

ADULTHOOD DEFINITION AND PROFESSIONAL TRANSITION IN SMEs

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Abstract

The objective of this study is to analyze the opinions held by directors of SMEs (small and medium-sized companies), in relation to the concept of adulthood; and how this directly impacts career transition initiatives. Semi-structured interviews were carried out with 13 managers. Subsequently, a Likert scale was used to process the information proceeded by the Spearman's non-parametric correlation test. The results indicate that the definition that managers have of youth and adulthood, has a direct impact on their human resource planning.

Key words: *Human Resource Planning, Professional Transition, Youth*

JEL Classification: *M12, M14, J11*

I. INTRODUCTION

Young people face multidimensional challenges that span the workplace. They arise from external causes such as demographic, economic and social changes, as well as internal causes such as deficient or not-existent strategic planning, a situation that permeates SMEs (small and medium-sized companies), resulting in an inadequate management of the talent.

In México, 25% of the population falls into the category of young people, considering ages between 15 to 29 years old, of which only 15% have employment benefits, earning only 7.4% more than three minimum wages (INEGI, 2017), which reveals the inefficiency of the companies to implement practices that impact on the management of human talent, prolonging their professional transition for short term convenience.

Given that more than 80% of SMEs employees are young, it is important to understand the leader's opinions towards this topic, to implement the right strategies.

II. SMES AND YOUTH

Small and medium enterprises play a big role y young people's lives, since they are usually their first approach to work according to the International Labor Organization. By 2015, 17 out of 20 employed Mexican persons between the ages of 18 and 25 worked in them (Martínez, 2015). This was already challenging, but after the coronavirus pandemic, many issues are arising between the companies and the young workforce, showing the necessity to reconfigure every strategy (Yeung & Ulrich, 2019).

A vicious cycle has developed between SMEs and young people. Although both are needed for their development, they seem not to be aware of the dependency, this being reflected in a precarious management of human talent by companies, as well as in the lack of long-term commitment from the employee's side.

Many leaders recognize that one of the demographic cohorts that we find in the workplace, the so called "millennials", have shown special characteristics that make them different from previous generations. It is well known that they are comfortable using technology, solving problems and networking (Krasulja, Ilić & Marković 2020), but their desire to a balanced lifestyle is not always easy to satisfy. On the other hand, there are a lot of misconceptions about new cohorts (De Garay, 2012), that make it hard to create the right policies

There is a phenomenon called social moratorium, in which youth status is maintained for longer than normal. With this, the achievement of relevant events in professional and personal life is postponed. (Coelho, et al, 2014).

According to Salgado (2005), in Mexico this occurs due to three factors: 1) The lengthening of the educational stage, 2) The economic crisis impacts the speed of the process, 3) Existence of precariousness in job offers.

Considering this information, it is easier to understand why both parties assume that their interests are in conflict. (Pérez, 2008). Organizations consequently hold back from investing in them. They offer salaries that could not support a citizen who was not in a social moratorium, closing their eyes to the long-term impact not only on their productivity and survival, but also on the socio-economic structure of the country. On the other hand, young people resist integrating into the formal economy, rotating jobs frequently and prolonging the time to assume their role as adults with full responsibilities.

III. HUMAN RESOURCE MANAGEMENT

SMEs are known for confronting challenging circumstances that are even more difficult in the post pandemic context. It is mandatory to find solutions to the problems arising in the new organizational context. That is why the role of economically active members is key in coming up with innovations (Prokopets, 2018).

Young people have characteristics that make them important actors in the new scenario, and it is important to consider this from the human resource management perspective.

Human resource management helps to achieve business goals, being one of the most important productive tools in the globalized world. It should be considered as a structural quality of organizations as it helps the quantitative and qualitative management of human dimensions. Despite these benefits, it is a reality that many companies do not even have a formal Human Resources department (Jaramillo, 2011), thinking that it is an expense, not an investment

It should be noted that Human Talent Management is key to carrying out the overall strategy of the company, as it provides the necessary human capital, favoring the strengthening of the intellectual assets of the organization; creating, with this a difficult competitive advantage to replace. In addition to impacting from an operational, cultural, and competitive perspective, this discipline manages talent as a source of organizational change (Ahmad & Chao, 2015).

Based on the concepts discussed above, companies are intended to become aware of the importance of including the battle in favor of the professional transition within their strategic planning. This will be achieved if first, the leaders have the right concept about being an adult, and the understanding of what does a person need from a professional point of view to achieve life transitions. This is the right moment to take the initiative, not to wait for a crisis to arise to react (Neuman & Overland 2004).

