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CHANGES IN WORK CULTURE IN ONE-GENERATION COMPANIES IN THE IT SECTOR

Abstract

The paper refers to changes in attitudes toward work in companies in IT sector, showing how cultural content is reflected in the behavior of the main actors of this part of the labor market. Characteristic features of high-tech enterprises were compared to traditional businesses to show how they have changed. Based on own research (using the descriptive analysis, the causal explanation and the Thurstone scale), possible changes were pointed out as regards employees' attitudes and attitudes of an organization, both of which affect the new corporate culture.

Keywords: work culture, corporate culture, IT companies

JEL codes: A13, A14, A32

Introduction

Changes associated with transformation of modern economy affect organizational culture, its concepts and value systems. A progressing diversity of employment contracts and corporate culture of companies can be observed. This paper addresses the

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problem of work in one-generation companies, including mostly enterprises from the high-tech sector. Its purpose is to assess how changes in IT enterprises affect corporate culture and behavior of the main actors of this part of the labor market. The choice of the industry is not accidental: IT companies represent very innovative and age-specific market segment, as generation-wise they constitute a uniform milieu.1 In other words, such companies employ only young people as staff and management board members – employees are at similar age but none of them is forty years old. This phenomenon is extremely interesting for several reasons. First, it is a question of performing business tasks without the participation of all generations, which is, in itself, a relatively new phenomenon. Second, functioning in the peer group does not create the ground for intergenerational communication, which is natural for traditional enterprises and takes place only when dealing with stakeholders. Third, organizational work in these enterprises is different, more often focused on the harmony with young generation's lifestyle.

The following questions were asked:

1. What characteristic features of high-tech enterprises have changed compared to traditional businesses?
2. How do high-tech enterprises affect new corporate culture?

The following techniques were used herein: the descriptive analysis, the causal explanation (to address the problem) and the Thurstone scale (to describe attitudes towards work, which form a part of organizational culture of IT enterprises).

1. Work culture in the context of prefigurative culture

The discourse on human work conducted on the grounds of many fields of science shows that, in every society, work affecting the existence of individuals and social groups must be anchored in the system of values to be considered necessary and become more than just a means to acquire material goods. According to social constructivism, what matters are the beliefs established within some social, cultural,

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[1] One-generation group is understood as an age group of people born at around the same time. In sociological term, what makes one generation different from another is not only age but most importantly attitudes, beliefs, values, aspirations, lifestyle etc. stemming from different experiences (the so-called common generational experience) and life perspectives (The Concise Oxford Dicionary of Sociology, 2015).

economic system (Kozek, 2004 p. 178). It also means a deep conviction about the need to legitimize work, which historically speaking resulted in many ideologies of work, myths, religious ideas about the meaning of work and cultural pressures on its performance. This problem is presented differently across some scientific fields and disciplines and it is linked with different concepts of man such as *homo economicus, sociologicus homo, homo hubris* (and others).

The key to explain the attitudes of individuals and communities towards work is to capture the factors that shape the system of values, beliefs about the world, personal efficacy and willingness to produce designated levels of performance – these ultimately translate into the attitude towards work (Krzyminiewska, 2015). In this context, work culture is manifested by practical appliance of socially recognized values and standards on every day basis. Work is still characterized by "continuity and change", which means maintaining, cultivating and developing culture, according to the occurrence of changes in social environment and in the sphere of values, beliefs and views. In today's modern world, everything is characterized by the rapid pace of change, unusual for earlier eras. This pace has contributed to the emergence of ever-growing cultural differences between generations. "In today's society, where changes in the standard of living occur faster than usual, the generation of children is born in the entirely different culture than the culture their parents were brought up in" (Sztompka, 2012 pp. 236–237). For modern world, prefigurative nature of the culture content becomes increasingly characteristic (Mead, 1978). In prefigurative culture, bonds with tradition and the past are broken off, and the goal is to look for new ways based on the assumption that old solutions have become useless. Thus, an intergenerational transmission of cultural patterns is interrupted. Undoubtedly, IT companies, which are the subject of this paper, have a number features typical of prefigurative culture.

2. Changes in characteristic features of work: from traditional enterprise to ITC sector

Changes occurring in work culture justify the need for its redefinition when traditional enterprise is compared to IT company. Table 1 depicts such a comparison of selected characteristics of work in traditional enterprise versus high-tech company. This comparison clearly shows that these changes are in fact considerable.

