

Chapter 2

Start-Ups for the Generations in Digital Economy

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ABSTRACT

This article analyses the theories of professional motivation from the perspective of the new generations: X, Y, Z and it contributes to the literature by considering, a first, business models, strategic implications and business opportunities. Each generation has a fundamental value of business: the X Generation has the experience and the financial power; the Millennials have the creativity, passion for the ideas of and DNA technology; and the Z Generation has great freedom and pragmatism.

INTRODUCTION

The present Economic Environment is challenge us to perform, to think and re-think our entities strategies, even if we are simply employed or we are entrepreneurs (Rojon et al., 2015). Is an environment characterised by Volatility, Uncertainty, Complexity and Ambiguity - a VUCA World in which the entities must fight for their position gained in the market, disrupt new markets and new economies, developing their client portofolio, with the Performance as one final goal. The pressure of driving forces known as the 2030 Megatrends: Globalization 2.0, Environmental Crisis and the Scarcity of Resources, Individualism and Value Pluralism, Demographic Change, The Digital Era and the Technological Convergence on the basis of Industrial Revolution 4.0, The Rise of Artificial Intelligence and Machine Learning will re-shape the world in which entities will soon have to try to operate successfully, trough Reinvent Innovation (Nybakk & Jenssen, 2012).

According with Ahmad (2012) motivation is a broad and frequently used term referring to psychological processes that initiate and determine direction, intensity, and persistence of voluntary and goal directed actions.

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As shown by the Collective Effort Model (Karau et al., 2000), instrumentality of individual contributions in groups depends on three perceived contingencies: (1) the contingency between individual performance and group performance, (2) the contingency between group performance and group outcome, and (3) the contingency between group outcome and individual outcome.

Theories on individual needs as antecedents for intrinsic motivation will be discussed as follows: First, we will describe and discuss Maslow, Herzberg and Katzell – three “musketeers” and three motivational theories; second, we will present motivational theories passed more than 50 years of generations: X, Y, Z; X and potential answers Y, Z Benchmarking; finally, start-ups for the generations (Herzberg et al., 1967).

In his model, Maslow (1943) established a hierarchy of these needs represented as a pyramid on several levels. He explained that the individual’s needs must be fulfilled at a time, starting from the base, located on the lower levels of the pyramid up to those located on the top of the pyramid.

However, Maslow’s hierarchy pyramid has proved, in time, to be limited and even rigid, because can not be applied to every individual and can not be applied to an individual at anytime of his life. There are people who are willing to take risks, although they are against their fundamental need for safety, just to get Self-Actualization (ex. practitioners of sports extremes).

So in 1970, Maslow added to his pyramid three new levels of needs: cognitive, aesthetic and transcendence and explain that each individual goes through these levels at a time depending on his psychological development and evolution. The intensity of needs decreases from base to top, and a higher need can not be satisfied unless the lower needs were satisfied. As a person progresses in the organizational hierarchy he will satisfy needs and he will search opportunities to do so.

Over just a few years, motivator factors were associated with positive long-lasting employee performance, while the hygiene factors consistently produce short-term changes in attitudes about work and performance (Bourguignon, 2000; Brumbach, 1998; Campbell, 1990; Cristescu et al., 2013; Deci et al., 1999). Those factors are closely related to the employee’s relationship with its tasks, while hygiene factors are related to the relationship with the organizational context (Danziger, 2000; Guzzo et al., 1985; Le Moigne, 1996; Mitchell, 1987; Pfeffer, 2012; Weiss, 2001).

But, from these motivational theories passed more than 50 years. 50 years are enough to change the history of the nations and of the whole world. 50 years in which people have different needs, expectations have increased and performance has always been achieved by raising standards. 50 years and three new generation: X, Y, Z.

In 2003 a Harvard Business School study reported that culture has a significant effect on an organization’s long-term economic performance (Hertel et al., 2003). The study examined the management practices at 160 organizations over ten years and found that culture can enhance performance or prove detrimental to performance. Organizations with strong performance-oriented cultures witnessed far better financial growth. Additionally, a 2002 Corporate Leadership Council study found that cultural traits such as risk taking, internal communications, and flexibility are some of the most important drivers of performance, and may affect individual performance. Organizations improve culture and engagement indirectly by working on the other on the pressure of Globalization 2.0. Good corporate culture is not accidental. High-performance organizations set, manage, and monitor culture to achieve strategic objectives.

After 20 years, the generations are changing: starting with ideas, habits, clothes, adopting a new image, speaking in new technological terms, with new individuals and different directions of culture and civilization.

The main issue with regard to measuring systems is that it is not possible to measure scientific phenomena with scientific precision (Campbell, 1970; Georgopoulos & Tannenbaum, 1957; Marche, 1991;

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