

Cross-generational Cooperation in the Workplace

Development of Networks of Cross-generational
Teams of Individual EU States, as a Tool to
Achieve the EU's Competitive Advantage in the
Global Market

Ing. Lenka Farkačová, Ph.D.

Abstract

The innovative potential of EU countries is mainly influenced by expanding automation, robotization and digitization, as well as demographic developments and advancing globalization. These trends bring with it a complex and structured system of changes associated with several human activities, including the labour market. Transmission of the so-called tacit knowledge is becoming a key area as well as the follow-up ability to cooperate between individuals. Because of ageing population in selected countries, for instance in the Czech Republic, Italy, Slovakia and Germany, cross-generational cooperation can seem like an essential new skill in the contemporary world. It is important to say that the issue of population ageing is a crucial problem throughout the EU. Over past 10 years, the European Union Member States have seen an increase of Old Age dependency ratio (% of the population aged 65 years or more relative to the population aged 15-64 years) by an average of more than 4 pp. (EUROSTAT, 2020). For instance, according to the data from Eurostat, the figure was 25 % in 2005 and 29 % in 2015. For this reason, the aim of the analysis is to demonstrate the importance of cross-generational cooperation as a present and future ability of individuals in the labour market and to find out how their networks could be developed.

Keywords

Labour market, cross-generational cooperation, competitive advantage.

Contents

Introduction	4
Generation and Cross-generational Differences	4
The Positive Impact of Cross-generational Cooperation	5
Formation and Development of Networks of Cross-generational Teams and Cooperation	6
Conclusion.....	8
Acknowledgement	8
References.....	8

Introduction

Identifying and retaining employees with high potential and developing their talents for the benefit of the individual is especially important in order to be globally competitive. However, there is a situation where there are several specialized tools for identifying and developing employees, but the size of the population from which potential employees can be recruited is shrinking.

The decrease in the proportion of economically active population is a consequence of population ageing. For instance, prominent scholars within the field of employment issues (Vogler-Ludwig and Düll, 2013) warn against the shortage of workforce in the labour market in Germany since 2013. Rainer Strack warns against the German workforce crisis in 2030. The so-called workforce crisis will be caused by a lack of employees. According to Strack's prediction, more than 8 million employees will be missing in 2030 (Strack, Rainer, 2014). It is useful to note that the above-mentioned aspects are not valid only for Germany, but for most EU countries as well as for non-EU countries e.g. Japan.

What could help countries to deal with the issue of the current and future shortage of people in the labour markets? "The migration of workers¹" is a simple answer from many employers (Confederation of Industry of the Czech Republic, 2019). Disregarding statements like this, it is appropriate to find long-term solutions, e.g. in the form of cross-generation cooperation and partnerships teams.

Generation and Cross-generational Differences

Firstly, it is necessary to define the concept and meaning of the word "generation." Across the professional community, the concept of generation is understood as a group of people of approximately the same age, socialized at a similar time and its members thus be inferred to share a similar way of thinking and lifestyle (Levickalíté, 2010). Although we can name many generations (for instance: Generation X, Y, Baby Boomers), in practice it is not always clear who is the representative of a particular generation. Besides, if we include an individual in a particular generation, there may not be a guarantee that his/her values, behaviour, or demands will be the same to others of that generation too.

Therefore, the following definition of cross-generational cooperation in the workplace is:

"cross-generational cooperation occurs on the assumption that employees with an age gap of at least 20 years work in the workplace."

(Říhová, Písař, Havlíček, 2019).

In the case of an age difference of 20 years, it can be presumed that these two workers are not of a similar age in terms of working life experience, but also have not been socialized at a similar time, and it can, therefore, be concluded that there will be differences in their way of thinking and lifestyle. At an age difference of more than 20 years, we can talk about cross-generational cooperation.

¹ Recruiting workers from foreign countries, i.e. legal migration is frequently discussed across EU countries. Legal migration brings with it several unexplained questions and consequences. For instance, the influence of migration on income inequality and the average quality of worker-firm matches are still ambiguous (Inga Heiland and Wilhelm Kohler, 2018). Besides, recruiting employees from neighbouring countries can lead to a shortage of workers in those countries from which workers migrate.

The Positive Impact of Cross-generational Cooperation

Cross-generational cooperation is not automatic, it requires personal involvement, negotiation skills among all stakeholders and its full contribution can only be seen after a longer period of cooperation.

Cross-generational cooperation brings positive benefits which can be divided into four perspectives:

- positive impact on organizations (companies),
- positive impact on individuals (employees),
- positive impact on the labour market and economy,
- positive impact on competitiveness of the whole EU from a global point of view.

A Positive Impact on Organizations:

Cross-generational cooperation ensures the **long-term stability** of organizations. Thanks to the cooperation of more generations, the company can ensure the strategic **transmission of tacit knowledge**. Tacit knowledge is highly personal, context-specific, and it is difficult to formalize, communicate or transfer from one person to another by the process of writing or verbal expression. Tacit knowledge is not captured by language or mathematics, it is difficult to reduce it to writing, and it is made up of mental models, values, beliefs, perceptions, insights and assumptions (Nonaka, 1991).

