

Leading a Multi-Generational Workforce



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Market Trends Regarding Human Capital

The world is experiencing a significant shift in demographics regarding the working age population. In most developed countries, the workforces are aging and shrinking; whereas, in most of Asia, the Middle East, Africa, and South America workforces are growing and getting younger.

¹ In developed countries, the combination of stabilized or declining birthrates, advances in health care, and people's desire to continue to work past societal norms for retirement age, have redefined the concept of "working age." Businesses in these countries realize they must draw on workers in the 55 and over age group to compensate for the fewer young workers entering the workforce. In the next three to five years, younger workers will comprise approximately 50% of the workforce.²

Furthermore, advances in technology and immigration are transforming workforces across the globe. Younger workers are different, educated, and possess a more global worldview compared to their elders.³ They are digitally connected, enjoy access to immediate information, work collaboratively, want to understand the big picture, are socially responsible, and desire to make a difference with their work.

Business leaders who understand and embrace the changing workforce dynamics are better positioned to lead an multi-generational workforce. Leaders need to understand generational commonalities and differences between age groups and use them to bring all employees together to achieve a common objective. Businesses who are capable of leveraging the strengths of a multi-generational workforce, will gain a sustainable competitive advantage into the future.

Generational Characteristics

Sociologists and psychologists propose that prominent events (i.e., 9-11 terrorist attacks) that each generational cohort experience in common, during formative years (i.e., 10-22), shape its shared characteristics, values, attitudes, and motives.⁴ In other words, generational cohorts share similarities in how they view the world and what they want from their work and life. The differences between generational cohorts present both opportunities and challenges for business leaders. Leaders can increase their effectiveness by understanding each generational cohort's worldview to include values and motives, adjusting their leadership behaviors to meet each cohort's needs, facilitating an understanding between generational cohorts, and focusing on commonalities versus differences. Below are summaries of each generational cohort business leaders are likely to encounter in their business dealings:⁵

- 1. Traditionalists (Greatest Generation).** This generation was raised during the depression and World War II. Members of this generation have endured hard times, view work as duty, education as a gift, and leisure as a reward for hard work. They tend to embrace an

individualistic perspective for success.⁶ Business leaders are most likely to encounter members of the traditionalist generation running family or public businesses, serving on boards, or serving as mentors/coaches.

- Born: 1925-1945
- Formative Years: 1930s, 1940s, and 1950s (Great Depression, WWII, Korean War, TV)
- Age in 2016: 71 years and older
- **Key Characteristics:**
 - Values: Respect of authority, integrity, hard work, autonomy, status, loyalty to organizations, conformity, individual responsibility, and patriotism
 - Primary Motivators: Financial reward and security
 - Mental Model of a Leader: Leaders are the experts; use command and control to get work done; and work individually (Leader as the Hero)

2. Baby Boomers (Woodstock Generation). This generation was raised during the economic prosperity that followed WWII, the Vietnam War, Civil Rights and Women's Equality movements, and the boom of television and mass-marketing. It is the largest generational cohort in US history. Members of this generation tend to be idealistic, competitive, driven to succeed, and work hard because they strive to find meaning in their work. Business leaders are likely to encounter baby boomers running private and public businesses, serving in senior leadership positions, serving on boards, and serving as mentors/coaches.

- Born 1946-1964
- Formative Years: 1960s and 1970s (Vietnam War, Civil Rights Movement, Women's Movement)
- Age in 2016: 51 to 70 years old
- **Key Characteristics:**
 - Values: Free expression, success, competition, idealism, optimism, loyalty, and hard work
 - Primary Motivators: Job security, organizational position, high pay, upper linear career path, changing the world, and opportunities for growth and progress
 - Mental Model of a Leader: Leaders are the experts; use more employees' participation to get work done; and work individually (Leader as the Hero)⁷

3. Gen X (MTV Generation). This generation was raised during economic prosperity, experienced decrement in family security due to high divorce rates of parents, both parents working outside the home, and the beginning of the digital revolution. This is the first "latch-key" generation in which members had to take care of themselves for hours until their parents came home from work. Members of this generation are independent, realistic, entrepreneurial, market savvy, fun loving, techno-literate, adaptable, and resilient.⁸ Business leaders are likely to encounter members of Generation X in mid-to-senior level executive positions, running private and public businesses, serving on boards, and serving as mentors/coaches.

