

The Multi-Generation Workplace: A Simple Solution?

HOW TO BLEND THE ALPHABET SOUP: B (OOMERS), Y AND Z





From the large, multinational corporations to SMEs, the pool of experienced, executive-level workers is diminishing, and new blood will have to come from the distinctly different generations, dubbed Generation Y, and Z.

There are gloomy and confusing predictions of the difficulties of working and adapting to future multi-generational workplaces, combining Baby Boomers, Generation X, Generation Y and the upcoming Generation Z*.

Is there a relatively simple solution that works across all generations?

This white paper examines the potential issues and offers some suggestions for successful executive recruitment and retention, and thereby creating an effective, multi-generational workplace.

*Definitions

Baby Boomers: born between 1944 and 1964. The oldest Baby Boomers are at, or considering, retirement; the youngest are managing the Millennials and Generation X's.

Generation X: born between 1960s and 1982.

Generation Y: born between 1982 and 2001; versatile users of computers and cell phones, blogs, iPods and the internet. Sometimes called Millennials.

Generation Z: born after 1991. Sometimes considered to be from 1995.

Sections

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B: New challenges – and opportunities

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Lack of Future Leaders

According to UN data, there will be a shortage of 10 million workers in the US leadership pipeline by 2015. So, is this potential shortage a global challenge, or is it limited to 'developed' countries?



A global survey of experienced, executive-level recruiters found divided opinions:

- The executive shortage is seen as a significant problem in **Brazil**, which is regarded as an emerging economy. Experienced executive recruiters realize the development pipeline simply can't match the economy's speed of growth. Multi-region clients, eager to recruit and retain future talent, are seeing a potential shortage across **South and Central America**.

• In **Mexico**, the potential shortage is not regarded as a general issue, only in specific industries, including technology and the sciences.



• In **Europe**, some countries share the same problem of a potential worker shortage.

• In **Finland**, many people in management positions are retiring, and there is insufficient experienced staff to cover these relinquished positions.

• **German**-based recruiters are facing a shortage of leadership supply from 2013 – when more people are expected to leave the workplace than there will be young people starting to work; the gap is widening, and the work supply is also shrinking with accelerating speed.

• Talent shortage is a key issue in **Australia**.

• Yet, there is a different situation in the **post-soviet countries**. After the political changes in 1989, baby boomers (heavily burdened from the communist system) often lacked the language skills, education or the experience to face new challenges; they were soon replaced by very young Generation X managers – despite the latter's immense lack of managerial experience. Twenty years on, the top managers are now often in their 40's or even late 30's. Therefore, expectation is that most people in managerial positions will not need nor expect to retire in the next 20 years. In that region, the flow of candidates is very strong. However, the significant issue is the quality of candidates, as well as their motivation.

• For **Asia**, the shortage is not yet a major issue – because of the increased flow of inward talent. Asians are also considered to be more open to relocate for good career opportunities.

As developing countries follow the trends set by developed countries, so these issues are expected to eventually affect all regions. Even where there is no shortage of people, there is an expectation of a future lack of executive talent and longevity. Managing multi-generational recruitment, and expectations, will become a global challenge.

Challenges and Opportunities

The different expectations of Generation Y, compared to previous workers, will lead to new challenges – and opportunities. Grooming this generation for executive-level positions may need creative solutions.

Globally, challenges vary by country and region. For example, according to talentsmoothie, members of Gen Y who grew up in **Asian** countries show different preferences and expectations of work to those who grew up in the **US** or **Europe**. This is usually attributed to the differing cultural and economic conditions.

Australian companies expect challenges at all levels – driven by demographics and expectations of advancement, while recruiters in **Brazil** see separate challenges at the mid-level management, technical and executive level.



Companies in the **Czech Republic** generally recognize that fresh blood brings fresh ideas, which is seen as an essential fuel for new ideas and stronger competitive advantage.

In the developing countries, such as **South America**, less flexible (compared to North America and Europe) labor laws and traditional organizational cultures may become a problem when hiring the flexible Gen Y.

Asian companies may face the greatest challenges as they tend to be more centrally controlled, with greater emphasis on being in the office, reports and time-tables, and where loyalty may be treasured above performance.