Table 1. Comparison of selected characteristics of work in traditional enterprise versus high-tech company

Characteristic features	Traditional company	ITC company
labor market	– local, regional, supra-regional market	– deregulated, – supra-regional, – individualized with high volatility, – individually negotiated employment contracts
employment	– contract of employment	– project-based contract, – freelancers, – departure from the standard contracts
organizational structure	– formal, hierarchical, – decision-making and executive positions	– team-based lateral organizational structure, – competency-based, – knowledge-based
recruitment	– formal criteria	– reputation (own brand)
employer's position	– strong, – based on hierarchy	– weak, – initiating projects to keep or recruit an employee
Employer–employee relations	– based on superiority / inferiority	– based on partnership and trust
working hours	– limited by current legislation and internal regulations of the company	– unlimited, – agreed individually
intensity of work	– defined by the number of working hours	– outcome-oriented, – maximal intensity of work
human capital	– diverse potential, – leaders / latecomers	– high qualification potential
career	– procedures, – clearly defined promotion scheme	– employment portfolio, – career without borders, – individual career and development planning
collectivism *vs* individualism	– collective employee placement	– culture of rampant individualism
responsibility	– responsibility lies with the organization (managers)	– employee is responsible for performing tasks and achieving tangible results
organization of work	– limited by space and employee's working hours, – rules established in a relation of superiority	– individual arrangements regarding space, time and breaks, – controlling the pace and intensity of work
organization of one's own work	– depends on the assigned tasks	– self-motivation and self-discipline, – compulsion and self-awareness of upgrade training, – long-life learning

Characteristic features	Traditional company	ITC company
decision-making	– hierarchical decision-making process	– sharing decision-making powers with employees
cooperation	– group work	– team work
attitude towards the company's projects	– emotional, – possible imbalance of one's own contribution to the employer's benefit (or self-interest)	– calculative, – balance between one's own contribution to the organization and job benefits

Source: own elaboration based on Wiśniewski and Pocztowski (2004).

It is claimed herein that changes in work culture result not only from countries throughout the world moving toward knowledge-based economy, but also from the fact that the knowledge economy is one-generation; hence, it is worth paying attention to some of these changes. High-tech employees are often given greater scheduling freedom in how they fulfill the obligations of their positions; flexible working arrangement could affect a decision which job offer to accept, as working fixed hours might be difficult for young people used to manage their time on their own (e.g. in college). The attractiveness of flexible working hours requires self-discipline because the anticipated effects of work are set up very high. Outcome orientation is related not only to business process re-engineering, but most of all to individualism, typical of attitudes in the information society. The issue related to career paths and ladders that develop without borders is, certainly, not without significance. Employee's career develops as they take up jobs with and for different employers, thereby creating their employment portfolio, which enhances their career choices. Working in IT companies is attractive because employers allow or encourage employees to participate in organizational decision-making process. Participative decision-making corresponds to the individualism of young people who greatly value subjectivity and personal efficacy. There is another point of immense importance to be made here, namely a phenomenon referred to in literature as calculative type of involvement in the organization. It is characterized by rational assessment of tangible and intangible job benefits compared to the effort employees put into their work. If they find such job benefits insufficient, their decision to change a job has nothing to do with loyalty to colleagues or employers, and high market demand for technical skills allows such employees to pick and choose where they will work and for whom.
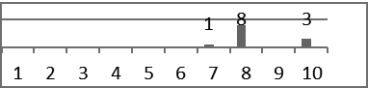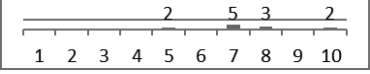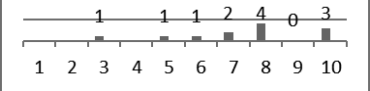
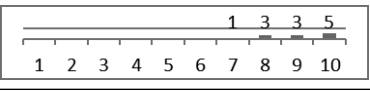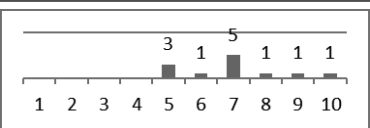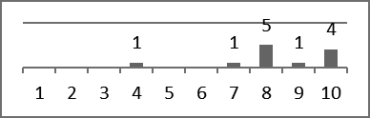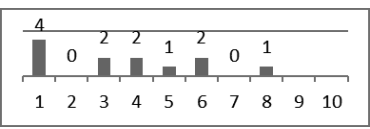## 3. Work culture in one-generation IT companies
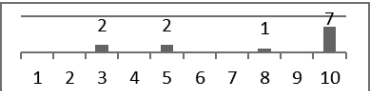
The reference to prefigurative culture seems to be justified when we consider enterprises engaged in software, telecommunications and IT services, where average age of employees is less than 40.

