



HOT TOPIC

WORKFORCE GENERATIONS

Manage People Versus Generations



A strong focus on generational differences in recent years has led many companies to believe that addressing the distinct sets of values, attitudes and behaviors of four generations is an insurmountable task with no real solution. While generational characteristics can certainly provide greater insight into specific views and motivators, in the end, employees need to be treated as people with unique goals, expectations and preferences. In this paper, we'll discuss the generations represented in today's workforce and the importance of supporting employees based on their individual needs versus the perception of their differences.



INTRO

Various economic and demographic shifts have pushed employees of all ages into roles that require them to work together in cross-functional teams. While most companies would agree that different ideas and opinions can have a positive effect on the bottom line, many are inadequately prepared to address the various generational needs of the people behind those ideas and opinions.

A better understanding of generational differences can help build synergy between employees and turn potential conflicts into areas of strength. Generational awareness is becoming an important part of talent management strategies as organizations look to develop more inclusive cultures.

Currently, there are four generations of employees working side-by-side in the U.S., each with different preferences and needs. In this paper, we will discuss the differences between each generation and the importance of developing a distinct approach for addressing such differences in the workplace. We will also examine the need to manage employees as individuals versus classifying them by generation and stereotypical needs.

4 Generations = 4 Different Views About Work

Examining groups of employees by generations provides valuable insight into what motivates individuals to stay with the company, be engaged and subsequently be productive in their jobs. Generational differences frequently equate to differing values and needs. Members of each era bring various attitudes and behaviors to the workplace that are largely driven by the time period in which they grew up.

Here are basic characteristics of each generation currently present in the workforce:



Veterans (born 1925-1945)

Veteran workers are often motivated by showing respect for their experience and asking their opinion on matters in their areas of expertise. They are highly dedicated and are committed to helping the company succeed. Veterans value praise and communication through hand-written notes as well as the opportunity to serve as mentors, which is a motivator and expectation of this generation.



Baby Boomers (born 1946-1964)

Baby Boomers want management to recognize their contributions and reward a strong work ethic signified by long hours. They find motivation in challenging work and are highly competitive. Boomers value opportunities to build stellar careers, yet will likely look for more work-life balance as they approach retirement.



Generation X (born 1965-1980)

Gen X workers want fewer rules, less bureaucracy and more freedom to “get the job done.” Many Gen Xers were raised by two working parents; therefore, they tend to value flexibility, work-life balance and appreciate a more relaxed work environment. Gen Xers are technology savvy, comfortable with change and eager to learn.



Generation Y (born 1981-1989)

Gen Yers are looking for a diverse work environment where talent and achievement are recognized. They are excellent team players and prefer collaboration over working independently. Gen Y workers want to use the latest technology and expect learning to be an integral part of their jobs.

These distinctions highlight the need for companies to better understand generational differences and how each group’s attitudes and values impact the workplace.

Consider the working relationship between a Baby Boomer who values face-to-face communication and a Gen Yer who prefers emails or text messages. Or consider the conflicts that can arise within a team comprised of Veterans who believe they need to work as long as necessary to get the job done and Gen Xers who prefer to work hard during their eight-hour day and then go home to the family.

Clearly, generational differences can easily become sources of tension without a greater awareness of the characteristics of each group and a plan for successfully addressing diversity within the workplace.

Developing A Generational Approach

Adapting to the needs of each generation requires a distinct approach or plan that educates employees on the benefits of diversity and outlines how differences will be embraced as an opportunity and integral part of a company's overall talent management strategy.

Research has shown that organizations who gain maximum productivity from a variety of people tend to perform better than those whose workforces are more homogeneous. According to a recent study by the National Urban League, companies with effective diversity practices generated an average productivity increase of 18 percent beyond that of the overall U.S. economy.¹ This certainly supports the premise that diversity is good for employees as well as for business practices.

Creating an environment where people of all generations are motivated to do their best work is imperative to achieving a level of high performance and gaining (or maintaining) a competitive advantage. Here are some things to consider when developing a program or plan that addresses the needs of different generations and encourages the full contribution of employees through increased engagement:

Support diversity

Effective diversity programs are associated with higher productivity. According to the study by the National Urban League, three-fourths of companies with proven diversity practices have generated productivity results that are equal to or better than select competitors.²

Focus on the similarities

While recognizing the differences between employees is important, focusing on the common characteristics and traits of the four generations is the core of effective team building.

Provide various training options

A one-size fits all approach to training will not work with a multi-generational workforce. Meeting the various needs of employees may require multiple training venues and different models for learning within the workplace.

Offer different career paths


Baby Boomers are considering stepping off the career ladder as they near retirement, while a growing number of younger workers are choosing to bypass promotion opportunities to achieve work-life balance. Employers must offer career paths that are horizontal as well as vertical in order to retain their best talent.

Train managers to treat employees as individuals

Numerous studies have shown that an immediate manager or supervisor is the most influential factor in an employee's decision to stay or leave. Poor management can also lead to disengagement and a lack of productivity. Supervisors must be guided on how to deal with employees as individuals and not classify them as merely Baby Boomers or Gen Yers with stereotypical needs. While generational characteristics can certainly provide a greater awareness of specific views and motivators, employees need to be treated as individuals with unique goals, expectations and sources of frustration.

