MANAGING A
MULTI-GENERATIONAL
WORKFORCE:
THE MYTHS VS. THE REALITIES

"In a study of 2,500 executives from across the world, almost a quarter rated 'intergenerational cohesion' as the most significant risk their company faced. Many more rated it as one of the top three risks."

LYNDA GRATTON, FUTURE OF WORK CONSORTIUM, 2011

A lot has been written about the intergenerational conflict brewing in our workplaces. With five generations in the workplace (more than ever before), many researchers see an atmosphere characterised by tension and misunderstanding. So it's not surprising that organisations are concerned about the impact of this tension on productivity and creativity. But is this really the case? We've delved into our databases to uncover the truth on what different generations really think, value and expect from today's workplace. »

"GENERATION Y ARE THE LEAST POSITIVE OF ALL THE GENERATIONS."

DEFINING THE GENERATIONS

We've analysed data from over five million employees across the world. Using multiple sources from across different aspects of the work environment, our data enables comparisons across different generations.[1] There are so many different ways of cutting it, but typically the generations fall into five main categories. Based on Tolbize's 2008 study,[2] we've defined them as:

TRADITIONALISTS	**1928 – 1944**	Value authority and a top-down management approach; hard working; 'be heroic'; 'make do or do without'.
BABY BOOMERS	**1945 – 1964**	Expect some degree of deference to their opinions; workaholics; 'be anything you want to be'; 'eternal youth – retirement as freedom'.
GENERATION X	**1965 – 1979**	Comfortable with authority; want to be listened to; will work as hard as is needed; 'don't count on it'; 'take care of yourself'; importance of work life balance.
GENERATION Y	**1980 – 1994**	Respect must be earned. 'You are special'; 'achieve now'; technologically savvy; goal and achievement oriented.
GENERATION Z	**1995+**	Many traits still to emerge. Digital natives, fast decision makers, highly connected.

THE BIG DIPPER

We've found a surprising trend when it comes to positivity in the workplace. Generation Z rate their experiences and expectations very positively. But these rapidly decline, with Generation Y the least positive of all of the generations. As age increases, perceptions and experiences improve, reaching their zenith as people prepare for retirement (see fig. 1 - *compares data from our Best Companies for Leaders study and employee opinion database*).

POSITIVITY IN THE WORKPLACE

Fig. 1

BEST COMPANIES FOR LEADERS

EMPLOYEE OPINION DATABASE

GEN Z · GEN Y · GEN X · BABY BOOMERS · TRADITIONALISTS

1 Full details on the data used in this paper can be found on pg.8

2 Generational differences in the workplace, A. Tolbize, 2008

SO WHY IS THIS?

Let's look at three hypotheses.

Hypothesis 1:
Blame Generation Y – they're too demanding

Generations are exposed to a specific set of environmental forces which produce a unique set of distinctive characteristics for that generation. So the dip could be attributed to the specific characteristics of Generation Y.

Labelled the 'me me me generation' (from Time's memorable cover in 2003), a lot has been written about Generation Y's self-centered nature and high expectations. Coddled by their parents and growing up with a background of economic volatility, they're 'used to having it all their own way'. Yet, they are also highly independent, enabled by unprecedented access to technology and education. In contrast, Generation Z are seen as more realistic. Having grown up amid greater violence and economic difficulties, they are being described as more resilient and pragmatic than their Y cousins. So the dramatic dip in positivity levels in the workplace could be attributed to the difference between the realistic expectations of Generation Z and the unrequited optimism of Generation Y.

However...While Generation Y has the lowest positivity rating in the workplace, Generation X and the Baby Boomers are not far behind. Also, we're looking at global data here. Defining experiences shared by generations may be different across countries and cultures, diluting the impact of any generational effects. This suggests that generational differences do not account for the difference in expectations.

Hypothesis 2:
Blame the workplace – it's not equipped for the 21st century

Approaches to education have dramatically shifted over the past 20 years, with much greater emphasis on team working, enabling individual achievement and technology. But have we seen the same degree of change in the workplace? Indeed, technology allows us to work anywhere, yet many people remain bound to their desks.

Our findings revealed that organisations and leaders are creating an environment that fails to meet the needs of most of the employees in the workplace. Organisations are only just starting to respond to 'megatrends' – a series of global factors set to transform the world of work, such as the continued rise of digital and globalisation.[3] While there are some variations across generations, these factors are influencing all age groups.

However...This doesn't fully account for the way in which current influences are impacting different generations. While Generation Z – the digital natives – may be better equipped for today's workplace thanks to changes in the education system, what explains the more positive perceptions of the Traditionalists? This suggests that period differences do not account for the differences.