Of course, not all companies of this industry are so young in terms of employees' age (including Polish companies and enterprises operating on the so-called emerging markets), but many of them fulfill this criterion, especially when it comes to software developers. At this point, it would be worth to refer to a survey covering 55,338 responses (Developer Survey Results, 2016), which clearly shows that the average software developer is 29.6 years old and the median is 27. The average software developer in India is 6 years younger than the average developer in the United States, while in Poland the average age of high-tech employees is 26.7 (among countries with more than 1,000 responses). This raises a legitimate question, namely: does one-generation nature of some companies significantly modify their organizational culture?

This paper presents a piece of empirical research conducted in IT enterprises that have an established market position. It was conducted and developed in March 2017 and it is only one of the elements of wider research. However, research referred to herein was based only on the results obtained with the use of the Thurstone scale,2 which allows researchers to pre-evaluate attitudes towards work (based on its behavioral, emotional and cognitive factor), which made up company culture. This is an introduction to further research on this phenomenon, as the Thurstone scale is only a tool based on which further research techniques can be developed. Evaluation provided by judges concerned attitudes towards some characteristic features broken down into employee's and organization's attitudes toward employee's work. In table 2 there are presented the results obtained, based on the evaluation provided by twelve competent judges, who have considerable knowledge of the subject in question. In this case, these were people who worked in at least two IT companies, but did not hold managerial positions.

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2 The scale was developed by Luis Thurston and an attempt to develop a format of grouping indicators of variables. As part of Thurstone's method, a group of judges receives questions considered to be indicators of a given variable. Each judge evaluates what kind of attitude each of these questions reflects and gives points (in this case, using the 1–10 response format); each statement has a numerical value indicating the judge's attitude about the issue, either favorable (the highest score) or unfavourable (the poorest score). The scale is an introduction to further research, where questions in respect of which the judges were in agreement with, become a part of the questionnaire (Babbie, 2004, p. 191).

Table 2. Characteristics of work culture in selected IT companies

Characteristic feature of organizational culture	Characteristics	Value
Employee		
Responsibility	employee can make independent decisions and solve problems without agreeing each step with their superiors	1 (7), 8 (8), 3 (9) — scale 1–10
Intensity of work	outcome-oriented work environment, employee should intensify efforts	2 (5), 5 (7), 3 (8), 2 (10) — scale 1–10
Individualism	employee is task-oriented to ensure their own success	1 (3), 1 (5), 1 (6), 2 (7), 4 (8), 0 (9), 3 (10) — scale 1–10
Interpersonal relationships between employer and employee	based on mutual trust and support given to employee's initiatives	1 (7), 3 (8), 3 (9), 5 (10) — scale 1–10
Interpersonal relationships between employees	based on partnership	
	similar age of employee facilitates their interactions	2 (3), 2 (5), 1 (8), 7 (10) — scale 1–10
Calculative attitude	employee is interested in the company only in so far as they enjoy the system of work, remuneration and career path	3 (5), 1 (6), 5 (7), 1 (8), 1 (9), 1 (10) — scale 1–10
Self-motivation and self-discipline	high level of self-discipline and self-motivation in performing tasks	1 (5), 1 (7), 5 (8), 1 (9), 4 (10) — scale 1–10
External contacts	employees have difficulty dealing with clients because of asymmetry of knowledge in the field of it	2 (1), 1 (2), 2 (3), 1 (4), 1 (5), 2 (6), 2 (7), 1 (8) — scale 1–10
	employees have difficulty dealing with outsiders because of differences in beliefs, knowledge, attitudes existing between them and older people	4 (1), 0 (2), 2 (3), 2 (4), 1 (5), 2 (6), 0 (7), 1 (8) — scale 1–10