Tacit knowledge, which is tied to a specific individual, can be spread primarily during cooperation. Although technology is changing selected aspects of work, the tacit knowledge of the previous generation is still valuable and meaningful.

Another positive impact of cross-generational cooperation in the workplace is **to maximize the innovation potential of an organization/company** (Říhová, Písař, Havlíček, 2019).

In the case of cross-generational teams, it is possible to combine the experience of the oldest generation with the energy of the youngest generation. The indisputable advantage of the youngest generation in the workplace is the ability to implement ideas, often due to the increased ability to use new technologies. By bringing together more generations in one workplace, the ideas of older generations can be implemented by applying the knowledge of the youngest generation. It can bring a brand new innovative solution. It is a typical example of the complementary nature of cross-generational cooperation. This **effect can be used across all sectors, industries and departments**.

A Positive Impact on Individuals (employees):

For individuals, cross-generational cooperation can be very energy-consuming and challenging, which is resulting from human nature. Often, it is easier for individuals to reach consensus with colleagues with the same values, who have the same way of behaving and reasoning. On the other hand, the energy invested in building cross-generational cooperation in the workplace can also be greatly beneficial for individuals.

For the youngest generation, this type of cooperation can be beneficial for the acquisition of know-how and hence for professional development and future direction. Representatives of the oldest generation can take advantage of the natural ferocity of the younger generations and to implement more ideas that they would no longer have the energy to implement by themselves. Moreover, working with the younger generation can also have an incentive effect on them. Representatives of oldest generation can realize that the work they have been doing for many years continues and improves. Of course, It is important to emphasize that the youngest generation also brings new skills and competencies (knowledge) from which the

oldest generations can benefit, too. Approach to the partnership between two and more generations can be varied in response to the content of work, industry, or other variables.

The importance of cross-generational cooperation for individuals is confirmed by the great interest in the mentoring program of the Czech Management Association called "XY - Transfer", within which targeted mentoring between generations X and Y takes place through the creation of temporary mentor-mentee tandems (Czech Management Association, 2020).

Positive Impact on Labour Market and Economy of the Country:

Using the potential of cross-generational cooperation in companies can lead to the greater innovation potential of these companies, as well as to increase of their revenues. This can also bring a positive impact on the economy in which the company operates (GDP growth, stabilization of the labour market, higher levels of sustainability). It should be the interest of the government to enhance cooperation capabilities and abilities of individuals.

Positive Impact of Cross-generational Cooperation on Competitiveness of the Whole EU:

Application of cross-generational cooperation by EU countries can lead not only to economic growth of these countries but also to common (multiplied) potential of the whole EU in the global market. If networks of cross-generational cooperation could be selected not only within individual countries, but across EU countries, the EU could achieve global competitiveness.

Formation and Development of Networks of Cross-generational Teams and Cooperation

It is a challenge to find a way how to support cross-generational cooperation and the formation of such kind of teams. For this reason, the main challenges and recommendations for individual participants can be found below.

The Role of Employers is

1. To build **trust** and **corporate culture**, which will lead to formatting cross-generation teams.
2. To ensure **sufficient level of soft-skills** of all employees, which can lead to transfer of tacit-knowledge.
3. The development of using **digital platform** (it is very topical especially nowadays when humans need to cooperate without fear of possible transmission of diseases for instance COVID-19).
4. Last, but not least to ensure a **fair reward** for the performance.

The Role of Government and the State

1. To create programs of **reskilling across sectors**, which are needed for cross-generational cooperation. For instance: technical skills for seniors.
2. **To take over the role of a role model** in cross-generation cooperation to verify and show that cross-generation cooperation in workplace is beneficial for all participants. Cross-generational teams can be used in ministries and other institutions.
3. To set up **pilot programs** and support cross-generation teams in companies. It is important to emphasize that the aim of programmes should be only the cross-generational cooperation itself. Programmes should focus on demonstration of positive effects, for instance: increasing performance, transfer of knowledge as well as critical revision of existing practices.

4. To Revise and update **social systems**, specifically the **pension system**. The setting up of a pension system should motivate the oldest workers to actively participate in the labour market. It is possible to consider tax breaks, income tax rebates or other non-financial support.
5. To spread **society-wide enlightenment** of the importance of cross-generation cooperation as well as cooperation in general. The awareness of the usability of cooperation should be taught from an early age (i.e. within primary schools, ...).

For instance, in the Czech Republic, cross-generational cooperation is counteracted by some factors that weaken it, such as the fact that university students are often not led to teamwork and often have no idea of the workings and benefits of teamwork and cooperation. This applies to graduates of universities of economics, but to a large extent, it also applies to graduates of technical schools. The consequence is the difficulty of integrating graduates into company teams in the managerial area, in the area of technical preparation of production and in the management of production itself. Although methodologies for year-on-year cooperation within the education system were developed ten years ago (Dlouhá, Činčera, Jančaříková, Dlouhý and Schollerová, 2010), their implementation still seems unfulfilled.

International cooperation and the creation of good examples of practice from education systems from other countries and teaching methods is therefore crucial. Innovative and emergent practices of teachers' professional development should be the priority (Riina Vuorikari, 2018).

