

Mainframes to iPods – A Multi-Generation Workforce

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Introduction

There has never been such a diversity of generations in the workforce. The workforce is hinged together with four generations of workers. Managers who understand and appreciate each of the four generations can bring innovation and greater productivity to our complex workplace. Which are you and where do you fit into this intergenerational scheme?

- **Veterans/Matures/Radio Babies (1923-1945)**
- **Boomers (1946-1964)**
- **the Xers (1965-1979) and**
- **the Gen Ys/Millennials/Nexters/GenMe (1980-2000)**

The four generations have grown up in distinctly different cultures, and because they were exposed to different life experiences, they are motivated differently. The old adage – “different strokes for different folks” – certainly applies. Managers and organizations need a broad set of policies and practices to manage, motivate, inspire and integrate a multi-generational workforce. The same policies do not work for everyone and intergenerational needs are often different.

Each generation brings unique value and gifts to the workplace. Let’s examine and support these special talents. Multi-generation problem solving is not a pure science by any means. As HR leaders, we hope you see innovative actions to strengthen each generation. As managers, you will be able to better identify the differing needs of your workforce. Together you can provide a strong backdrop of support and understanding for all generations. We need the unique talent each brings to the workplace.

In this article we will present: the salient characteristics of each generation with some statistics, their contribution to the workplace, and a few examples of what some organizations are doing to enhance innovation and productivity where generational differences exist.

Veterans/Matures/Radio Babies (1923-1945)

Born between the twenties and mid-forties, this generation has experienced global and local issues – World War, inception of TV, growth of the military industrial complex, positive influence of the military, as part of a more structured and authoritative culture. Veterans have been company people, frequently loyal to the same organization for years or a lifetime. They revere rank and position. The solid, stable world of their past has been replaced by organizations which change at the speed of thought giving rise to inexperienced leaders start-ups, and a new generation of entrepreneurship. They face dramatic changes.

According to the Adult Life theorists, Levinson, Erickson, Sheehy, and others, the people in their 60s-80s want to leave a legacy. They have lives filled with rich experience and wisdom. They want to leave the world a better place. How can employers leverage that desire and find opportunities for people who have retired or are thinking of doing so? How can we keep their wisdom in the workplace?

Increasing numbers of employers are seeing the value of the older workforce. A recent collaborative study between AARP and Towers Perrin showed that although older workers cost slightly more than younger employees, the cost is “offset by positive traits like reliability, loyalty and skills. People who work longer contribute to their own well-being, to their workplaces and to overall society.”²

Statistics

- Just 28% of employers in the U.S. have a strategy to retain older workers.
- According to a recent AARP Bulletin, the percentage of people who are working over the age of 55 has moved from 30.1% in 1986 to 38% in 2006”.²
- The Bureau of Labor Statistics claims “over the past five years, full-time workers 55 and older have seen healthy pay gains after adjustment for inflation, while those under 55 have suffered losses.”¹

What they bring to the workplace:

- **Wisdom** – Advise leaders, based on their long history in the organization and/or industry;
- **Mentoring** – Bring coaching to younger folks regarding the organization, industry or profession;
- **Historical memory** – Brief others regarding customer history and patterns;
- **Subject matter expertise** – Provide subject matter expertise on specific products, services, and “tricks of the trade”;
- **Strategic planning** – Bring perspective and value to strategic planning
- **Strong work ethic** – Help build the structures and responsibility to get the job done.

What Some Organizations Are Doing:

Royal Dutch Shell PLC is trying to lure former employees back to the oil company amid an industry-skills shortage. “In 2006, Shell recruited over 3,000 professionals and the goals for 2007 and 2008 are equally high”.⁵

SC Johnson – An AARP Winner – Best Employers for 50+ Employees 50+ are able to make catch-up contributions to the 401(k) plan. SC Johnson offers a web-based financial education and planning resource to help employees with their financial goals and financial issues. Thirty-five percent of SC Johnson employees are 50+.²

http://www.aarp.org/money/careers/employerresourcecenter/bestemployers/winners/sc_johnson.html

Some organizations have discovered a wide-variety of workforce practices designed for the Veterans/Matures/Radio Babies and reaching to the early Boomers. Many of these practices can be discussed and perhaps duplicated in your own organization.