- Born 1964-1979
- Formative Years: late 1970s through mid-1990s (Economic Prosperity, Family Insecurity, Persian Gulf War, Beginning of the Digital Age)
- Age in 2016: 37 to 52 years old

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- **Key Characteristics:**
 - Values: Independence, personal responsibility, respect, family, being self-reliant, integrity, salary
 - Primary Motivators: Independence, growth opportunities, compensation, good work conditions, job security, work-family balance (dedicated parents), and career progress
 - Mental Model of a Leader: Leaders are the experts; use employees' participation to get the work done, focus on efficiency and productivity, and embrace more collaboration⁹

4. Gen Y (Millennials). Members of this generation were raised in the era of explosive information technology, globalization, greater access to education, and non-nuclear families. They have experienced the information technology revolution, global war on terrorism, numerous natural disasters, and increased globalization. Millennials are highly educated, experts in using information technology, socially conscious, and globally aware. Generation Y members are continuous learners, experts at multitasking, confident, goal-oriented, collaborative, think outside the box, assertive, like to voice their opinions, eager to live life now, seek to understand the big picture, act somewhat entitled, and will likely be job hoppers. Business leaders are likely to encounter Millennials in entry-, mid-, and potentially senior-level management positions, running private or public businesses, and serving as mentors/coaches for entry level leaders.

- Born: 1980-1995
- Formative Years: mid-1990s through the late 2000s (Economic prosperity, Globalization, Global Terrorism, and Expansion of Social Media and digital technology)
- Age in 2016: 21 to 36 years old
- **Key Characteristics:**
 - Values: Flexibility, personalized attention, achievement, respect, collaboration, autonomy, and growth¹⁰
 - Primary Motivators: Desire to succeed, flexibility in workflow and career plan, affirmation and support (coaching), open sharing of information (collaboration), personal development, challenging and meaningful work, values-based culture, serving a higher purpose, work-life balance, participation in decision-making, and good salary and benefits¹¹
 - Mental Model of a Leader: Leader are coaches and mentors, facilitators of collaboration among experts (shared leadership), supporters, clarifier of standards, shapers of a positive climate, and resources providers. Leaders are facilitators and not the content experts.¹²

5. Gen Z (Gen 2020 or Re-Gen's). Members of this generation are being raised in an era of global terrorism, accelerating globalization, rapidly changing informational technology, and globalized. Members tend to be highly educated, ambitious, connected, technologically savvy, expert multitaskers, concerned about social and environmental issues, cautious with career and economic decisions and collaborative. This generation is just starting to enter the workforce.¹³

- Born: After 1995

- Formative Years: late 2000s and 2010s (Expansion of Globalization, Global War on Terrorism, Greater Social Acceptance)
- Age in 2016: 20 years old or younger
- **Key Characteristics:**
 - Values: Flexibility, work-life integration, positive work climate, growth, collaboration, and achievement
 - Primary Motivators: Challenging work, positive and inclusive work climate, values-based culture, on-the-job training opportunities, flexibility in workflow and schedule, collaboration, engagement in corporate social responsibility activities, and meaning and purpose the organization serves¹⁴
 - Mental Model of a Leader: Leaders are facilitators, connectors, and resource gatherers; they provide collaboration tools, establish a positive climate, create minimal structure, and align people to work towards a common objective; they engage in shared and service leadership so influence emerges naturally from the group's interactions; leaders are facilitators and coaches, not the content experts¹⁵

Discussion Questions

1. What do you see as the greatest challenges your organization faces in learning how to manage across generations?
2. What successful practices are working in your company/organization to fully engage people and break down barriers across the multiple generations in your workforce?
3. Given the generational differences, how might you adjust your leader behavior to effectively bring employees, from all generations, together to work to achieve a common goal?
4. Given the generational differences, rapidly changing market, and shrinking of young workers entering the workforce, do leaders in your organization need to change their mental models (i.e., views) about an effective leader? If so, how would you view an effective leader in today's world?
5. Given the generational differences, what potential changes do you need to make to your organization's policies, procedures, practices, processes, structure and systems to fully engage and retain quality talent across generations?
6. Given the needs of the Millennials and Gen Z (2020) employees, what should the organizational structure look like in 5 years to attract and retain talent across generations?

Endnotes

¹ Cisco (2011). *Transitioning to Workforce 2020*.

² Grochowski, J., & Lawrence, K. (2013). *Workforce Dynamics: Managing Across Generations*. RBL Institute.

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⁴ Schuman, H., & Scott, J. (1989). Generations and Collective Memories. *American Sociological Review*, 54, 359-381.

⁵ Srinivasan, V. (2012). Multi Generations in the Workforce: Building Collaboration. *IIMB Management Review*, 24, 48-66.

⁶ Hansen, J. C., & Leuty, M. E. (2011). Work Values across Generations. *Journal of Career Assessment*, 20(1), 34-52.

⁷ Andert, D. (2011). Alternating Leadership as a Proactive Organizational Intervention: Addressing the Needs of the Baby Boomers, Generation Xers, and Millennials. *Journal of Leadership, Accountability, and Ethics*, 8 (4), 67-83.

⁸ Hansen & Leuty (2011), pp. 35-36.

