

BOSTON COLLEGE

CENTER FOR WORK & FAMILY

EXECUTIVE BRIEFING SERIES

In this Issue:

- Why the dynamics of the multi-generational workforce are important to managers
- Research highlights on generational characteristics
- Generational diversity around the globe
- Challenges and best practices related to managing a multi-generational workforce

Authored by

Jennifer Sabatini Fraone

Danielle Hartmann

Kristin McNally

Boston College Center for Work & Family

Advisory Committee

Andrina Buffong
MITRE Corporation

Casey Carlson
Deloitte LLP

Carol Macura
EMC² Corporation

Marla Miller
Kraft Foods

Cindy Sutherland
Abbott

Design

Thomas Payne
Thomas Payne Design

The Multi-Generational Workforce: *Management Implications and Strategies for Collaboration*

As the newest generation of workers blazes a trail into organizations, so has a new lexicon hit newspapers, boardrooms, and dinner tables to characterize the Millennials (also known as Gen Y) and describe their impact on workplace dynamics. These new employees are seen as “special, sheltered, confident, team-oriented, conventional, pressured and achieving” (Howe & Strauss - who coined the term “Millennial,” 2000) who in addition to being “high maintenance and high risk” can also be “high output.” In many cases still being guided by their ‘helicopter parents,’ Millennials are demanding “the immediate gratification of making an immediate impact by doing meaningful work immediately” (Martin & Tulgan, 2006).

The steady stream of articles, books, events, podcasts, and blogs about the emergence of Millennials in the workplace seems unyielding. With cover stories like “You Raised Them, Now Manage Them” (Fortune, 5/28/07); investigative pieces such as “The Millennials are Coming” (60 Minutes, 11/11/07) and “Generation Next” (PBS, 1/12/07); and headlines like “The Most-Praised Generation Goes to Work” (Wall Street Journal, 4/20/07), it’s no wonder that the arrival of new grads to the office is attracting so much attention. As workplaces adapt to four generations of employees co-existing for the first time in U.S. history, managers are grappling with potential inter-generational tension that often seems overplayed in the media.

Though it is clear that employers should not make too many generalizations about the generations, it is helpful to categorize some aspects of each group’s behavior, needs, and working styles to promote working relationships built on mutual understanding. However, it is important to recognize that individuals within each generation may characterize themselves by age, tenure within an organization, or stage of life in a way that does not mirror these classifications.

Generation	Ages / Birth Years	Percent of workforce	Work Perspectives
Veterans / Traditionalists	Ages 63-86 born 1922-1945	10%	“Company loyalty” - Believed they'd work for the same company their entire career.
Baby Boomers	Ages 44-62 born 1946-1964	44%	“Live to work” - Believe in putting in face time at the office. Women enter the workforce in large numbers.
Gen Xers	Ages 28-43 born 1965-1980	34%	“Work to live” - Believe that work should not define their lives. Dual-earner couples become the norm.
Millennials / Gen Y	Ages 8-27 born 1981-2000	12% (increasing rapidly)	“Work my way” - Devoted to their own careers, not to their companies. Desire meaningful work.

(adapted from Marston, Working Mother Magazine, 2007)

Shifting Demographics

The multi-generational workforce is a topic of discussion not only in the U.S. but also around the world as shifting demographics present new and dynamic workforce issues for businesses. Fertility rates in much of the developed world are declining. The U.S. fertility rate is 2.0 births/female, which will maintain current population levels, but both Germany and Japan are experiencing fertility rates of only 1.3 (Council for Gender Equity, 2007).



GLOBAL FERTILITY CHART

Key	Fertility Rate	Impact
■	Less than 2.0	Declining Population
■	About 2.0	Stable Population
■	More than 2.0	Increasing Population

(Adapted from Mor Barak and Cho, 2008)

At the same time, life expectancy is increasing. By 2017, workers in Canada, France, Germany, Japan, the U.S., Italy and the U.K. aged 50 and over will make up more than 40% of the workforce (AARP Profit from Experience, 2007) and will be poised to retire in large numbers within the next ten years.

