

IT CHALLENGES OF HUMAN RESOURCE MANAGEMENT FOR GENERATION Y

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Abstract: In today's business world, the biggest trend in HR is the digitization work. This has a positive impact on efficiency and economic results of the company, as well as the entire HR and employee satisfaction. This trend is also related to use of internal social networks. IT solution enables connectivity and replacing time-consuming manual or administrative tasks efficient, automated processes, allowing workers to focus on key areas such as strategy, new ideas, and mutual cooperation. The aim of this paper is to determine whether Enterprise Social Network positively affects Human Resource Management for generation Y. The primary research was focused on finding the requirements of Generation Y on the workplace. Secondary research was focused on the influence of Enterprise Social Network for HRM in the company, predominantly in the area of cooperation between employees and employee satisfaction. The methodology of this paper is based on a comparative qualitative research, based on the questionnaire survey. The results of the research point to the trend of using modern information technologies in HRM.

Keywords: human resource management, information technology, enterprise social network.

Introduction

Current economic and global conditions made a large number of enterprises to migrate to Internet-based systems for increased efficiencies, lower operating barriers costs and the ability to operate in real time across different platforms. That is why many firms are re-engineering their main business processes, by investing in key technologies - mobility, cloud computing, business intelligence and social networks. (Oprescu & Eleodor, 2014) It is widely accepted that new technologies are having major positive and negative impacts on economic and social relationship. (Ciocoiu, 2011) In this context, ICT and Internet are seen as opportunities to the development. Sustainable development can be based on expanding global communications and knowledge exchange (MacLean, Andjelkovich & Vetter, 2007). Information economy also requires highly skilled workers and the development of their intellectual skills, which cause the potential of knowledge of a society (Ciobanu, Pană & Diaconu, 2015).

Information Technology is doubling every 2–3 years and mobile internet traffic every year. By 2015 there will be 25 billion wirelessly connected devices globally; doubling to 50 billion in 2020 (Duhăneanu, & Marin, 2014). The company PwC conducted international research that interviewed 1344 general directors from 68 countries. The research results reflect trends influencing business conduct not only right now but also in the next three years; this is due to the growth of the information technology. Main factors that influence business sector are the digital economy, social media, mobile devices and big data. (Přikryl, 2014) Therefore enterprise managers and HR managers address the selection and combination of information technology. Search sophisticated technologies are a key factor for efficient human resource management. One of the possible technologies for human resources management is internal social networks. Using this tool, users can quickly connect anywhere in the world (Kazdová, 2015). This paper's author agrees with the author Černý (2013), who defines the enterprise social network as the part of intracompany communication with the goal of cooperation, information sharing, the acquisition of feedback or mutual communication between individual people in the company. Furthermore, the enterprise social network offers an altogether separate and secure environment, which is one of its key parameters. This network mainly integrates the intranet with other collaborative tools. Providers of Enterprise Social Networks offer many benefits for the management (Přikryl, 2014; IBM 2016).

Generation Y present a challenge to managers who must motivate these employees, so that their strengths become a benefit to the company. To be successful in the future, it will be important for companies and managers to understand these new employees. (D'Netto & Ahmed, 2012) Many of the characteristics of Generation Y are significantly different from previous generations. Generation Y's attitude towards work is quite different from preceding generations. Generation Y need to feel that they are making a difference to the business and are part of the decision-making process. Generation Y do not perceive work as an investment in the future of the company and want immediate payoffs, such as independence, flexible hours, casual dress and an element of 'fun' at work (Loughlin, 2001). Generation Y want work which meets their personal goals, is interesting and provides the opportunity to work with committed individuals who share their values (Allen, 2004). They need to know how their work fits into the company, so involving them in decision-making and soliciting their ideas will be viewed as a positive aspect (Martin & Tulgan, 2006). It is obvious that HRM should react to such changes and align its strategies and activities to this new labour market cohort, and search for adequate ways to recruit, develop, compensate, etc. such

“digital employees” and moreover to integrate them with previous generations of employees. (Strohmeier & Stefan, 2014) The challenge for HRM therefore is to identify actual digitally induced changes in attitudes, qualifications, behaviours and expectation of younger employees.

1 Methodology

The aim of this paper is to determine whether Enterprise Social Network positively affects Human Resource Management for generation Y. The primary research was focused on finding the requirements of Generation Y on the workplace. Secondary research was focused on the influence of Enterprise Social Network for HRM in the company, predominantly in the area of cooperation between employees and employee satisfaction.

The methodology of primary research is based on questionnaire research. This research was attended by 69 students of the University of Pardubice. The methodology of secondary research is based on comparative qualitative research on the basis of a survey conducted in the Czech Republic across business sectors. The following criteria were established for selecting a sample of respondents:

- a corporation;
- all sectors according to CZ NACE categorization;
- all locations in the Czech Republic;
- actively engaged in business.

