



## Generation Gap in Cultural Organization Among Employees at PT Matahari Department Store Tbk

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### **Abstract**

Recent generational diversity is featured in various articles and discusses the failure of multi-generational adaptation, especially in the workplace which results in high employee turnover rates that interfere with the Company's focus on achieving its goals. Many articles reveal that this problem often occurs in retail companies. PT Matahari Department Store Tbk (PLC), as a pioneer of retail companies in Indonesia, has a large number of employees and diverse generations in it. This encourages the researchers to know and analyze the generation gap in organizational culture among employees, especially those of Matahari. This study uses a qualitative approach and a constructivist paradigm with a strong research focus on organizational culture according to Deal & Kennedy (1982), as well as the concept of characteristics of each generation based on several scientific journals. The result of this research is that the generation gap in the organizational culture among employees of PT Matahari Department Store Tbk (PLC) is circumvented by a strategy of cultivating the values adopted from the Matahari philosophy through cultural practices by the leadership, rituals and the existence of three pillars as a cultural network. This is balanced with multigenerational employee work activities that create opportunities for employees to achieve the Company's goals through a variety of its perspectives. In the end, Y & Z generation employee innovations were born through internal activities and daily work activities, so that employees became a long-term investment for Matahari.

**Keywords:** *Gap Generation; Employee; Retail Organization Culture*

### **Introduction**

The National Population and Family Planning Board (BKKBN) in a book entitled "Profiles of Indonesia's Millennial Generation" (KPPA & BPS, 2018) says that Indonesia will experience a demographic bonus in 2020-2030. Gribble and Bremner (2012) say that the demographic bonus can be used as a good opportunity to accelerate the country's economic growth since a large number of the population is of a productive age which is the main factor of economic growth itself.

Recognizing that there are generational differences that will affect individual values and habits in work habits (Yu & Miller, 2003) in the journal Cross Cultural Management entitled "The Generation Gap and Cultural Influence - A Taiwan Empirical Investigation". Researchers believe that even though the

population explosion comes from the millennial generation, this doesn't mean that the organization only needs to focus on the millennial generation. Organizations also need to focus on all generations to create balance.

Communication and interaction habits among cross-cultural colleagues in the workplace have a big role in the reality of the generation gap that has become a hit in the phenomenon of human resources department. The generation gap is inevitable but must be overcome amidst the demographic bonus.

In the midst of the generation gap phenomenon and the term demographic bonus, employee problems will indirectly affect work professionalism and company performance reports, whereas, companies want to focus on their performance growth through (Alvesson & Wilmott, 2002) achieving value sales, good employee performance, great customer service, and successful sales achievement through their vision and mission.

PT Deloitte Indonesia (Imelda, 2019) through the journal *Deloitte Indonesia Perspectives* entitled "Millennial Generation in Industry 4.0: A Blessing for Indonesian Human Resources or a Threat?" said that millennials are defined as a high total number in employee turnover since the average employee turnover from 2000-2019 which reached 7% each year comes from them.

The number of Matahari employees in 2018 was 12,547 employees, increasing to 12,580 employees in 2019 (an increase of 0.2%) (Matahari Internal Data, 2019). On the other hand, Matahari's competitor, Ramayana, in its 2019 annual report, reported that there was a decrease in the workforce of around (13.5%) in one year or 1.12% per month (Annual Report Ramayana, 2019).

The dynamics, of the generation gap in many companies which has resulted in a high number of job seekers, has interested the researchers to research how Matahari, as the largest retail company in Indonesia, is addressing the generation gap in relation to implementing organizational culture as a communication guide among cross-cultural employees within the company. Company is obliged to maintain value of long-term business as a supporting effort, so employees concerns do not interfere with the business anymore.

At the same time, the explosion of unemployment due to the high turnover phenomenon is expected to be minimized considering that Indonesia will face a demographic bonus. Researchers see this phenomenon related to cultural differences in the generation gap in large retail companies that have been around for 62 years and are still number one in their field (retail). Therefore, the researchers chose this topic to do in-depth analysis about generation gap study in organizational culture among employees at PT Matahari Department Store Tbk.

## ***Literature and Methodology***

### **Gap Generation and the Generation Behind**

The journal *Advances in Developing Human Resources*, published by SAGE Publications, Eversole, Venneberg, & Crowder (2012) suggests that creating a flexible organizational culture for the workforce is needed by companies to attract and retain employees across generations. Moreover, qualified employees tend to have an independent and critical character so that they will pay attention to their needs above loyalty.