⁹ Andert (2011), pp. 72-73.

¹⁰ Twenge, J. M. (2010). A Review of the Empirical Evidence on Generational Differences in Work Attitudes. *Journal of Business and Psychology*, 25, 201-210.

¹¹ Hershatter, A., & Epstein, M. (2010). Millennials and the World of Work: An Organization and Management Perspective. *Journal of Business and Psychology*, 25, 211-223.

¹² Chou, S. Y. (2012). Millennials in the Workplace: A Conceptual Analysis of Millennials' Leadership and Followership Styles. *International Journal of Human Resource Studies*, 2 (2), 71-83.

¹³ Cisco (2011).

¹⁴ Bridge (2016). *Seven Trends for Workforce 2020*.

¹⁵ Cisco (2011).

Suggested Practices for Leading a Multi-Generational Workforce



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1. Invest in Individual Development

- Create and execute personalized development plans for each employee
- Outline performance evaluation criteria in which employees have a voice in shaping
- Chart out a flexible progression plan
- Provide opportunities for continuous individual development via online modules
- Establish a formal mentoring program
- Conduct periodic coaching sessions on development and performance
- Provide tuition reimbursement for continuing education

2. Engage in Exemplary Leadership

- Model respect and inclusiveness for all
- Shape positive climate where people feel safe to voice their opinions
- Engage in participative and shared leadership
- Invest in building quality relationships with each employee or key direct reports
- Provide employees the “why” regarding tasks so they understand the big picture
- Create common vision, purpose, and collective goals
- Assist employees in finding their purpose and make a connection to the organization’s purpose
- Challenge people with meaningful work
- View and treat people like valued team members and leaders
- Minimize status differential between members
- Talk about the higher purpose the organization serves
- Shape a positive, learning culture
- Provide people the opportunity to innovate and learn from mistakes
- Seek and listen to followers’ input
- Train, empower, and trust people to do their jobs to develop their full potential
- Invest time to coach and mentor followers—this is your legacy
- Provide employees flexibility and input into workflow (e.g., hours, telecommuting, etc.)

3. Educate and Build Awareness Throughout the Organization

- Make generational differences part of global training
 - Train members on biases and stereotypes to increase self-awareness and emotional intelligence
 - Use digital-based training programs to educate about generational differences
- Incorporate self-awareness and emotional intelligence into all leader development programs
- Form generational affinity groups to discuss ways to attract, develop, use, and retain talent
- Conduct quarterly awareness sessions to discuss generational differences

- Reflect on leader and leadership mental models

4. Build Cooperative Interdependence Between Generations

- Emphasize the common purpose, values, and objectives to unite all
- Create a reverse mentoring program with intergenerational pairings
- Use multiple social media tools to enhance collaboration
- Create cross-generational working groups to take on projects which break down stereotypes and build the leader bench
- Use shadow programs—pair members from different generations to view work for each other’s perspective and discuss
- Conduct team building activities with intergenerational pairings
- Engage in participative and shared leadership
- Establish a voice climate

5. Modify Policies, Procedures, Practices, Processes, Structure, and Systems

- Offer flexible work arrangements (e.g., hours, work remotely, etc.) to assist people in achieving work-life balance
- Invest in collaborative and remote technologies to increase flexibility
- Set boundaries and expectations on communication requirements at nights, weekends, and holidays
- Review dress codes to introduce more casual attire
- Build flexible compensation policies
- Offer opportunities for employees to voluntarily engage in corporate social responsibility activities on the organization’s time—purposefully create intergenerational volunteer groups
- Offer a menu of benefits so employees can select to meet individual needs
- Create flexible reward and recognition policies
- Offer more vacation time to all employees
- Use multiple communication venues to reach all employees
- Offer flexible developmental career tracks (linear and non-linear) regarding assignments and educational opportunities to meet each generations needs
- Create a process for people to provide input to leaders and close the loop on actions taken
- Create a positive, open culture where all are valued and respected
- Ensure values are codified and reflected in all policies, procedures, practices, processes, structure, and systems
- Check to ensure potential employees’ values and purpose align with the organization’s during the hiring process
- Require all employees to create a continuity book for their respective position to record tacit knowledge, especially those approaching retirement
- Ensure all leader development programs include self-awareness and emotional intelligence training
- Flatten organizational structure as much as possible and push decision authority to lowest level
- Create a flexible organizational structure so that sub-elements can be configured for specific projects or initiatives
- Ensure you are recruiting across generations to include retirees in your local community

6. Create Flexible Engagement Options for Older Employees and Retirees

- Implement a phased retirement system
- Allow older employees to work part-time (flexible hours and choose projects)
- Hire retirees as consultants
- Use retirees to assist in recruiting at universities
- Hire retirees to serve as mentors and/or coaches

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