In order to increase the validity of the data and guarantee the general confirmation, the following were not specified: the number of employees, turnover, sector or location of the organization. Next, specific organizations were determined with the selected criteria listed above with the help of the MagnusWeb database information system. After exporting the file with the search results into an excel spreadsheet, the total number of firms amounted to 193,908 organizations. Multistage probability sampling was used (Kubanová, 2008). The basic sample is very extensive (193,908 organizations), which eliminates recording and studying all of its components. The final sample for questioning included 47,772 organizations. On the basis of the calculation of the formula presented below (1), the minimum number of respondents is set at 272 (Kozel, Mynářová & Svobodová, 2011). The calculation of the minimum number of respondents is as follows:

$$n \geq (z^2 \times p \times q) / \Delta^2 \quad (1)$$

where:

n is the minimum number of respondents

z is the reliability coefficient 2 (95.4% reliability)

p and q are the number of respondents aware and unaware of the problematic in percentages

Δ is the set maximum permissible error (6 %)

$$n = (2^2 \times 0.43 \times 0.57) / 0.06^2$$

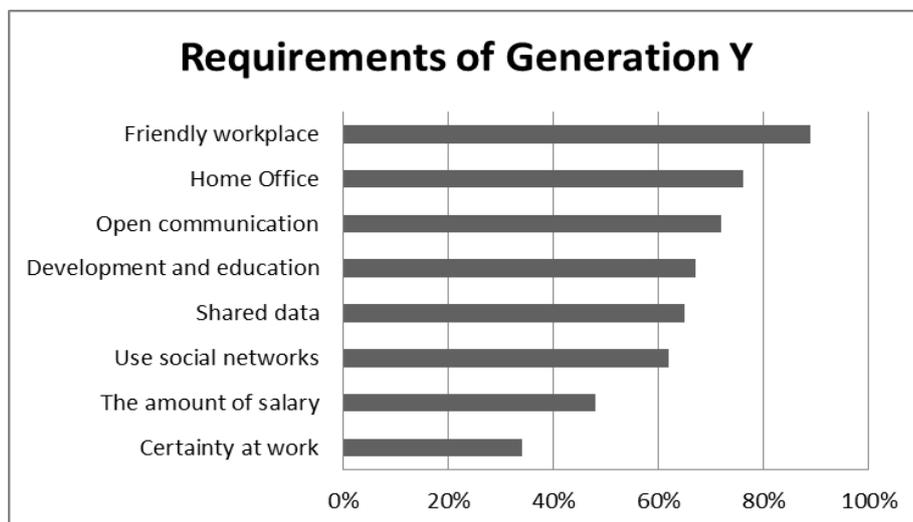
$$n = 272$$

The rate of return for the questionnaires reached an absolute representation of 842, which is sufficient with regards to the calculated minimum number of respondents. Of this number, a total of 114 respondents answered that an enterprise social network is used in their organization.

2 Results

The primary research was focused on finding the requirements of Generation Y on the workplace. Fig. 1 shows that Generation Y requires the most friendly workplace, possibility of Home Office, skills development and education, possibility of shared data (work anytime and anywhere), possibility of use social networks (online and internal networks). Low interest is about the amount of salary and certainty at work.

Fig. 1: Requirements of generation Y



Source: Own calculation

Secondary research was focused on the influence of Enterprise Social Network for HRM in the company, predominantly in the area of cooperation between employees and employee satisfaction. Research question is as follows: Implementation of ESN does not affect cooperation between employees (x_1) and employee satisfaction (x_2) in company. Empirical

generalization and interpretation of the determined results was conducted on the basis of the research results.

For statistical evaluation was used program STATISTICA. The reference constant was determined 3 (no change). The level of significance of the test was determined $\alpha = 0.05$. Results were calculated by t-test, based on the composition of the data matrix, the selected test, defined variables and constants reference. The following Tab. 1 comprehensively represents the results of the test performed.

Tab. 1: T-test result in STATISTICA

Variable	Test averages against the reference constant (value)						
	Average	St.dev.	St.er.	Constant reference	T	SV	p
x_1	3,72	0,91	0,08	3,00	8,19	107	0,00
x_2	3,83	0,88	0,08	3,00	9,83	107	0,00

Source: Own calculation

Tab. 1 shows that p-value was less than the significance level α and the average value of the variable x_1 and x_2 is greater than the reference constant. We admit that the implementation of an ESN positively influences cooperation between employees and employee satisfaction in company.

3 Discussion and conclusion

The Internet Economy is characterized by digitalization and intensive use of information and communication technologies (ICT), codification of knowledge, change of information into commodities and new ways of organizing work and production. Enterprises with foreign divisions throughout the world need together to share information, planning, solve problems, realize new strategic decisions. The overall comparison of the research data presents current trends and research results encourage the use a potential management tool for effective human resource management.

The generation of younger employees grown up in a digital environment is both considerably more complex and considerably more heterogeneous, while there are, however, obvious differences that have to be considered (Helsper and Eynon, 2010; Bennett et al., 2008). The primary research was focused on finding the requirements of Generation Y on the workplace. Research results show that Generation Y requires the most friendly workplace, possibility Home Office, skills development and education, possibility of shared data (work

anytime and anywhere), possibility of use social networks (online and internal networks). Low interest is about the amount of salary and certainty at work.

The digital world allows for faster time and more effectively connection between businesses and their employees, customers and business partners. Managers also address what new sophisticated tools to implement to the business management. Managers can choose from a range of tools and software, based on the rapid development of information technology. Enterprise social networks are internal enterprise software and can offer a variety of benefits to modern business management (Leonardi, Huysman & Steinfield, 2013). The results of the research question and T-test show that managers can achieve better cooperation between employees and employee satisfaction using of ESN.

There are many factors influencing business success, competitiveness and stable sustainable development in the future. One of many factors is the ability of companies to use a modern information technology. The research results presented in this paper add another perspective to human resource management support. Future development of research would be focused on impact of other information technologies on businesses. It will be interesting to continue monitoring new IT trends in business management.

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