Watkins (1995) also defines the supervisor-subordinate relationship as one of the most powerful predictors of work-family problems. Collins, Hair, & Rocco (2009) said that the relationship between these two levels can be improved by increasing competence about generational differences and contrasting work values of each generation so as to minimize misunderstandings because the way the message is conveyed is less precise or not in accordance with the views of the other person.

Anderson, Batt & Valcour (2002) said that in terms of maintaining supervisor-subordinate relations, there are things that are still needed, namely managerial support, communication, and understanding for employees in achieving family work balance.

Adler (1991) stated that the concept of the culture cycle shows how culture (values, beliefs and attitudes) affect management behavior and consequently have an impact on employee behavior and performance.

Jorgensen (2003) in the Emerald Insight journal entitled "Baby boomers, generation X and generation Y?: Policy implications for defense forces in the modern era" Vol. 5 No. 4 stated that leading organizations need to respond to every work activity by increasing the capacity of individuals to be involved and participate in decision making so as to encourage passive activities to become active while creating an explicit network of employees. Through this effort, it is hoped that the company can focus on business development so that the benefits of technology, economy and social are more balanced with the role of individual authority being the main part.

### **Organizational Communication and the Cultural Approach**

Organizational communication can be defined as a show or message means among communication units that are parts of an organization that have a relationship with a hierarchy. Deal and Kennedy (1982) argue that business success can be increased through the development of a "strong" culture. If an organization has a strong cultural component, it will be a better place for individuals to work and will improve individual and organizational performance. Deal & Kennedy (1982) identifies four key components of a strong culture:

1. Value are beliefs and vision.
2. Hero is an individual who practices its values or can be defined as a role model.
3. Rite or ritual are a ceremony that is a way an organization celebrates its values. An organization that respects innovation can develop their ritual and practice it as the agenda to be respectful of employees' fresh ideas. It might be a picnic or awarding employees.
4. In the end, cultural network is defined as the shape of communication which is full of values practices through official auspices supported by management. This cultural network can be separate to the formal organization media or informal such as interaction and communication in an informal way.

### **Gap Generation in Work Habits and Perspectives**

Subramanian (2017) said that though the generation gap exists in the middle of an organization or group, there are many differences between them. Individuals between these groups still have areas of similarity. This intergenerational person still wants a good relationship, have a decent life, a learning process and independence.

Hofstede (1993) argues that individuals with different cultural backgrounds will foster various work values. Some of the cultural differences include patterns of decisions, respect for authority and leadership style to be accepted.

D. Collinson & M. Collinson (1997) in Organization Journal Vol. 4 No. 3 entitled "Delaying managers, time-space surveillance and its gendered effects" believes that millennials are groups of careless persons and selfish. This subjectivity makes their teamwork complicated. This doesn't mean that the organization only needs to focus on the millennial generation, indeed they need to focus on all generations to create balance.

Martin & Tulgan (2003) said that X generations respect autonomy and independence, thrive in open communication, are action oriented, loyal to person not to company, and believe in balancing work and family life.

McGuire, By, & Hutchings (2007) in *Journal of European Industrial Training* Vol. 31 entitled "Towards A Model of Human Resource Solutions for Achieving Intergeneration AI Interaction in Organizations" said that millennials are the biggest population in workplace now and people speculated that they were harmful to others in workplace.

Hermández & Torres (2018) said millennials have a high ability to respond to changes as positive things, adapt quickly, are judged to prefer fast and technology-based communication, also addicted to flexibility and they value work hard either directly or indirectly so that money, rewards, achievement and promotions are a result of their hard work.

Ryback (2016) stated Z's understand the value of financial stability and realize it with excitement and perform well when adapted to the workplace. At the same time, Flippin (2017) said that Z's refuse to make more sacrifices to the point of sacrificing personal priorities so they must be at stake for success in the workplace.

On the other side, Mahmoud, Fuxman, Mohr, & Reisel (2020) thought that Generation Z is more motivated to do activities that do not match the inherited satisfaction, so that the more prominent character in this case is the independent. Thus, gen Z values intrinsic motivation more than their older counterparts.

## ***Methodology***

This study uses a qualitative approach and a constructivist paradigm. Researchers used the in-depth interview method with 5 informants, who are 1 main informant and 4 supporting informants from each generation as the triangulation data actualization.