Gen X represents a much smaller pool of available workers and will not be able to fill the positions left vacant by retirements (Institute for the Future, 2003). In light of this predicted labor and skills shortage, it is imperative for forward-thinking companies to focus on retaining older workers and increasing their ability to recruit and engage younger workers.

How Does the Multi-Generational Workforce Impact Employers?

A new term called 'generational competence' describes the adaptations that organizations must make in order to meet the diverse needs of the four generations in today's workforce and marketplace (Seitel, 2005). While it is true that Veterans, Boomers, Gen Xers, and Millennials bring a variety of priorities and expectations to the workplace, employers are beginning to recognize what motivates each generation and to develop effective communication tools to minimize conflict, progressive HR and work-life strategies to attract and retain key talent, and management practices to enhance productivity.

Through internal research, human resources professionals and work-life practitioners can play a strategic role within their organizations by identifying the percentage of employees within each generation and by gathering information about their work and non-work related priorities. This information will assist organizations in developing strategies for recruitment, engagement, and retention that are in line with demographic and industry related variables.

According to the Boston College Center on Aging & Work, most organizations are still in the very early stages of formulating an organizational response to demographic shifts. The Center's *National Study of Business Strategy and Workforce Development* (a study of 578 organizations) found that only 9.7% of the employers in their sample had made projections about retirement rates of their workers to a "great extent" and only 12.0% had analyzed their workforce demographics to a "great extent." One-fourth reported that their organizations had not analyzed the demographics of their workforces at all (2007).

The following questions may be worthwhile for managers to consider as they're assessing the characteristics of their workforce:

- Are there specific business units that have a higher percentage of baby boomers set to retire in the next 10 years?
- What flexible work options will attract all generations while encouraging Veterans and Boomers to remain employed and play key roles in knowledge transfer, leadership development, and mentoring of younger workers?
- How can HR professionals coach managers to maximize the performance of each generation?
- What specific tactics are organizations using to attract the 'best and brightest' of the Millennial generation that might differ from strategies used for other generations?

Multi-Generational Conflict: Striving for Collaboration

While some journalists, consultants, and researchers perpetuate the notion of conflict between the generations, many academic researchers and corporate practitioners are actively trying to debunk the myth of problems associated with generation gaps. Those who claim that the generation gap results in inter-generational conflict (Zemke, et al., 2002; Lancaster & Stillman, 2002; Martin & Tulgan, 2002; Belkin, 2005) portray the workplace in dramatic terms, filled with clashes, collisions, and flash-points. Nearly 60 percent of HR managers at large companies say they have observed office conflicts that flow from generational differences,

according to the Society for Human Resource Management. Tensions typically stem from perceptions of loyalty and respect.

According to Frank Giancola, a retired human resource practitioner and college lecturer who devotes his time to writing articles that analyze HR trends and practices, “Even though the generations are different, it does not necessarily mean they hold divisive values and attitudes that will affect their ability to work well together” (2006). Instead, organizations are reaping the benefits of the diversity provided by workers of different generations collaborating effectively and learning from one another.

Research Highlights

“Our research shows that when you hold the stereotypes up to the light, they don’t cast much of a shadow. Everyone wants to be able to trust their supervisors, no one really likes change, we all like feedback and the number of hours you put in at work depends more on your level in the organization than on your age...The so-called generation gap is, in large part, the result of miscommunication and misunderstanding, fueled by common insecurities and the desire for clout.”

(DEAL, 2006)

Jennifer Deal, Ph.D., a research scientist at the Center for Creative Leadership (CCL) and author of *Retiring the Generation Gap: How Employees Young and Old Can Find Common Ground* (2006), has spent seven years researching more than 3,000 corporate leaders to conclude that essentially all the generations have similar values. Family tops the list and they all want respect and trustworthy leaders who will coach them. Where the generations differ is how they demonstrate respect, offer and receive feedback, and prefer to learn.

