

Joint Survey Report
September 2008



Gen Up

How the four generations work



Penna

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Introduction

Penna and the CIPD's respective clients and members are starting to come to terms with the reality and impact of generational diversity, and are looking for ways to benefit from the skills and motivations of different generations. We decided to help them by gaining an in-depth understanding of what individuals in the workplace want from their careers and what employers are doing to respond.

The business case for managing generational diversity effectively is clear:

- Broader talent pools from which to recruit
- Creativity and innovation fostered from generational interaction
- The risk of not managing this diversity can be misunderstanding between members of the workforce, leading to conflict and disengagement.

To take advantage of the opportunities, employers must embrace generational diversity and ensure they have meaningful people strategies and practices in place. Our study aims to add to the existing knowledge, help organisations to gain a greater understanding of their workforce and ultimately to improve business performance.

We are very grateful to all the individuals and organisations who have contributed to this project.

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Why does Generational Diversity matter?



The speed of communications, the pace of change to meet mass markets, economic migration and more rigorous Public sector accountability, make this a unique time in the workplace. These have all placed greater emphasis than ever before on the need for organisations to be agile and harness different capabilities. Skills in digital technology, information management and entrepreneurialism are mixed with long-standing wisdom, change management and customer service ethos. The four generations in the workplace are bringing divergent skills, learning styles and expectations around reward.

There are clear opportunities to harness the engagement and performance of each generation. Yet it seems few organisations are responding to the diversity of attitudes and needs. So what are those differences and similarities? Which sectors are most affected? Above all, how can organisations harmonise the generations to bring about sustainable high performance?

What is different about this report?

We address the lack of current research that considers the strategic implications of the four generations working together. Penna and the CIPD have collaborated to conduct a comprehensive, independent investigation. Our research has involved both individual employees and organisations, covering each of the four generations.

We explore the practical implications for attracting, retaining and managing each generation.

We explore the factors that drive recruitment decisions for each generation – what is similar as well as what is different in their choices. We explore what drives their engagement and performance.

We highlight how well employers in different industry sectors are being rated by their employees. We explore some case studies of organisations 'doing it well'. We then consider what implications there are for leadership, management and HR strategy.

This research explores the UK workforce context through comparison with other Western European nations. The vast majority of previous generational research has been US-centric, however, their demographic make up is different to the UK's – where the baby boom happened around ten years later than in the US. Given this difference, there has been a scarcity of empirical research to validate generational differences in the European context. We have uncovered several misconceptions about generational expectations, and these are highlighted in our report.

What research have we done?

Research has been conducted with both employers and employees. Penna, in partnership with the CIPD and PeopleMetrics, has conducted an online survey in five languages across six Western European countries – France, Germany, Ireland, Spain, Sweden, and the UK. Over 5,500 employees were surveyed from across industry sectors, organisational sizes, generations, management grades and pay grades as part of this study. We also conducted focus groups and interviews with senior HR managers from various organisations throughout the UK to explore their challenges as employers, as well as the practical actions they have taken to address generational differences.

The research was conducted from May to July 2008. This was during a time of growing uncertainty in the UK and EC economies. In the UK, Financial Services organisations were starting to shed jobs in order to respond to the global credit crunch. There was also uncertainty in the wider economy as house prices started to drop.

Who are the four generations in the workforce?

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Previous research has demonstrated that each generation has different attitudes towards their work and the workplace. Each generation differs in view of whom they are loyal to and how they view their career progression. Their views are defined by their formative years and the nature of the economy when they joined the workforce.

There are four key generational groups currently in the workforce – Veterans, Baby Boomers, Generation X and Generation Y¹. There is also a new generation soon to enter the workforce. Generation Z are under 16 years old and are starting to join Retail and Hospitality workforces. As the economy moves into a recession, this will be a key formative difference between this generation and the one before them (Gen Y) who have been used to a long period of economic growth throughout their working lives to date. As so few of this generation are currently in the workforce, they have not been explicitly included in this report.

Sociological research has shown that the generations have clearly different characteristics which do not simply relate to their stage in life. For example, a teenager in 1908 may have experienced similar physical changes and their associated anxieties as a teenager does now in 2008. Yet it is clear that a teen in 1908 would have experienced fewer healthcare, technology, education and employment opportunities.

Each generation creates its own traditions and culture through shared attitudes, preferences and dispositions. Such differences can be lifelong and are influenced by a combination of:

- societal trends around raising and educating children;
- traumatic social events;
- a significant change in the economic cycle;
- the influence of significant leaders and entrepreneurs or
- a dramatic demographic shift which influences the distribution of resources in a society².