The Role of the EU and International Cooperation

1. European authorities and their experts could create a framework of cross-generation cooperation across the EU. European authorities have **long-term knowledge and experience of multicultural cooperation**, which can be used.
2. To reach EU's competitive advantage in the global market, it is crucial **to support formatting of cross-generation cooperation networks across the whole EU**. Programs like Erasmus + that focus on exchange of employees in companies from different countries can be useful tool.

The Role of Employees

1. The success of the whole concept depends on the will of the individuals. On their **willingness** not only to cooperate, but also **to share experiences**. Individuals can be incentivized by demonstration of the advantages and potential of the cooperation itself on practical examples/case studies. At the same time, it is possible to use well-known motivation tools and theories which are applied in business practice and practices of civil servants, for instance, utilization of Vroom's expectancy theory (Baciu, 2017).

Conclusion

Human cooperation, as well as cross-generational cooperation, is a challenging issue. This is a process that requires a great deal of patience. This effort seems to be one of the important conditions for business success and growth of economies (especially for countries with slowly growing population and with a lack of employees). The above is confirmed by the findings of prominent scholar within the field of cooperation issues, Léna Masson (2017), who confirmed that professional cooperation is a prerequisite for project performance, as well as confirmed the importance of cooperation as such. Although there are many predictions about a significant reduction of jobs due to automation, digitization and robotization, it is important to realize that the capabilities of each organization (as well as countries) still depend on the quality of human factor. The **decision to appeal more to cross-generational cooperation is a strategic decision that can increase the competitiveness and stability of countries as well as of the whole EU in the long term.**

Acknowledgement

The analysis has been supported by the EUROPEUM. The analysis could not have been created without kind cooperation with many organizations and institutions. I am especially grateful for cooperation with Sara Baiocco, a researcher from CEPS.

The project was supported by the Ministry of Foreign Affairs of the Czech Republic in the framework of public diplomacy projects within Czech foreign policy and international relations



Ministry of Foreign Affairs
of the Czech Republic

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Co-funded by the
Europe for Citizens Programme
of the European Union

References

- Eurostat. (2020). Population: Structure Indicators (data). Retrieved from http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjanind&lang=en (accessed on November 1, 2020).
- Strack, Rainer (2014). "The Workforce Crisis of 2030 — and How to Start Solving it Now" [online]. [cit. 2020-11-06]. Available from: https://www.ted.com/talks/rainer_strack_the_workforce_crisis_of_2030_and_how_to_start_solving_it_now#t-172973
- Confederation of Industry of the Czech Republic (2019). „15 výzev Svazu průmyslu" [online]. [cit. 2020-11-01]. Available from: <https://www.spcr.cz/snem-a-msv-2019/13080-15-vyzev-svazu-prumyslu>
- VOGLER-LUDWIG, Kurt a Nicola DÜLL. *The German Labour Market in the Year 2030: A Strategic View on Demography, Employment and Education*. Bielefeld: W. Bertelsmann Verlag GmbH & Co., 2013. ISBN 978-3-7639-5282-3.
- Levickalíté, R., (2010). "Generations X, Y, Z: How Social Networks Form the Concept of the World without Borders (The case of Lithuania)". LIMES, 3(2): 170-83.

ŘÍHOVÁ, Lenka, Přemysl PÍSAŘ a Karel HAVLÍČEK (2019). "Innovation potential of cross-generational creative teams in the EU". Problems and Perspectives in Management, Ukraine: LLC "Consulting Publishing Company "Business Perspectives", 2019, Volume 17, n. 4, pp. 38-51. ISSN 1727-7051. doi:10.21511/ppm.17(4).2019.04.

Nonaka, I. (1991). "The KnowledgeCreating Compan". Harvard Business Review, 69: 96–104.

Czech Management Association (2020) „XY-Transfer“. [online]. [cit. 2020-11-03]. Available from: <https://www.cma.cz/kluby/klub-mladych-manazeru/xy-transfer/>

Inga Heiland & Wilhelm Kohler, 2018. "Heterogeneous Workers, Trade, and Migration," CESifo Working Paper Series 7355, CESifo.

Dlouhá, J., J. Činčera, K. Jančaříková, J. Dlouhý a H. Schollerová. (2010) Metodika týmové spolupráce a tvorby týmů pro vysokoškolské vzdělávání. Centrum pro otázky životního prostředí Univerzity Karlovy v Praze.

Riina Vuorikari, 2018. "Innovating Professional Development in Compulsory Education - Examples and cases of emerging practices for teacher professional development," JRC Working Papers JRC109266, Joint Research Centre (Seville site).

Leonina Emilia BACIU, 2017. "Expectancy Theory Explaining Civil Servants' Work Motivation. Evidence From A Romanian City Hall," The USV Annals of Economics and Public Administration, Stefan cel Mare University of Suceava, Romania, Faculty of Economics and Public Administration, vol. 17(2(26)), pages 146-160, December.

Léna Masson, 2018. "La coopération interprofessionnelle, antécédent à la performance inter-organisationnelle ?," Post-Print hal-01897730, HAL.