Recruitment and Retention of Generation Y

More than half of Gen Y employees believe they will not stay with their current employers for the remainder of their working life, compared to 62% of

Generation X and 84% of Baby Boomers who expect to remain with their current employer for the rest of their working lives.



Top priorities in attracting Gen Y

OXYGENZ project research in 2010 surveyed more than 5,000 people. These included 3,000+ 18 to 25-year-olds in the USA, UK, Germany, India and China.

The survey also included 1,250+ 26 to 35-year-olds and 350+ 36 to 45-year-olds for further context. (OXYGENZ is a research project led by Global Workplace Innovation to understand how important the future workplace is to generations in the workplace.)

Priorities:

- Office location. Preference for an urban life with work and home in close proximity.
- Flexibility. Gen Ys prefer a flexible working environment, including the option to work remotely.
- Social environment. Gen Ys see the office as an extension of the home environment, mixing business and social life.
- Gen Ys expect break-out rooms and a coffee shop.

What else motivates Gen Ys?

Successful approaches used by global companies include providing more information, promoting discussion, and executive coaching.

While still a developing area, the prime incentives include:

- employee recognition
- flexible working schedule
- extended maternity leave
- social networks
- career development policies
- tuition reimbursement
- opportunities for self expression
- childcare facilities
- home office options
- sabbatical as standard option
- technology for remote working options

What will keep them?

More than financial returns, Gen Ys want work/life balance opportunities, such as flex time and working from home. They appreciate a balance between family, work and hobbies; time-off as a reward is greatly appreciated.

Companies are also introducing employee academies, providing constant education options, and offering job rotation to gain the broad experiences and expertise required for future leadership roles.

In general, Gen Ys place strong emphasis on balanced work ethics. As well-educated people, they are demanding more flexible work concepts.

Recruitment challenges will come from matching more home-orientated candidates with more firm-orientated positions. Flexible, innovative companies that consider Gen Y's needs will be better positioned to attract good management-potential employees – and retain them.



Essential Management Changes

Traditional managerial styles may not be effective. What needs to change? And how will these changes affect other employees?



Company and country culture will drive management change.

For example, while a team-sport management style may work in the US, European companies (and

management) can be more conservative.

However, one global necessity for dealing with the multi-generational workplace will be the need to become more open and flexible. Managers will need to develop people, provide room for self-expression, and understand how to deal with different employees styles.

New Management

Interestingly, many managers apparently find Gen Ys easier to work with than Baby Boomers, according to research conducted by Leadership Management Australasia (LMA). The LMA's Generations L.E.A.D. (Leadership, Employment and Direction) survey also found: "large numbers in all generations don't want to work with, or report to, Baby Boomers in the future – a response that included Baby Boomers."

Ideas and Options

Here are some ideas and options, based on understanding how these new professionals think, and successfully integrating new methods with existing staff priorities.

Open discussion and interactive management

While operational tasks will continue to depend on 'bricks and mortar' buildings, it is likely that executives in global organizations will increasingly work from a home office, or, indeed, from anywhere and at any time. An effectively communicating executive will need to communicate with staff in different time zones, in the evening or early morning, out of 'regular' business hours.

- Gen Y employees need targets and goals, and want their work monitored and followed-up – anywhere, anytime. With strict goals and targets, it doesn't matter where or when the employee works, as long as he or she gets the work done.

- Successfully managing such employee interaction will be a necessary challenge, as Gen Ys are effectively setting the trends.

Flexible office hours and working locations

Gen Ys reliance on technology, and belief in working flexibly anytime, anyplace (and being evaluated on work production, not on how, when or where they got it done), will effect overall corporate operations. However, Gen Ys expect an office desk, but also want

to work remotely. Managing the virtual workplace and virtual worker will be a new challenge.

- In the Czech Republic, a home office is regarded as a valuable benefit, and part-time positions are

relatively rare. New management may need to be more flexible.

- Asian companies may need to adapt from their current centrally controlled culture, with its emphasis on strict working hours, and detailed management reporting.



Technology

IT will play an increasingly important role in supporting the business process and enabling companies to work efficiently with decentralized structures.