We believe that effective diversity management can be achieved by creating choice for people. The findings in this research can be used to ensure inclusiveness rather than exclusion through the policies and practices in place. This approach can be extended to managing across different cultures, genders and other demographic differences. In our research we have primarily explored age-related differences, however, we have found that there are also further differences between genders and cultures within each generation.

A quick caution: There is a danger with a report on generations to reduce the findings to time-honoured attitudes. George Bernard Shaw once said, “Youth is wasted on the young” and these ingrained generational differences will always be with us. Technological, economic and social development means that an older generation can see the young as privileged, with the younger generation viewing their elders as outmoded.

We would not recommend that an organisation takes the evidence from our research to then ‘label’ people and make assumptions about their attitudes. Instead, we recommend using the findings from this report to appreciate the variety of views in the workforce. Our research has found diversity within each generation is as significant as across generations. We have also uncovered misconceptions about each generation which contradicts judgements made elsewhere.

1 – There is variation between commentators on which years define the generations. We believe that these age groupings are loosely defined and should be treated as general guidance.

2 – Wyatt (1993)



Veterans

b. 1939-1947

There are many definitions for the generation born during World War Two. The preferred U.S. definition is "Traditionalists" or "Traditionals". But being 'traditional' is an attitude or behaviour and we felt it was unfair to label an entire generation with a mind-set that could invoke discrimination. Veterans is a title that fulfils two key criteria. Firstly (and however unimaginatively) 'V' is two letters before Generation X (allowing Baby Boomers to fill the gap). Secondly, it sums up the Victory in Europe era that they experienced growing up.

Current age: Members of the workforce who were born before 1947 and are currently over 60 years old.

Size: They currently account for around 11% of the workforce.

Formative years: Experienced the Second World War in their childhood.

Joined the workforce when: Employment opportunities were abundant.

Retention: Over half of our survey sample in this age group had spent at least the last ten years with their current employer, and a third had spent more than 20 years with them.

View of career: Experienced as industrial, service and knowledge workers. They have experienced extensive change in the work environment. Movement up the 'corporate ladder' has been through invitation as recognition of their work.



Baby Boomers

b. 1948-1963

The term 'Baby Boomer' is another American invention. Looking at figures from the National Office of Statistics, the UK actually took another 10 years to have a 'Baby Boom'. So the timing is not correct for a UK-centric report, however, 'Baby Boomers' is such a recognised term for that era we felt its use is justified. It is interesting to note formative attitudes of "making do" for Gen V and Baby Boomers that may have come from rationing and economic hardship. Beatlemania and the popular culture revolution are often cited as having the most effect on this generation. At this point Gen V are joining workplace.

Current age: Members of the workforce who were born between 1948 and 1963 are approximately between 45-60 years old.

Size: they account for around 30% of employees.

Formative years: Experienced a push for civil rights, the women's movement, soaring inflation and union power. In some senses, Baby Boomers are idealists. They have affected enormous liberalisation in their lifetime and believe change is possible to an extent that none of the other generations do.

Joined the workforce when: High competition for jobs and success has often resulted from long working hours.

Retention: Over half have spent the last ten years with their current employer.

View of career: Experienced as industrial, service and knowledge workers. The flatter structured organisations affect their upward career progression. Movement up the 'corporate ladder' has been through beating competition.



Generation X

b. 1964-1978

Generation X for the UK started around 1964. Generation X felt they had inherited many problems and were described in popular media as people who "sleep together before they are married, don't believe in God, dislike the Queen and don't respect their parents." Early years would have experienced strikes and the Winter of Discontent. Later formative years in the workplace, college and university would have been driven by the Thatcher years of commercialism. In the workplace the recession and housing crash around 1990 also had a major effect on Baby Boomers in middle management positions and Gen X who was entering the workforce.

Current age: Members of the workforce who were born between 1964 and 1978 and are approximately between 30 and 44 years old.

Size: They account for around 32% of the workforce.

Formative years: These 'Thatcher's children' were exposed to news about corporate scandals, both their parents were working full time, and found a growing demand for educational achievement and performance.

Joined the workforce when: There was economic turmoil. Many graduated into the worst job market since the Great Depression. Exposed to large scale redundancies and cut of long term benefits therefore they are used to uncertainty.

Retention: Half have spent at least five years with their current employer.

View of career: Most are experienced as service and knowledge workers. Focus more on their 'professional ladder' of employability rather than the 'corporate ladder'.