Working longer is a definite trend for several reasons:

- Organizations need the expertise and mentors to coach the twenty-somethings as the need for talent increases;
- Retirees have learned that social isolation causes a number of health-related problems – higher blood pressure, stress, poor sleep, weak immunity and heart diseases; and
- Economic necessity – pension plans are failing, health-care costs are rising as is the cost of living. Many people need to work.

Boomers (1946-1964)

The Boomers grew up in the Post World War II prosperity and saw the inception of TV. When they entered work, “career path” meant climbing the ladder in one company or organization to career success. They are loyal workers, but were some of the first to be handed “pink slips” and soon learned that loyalty in the workforce was not necessarily a two-way street.

Boomers have experienced a life of surprises and massive cultural changes. They were the leaders and activists in the Civil Rights Movement and Women’s Movement, participated in the race for the moon, protested and fell victim to the Vietnam War, and straddled the divide between mainframes and PCs. They were caught in the early downsizing and outsourcing tides of large organizations and began the shift from life-time employment to “jobbers.” They began the trend of two bread winners as a norm and saw early fall out in the breakdown of the nuclear family.

Statistics

- “The 75 million baby boomers that make up 45% of the workforce are starting to retire – with a projected rate of 3 million retirees by the end of 2007.”⁸
- In 2006, the oldest of the baby boomers, the generation born between 1946 and 1964, will turn 60 years old. Among the Americans celebrating their 60th will be our two most recent presidents, George W. Bush and Bill Clinton.
- 78.2 million – Estimated number of baby boomers, as of July 1, 2005
<http://www.census.gov/popest/national/>
- 7,918 – Number of people turning 60 each day in 2006, according to projections. That amounts to 330 every hour. <http://www.census.gov/ipc/www/usinterimproj/>
- 80 percent of boomers are planning to work past traditional retirement age. The primary reason appears to be that they haven’t saved enough to retire comfortably.¹¹

What they bring to the workplace:

- **Change agents** – Comfortable with change – personal and organizational;
- **Hard working** – Believe in face-time, long hours and hard work;
- **Meaningful work** – Expect and want meaningful work – they want their hard work to have some redeeming value;
- **Healthy lifestyle** – Require physical fitness, sports clubs, memberships, and personal trainers, alternative health practices, etc. and they linked activism with sports events;
- **Learning opportunities** – Need to keep learning in order to stay marketable now that human resources are seen as a commodity;
- **Politicians** – Play by the rules and respect their leaders, they want easy access to leaders and visibility for their work;
- **Comparable compensation** – Require comparable compensation and benefits or they’ll go elsewhere; and
- **Second careerists** – Bring passion and enthusiasm to a second career.

What Some Organizations Are Doing:

Stanley Consultants, Inc. employs a phased retirement arrangement that enables employees to reduce work schedules before full retirement, a “time off bank” of donated vacation time which employees can use to care for family members, and a 401(k) plan to which the company contributes regardless of employee participation. These are a few reasons why Stanley Consultants, Inc. leads the list of the 2005 AARP Best Employers for Workers Over 50.
<http://www.aarp.org/money/careers/employerresourcecenter/bestemployers/2005.html>

Scripps Health - AARP recognized Scripps for creating policies that value its mature workers, including flexible work schedules, opportunities for training and career development and benefits for current and retired employees. *Working Mother* cited

Scripps for establishing a work environment that is attractive to all women, particularly working mothers, with policies such as job sharing, telecommuting and flextime.

First Horizon National Corporation - Winners of the AARP Awards were evaluated based on their overall culture, benefits, and career development opportunities along with other resources including retirement benefits, programs and practices. This is FHNCs second year on the list.

Gen Xers (1965-1979)

Gen Xers are pragmatists when asked about their loyalty to organizations. Many saw their parents' worlds collapse after receiving "pink slips." Loyalty to an employer did not count any longer necessitating that both parents work. Indeed, the Gen Xers understood that they could only depend on themselves early in life. We refer to them as the "latch-key" kids. Both parents were working. They are self-reliant and loyal to themselves. They have grown up in a time when being an entrepreneur was more positive than being a good corporate citizen.