To maintain a competitive edge and capture the best work from all people, organizations must build synergy between the generations by developing a distinct approach that educates employees on generational differences and how to leverage them to achieve a higher level of performance.

^{1,2} National Urban League, "Diversity Practice that Work: The American Worker Speaks," June 2004



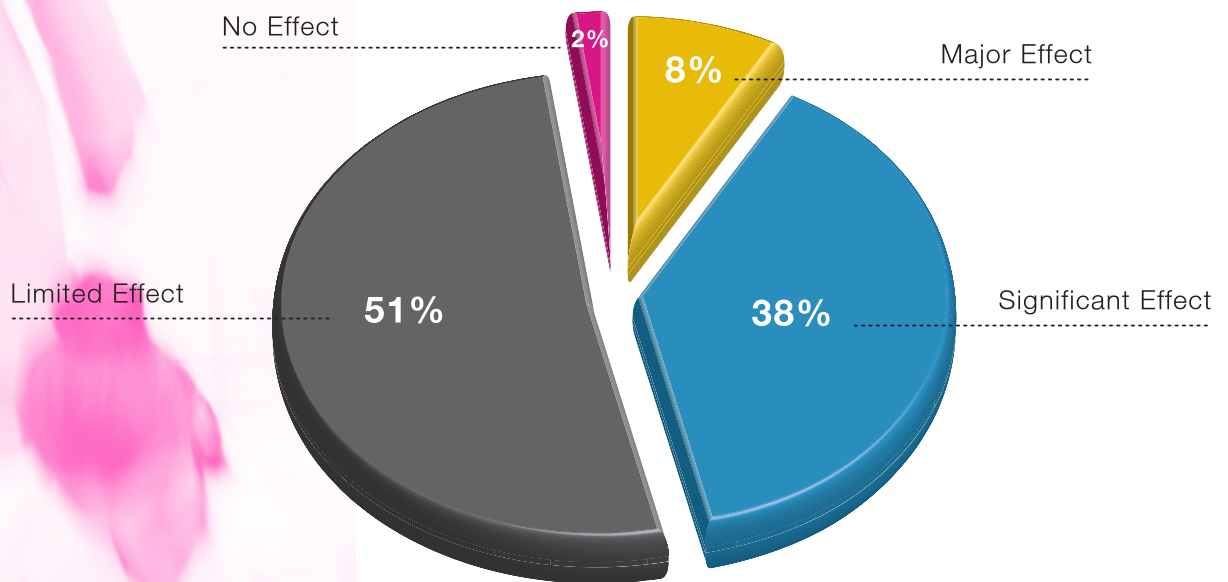
In a recent poll, we asked respondents if their organizations have a program or strategy for addressing generational differences in the workplace.

19% of respondents reported that their companies currently were using such a program or strategy or were in the process of developing one

81% said their organizations did not have one in place or that developing one wasn't even on their radar screens.

Generational Differences Impact The Workplace

We asked participants in a recent poll to indicate to what extent they believed generational differences impact their organizations. Forty-six percent of respondents said such differences had a “major” or “significant” effect while only two percent reported they had “no effect.”



Employee Engagement

The factors that contribute to generating employee engagement – productive energy that drives employees to “go the extra mile” -- do differ; however, these distinctions tend not to clearly cut across generational lines. While engagement research does support certain trends based on age, what tends to matter more is segmenting employees by the distinct values, drivers and behaviors that impact their engagement.

In Hewitt’s Workforce Engagement Profile™, employees typically fall into six engagement segments based on the set of drivers that define their needs and how those drivers relate to their jobs. The table below describes the Workforce Engagement Profile™ in more detail:

In the constructs of the profile, no specific age or generation is associated with any given engagement segment. Employees of all ages are likely to appear in each area. While certain patterns may appear based on employee career and life stages, engagement is not necessarily something that is driven by generational values, attitudes or behaviors.

| Engagement Segment | Characteristics |
|-----------------------------------|---|
| Passionate Advocates: | Highly engaged, know what is expected of them and are committed to the organization's goals |
| Enthusiastic Followers: | Highly engaged, committed to the organization, but frustrated by a lack of resources or poor work processes |
| Under-Rewarded Supporters: | Engaged, but view their commitment and support of the organization is not sufficiently rewarded or recognized |
| Disenchanted: | As likely to be engaged as disengaged, like what they do, but think work processes get in the way or distrust leadership |
| Unrealized Potentials: | Although they feel the organization is a good place to work, they are disengaged and personally feel under-utilized and under-appreciated |
| Detractors: | Woefully disengaged, have little faith in the organization or respect for leadership |

Manage People Not Generations

Lumping workers together by age can ignore the fact that the needs of individual employees within a single generation are continuously changing based on life circumstances. Whereas work-life balance is a defining characteristic of Generation X, employees from all generations are likely to have a strong desire for balance based on their personal needs.

Successful managers typically do not lump employees by age, but instead, get to know them as individuals with unique goals and motivators. They take performance evaluations seriously and spend additional time thinking through career development options for each of their team members.

A one-size-fits-all approach to managing employees within a particular generation is ineffective when it comes to recognizing issues and conflicts that are generation specific and modifying the approach to the individuals who are involved. A generational strategy lead by HR can help managers recognize and embrace individual employee differences in order to enhance overall organizational performance.

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