

Connecting Across the Generations in the Workplace

What Business Leaders Need to Know to Benefit from Generational Differences

Four generations work side by side in today's workforce – Veterans, Baby Boomers, Gen X and Gen Y. And each has different attitudes and expectations about their jobs and careers. The young have always appeared different to their elders, but Generation Y is increasingly different in some high-impact ways. Often, they just don't fit the expectations of today's leaders. How can we become attuned to this emerging generation of workers, who often have very different ideas about how work should get done?

We need to make business sense out of the next generation of workers – especially since our business will be increasingly dependent on younger talent. In the coming years, success will go to those businesses savvy enough to understand – and to leverage – these differences. This briefing focuses on members of Generation Y, and how their attitudes – toward work and toward life – can differ from those of earlier generations. What do we need to know to lead them and, perhaps most important, what can they teach us? How can we grow next generation leaders?

The Facts

When we talk about a particular generation, it's important to remember we are speaking in generalities. Any group of people possesses, in some measure, all of the attitudes and opinions it is possible for humans to hold. Yet research has shown that most groups can be characterized by a certain set of attitudes and beliefs. So, first some definitions:

- Veterans were born before 1946
- Baby Boomers were born from 1946-1964
- Gen Xers or Baby Busters were born from 1965-1980
- Gen Yers were born after 1980

Note: The lines between generations are not strict. Gen Y is also called the Echo Boom, Millennial, or Gen I (Internet). Together Gen X and Gen Y are called the Gaming Generation.

And some basic facts about the workforce:

The labor market is shrinking

According to the US Labor Department, from 2000 to 2010 the workforce, compared to the Baby Boom years, will shrink. A snapshot of the changing labor market shows:

- A 31% drop for 35-45 year olds.
- A 2% drop for 24-34 year olds.

The workforce will grow more diverse

- 37% increase for Asians
- 36% increase for Hispanics
- 17% increase for blacks
- 6% increase for whites

There will be more females, with more professional service skills

- From 1980 to 2010, the number of women in the workforce is expected to grow from 50% to 63%.
- The implication for professional services is significant: women already make up 55% of accounting graduates and exhibit more consulting-oriented skills than men.

Employers will be facing a seller's market

- More career options have tipped the scales in favor of knowledge workers, creating a seller's market for the next 5 to 10 years.
- Women more often want flexible schedules and will choose a business that deals effectively with the issue.

Generational differences on the job

Generational differences have real implications for how employers and employees work together. Each generation brings a different set of attitudes to the job. Research, in general, has shown that:

- Baby Boomers put a heavy focus on work as an anchor in their lives
- Gen Xers enjoy work, but are more concerned about work/life navigation
- Gen Yers often have different priorities: because of their deep reliance

Where Lean
Thoughts
can become
Reality

"Unless you try to do something beyond what you have already mastered, you will never grow."

Ronald. E. Osborn

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on technology, they believe they can work flexibly anytime, anyplace and that they should be evaluated on work product – not on how, when or where they got it done. Surprisingly, they want long-term relationships with employers, but on their own terms. The “real revolution” is a decrease in career ambition in favor of more family time, less travel and less personal pressure.

Note: raised in a consumer economy, both Gen X and Gen Y employees expect to influence the terms and conditions of the job. Since family is a top priority for both, it's not surprising that work/life balance is an important consideration for them. As a result, they expect employers to accommodate their “consumer” expectations in this regard.

Technology: the generational divides intensify

Gen Xers and Gen Yers are the first generations to grow up with computers and the Internet as part of their lives. Constant experience in the networked world has had a profound impact on their approach to problem-solving and collaboration. While Baby Boom-ers see video games as diversions or toys, for Gen Xers and Gen Yers they are something distinctly different. The next generation of workers is coming into the workforce with networking, multipro-cessing, and global-mindedness skills that their elders never could have imagined.

Experience with interactive media such as instant messaging, text messaging, blogs, and especially multi-player games has led many young people to develop new skills, new assumptions and new expectations about their employers. Current research suggests, for example, that gaming can be excellent preparation for business.

Serious gamers (Gen Xers and Gen Yers) are likely to be:

- More skilled at multi-tasking
- Agile in making decisions, evaluating risks and managing dilemmas
- Flexible and persistent in the face of change
- Highly skilled in social networking and team activities

But employees with these traits can also present a management challenge.

- They may be keen on winning and eager to experiment and work as a team to solve problems, but they are not inclined to follow leaders just because they are leaders.
- They are energetic and hungry for stimuli, but have a strong desire to be in a relationship with an employer as long as possible.
- They have distaste for what they perceive as “menial work.”
- They may just avoid “difficult people,” instead of engaging with them constructively.

Questions and Answers

I wanted what these young people want when I was their age but I had to adapt to business realities. Won't the same happen to them?

Certainly to an extent. But two facts are very different today compared to when the Baby Boomers entered the workforce 30+ years ago or the Gen Xers some 15-20 years ago: 1) demographics – the law of supply and demand is at work – that is, there are far fewer Gen Yers than Baby Boomers at the time of initial entry into the workplace; therefore, the probability of Gen Yers getting a lot more of what they want is much higher than for previous generations; and 2) technology – the technology exists to support Gen Y preferences to work more flexibly and virtually; this capacity to work anyplace at anytime simply did not exist until very recently.

What can we learn from these young people?

The Gen Yers are coming into the workforce with networking, multiprocessing, and global-mindedness skills that older generations can learn from. In addition Gen Yers are technology natives who can drive a role reversal by mentoring technology-challenged Baby Boomers. And finally maybe we could learn something useful from the Gen Y (and Gen X) focus on working more flexibly with more dual-centric focus on both work and family.

Why should a Business Leader care what Gen Yers think; they're young and likely will change their minds anyway?

It is true that young people change their minds often. However, during this formative period of their teens, young people are making major decisions as to which college to attend and what to major in. Given young people's profound skepticism of large businesses, in particular, it is quite likely that many will not be attracted to fields of study we're interested in or, if they do join us, may present a significant on-boarding challenge.

Resources

Additional readings on this topic can be found on DeloitteNet. Go to People Reference Tools in the Partner/Director Information Center. If you have questions, please contact W. Stanton Smith, National Director, Next Generation Initiatives by e-mail or call 704.227.7850.

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