Gen Xers want to be innovative and entrepreneurial. In a sense, they see themselves as free agents. Their loyalty is to themselves rather than a job or an organization. They are leaving organizations in droves to join smaller organizations, even if it means taking a pay cut. "According to exit polls and research studies, Gen Xers are disenchanted by mismanagement of top corporate officials, hierarchical politics, corporate ladders, and the lack of job satisfaction and job fulfillment."⁸

Statistics

- 77% of Gen Xers say they'd leave their current jobs if they found "increased intellectual stimulation" elsewhere.
- 61% of Gen Xer women said they'd leave their job for one that had more flexible working hours.
- 51% of Gen Xers said they'd quit if another employer offered them the chance to telecommute.¹⁵

What they bring to the workplace:

- **Work-life balance** – Have other priorities beyond work and want the flexibility and support to have a full life;
- **Collaborative mindset** – Want to be part of high-performing teams, have positive relationships with colleagues and have the skills to collaborate with others;
- **Technology savvy** – Push the boundaries of telecommuting, webex technology, webinars, job sites, and virtual teams;
- **Meaningful work** – Need to understand *why* they're doing what they're doing – they want their work to make a difference in the world;
- **Strategic mindsets** – Ask how does their work fit with the big picture – how does their work support strategic initiatives;
- **Wider wealth options** – Want profit-sharing and a share of the wealth, as well as comparable compensation and broad, menu-based benefits; and
- **Innovative and entrepreneurial spirits** – Not afraid to take risks, find challenging work and learning projects that maintain their marketability and value to the organization.

What Some Organizations Are Doing:

A mother-daughter team, Charlotte and Laura Shelton, co-authored **The NeXt Revolution**. They polled 1,200 Gen X employees and asked them to rank 15 job characteristics. The top three things they wanted in a job were: "positive relationships with colleagues, interesting work and

continuous opportunities for learning." Not surprisingly, recognition scored very low, and power and prestige ranked dead last. Salary, a major preoccupation for boomers, came in third from the bottom." She adds: "It's interesting, because most employee-motivation efforts in companies are designed by boomers, who tend to build the programs around what motivates them. But this generation is different." ¹²

Many of **FORTUNE's 100 Best Places to Work For** (<http://money.cnn.com/magazines/fortune/bestcompanies/2007/index.html>) include special practices that appeal to Xers. special practices that appeal to Xers. They include:

W.L. Gore retains bright young engineers and technical-salespeople in part because of what the company calls its "lattice" (versus ladder-like) organization chart, which has no top or bottom. Instead, it's an interlinking web of relationships, with no job titles. (And no bosses: Authority gets passed around via a system of rotating team leaders.)

Whole Foods Markets organizes its people into self-managed work teams, and employees take turns leading.

Intuit workers at all levels, from the mailroom to the CEO's office, are encouraged to take part in new-product development.

TD Industries has put its money where its mouth is: The firm's policy is that its highest paid employee can earn no more than 10 times the salary of its lowest-paid employee.

Plante & Moran starts every new employee off with four weeks' annual vacation. A "PTA" committee -- for "Personal Tightrope Action" -- teaches new parents how to cut back on their work hours (yes, that's right, how to under schedule themselves at the office) in order to spend more time with their families.

Autodesk has no set work hours: there's no absenteeism policy, and no one keeps track of sick days. The philosophy is, these are all capable people, so let's assume they can behave like adults.

Gen Ys/Millennials/Helicopter Generation/Gen Me (1980-2000)

To date, sociologists and other social observers have not attached a name to the generation of twenty-somethings and less. The metamorphosis of a label continues to unravel as we get to know more about this youngest generation in the workplace. They've brought shockwaves to the world of work, being some of the wealthiest and best-known entrepreneurs – MySpace, FaceBook, etc. They have high expectations, first, for themselves and then the world. They've experienced more changes than any previous generation. They are a mix of idealist and realist. They crave respect. They see work as work, in the real sense. They have a life and it comes first to many of them. They don't expect to work anywhere for long, especially if they are not satisfied. They are individualists very much connected through music and technology. They are our hope for a global culture.