W. Stanton Smith, Director of Next Generation Initiatives at **Deloitte LLP**, recently authored *Decoding Generational Differences: Fact, fiction...or should we just get back to work?* (2008). According to Smith, “There are plenty of opinions on the topic, but not a lot of understanding.” Deloitte recognizes that there are 3 R’s and 3 C’s of what all the generations want. Employees want to be: Respected, Recognized, and Remembered, and Coached, Consulted, and Connected.

Preliminary results from the Boston College Center on Aging & Work’s *Age & Generations Study*, which surveyed over 1,900 employees from 12 different worksites across the country, suggest that there can be differences between employees’ ages/generations and their life-stages or career-stages. For example, employees in their 20s and 60s may both think of themselves as mid-career. Furthermore, when looking at a single generation, such as Baby Boomers, some of the employees say they are early career, others mid-career, and yet others late-career. “Employers might want to consider how to customize their practices to accommodate for these variations within age and generational groups” (Pitt-Catsouphes, 2008).

Predictions of generational conflict in the workplace are often based on anecdotal information. Very little of what is presented regarding potential negative interactions between age cohorts offer conclusive findings or empirically tested delineations within and between cohort differences (Smola & Sutton, 2002). Most research studies suggest that differences in current age cohorts center on values and beliefs about work, communication styles, need for feedback, job commitment, personal gratification for work effort, and internal motivation drivers (Denker et al., 2007; Hill, 2002; Wade-Benzoni, 2002; Yang and Guy, 2006). According to Pamela Lirio of McGill University, the majority of generational research consists of cross-sectional studies of one or more generations on particular variables. Very few studies looking at generational values have used matched samples in a longitudinal perspective (2007). This type of research would help companies to better determine which differences are generational versus developmental.

Global Characteristics of the Multi-Generational Workforce

Companies must keep in mind that countries around the world have similar, yet distinct, multi-generational workforce issues. Technology, access to information, and the availability of services and products have simultaneously made the world smaller and broadened our world view. In a recent research presentation for the Boston College Global Workforce Roundtable, Siriyupa Roongrernsuke of the Sasin Graduate Institute of Business Administration, University Bangkok, Thailand, suggested that there is a convergence of attitudes among individuals around the world under the age of 30. This age group, identified as Millennials in the U.S., but which lacks an accepted term globally, is characterized by its global perspective, ability to integrate multiple forms of technology, engaged consumerism, focus on quality of life, and drive for personal and professional development.

Roongrernsuke found, however, that for older generations in the workplace, there is a divergence of workplace characteristics based on local context. Historical

events, culture, and economics have played an important role in the development of these generational characteristics.

In **China** for example, the Cultural Revolution limited access to education for a whole generation of workers from 1966-1978. Many of these individuals today would be in senior leadership roles within organizations, but lack the education and experience of their global peers.

The concept of hierarchy in **India** is powerful and influences all aspects of business including promotions, strategy, and communications, but it is more important for older generations than younger.

In **Brazil**, the country's transformation since the 1950s from primarily an agriculturally based economy to diversified manufacturing, dramatically expanded the educational and employment opportunities for younger workers.

Challenges

Stereotypes and biases about generational characteristics that persist in the workplace sometimes prevent employees from recognizing the valuable contributions other people can offer. Helping employees learn to work more effectively across generations will dispel many of the generalizations that can interfere with team productivity.

Perspectives on Work

Many managers feel that employees should adjust to the organization, rather than considering accommodations or adjustments to address the needs of younger and older workers. However, employees do have variances in their work perspectives, values (social responsibility and volunteerism), motivators (compensation, flexibility, intellectual rewards), and working styles that can be a challenge for managers to address. Employees of different generations define success in different ways; no longer is climbing the corporate ladder the ultimate goal. Younger workers may care less about advancement than about work-life balance, and may be less willing to make sacrifices in terms of overtime or overnight travel.