Characteristic feature of organizational culture	Characteristics	Value
Organization		
Organization of work	employee can choose whether to work in the company's premises or elsewhere	Scale 1–10: 1 (at 4), 1 (at 7), 2 (at 8), 2 (at 9), 6 (at 10)
	employee is not assigned to the desk – space is organized in such a way as to allow employees to move freely and use various rooms, including staff lounges to relax	Scale 1–10: 2 (at 6), 1 (at 7), 2 (at 8), 2 (at 9), 5 (at 10)
Recruitment	it is skills, not formal qualifications, that matter	Scale 1–10: 2 (at 7), 2 (at 8), 3 (at 9), 5 (at 10)
Formality at work	tasks are not based on strictly formalized procedures, numerous rules and regulation that employee must follow	Scale 1–10: 1 (at 4), 1 (at 5), 1 (at 6), 1 (at 7), 4 (at 8), 2 (at 9), 2 (at 10)
Reward and penalty system	employees feel they are treated fairly, they are rewarded for their work	Scale 1–10: 6 (at 8), 3 (at 9), 3 (at 10)
	leaders across organizations know that mistakes happen and support employees who failed	Scale 1–10: 1 (at 4), 2 (at 7), 4 (at 8), 2 (at 9), 3 (at 10)
Requirements	high expectations translate into promotion and career paths	Scale 1–10: 1 (at 4), 3 (at 7), 3 (at 8), 2 (at 9), 3 (at 10)
Dress code	dress code does not apply, employees are permitted considerable flexibility in dress code interpretation	Scale 1–10: 2 (at 8), 2 (at 9), 8 (at 10)
Events	the organization supports employee integration through various events (team building activities, outdoor staff away days)	Scale 1–10: 2 (at 9), 10 (at 10)

Source: own elaboration.

Considering the above, it can be concluded that:

1. Employees enjoy a very high level of autonomy in the decision-making process, they subjectively participate in solving problems (performing tasks) because relationships between superiors and employees, and between team members are based on mutual trust and partnership.
2. Employees have a strong sense of responsibility for the performance of tasks, they are self-directed and self-motivated because of strict rules of promotion and career path.
3. Employees feel fairly treated by others and have a sense of security because they know mistakes are, to some extent, unavoidable and when they happen, employees have a chance to learn from them, make repairs and avoid repetition.
4. Judges were most unanimous in their opinion about social events and dress code: these elements of organizational culture fulfill young people's needs to develop social bonds and create their own unrestricted image the most.

The survey indicates these areas of attitudes towards work for which the required level of judges' compliance was not reached. Therefore, it can be concluded that:

1. Statements indicating the possibility of interference in intergenerational communication were rejected.
2. The asymmetry of knowledge in the field of IT does not make client communication more difficult.

Conclusion

The analysis shows – above all else – the necessity to adjust the assumptions at next stages of research, primarily because we are faced with the need to verify what we think about companies hiring mostly young people (they are usually believed to perform their tasks in a coldly calculated manner and to be less inclined to identify themselves with their companies). First, the thesis about employees having difficulty dealing with stakeholders because of differences in beliefs, knowledge, attitudes existing between them and older people was disproved. It is also necessary to increase the volume of research by these aspects which show the consequences of a given phenomenon both for individuals and the labor market. This will help to more

adequately answer the question about changes occurring in organizational work in one-generation IT enterprises.

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PRZEKSZTAŁCENIA KULTURY PRACY W PRZEDSIĘBIORSTWACH JEDNOGENERACYJNYCH SEKTORA IT

Abstrakt

Artykuł odnosi się do zagadnienia zmian zachodzących w postawach wobec pracy w przedsiębiorstwach ICT, wskazując, jak przekładają się na treści kulturowe i odbijają się w zachowaniach głównych aktorów tej części rynku pracy. Dokonano porównania cech pracy przedsiębiorstw sektora wysokich technologii, wskazując, jak uległy one przekształceniu w porównaniu z przedsiębiorstwami tradycyjnymi. W oparciu o badania własne (przy wykorzystaniu analizy opisowej i procedury wyjaśniania przyczynowego oraz skalę Thurstone'a) wskazano na możliwe zmiany postaw pracowników i postaw organizacji mających wpływ na kształt nowej kultury pracy.

Słowa kluczowe: kultura pracy, przedsiębiorstwa sektora IT