**Millennial Workforce and the Future of Formal Organisations in Nigeria**

**1**Akinbode, James O. (Ph.D)\* & **2**Oyelude, Opeyemi O.

**1, 2** Department of Business Administration, Bowen University, Iwo, Osun State, Nigeria

\*Corresponding Author: james.akinbode@bowenuniversity.edu.ng

**Abstract**

*Workforce demographic composition is dynamic and has significant impact on organisation’s bottom lines that is why contemporary organisational analysts have advocated for the understanding of workforce generational diversity. However, a category of employee desire to work from anywhere outside office, prefer flexible opening and closing time at work, customised compensation, and few years of job tenure, among others. These desires are common among millennial workforce and these has challenged the tenets of formal organisation. To the millennial workforce, traditional formal organisations in this part of the world are gradually becoming less attractive because less results are yielded. As such, they are have become more uncomfortable with the tenets such as physical present at work, confinement to office location to discharge official responsibilities, abstract rules and regulation among others as entrenched in bureaucratic type of organisation. In an attempt to explore the reality and x-tray the future of formal organisations in Nigeria, this paper redefined conventional formal organisation as it played down on some of the generic features as determined by growing millennial workforce and admonished on the need to ensure different generational mix in formal work system.*

**Key Words:** Formal organisation, Generational mix, Millennial workforce, Nigeria

**Introduction**

Conventional formal organisations in developing economies are beginning to feel the inclination of multi-generational workforce. However, an irresistible group of this workforce called ‘millennials’ are perceived to be challenging the existing order as entrenched in the tenets of formal entities. In Nigeria, business managers in the private sector and administrators in public sector are contending with how to efficiently manage this category of workers without losing the strength and dignity of formal system owing to the characteristics of the millennials which some considered as myths and misconceptions. Current trend about the behavioural tendencies of millennial workers such as working from remote, work two or three days in the week, and assumption of leadership/managerial position in early career, among others suggest anti formal organisation practices. This trend will be more pressing in few years to come as formal organisations would be dominated by these millennials when the non-millennials (silent generation, baby boomers and generation X) would have bowed out of service. This millennial generation redefines the organization development and react positively to the advancements in the world of technology (Canals, 2011; Karsh & Templin, 2013; Schein, 2008).

Millennials are greatly motivated by challenging work, they are more creative, they tend to be vast in entrepreneurial thinking, they easily adapt to new people, places, and circumstances, and they are accustomed to an environment with consistent change. However, they demand immediate feedback, as well as expect a frequent sense of accomplishment, and they have a high need for organizational engagement and support (Martin, 2005). Gilbert, (2011) opined that millennials are also particular about fostering relationships, teamwork and work life balance.

Studies (Isa, 2016; Spencer and Muchnick, 2015) have identified the complexities in formal tall organisation as blessings and advantages to organisation performance while other studies (DuGay and Lopdrup-Hjorth, 2016;Karsh and Templin, 2013) perceived these complexities as a way to change the status quo that is the formality structure which over the years have retarded progress, promoted inefficiency and forestalled employees’ creativity and innovation. The question is does it mean that the traditional perception and description of formal organisation would have to be redefined beyond the modified bureaucratic organisational system as advocated by Amir, Tikson, Haning & Bailusy (2014), and Farrell & Morris (2013, 2003) for Nigerian organisations or is there need for a new form of organisation that is neither formal, informal or spontaneous? This paper provoked thought as it discussed formal organisation and millennial workforce to x-tray the future of formal organisations in the Nigerian space.

**Literature Review**

Organisation is about people and when two individuals or more comes together in a synergistic manner to do what an individual could not have done alone, organisation is already formed. To be theoretical, Weber (1947) described organisation as a group of people defined by their function, whose culture determines what and how they operate. Similarly, Robbins (1993) suggested that an organisation is 'a consciously coordinated social unit, composed of two or more people that functions as a relatively continuous basis to achieve common goals or set of goals’. This presupposes patterns of ways in which a group of people too large to have one on one contact may be due to social distance or technological effect engage in a complex task, relate themselves together in a conscious manner, systematic establishment and accomplishment of mutually agreed purpose.