3   Leadership 2030, Hay Group, 2014

Hypothesis 3: Blame career stages – people want different things at different ages

Career theories suggest that we look for different things at different stages of our career. According to Super's life-span theory of careers, Generation Z is currently exploring vocational preferences; Generation Y is establishing themselves in a secure niche and looking for advancement; Generation X is aiming to maintain their career achievements; while Baby Boomers are focused on expanding their sources of satisfaction. The differences in the expectations of our generations, better reflect changes in perceptions and expectations due to age and career stage rather than generations.

Age differences, therefore, seem to be the best explanation of the data. Different generations have different career goals, from young people coming into the workplace to those preparing to exit. Yet it is clear that more can be done to manage entry and socialisation of young people into the workplace. According to ACAS, early work experiences are core determinants of career outcomes.[4] We need to set our young people up for success by better managing the transition from 'testing out different options' to 'establishing a chosen career'.

Leadership: what different generations want from their boss

Five themes emerge as being the most important to people, regardless of their age.

1. **Focus on customers and external stakeholders**
2. **Focus on execution**
3. **Teamwork**
4. **Decision making**
5. **Planning and organising**

These priorities reflect the challenges of managing in today's matrix and network organisations. A deft blend of drive, working with others and external focus is seen to be key to leadership success.
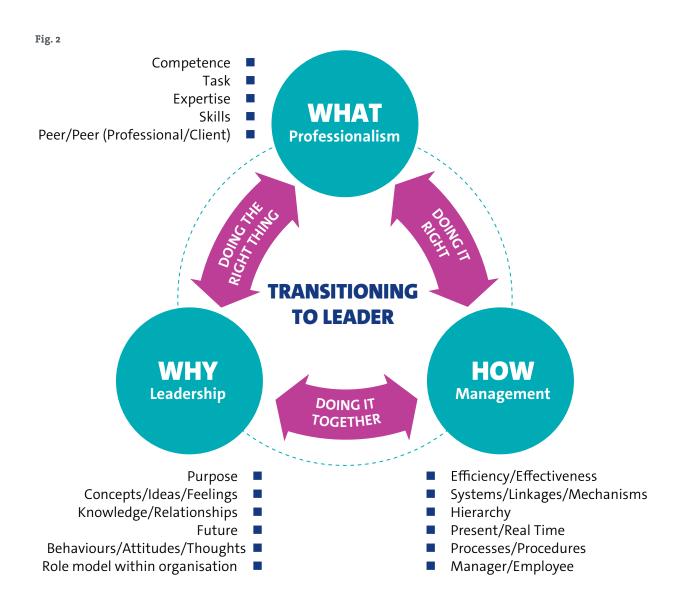
But what about perceptions for the future? Generation X and Baby Boomers believe there will be greater emphasis on leading innovation, global leadership and collaboration. Yet younger generations believe there will be a greater value placed on technical competence, decisive leadership and, with Generation Z, 'becoming a dominant leader'.

This seems counter-intuitive: wouldn't you think the younger, more connected generations would place greater value on innovation and collaboration? Yet the findings reflect the typical pathway of a leader as they progress in their career. Initial success comes from developing and demonstrating your expertise. Doing it right often gets you promoted, where the challenge is typically about coordinating effort across individuals and managing processes (see fig. 2). Having mastered management, some individuals move on to take leadership roles, with an emphasis on creating purpose and defining the future.

So the 'generational differences' in the data are more likely to reflect the stage of development of employees as opposed to their generation. With more experience of the workplace and more leaders in these generations, Baby Boomers and Generation X are likely to have more insight into the challenges of leadership. For Generations Y and Z their view of the future is shaped by their perception of the next challenge for them, which is likely to be becoming a manager.

4 Young people entering work: A review of the research, ACAS, 2012

"THE FINDINGS REFLECT THE TYPICAL PATHWAY OF A LEADER AS THEY PROGRESS IN THEIR CAREER."

Fig. 2

Competence ■
Task ■
Expertise ■
Skills ■
Peer/Peer (Professional/Client) ■

WHAT
Professionalism

DOING THE RIGHT THING

DOING IT RIGHT

TRANSITIONING TO LEADER

WHY
Leadership

DOING IT TOGETHER

HOW
Management

Purpose ■
Concepts/Ideas/Feelings ■
Knowledge/Relationships ■
Future ■
Behaviours/Attitudes/Thoughts ■
Role model within organisation ■

■ Efficiency/Effectiveness
■ Systems/Linkages/Mechanisms
■ Hierarchy
■ Present/Real Time
■ Processes/Procedures
■ Manager/Employee

"LEADERS DON'T NEED TO DEVELOP GENERATION SPECIFIC SKILLS. THEY SHOULD BE ABLE TO ADAPT LEADERSHIP STYLES TO SUIT THE INDIVIDUAL."

GENERATIONAL DIFFERENCE: MYTH OR REALITY?