Generation Y

b. 1979-1991

While born in the era leading up to the recession of 1990, there is no doubt that accessible technology has played a huge role in shaping this generation. 'Silicon economics' meant cheaper consumable goods, schools had growing IT departments and PCs were commonplace tools at work. The capitalist drive in this era, for Baby Boomers and Gen X, had a profound effect. Privatisation, 'greed is good' and Yuppies with filofaxes and shoulder pads sum up the workplace for Baby Boomers. For Gen Y in the UK, Thatcherism would completely dominate their formative years. At this point Gen V are in senior management, Boomers are in management and Gen X is joining the workforce.

Current age: Members of the workforce who were born between 1979 and 1991 and are approximately between 16-29 years old.

Size: They account for around 27% of the workforce.

Formative years: Facing higher costs for education, housing and general living expenses than previous generations. 9/11 and 7/7 have impacted a generation that has grown up in a relative time of peace and prosperity.

Joined the workforce when: The economic boom of the last ten years started. Generation Y are the first generation for a while not to have seen the worst of the effects of a recession. Despite this, many have seen the effects of corporate restructures - either themselves or through friends - and are no strangers to change.

Retention: Half have spent less than three years with their current employer.

View of career: Likely to only be experienced as service and knowledge workers. They do not see their career in the form of a ladder - more of a 'scramble net'.

Developments since Generation Y

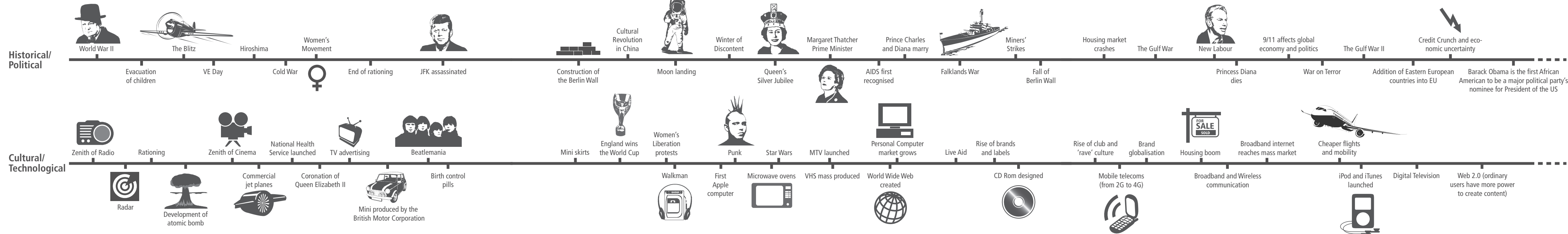
1992-2008

Generation Z are about to join the workforce. They will be the most socially networked generation in history. The Internet, relative global peace, economic stability, the war on terror and climate change have dominated their formative years. What the current economic crisis might mean for them is in contention. As one of the most technologically savvy generations after Gen Y, how Gen X and Baby Boomers view Gen Y will be a key issue in managing generations in the workplace.

Business influences across the generations

1939-2008

Year	Business development
1939-47	Hawthorne's <i>Observational Experiments</i> Early personality tests such as 16PF
1948-65	MacGregor's <i>Participative Management</i> Drucker's <i>Management by Objectives</i> <i>Total Quality Management</i>
1966-77	<i>Transformational Leadership</i> <i>The Learning Organisation</i> Peter's <i>Search for Excellence</i>
1978-90	Porter's <i>Strategic Thinking</i> <i>Organisational Core Competence</i> Piore & Sabel's <i>Flexible Specialisation</i> Womack's <i>Lean Production</i>
1991-2008	Kaplan's <i>Balanced Scorecard</i> Covey's <i>Seven Habits of Highly Effective People</i> Pine et al's <i>Mass Customisation</i> Kidd's <i>Agile Manufacturing</i> Goleman's <i>Emotional Intelligence</i> Collins & Posner's <i>Good to Great</i>



Attracting and engaging the different generations

3

By understanding what motivates its employees, an organisation can develop a compelling value proposition to engage and reward them. The value proposition takes into account different aspects of the job itself, the benefits, career opportunities, the working environment and the organisation as a potential employer. Any differences in generational motivations and attitudes will influence the value proposition that people seek. Our research has therefore explored whether generational differences result in different engagement drivers and attitudes to reward.

Where there are generational differences, then an effective value proposition will address any different needs as well as the similar ones of each employee group. An organisation may have a value proposition that meets the needs for one or two generations, but this may result in difficulties retaining other employees. We found numerous employers who have reported that they are struggling to attract and retain certain generational groups while turnover was very low in other groups.

