfer begins when the organizations' requirement and response coexist.
2.Implementation.	This stage begins when the decision is made to make the transfer. During its travel the resources flows between source, receiver and sometimes a third party.
3.Access.	This stage begins with the use of the knowledge transferred to the receiver.
4.Integration.	Stage begins when the receiver has achieved satisfactory results with knowledge transferred (Szulanski, 1996).

*Source: (Szulanski, 1996)*

In the first stage, it is important that the involvement and cooperation of the source to be intense. Receiver attributes become increasingly important when the transfer takes place. One of the main problems that can occur during the transfer of NIH syndrome (not invented here). Indeed, receptors can have difficulties to accept new knowledge which they don't hold. But the success of a knowledge transfer process depends on overcoming new obstacles that appear on both sides. Szulanski (1999) points out that the transmitter can be considered as the least reliable or lacking motivation in a transfer, if it is ruled by fear of losing status, sources of influence and privileges. The receiver can, in turn, be devoid of motivation, can't have the ability to assess, assimilate and apply new knowledge correctly and successfully. Also the request of support can be seen as a sign of weakness, the inability to identify an adequate solution.

In the current study, our choice concerns the two elements of Nonaka and Szulanski, motivated by the important theoretical contribution and the opportunity that they offer on empirical testing. These news highlights both the characteristics of knowledge within the organization, as well as relational nature which take precedence over the internal transfer of knowledge, and in the latter case the specifics of their in-between generations transfer.

#### **4.THE SPECIFIC OF THE IN-BETWEEN GENERATIONS TRANSFER OF KNOWLEDGE**

Transfer of knowledge between generations, namely the exchange of knowledge and experience among the most experienced elements of an organization, a profession or group of professions is held for a long time. For centuries young people have learned to work in contact with their parents, with various artisans which show that the transfer of knowledge between generations is very old. Awareness of the process of knowledge transfer between generations is essential for the survival and development of enterprises. Organizations who don't give continually the importance due to this process will have problems that will jeopardize their existence. This transfer process is proving more problematic in SMEs, where the departure of well-trained person can leave a great void of knowledge. This appears because on the one hand, of a weak encoding process knowledge and rudimentary means used for this purpose and, on the other hand, the multitude of tasks assigned to each member of the organization. For practical reasons, that had the possibility of an easier verification of research hypotheses, our choice has targeted the study of this process in SMEs.

The issue of research is positioned within a broad framework, which concerns all employees of an enterprise, in the sense that knowledge transfer takes place today

not only the most experienced employees to the new ones, but also vice versa, from the young to the older ones. From this point of view there are two main issues:

1) How can an organization retain and renew the expertise and the knowledge held by employees who retire and that are often implicit and not explicit?

2) How to integrate the new human resources more effectively which should ensure continuity in the functioning of organizations?

The reflections of this study will address these issues and their specificity in the SMEs in the Romanian socio-economic context.

A brief review of the literature and research known to allow the formulation of hypotheses that can be confronted with the reality of the Romanian SMEs to verify to what extent they are confirmed or refuted by reality. The success of a transfer of knowledge between the employees of the enterprise depends largely on the extent to which the transmitter and receiver of the knowledge perceive interdependence between them. Psychological factors, bind, for example, age, level of expertise of older people, can really be considered obstacles to the effective integration of newcomers and the sharing of their knowledge and positive use.

*Hypothesis 1: The atmosphere that exists within the organization staff can be a determining factor in the success of knowledge transfer between different generations of the company.*

Moreover, it can forward the idea that the degree of transparency and the facile communication between organizations' employees may have an impact in terms of making easy the process of in-between generation transfer of knowledge.

*Hypothesis 2: An environment that facilitates communication between organizations' staff or by specialized platforms, either by organizational arrangements that facilitate communication can play a decisive role in the success of the knowledge transfer process in-between generations.*

In order for a knowledge transfer to take place, first must take place a knowledge exchange between individuals. Therefore, any enterprise should seek to ascertain whether these practices of human resource management fosters the exchanges of information and knowledge, or, conversely, discourage them.

*Hypothesis 3: A transfer of knowledge between generations can be stimulated by human resources management levers such as classic mentoring, reverse mentoring, participation etc.*

Knowledge transfer can operate by a shift and/or a change of networks or subnetworks reservoirs of knowledge (Szulanski, 1996). From this point of view we can advance the following hypothesis:

*Hypothesis 4: In a smaller SME the process of internal mobility of an individual involves automatically the transfer the knowledge that he holds.*

Communities of practice are groups of people facing together or virtual in order to share knowledge and experiences and learn from each other. They remain grouped by common interests in a sphere of knowledge and are driven by the desire and need to make the concerns, experiences, models, instruments and best practices. Community members deepen their knowledge by interacting on an ongoing basis and on long term, developing a set of best practices (Wenger, McDermott and Snyder, 2002). On this basis it can advance a new hypothesis.

*Hypothesis 5: Communities of practice can create a favorable context for in-between generation transfer of knowledge.*



In order to study basic issues facing the reality was tried in the first instance, to make a first contact by means of a questionnaire sent to HR directors and officers of 10 organizations from different industries, followed by semi-direct maintenance with the same people. Choosing to diversify the activity chosen is explained by the desire to have a general idea of the romanian productive environment.

The field investigated is presented in four parts of the questionnaire. The first chapter allows obtaining information on the organization, ie its status, sectoral characteristics, areas of activity, number of employees etc. The second part allows the recognition of the characteristics of employees and the level of qualification, age, seniority, level of external mobility, recruitment methods etc. Part three is interested in characterizing the working atmosphere, the type of relations between employees and communication policy. The final part seeks to provide information on measures to integrate young recruits and the policies adopted to preserve the expertise held by employees who leave or will leave the enterprise in the future.

The problem to which is desired a response is to identify how to operate the transfer of knowledge between the two generations, specifically how it integrates young diplomats in a sector that prevailed people with low schooling, which have an employment only through the experience gained here. It also sought a response linked to the old employees who wish to believe and accept that the new diplomats can offer, in turn, interesting and necessary knowledge. To respond to these problems has been chosen a qualitative research methodology. As underlined by Yin (1994), when problems must be answered starting with "how" and "why" must be preferred case studies. Or, in this research we are looking for an answer related to identify how such a transfer knowledge between generations takes place.

Furthermore, an adequate knowledge of reality and actors is required by the intangible nature of the phenomena to be observed. The case study appears from this point of view, the appropriate scoup of research.

Therefore our effort has focused on achieving of a device information and theories to enable the basic theoretical framework to be applied, validated and developed in order to obtain new knowledge through a field study. For operational research interests we have sought to establish a series of interim targets on the ground, such as setting portrait of in-between generations knowledge transfer issues in romanian SMEs' sector through a series of maintenance and inquiries of employees involved, namely young recruits older workers, human resource managers etc. A future case study offers the opportunity to test the results of the series of questions in the questionnaire.

## **5. CONCLUSIONS**

Knowledge management is recognized today as indispensable for the survival and development of enterprises. It helps the enterprise " not only to gain the skills, to identify, exploit them and to know how to manage interfaces in order to reach a smoother , faster , more present and recognized conjugation". The organization must, therefore, sensitize its members and encourage them to promote the exchange of information.

This project was built around two points. The first aspect is the demonstration of the interest of in-between generations transfer of knowledge to the organizations' management and to increase organizational performance. Closely related to this issue is

addressed and highlight the relational dimension in the process of transfer. In this basis it is desired a research through a study which is less explored in regards to this issue.

In-between generation transfer of knowledge is, in our opinion, a new research trail to explore in a promising and booming field.

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