Inter-Generational Communication

Communication issues can present considerable obstacles to productive cross-generational work. A technology gap often exists between the mature and younger generations. As the first generation to grow up with computers as a constant in their lives, Millennials prefers to use email, texting, and Instant Messaging over face to face meetings, memos and other more formal communication techniques. Baby Boomers may misinterpret this as disrespectful or avoidant behavior, while the younger generation may simply see it as a way to expedite work and maximize productivity.

Knowledge Transfer

As many Veterans and Baby Boomers reach retirement age, the issue of knowledge transfer has become critical to organizations. It will be necessary to pass on the "intellectual capital" of experienced workers to those who will be the new leaders. This will require a focus on communication, documentation, and the formation of relationships that will facilitate the transfer of this critical knowledge. Managers must be in tune with how to work best with their employees and encourage their teams to listen and to respect each others' experience and skills.

Best Practices

Organizations have developed new programs to begin to address the various issues related to managing a multi-generational workforce but also need to adjust their cultural norms to emphasize the respect for and value of all workers, and acknowledge and appreciate their differences. This section outlines a number of the programs companies have developed, and also suggestions for promoting a supportive culture.

Kraft Foods Mobile Workplace

In order to address flexible work solutions for all generations and 'grow greener' in the process, Kraft Foods is rolling out a Mobile Workplace initiative that will include a Technical Boot Camp, manager and employee training, equipment upgrades, and "Virtual Touch" conference calls to help create sustainable networks for mobile workers. Eligible participants will be able to customize their own mobility arrangements in order to work 'Here, There, Anywhere' and choose how many days a week to work outside the office. This breakthrough initiative is opening the door to future flexible work options and represents Kraft's support of managing a diverse workforce through "total inclusion" initiatives.

Flexibility

Impending worker shortages make retaining each generation of talent a significant issue. Whether it is offering "snow bird" work options (**CVS Caremark**), phased retirement, "rehearsal retirement" (**Volkswagen**), or post-retirement consulting opportunities, older workers can be encouraged to stay involved with and contribute to the organization beyond the traditional retirement age. Volkswagen's Human Resources leader, Steve Stephens, has said, "The employee gets a taste of what retirement is like, and in some cases, they'll decide to keep working for another few years. Either way, they'll know if they made the right decision" (Mullich, 2003).

Baby Boomers may be caring for aging parents and require flexibility and support in order to maintain productivity at work and work-life effectiveness. Parents of young children and Millennials seeking personal challenges outside of work appreciate flexible work arrangements so that they can meet their life and work commitments. Generation X was the first to demand work-life balance as they became dual-income parents and were determined to be more involved in their children's lives than their often absent fathers. Especially for the younger generations, time is often more important than money.

Training and Development Programs

Managers need information on how to effectively supervise and motivate a multi-generational workforce, and they may need assistance in developing the strong interpersonal skills required for the task. While all employees should be expected to uphold the same standard of work performance, today's most successful leaders find ways to let every generation be heard (Forman and Carlin, 2005). Managers need to be in tune with the preferred working styles of the different generations and how they receive and react to feedback, especially with Millennials who react more positively to coaching than traditional constructive criticism.

Employees need training on the value of diversity and how to work together effectively. **Ernst & Young LLP** recently started holding workshops to help foster understanding and teamwork among its multi-generational workforce. The workshops are focused on developing leadership skills across generations and tapping into "emotional intelligence" to better understand the underlying values of each generation.

Employees also want development opportunities that will allow them to learn new skills and take on more rewarding work. This is especially true of Millennials, who crave meaningful work from the day they enter an organization and it continues to be true for more mature workers, who at times feel

they are passed over for such educational opportunities due to their age and misperceptions about their intentions to retire. (Boston College / University of Kentucky *CitiSales Study*, 2008).