IV. METHODOLOGY

This research has a qualitative approach, which specializes in "understanding, describing and sometimes explaining social phenomena "from within" in various ways. The underlying logic is inductive, as the focus is on generating new explanations, without necessarily seeking to test previous theories; but to develop them in conjunction with data collection. This is how the constant review and updating of both the contextual framework and the theoretical framework was necessary. On the other hand, the vision of this research is constructivist, as the multiplicity of socially constructed realities is accepted (Gibbs, 2012).

The first step was to conduct a literature review, which identified the need for small and medium-sized enterprises to apply principles of Human Resource Management.

Based on the collected information, the identified variables were operationalized. Subsequently, an instrument consisting of a semi-structured interview was developed to provide knowledge of the managers' perspective on the topic.

For this research, interviews were conducted with 13 people from management positions in the SME's. Some of them were CEOs and the rest were human resource managers.

The results were placed on a Likert scale, then applying the Spearman index to determine non-parametric correlation between ordinal variables.

Different variables were defined:

Youth definition: Variable related to the way the manager conceives the concept of youth. Consider the age range, the characteristics.

Range: Considers the specific range in which the manager conceptualizes youth

Adult definition: Variable related to the way the manager conceives the concept of adulthood. Consider the age range, characteristics, as well as when a person should begin their professional transition.

Survival: Variable that measures whether the SMEs studied managed to survive in the context of the contingency.

Adaptation: Variable related to the actions that companies carried out to adapt their business model to the new context.

Retention: It considers the actions taken from the Human Resources or Human Capital area to reduce staff turnover and retain their best talents.

Development: This variable considers not only retention, but also the actions undertaken by Human Resources to train, train and develop young people.

V. RESULTS AND INTERPRETATION

The research provided two types of results: qualitative and quantitative. Based on the quantitative results, the concept that company leaders have about youth, about adulthood and what is the role that they should play to help their employees to be full citizens was identified.

Some directors admit that they make great efforts to achieve a good corporate image, however, it is not always supported by actions to offer formal work schemes. More initiatives are needed to provide social security, decent wages and training.

On the other hand, they the SMEs cannot afford to support work transitions. Therefore they invest resources in the training of personnel, who eventually find a job with better conditions. HR directors show awareness of their role in the professional transition of young employees; however, it is difficult for them to undertake initiatives if they are not supported by the director or owner of the company.

It is observed that when the leader is aware of the correct definition of adulthood, and how this stage of life should not be postponed or interrupted; better initiatives are taking place with successful results.

A Likert scale was used to process the information proceeded by the Spearman's non-parametric correlation test. With a significance of 5%, we can affirm the following correlations (Table 1):

Table 1. Correlation of variables

	Youth Definition	Range	Adult Definition	Survival
Youth Definition	1			
Range	0.81791	1		
Adult Definition	0.31754	0.56666	1	
Survival	0.43301	0.44444	0.83333	1
Adaptation	0.38650	0.4260	0.10954	0.958514
Retention	0.01222	0.635	-0.1016	-0.635
Development	0.31754	0.35	0.74	0.08333

Adaptation with survival: Beyond the challenges that companies faced from the pandemic, those that made operational adjustments, and the management of human talent, managed to survive.

Range and definition: The manager who can define youth in the organizational context has a specific age range in mind. The range corresponds to between 18 and 26 years, not beyond.

Development with definition of adult: If a leader is aware that adulthood begins at age 26, this is reflected in their strategic planning of talent management.

VI. CONCLUSION

Precarious working conditions for young people is a short-term solution. Although it is cheaper for SMEs to have staff on social moratorium, this will have medium-term repercussions. It is necessary to take co-responsible actions from the different actors, who consider the future of the present generations. The social consequences of having millions of people who were not supported in the professional transition are incalculable.

This is the time to take the necessary actions. Even more in the new organizational context in which the technological and social skills of the youngest can be used. They now play a vital role in renewing the post-pandemic economy.

SME leaders may consider taking initiatives that result in a win-win, that favor the retention of staff, as well as their development and achievement of common goals.

Human Resource departments need to go beyond attracting or retaining talent, focusing on sustainable actions (Guerra, Mier, Manjarrez & Valdez, 2016); accepting the need to understand the sociodemographic characteristics of the collaborators, and the socioeconomic trends. This will make it possible to focus the efforts on facilitating the integral transition of young people to adulthood, solving the real problems in the background, viewing investment in training and career plans as a source of economic profitability (Mejía et al, 2013), as well as a competitive advantage.

In future research, it is suggested to analyze the perspective of young people on professional transition and how they live the social moratorium due to post-pandemic challenges.

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