The most important thing employers need to know about Millennials is this: They can afford to be choosy. According to WetFeet Research & Consulting in San Francisco, "the number of entry-level job seekers receiving multiple offers has been on the rise for five years, and 82% are confident they will find the job they want. The competition is driving up pay. The average increase for U.S. employees in 2006 is 3.6%,"

but starting salaries for some new college grads outpace that. The average offer for civil engineering grads, for one, is up 5.4%, to \$46,023; that for accounting graduates has jumped 5.5%, to \$45,656, according to NACE.”¹⁰

In the Universum survey, 27% of undergraduates now list contributing to society as a top career goal; the survey added the option this year after hundreds of students penciled it in. That's good news for both federal agencies, where 44% of civil servants will become eligible for retirement in the next five years, and the nonprofit sector, where employment growth is outstripping that at for-profit companies.¹⁰

Statistics

- Gen Y is the fastest-growing segment of the workforce — growing from 14% of the workforce to 21% over the past four years to nearly 32 million workers.⁶
- 37% of Gen Ys expect to start saving for retirement before they reach twenty-five.⁶
- 49% of Gen Ys say retirement benefits are important in choosing jobs
- Entry level hiring is expected to surge in 2007 by 17%¹⁰
- By 2010, two employees will be leaving for every new hire entering, new college grads will be a precious commodity.¹⁰

What they bring to the workplace:

- **Flexible work arrangements** – Expect flexibility in when and where work is done – rigid work hours are a challenge – they push for the need for flexible work structures;
- **Challenge the status quo** – Give feedback frequently on what's working and what's not and want to make changes quickly;
- **Work-life balance is a right** – Want their jobs to accommodate their family and personal life. They'll stress better balance and policies supportive of family goals;
- **Self-fulfillment is important** – Personally and professionally – they expect to learn for life;
- **Social responsibility** – Grew up with CNN and instant messaging and feel responsible for making the world a better place;
- **Embrace change** – Want to make the places where they work better – they push towards improvement;
- **Expect great managers, mentors and teams** – Risk takers and will move if expectations are not met putting pressure on promoting the “right” people to management;
- **Networked and tuned in** – Use FaceBook and MySpace and other networking tools to form strong social ties – with anyone, anywhere;
- **Tech savvy** – Expect the greatest work tools and are able to coach others on how to use these tools;
- **Team players** – Work well in teams and have a collaborative attitude –need to be connected to strong teams.

What Some Organizations Are Doing:

Companies with corporate cultures that stress social responsibility, diversity, and the environment attract this generation.

Wells Fargo & Co. allows employees to teach at local schools during the regular workday without docking their pay.¹⁰

Pepsi Bottling Group, Inc. supports especially promising new hires who go through the company's training program to manage a team of employees within six months to a year, vs. the two to three years it typically takes elsewhere.¹⁰

Other companies are using internships as a mainstay of their recruiting strategy for Gen Ys.

Goldman Sachs "claims that internships are the primary driver of our recruitment," says Aaron Marcus, Goldman's global head of recruiting.¹⁰

Some organizations are beginning to make changes to assure this generation will join and stay. Martha Irvine cites the following three companies:

Children's Memorial Hospital in Chicago has developed an internship with mentoring and more training for young nurses that has curbed turnover by more than 50 percent and increased job satisfaction.

Perkins Restaurants have loosened standards on piercing and allow cooks to play music in the kitchen.

Muvico, a company with movie theaters in a few Southern states, gives sporting goods and music gift certificates to young staffers who go beyond minimum duties.⁷

Summary

We've created a tool that supports managers and employees to identify and to respond to the differing needs of each generation. Managers have discovered that many of the organization practices outlined can be instantly initiated in their own organization. They don't have to wait for organizations to change their policies. See http://www.masteryworks.com/newsite/assessments/assess_gensmrt.htm. This is a good tool to use as a conversational starter with individuals or groups to discuss generational differences.

Questions to Explore

- What do the demographics of your organization currently look like from a generational perspective?
- What will they look like in 3 to 5 years?
- What HR policies and programs support each? Have you done an assessment from a generational perspective?
- What are you doing to educate your managers and leaders on the generational differences? How can you support them in leveraging these important distinctions?
- What key 2008 initiatives are you planning that can incorporate what you've just learned?

Take a look at your own generational map. Do you have policies and practices in place that support each generation? Are there gaps? Put together a cross-generational work team to bolster the strengths and fill the gaps.

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