General Mills invented a board game called "Leading Through the Generations" to open up a dialogue among coworkers and teach employees about the distinct work and communication styles of coworkers. "As a manager, I learned it's okay for people to have different methods for getting a job done. It's important to be open and flexible, and let employees accomplish their tasks using their own framework," says Shari Sauer, a national accounts manager for General Mills (*Working Mother Magazine*, 2007).

MITRE Networking Circles

In order to foster informal mentoring among the generations in its workforce, The MITRE Corporation recently ran a year long pilot. Facilitated monthly lunch gatherings of approximately 16-20 employees were comfortable forums for discussions of both technical and non-technical topics such as systems engineering, how to brief a senior staff person, and how to navigate your career. Established after focus groups determined the importance of social and professional networking at the company, MITRE's Networking Circles are facilitated by two employees from different generations, include all aspects of diversity, and foster learning. Employees are nominated by managers or can self-select for participation in the circles. MITRE is looking into the potential of Virtual Networking Circles to reach additional employees.

Mentoring

Pairing less-experienced employees with more tenured professionals can help multiple generations develop a better understanding of each other and the unique qualities they bring. Mentoring and 'reverse-mentoring' programs also help develop new leaders in the organization and facilitate the transfer of knowledge from one generation to the next. Mentoring programs can include: traditional one-on-one mentoring sessions, group mentoring programs, or discussion panels where presenters provide information to a group of participants.

Recognizing and Appreciating Differences

Acknowledging and accepting differences among the generations remains one of the most significant approaches in effectively managing the multi-generational workforce. As the Veteran and Boomer generations are working longer both by personal choice and financial impetus and as organizations become flatter, employees in all generations are interacting more than ever before. Linda Duxbury, a professor at Carleton University in Canada notes, "Recognizing the diversity that these generations represent and understanding the different career paths and consequent career hurdles faced by each generation will help improve the work atmosphere" (2006).

Making an active effort to diversify teams can help bring new perspectives and approaches to initiatives. Using multiple modes of communication to effectively reach employees, including memos, e-mails, newsletters, and the company intranet honors style differences.

Organizational Values and Culture

Organizations must refine their cultures so that the organizational values resonate with workers from all generations. Millennials, who value social responsibility and activism, are attracted to values-based organizations. Volunteer opportunities can be one way of showing the organization's commitment to others, while also allowing all four generations to work together toward a goal outside of their work responsibilities.

EMC² Culture of Inclusion

Employers who adapt to the needs and leverage the multitude of strengths of the 21st Century Workforce will have a competitive edge in the war for talent and customers. EMC's approach is to create a culture of inclusion, where the unique needs, values and strengths of all team members contribute to the company's success as an employer and business partner. EMC has developed programs such as "WorkWise," a branded flexibility program, and employee and leadership councils designed to foster involvement and engagement. They are also leveraging Web 2.0 (web-based communities) for their recruitment and engagement efforts.

Deloitte Pre-College Outreach Programs

Recent research indicates that young people, their parents, and educators want students to learn about business earlier in their academic careers. Deloitte recognizes that students are considering job opportunities at much younger ages and has begun pioneering multiple programs that will answer this desire and demand. Some of Deloitte's Pre-College Outreach programs include: LIFE Inc., The Virtual Team Challenge, Middle School & High School Curriculums (using comic books and video games), along with the development of the Deloitte Future Leaders Panel.

Marriott International, Inc. was recently cited as a "Millennial Magnet" in *HR Executive Magazine* (April, 2008). A study of Fortune's "Great Places to Work For" database identified eighteen companies that Gen Yers find particularly inviting, only two of which have more than 40,000 employees. The article noted that Millennials have a specific set of expectations such as craving recognition for their efforts, being a part of a community of young co-workers, and wanting a clear career path and the support to maximize their personal growth. Technology, work/life balance, and working for an employer who cares about the environment and has a sense of social responsibility are also important to them. David Rodriguez, executive vice president of global human resources for Marriott notes, "Perhaps the most significant reason that Millennials love Marriott is that our company culture is a mirror image of our consumer brand. It's about being genuine and caring. It's about leaders who embody the company's core values."