Weber (1947) and Schein (1970) identified formal organisation as one of the forms of organisation. Formal organisation is deliberately established for a certain purpose (Blau & Scott, 1962). Barnard (1968) defines formal organisation as consciously coordinated activities or forces of two or more people (p. 73) while Schein (1970) defines it as ‘the rational coordination of the activities of a number of people for the achievement of some common explicit purpose or goal, through division of labour and function, and through a hierarchy of authority and responsibility’. According to Jensen (1995), such an organisation is determined by a given structure and this structure is embedded with a chain of authority and communication. Fusing these views, formal organisations have high degree of bureaucracy, formality, rules and procedures, division of work, deliberately created, impersonal, and stable. This implies that they are often deliberately constructed and reconstructed to seek specific goals. Typical formal organisations are banks, corporations, hospitals, schools and prisons but exclude classes, tribes, ethnic groups, and families.

Theoretically, system theory of organisation within formal concept perceive organisation as a functional whole with human beings championing the process of organisation (Akindele, Afolabi, Pitan & Gidado, 2016). Human beings in the organisation are guided by rules and regulations to keep the system on. The behavioral theory builds on this and emphasised individual personalities as a major input into organisation. According to this theory, individuals are concerned with their roles, statuses, perception of authorities and leadership (Waldo, 1961). Individual as a product of its generation is bound to act within dictates of what others are doing in terms of their behavioral pattern. Furthermore, bureaucratic model explains the guide to include fixed division of work, hierarchical structure, specialisation and full-time employment of employees. Specifically, the features are:

1. Division of labour: Employees have specific responsibilities that must be fulfilled which are coordinated towards organisation objectives.
2. Hierarchical structure: The responsibilities flows downward while accountability flows upward.
3. Codified rules: To guide against frictions, rules are put in place to promote cordial and professional relationship among employees.
4. Official communication and documentations: Information dissemination is often through black and white to have evidence and claims. This is subsequently properly documented for ease of reference.
5. Impersonality: Artificial person is clearly distinguished from natural person while in office. As such, it is not individuals that holds office but the artificial person. Therefore, employees in formal organisations have their allegiance to the organisation and not to any individuals.

Contrary to above realities, post-bureaucratic approach advocated for team-based, general decision making roles, fuzzy role description, and reliance on horizontal and relationship-based modes of coordination, resource control and allocation (Barley & Kunda, 2001; Child & McGrath, 2001). Early study of Merton (1940) remarked that organisations with these features are bound to be flexible, innovative, and open to work collaboration across levels. This remark fit into some of the characteristics of millennials. However, emerging trends as regard millennial workforce question the potency of these approaches in present reality. Isa (2016) study on bureaucracy and organisational performance in Nigeria is among the recent studies that has called for the need to refine structure in formal organisations to facilitate a more stable system.

In spite of the strengths of formal organisations as entrenched in either bureaucratic or post bureaucratic organisations, studies (DuGay *et al.*, 2016; Prahalad and Ramaswamy, 2004; Perrow, 1986; Argyris, 1970) have criticised its usefulness in all situations especially with basic mismatch between the dictates of the formal organisation and individual needs, emergency, and changing characteristics of employees, among others. Isa (2016) remarked on the loss of innovation, communication breakdown, bad dealings with unexpected situations, and above all loss of competitive advantage as evident challenge of formal organisation that is bureaucratically inclined. An emerging challenge is how to handle the millennial workforce in the formal organisations in the recent years. Who are these millennials?

Millennials otherwise called Y Generation, Generation Y (Gen Y) and Nexters are those given birth to between the early 1980s and mid-1990s to early 2000s (Wen Muthuveloo & Ping, 2018; Campbell, Campbell, Siedor & Twenge, 2015). The millennials represent a group of people that shared and shaped by history with certain traits. They are realists, technoholics and career multi-stakers. In the formal work system, they constitute majority of working class. This millennial workforce according to Bovis, Cardoso, Wright and Gott (2017), would be more than half of the world workforce population by year 2025 and and they would be irresistible. Their attitude and behaviours include but not limited to preference for work system with a positive diverse culture, multi-task, flexible, individualism, autonomy, social networking, and innovative communication with the use of modern technologies, among others which make them different from the non-millennials that is silent generation, baby boomers and generation X (Muthuveloo & Teoh, 2017; Özçelik, 2015; Robbins & Judge, 2013; Ferri-Reed, 2010).