## ***Research Result***

The generation gap at Matahari also plays a role in achieving the Company's goals. The generation gap is also the focus of the HRD team so that it can be dealt with in work programs and work cultures that support multi-generational work activities so as to minimize obstacles that may arise due to multi-generational friction itself.

Another definition of value is the meaning of the Matahari's philosophy based on the findings after conducting interviews. Lock (1976) expressed the opinion that value is an abstract concept that someone consciously or unconsciously wants to gain and can be conveyed through activities. Acknowledgement, daily behavior and the emotions are interwoven between them. As this concept explains value, researchers analyze other supporting informants and consciously and unconsciously have placed the Matahari's philosophy as an illustration and guide for day-to-day work activity they do.

Cultural practices based on the cultivation of Matahari's philosophy are also directly related to the behavior and emotions that occur. Lock (1976) also explains that usually values can be analyzed through choices that arise, evaluation and behavior. Matahari's philosophy consists of 5 statements as the company's commitment to employees, such as providing income equal to work results, a sense of security and comfort both physically and spiritually through employee facilities and programs ("5R" cleanliness program), explaining clearly regulated rights and obligations, in the company's operational standards,

educating and developing employees equally without distinguishing SARA, and building teamwork and trust with each other.

All of the values adopted from Matahari's philosophy are applied by employees and in its implementation there are role models who become role models for other employees. Each generation has a different view of their role model. The role model for Boomers is all leaders, for generation X, namely leaders and those who are successful, while for generation Y, successful leaders are role models, and for generation Z, namely leaders who are disciplined.

In order to strengthen the application of corporate cultural values, employees have rituals that are carried out to increase the spirit of unity as a practice of corporate cultural values, namely singing Mars Matahari and Mars Store Operation.

Matahari has developed an informal communication space built by the HRD team as a form of awareness of intergenerational cultural differences that need to be facilitated through three pillars, consisting of the Matahari Family Association (IKM), Bipartite LKS, and Employee Cooperative.

These three pillars become practices to encourage interaction among employees who no longer categorize themselves as individuals in certain generations of groups. As with IKM activities ranging from entertainment, sports to religious activities, the value of respecting one another is honed and may experience friction. However, other support is present in the Bipartite and Cooperative LKS which also binds employees in terms of kinship to continue to support each other in various informal employee spaces.

Cooperatives that exist as a means of managing employees' personal finances often help employees' economic problems through loan facilities. Indirectly, employees will support each other with this program. These three pillars also strive for communication that unconsciously represents the cultural values that Matahari wants to impart.

## ***Discussion***

The cultural values instilled in employees are driven by the presence of role models as heroes of the Company in instilling the values of leadership characteristics and their existence is not limited by generation, so that each generation can be a role model for others or between levels of positions. This was able to encourage the consistency of the rituals that took place at Matahari. Through this practice, researchers saw the use of strategies carried out by Matahari in dealing with any obstacles that were present, such as miscommunication due to differences in understanding between one generation and another.

Matahari is consciously able to adapt to the various characteristics of each generation through the cultural value guidelines adopted from Matahari's philosophy. Therefore, the generation gap in the organizational culture among employees can be used to support its various operational activities in order to achieve its goals.

Deal & Kennedy (1982) reveals that a strong organizational culture is formed from value practices, the presence of role models, routine rituals or rituals and the formation of cultural networks, researchers find that the generation gap in the organizational culture of Matahari is not only built from these four things.

Matahari also involves technological development, which involves innovation as its work practice so that work activities become a space for work and a place for interaction. This is not only found in activities shaded by IKM as a form of Matahari's cultural network, but also in programs directed directly by management, namely the 5R program. This program invites the active participation of employees from

various generations and emphasizes the strengths of each of its characteristics, including generation Y and Z innovations in their implementation practices.

### **Conclusion and Implication**

Based on the results of the research conducted, the generation gap in the organizational culture among employees at PT Matahari Department Store Tbk (PLC) is not a problem but a source of future investment by adapting the values of Matahari's philosophy. Matahari's employees have strength in terms of technological development innovations that the company takes advantage of, especially in generations Y and Z, so that employees are now a long-term investment for Matahari.

The implication of this research for companies is to not give up on the cross-cultural fields, prior to the innovation of practices and achievements.

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