Recruitment and Retention

Organizations need to determine what attracts talent to their workplaces and what needs to be done to retain this talent. Using traditional media, as well as new technology such as Monster.com, LinkedIn and MySpace, employers can broaden their search for new workers. By conducting surveys and focus groups, employers can find out what each generation expects and needs in order to stay engaged and productive. Employees' daily nourishment provides one example. While Veterans were content to bring bag lunches from home, many organizations are now offering gourmet (and sometimes free) on-site food choices to keep workers engaged and energized.

As Tamara Erickson, President of the Concours Institute, states "Generation Y workers clearly prefer jobs defined by task, not time. They want to be compensated for what they produce" (2008). **Best Buy's** headquarters office has embraced this thinking through its Results Oriented Work Environment (ROWE) where more than 60% of its 4,000 employees are now judged solely on tasks or results. This type of model is a "powerful way to draw in the newest crop of workers" (*Harvard Business Review*, 2008). Organizations are also appealing to the highly involved parents of Millennials through "Take your parent to work days" (Goodman, 2007). Some Asian companies are developing relationships with University professors, as students who revere their authority figures will often take their recommendation for where to work post-graduation.

"The next generation of managers, comprising many Millennials, will be more adept at managing in a changing, global, and networked environment. They will do it with a greater emphasis on teamwork, facility for the use of technology, and sensitivity to needs for work/life balance."

(HESKITT, 2007)

In Conclusion...

As Betty Kupperschmidt, Ed.D., RN, Assistant Professor, University of Oklahoma relates, “A generational perspective enables managers to leverage employee uniqueness as a source of learning, productivity, and innovation and to create and role model a shared vision of positive co-worker relationships” (2000). Though it is clear that employees from different generations and life stages bring varied mindsets, preferences, and work styles to organizations, when managers view differences as strengths, the potential for collaboration is powerful, especially when fostered in inclusive workplace environments. Innovation through teamwork will lead to positive outcomes for organizations as well as employees as they strive to create fulfilling professional and personal lives.

“As the U.S. workforce ages, more generations are working along side each other. The knowledge, skills and workplace attributes possessed by today's multi-generational workforce present multiple challenges and opportunities to business leaders. Smart employers realize that one of the keys to growing and succeeding in an increasingly competitive global marketplace is recruiting and managing talent drawn from workers of all ages. Leading -- and successfully managing -- an inter-generational workforce is becoming a business imperative that few organizations can ignore.”

SOCIETY FOR HUMAN RESOURCE MANAGEMENT (SHRM)
KNOWLEDGE CENTER WEBSITE: GENERATIONS TOOLKIT

A Publication of the Boston College Center for Work & Family

About this Series

Written for an executive level audience, the Boston College Center for Work & Family Executive Briefing Series addresses topical and strategic issues of particular relevance to the current business climate. The series highlights research findings, data trends and best practices in a concise format, aiming to foster action-oriented dialogue within organizations. Each issue features an accompanying PowerPoint presentation that captures key points and includes a section for practitioners to customize and add organization-specific data.

About the Center

Since its founding in 1990, The Boston College Center for Work & Family has been a national leader in helping organizations create effective workplaces that support and develop healthy and productive employees. The Center provides a bridge linking the academic community to the applied world of the work/life practitioner and has three main focus areas: research, membership, and education. The Center is committed to enhancing the quality of life of today's workforce by providing leadership for the integration of work and life, an essential for business and community success.

The Boston College Center
for Work & Family
22 Stone Avenue
Chestnut Hill, MA 02467
Ph: (617) 552-2844
Fax: (617) 552-2859
<http://www.bc.edu/cwf>