The millennial workforce has been found to have preference for new forms of communication different from the various traditional means of communication in formal organisations. Also, retaining millennial workforce has been a major challenge unlike the non-millennials that would prefer to start and end their career in an organisation, the millennials are always ready to move either to another organisation within a short period/years of joining or start their own business (Özçelik, 2015; Prokopeak, 2013; Kelleher, 2011).

**Contending Issues**

With the underlying characteristics of formal organisation and millennial workforce, can it be explored that formality is a fraud as suggested by DuGay *et al.*, (2016) or get rid of formal organisations as suggested by (Peters, 1994) and will formal organisations be replaced in the future to meet the yearnings of millennial workforce. Some of the contending issues are:

1. Hierarchical organisation belief to distribute, process information or authority is currently challenged by the millennials. For instance, Balda and Mora (2011) remarked that millennials desire free-flowing and bidirectional communication from organisation leadership not considering their position in the organisation hierarchy. Similarly, Hershatter and Epstein (2010) argued that millennials believe any information for decision making is easy to get in nanosecond without passing through chain of approval. This negates the traditional philosophy of formal organisation which promote systematic flow of information along responsibility and authority. Therefore, is it that the strength of hierarchical structure is being weakened or hierarchy culture is considered a bottleneck and should be eliminated to have a more efficient formal organisation in this age? The next point partly addresses this question.
2. There are different organisational structures and these have evolved to bring about efficiency in formal organisations. Spencer *et al.*, (2015) remarked that flat organisational structure may facilitate the needs of the millennial workforce in the sense that the gap between Chief Executive Officer and subordinates irrespective of departments/units. Access to information need not travel through the chains, as every employee in an organisation can access any kind of information at any level so desired and available. Therefore, the long wait for approval in the use of information for decision making is not appreciated by millennials and for any formal organisation that want to remain a going concern, this must be noted.
3. Organisational culture is the pattern of shared basic assumptions within an organisation. According to Dannar (2013) such culture encapsulates basic values, behavioral norms, and behavioural patterns which guide the manner people in an organisation relate and engage in their jobs. Right from the point of entry, millennials often oppose some parts of the culture. However, millennials have not found any relationship been organisational cultural identity and their performance on the job that is if the culture is to bring out high performance and sustain it. In contemporary organisations, bureaucratic culture is fast disappearing as new management approaches are emerging and new patterns and ways of relationship is being introduced to change the mind-set of employees about how to think and feel to reposition the organisation for continued relevance and survival.
4. Abstract rules such as working hours and assemblage in workplace has been questioned by the millennials. They desire flexible working arrangements and working from anywhere (home, transit, among others). Existing order is a modern slavery and should be discarded (Reisenwitz & Iyer, 2009; Martin, 2005). Therefore, convergence of workers in a place should be looked into and reconsidered as waste of resources such as time and money. In this part of the world, transiting to and fro homes and offices come with high cost and stress. This is caused by gridlocks and distance of place of residents to central business districts and industrial hubs.
5. Titles and positions are not really appreciated by the millennials. They see it as burden and strains to cordial relationship between and among co-employees in formal organisations. Although, this is highly appreciated by the non-millennials who are glue to old ordered formal organisation however, it distant work relationships, impede efficiency and performance of millennials

**Conclusion**

The future of formal organisations is no doubt in the hands of the millennial workforce and they (millennials) will change a number of protocols in the current formal organisations. It is imperative for business managers and administrators in public sectors to appreciate their peculiarities and evolve a process that will accommodate multi-generational workforce. Therefore, for formal organisations to survive, the concept would have to be redefined operationally to accommodate the millennials.

**Recommendations**

1. Present formal organisations need to adjust their internal management strategies to accommodate millennial workforce.
2. Organisational culture in terms of work environment, rules, and the likes must be redefined to accommodate both the millennial workforce and non-millennials.
3. Evolve an ideal organisational structure that is not rigid but promote improved performance, retain millennials as well as non-millennials because structure is still germane to address possible ambiguity among roles and responsibilities.
4. Managers that belong to non-millennials and human resource department that are experienced in managing non-millennials need to be more flexible in handling issues with the millennial workforce.

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