Given some of our findings, we decided to put some specific hypotheses to the test. Are these common perceptions myth or reality?

1. **Perception:** Younger generations look to their leaders to provide meaning and purpose to their work. They look for a 'sense of fulfilment'.

   Verdict – myth: 'Engaging people in the purpose of the organisation' only emerges as being strongly valued in leaders by people over the age of 55. Generation Y (compared to all other generations) are least impressed by leaders efforts to connect people with projects that are personally meaningful to them.

2. **Perception:** Organisations need to use different approaches to retain the younger generations. Some research suggests younger generations are less loyal and more willing to change[5] and that a work-life balance is more important than career progression.[6]

   Verdict – myth: In our data, all generations cite the same attribute as the primary reason for staying at their company — exciting and challenging work. The second and third most important features that keep people in an organisation are 'opportunities to advance' and 'autonomy/freedom'. At 55+, 'meaningful work' replaces advancement opportunities. But autonomy and freedom remain important, no matter what age.

3. **Perception:** Each generation needs to be managed differently in order to keep them engaged and motivated. Because of the diverse needs of each generation, leaders should adopt different leadership skills for different generations.

Verdict – myth: We have seen a distinct pattern emerge when looking at the experiences and expectations of different generations in the workplace. However, when it comes to what people are looking for from their actual leaders, there are very few differences.

Our Organisational Climate Survey measures what people want from their leader versus what they are currently getting. From the degree of clarity required, to a desire for innovation, it seems people are people - regardless of generation or age. Our data found that what we look for from our leaders remains fairly constant across generations.

So leaders don't need to develop 'generation specific' skills. They should be able to flex and adapt leadership styles to the needs of each individual. We don't define people and their needs at work by gender or cultural background, and similarly it seems there is little evidence for making assumptions about the kind of work environment an employee wants based on their age.

Leaders who are best at engaging and motivating their teams — and who get higher performance as a result — draw on a range of different leadership styles. They have the self-awareness to adapt their leadership style to the person and situation.

5   Smola and Sutton, 2002; Deal, 2007; Anatole, 2013
6   PwC's NextGen: A global generation study, PwC, 2013

SO WHERE TO NEXT FOR
MULTI-GENERATIONAL WORKPLACES?

There's no denying that we're all different and shaped by our experiences. The rise of technology has affected all of us, but younger generations have had their education and home life shaped by technology in a way that older generations haven't. Each of us changes and develops in response to the ongoing change in the world around us. The best leaders will continue to use empathy and insight into the unique attributes and expectations of each person to create an environment that gets the best from everyone, regardless of age.

Make sure you're managing different generations in the best way by:

1. Creating an open environment.
Tolbize comments that "generational conflict is more likely to arise from errors of attribution and perception, than from valid differences."[7] Creating climates that truly embrace diversity and promote mutual understanding will help to overcome any perceived differences. Encouraging an environment where people can talk openly about their specific needs creates a workplace where everyone feels valued. This is more likely to come from dialogue than policy.

2. Equipping leaders with a broad range of leadership styles.
Leaders who are best at engaging and motivating their teams – and who get higher performance as a result – draw on a range of styles. Measure the range of styles your leaders use and help them to improve their impact.

3. Managing the plunge.
Can you do more to maintain the initial high expectations that younger generations bring to the workplace? Do your induction and socialisation programmes help young people adjust as they start to establish themselves in their chosen career? Measure the potential of younger generations and support them to develop emotional and social skills to navigate the workplace.

7 Generational differences in the workplace, A. Tolbize, 2008

"CREATING CLIMATES THAT TRULY EMBRACE DIVERSITY AND PROMOTE MUTUAL UNDERSTANDING WILL HELP TO OVERCOME ANY PERCEIVED DIFFERENCES."

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THE DATA

The findings in this paper are compiled from a range of our databases:

Best Companies for Leaders: this is the largest global research survey of its kind. It sets out to identify the organisations with the best leadership practices and explores how they select and develop their top talent into great leaders. Our 2014 survey had more than 17,000 participants, from 2,100 organisations, across 115 countries.

Employee opinion database: this contains data from over five million participants from across the world and their perceptions of their work environment. For this study, we have looked at data from the past five years.

Organisational Climate Survey: this 180° survey gathers data on expectations of employees from their immediate leader and work environment and gauges the ability of the leader to create the conditions for high performance and motivation. Our sample includes data from 57,600 participants collected in the last three years.

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ABOUT THE AUTHOR

Tania Lennon is passionate about helping organisations, teams and individuals achieve their potential. She has been a consultant at Hay Group for 10 years, both in the London office and in the Pacific region. Her current role is focused on developing new perspectives on the key challenges facing organisations today, drawing on research, developing thought leadership and building propositions to support leaders and business partners.

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