- Virtualization (online communication, remote access, and networking) is a trend that has become more mainstream, in part through the recent economic downturn, when cost cutting became crucial in order to survive.
- Virtual cooperation may be an effective and flexible business solution.
- However, there may be a generational reaction against the always-available mentality driven by the 'Blackberry culture'. Some Gen Ys have watched their parent's generation be obsessed with a 24/7 work culture – and may rebel against that notion, while continuing to want to be socially networked at all times.

Flexible and creative HR policies

Gen Ys are generally self-driven and team oriented. Demographics will limit the supply of prospective talent, which will increase the power of Gen Ys. Employees will not be as readily replaceable as in the early 2000s, and companies will need to invest money and effort in employee retention, and incentive schemes.



necessitates attracting the best ideas, and Gen Y talent. Members of this generation are constantly learning, experiencing, doing, developing their team, creating and contributing. This ongoing activity does not tolerate selfish thoughts, unethical behavior, or outdated ideas.

- However, all generations will need to feel able to access equal treatment and equal opportunities.

Social media

Gen Y grew up 'online'. New management will be expected to talk to employees in a more relaxed and open environment, using social media. Communication will be interactive, flowing in both directions. Alternative management



structures (such as the virtual office) may flow more easily from new organizations rather than those already established.

- Companies willing to be an attractive employer, and attract the top employees, will need to change the management communication structure.
- Social media is becoming a central part of how people receive information, so firms need to take this seriously to be noticed by the new generations.
- Corporate responsibility will continue as a big issue, with greater emphasis on CSR, and the eco-awareness that started in the late 1990's.

Less or more structure

Companies will benefit from their ability to be more flexible, and allow rapid changes in management structure. However, alongside flexibility and adaptation, Gen Ys are drawn to companies perceived as well placed globally, as a known brand.

- Gen Ys want to work with well-positioned companies, which naturally exclude some less globally known companies.
- Companies that concentrate on branding and corporate recognition through peer networks (as opposed to traditional advertising and company-produced literature), will be seen by Gen Ys as progressive and trustworthy.

• The rigid hierarchy of large, global companies will be challenged by the need to be flexible and incorporate rapid change.

• Effective tracking processes will be a necessity for managing a virtual workforce. Executive management will need to be educated and effective with interactive communications, including social media.



Case study: Focus on Flexible

The subsidiary of a large, multinational organization (3,500 employees) was searching for a Human Resources Manager; several suitable candidates were identified.

During the preliminary interviews, it turned out that the best candidate (a 30-year-old woman) was not willing to work full-time because she had a small child. Together, she and her husband had agreed to each work only four days per week, allowing them to enjoy a special free day with the child.

This candidate was very determined to maintain that time/work concept. However, her work records (and future expectations) were so good that the company agreed to be flexible – allowing her to maintain her four-day-a-week schedule – and she became the company's new HR Manager.

The company's flexibility with the working hours and the working model continues to allow it to attract high-quality Generation Y candidates.

Conclusion

Long-term employees with different work concepts and processes will need training and coaching, while creating multi-generational teams will allow the merging of different expectations and goals.

Every employee, from any generation, has unique needs and skills – and each one needs to feel valued.

A dangerous mistake is the illusion of creating programs to retain people.

Low or high retention levels are nothing more than the effect caused by the whole practice of people management within the company. If it is efficient, then retention is consistent.

That may sound simple, but effective people management involves at least eight subsystems:

- recruitment and selection
- compensation
- performance appraisal and feedback
- training and development
- organizational climate
- career planning
- internal communication
- quality of life

New generations have always changed management structures, and that will continue to happen.

Ultimately, many of the things seen as essential to Gen Ys are also seen as important – albeit less so – by Xs and Boomers. By creating the right environment for Gen Ys, companies will also provide an environment that works equally well across the new, multi-generational workforce.



Additional Resources and Further Reading

talent smoothie: Generation Y: What they want from work

<http://www.talentsmoothie.com/research/>

OXYGENZ: What does Generation Y expect from their future working environment?

<http://bit.ly/kevyr1>

LEADERSHIP MANAGEMENT AUSTRALASIA

Leadership Employment and Direction (LEAD) Survey explores issues affecting the workplace and provides insights into trends that will impact organizations. http://www.leadershipmanagement.com.au/lead_survey.aspx

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