In this chapter, we start by explaining the similarities between generations. This information can inform the generic value proposition that organisations need to 'get right' to be a good employer for all generations. We then explore the differences between generations. These findings can help inform the action that organisations could take if they have problems attracting or retaining a specific generation.

What is important in the generic value proposition?

Core to the generic value proposition is the need to offer a 'competitive deal' and job security. Only 4% of people felt that none of these factors were a part of their decision-making about a potential employer. These expectations are consistent across different industry sectors³. Some employers have observed Veterans and Baby Boomers being interested in long-term reward packages, while there has been a

shift for Gen X and Y to focusing on shorter term pay/benefits deals. This may be a response to the loss of final salary pension schemes. Employers are offering pensions, child care vouchers and buying/selling holidays to meet the needs of the different life-stages of their employees.

Having a good reputation as an employer attracts and engages⁴ employees from all generations. A good employer will offer jobs with a sense of purpose and challenge. They are also considered to treat people with respect and offer employees recognition and credit for their achievements.

Many employees expect an organisation to offer personal development opportunities as part of the value proposition. Without such opportunities, only Veterans would not feel inclined to leave. The nature of development preferences varies between generations. For example, Baby Boomers and Gen X consider these opportunities to include internal job moves within their organisation. Gen Y is more interested in being given specialist skills training and ample opportunities to grow 'on the job'. This is likely a reflection of the growing emphasis on 'employability' – maximising their value in the employment market. Those in the Public and TMT sectors were more concerned about specialist skills development than those in the Service sector.

3 Industry sectors have been grouped as follows in this report:

- Public sector – including Central and Local Government, Education, Health, and Emergency/Uniform sectors
- TMT – Telecoms, Media and Technology sectors
- Services – Leisure, Retail, Hospitality, Sales, Call Centres and Personal Care sectors
- Professional – Professional Services, Banking and Financial Services, Pharmaceutical
- Industrial – Energy, Utilities, Manufacturing, Transport and Construction

4 Employee engagement has been measured using four indicators: intention to stay, discretionary effort, recommendation to others and emotional attachment.

The majority of people in each generation are likely to seek development in their specialist area of expertise. There is also significant demand across generations for:

- people management skills,
- different uses of technology,
- leadership development and
- knowledge about their organisation's wider business.

Are organisations getting this generic value proposition right?

Organisations have a long way to go to meet the expectations of different generations as only 24% of employees in the UK workforce feels fully engaged with their organisation. How well organisations are perceived to meet these core expectations varies by generation. Overall, Public sector Veterans and Professional sector Gen Ys are most positive about the value proposition offered by their organisation.

For Veterans and Boomers, pay is seen to be most competitive in the Public sector. For Gen X and Gen Y, those in the Professional sector are the most positive about receiving competitive pay from their employer. Workers in the Service sector are generally less positive than others about their 'deal' meeting their needs.

Although many seek job security from an employer, Gen Y is more optimistic than the other generations. Six in ten of both Public and Financial sector workers feel their job is secure. This is expected for the Financial sector, given the current and economic situation. However, this is perhaps a surprising finding given the general perception that the Public sector offers significant job security. Those feeling a lack of job security are actually more likely to be in the TMT sector and Pharmaceutical sub-sector.

Professional sector workers are generally the most positive about their organisation's reputation as a place to work. Gen X in the Service sector are also likely to feel that their organisation has a good reputation. Conversely, Baby Boomers are less likely to feel that their organisation has a good reputation, particularly if they are based in the Public sector. They are also less inclined to feel that people in their organisation are treated with respect. Around seven in ten workers across each generation feel a sense of purpose in their work.

Employers in the Public sector seem to be doing best when it comes to personal development for all generations. Perhaps of concern for the Professional sector is that whilst the needs of Gen Y seem to be met, Baby Boomers are amongst the least happy in the UK workforce in terms of personal development opportunities.

Figure 1
Average ratings of the core value proposition by generation

I'm fairly paid for my contribution to my organisation's success



I get back from the organisation a fair return (financial rewards, etc.) for what I give (effort, performance)



I'm paid fairly for the work I do relative to people in similar positions in similar organisations



I feel secure in my job



Senior Management considers employee input when making decisions that impact my organisation



My contribution to my organisation's success is recognised by my manager



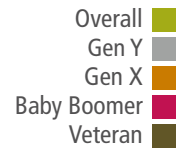
My organisation has a reputation as a good place to work in the industry



I feel able to use my key skills/expertise in my role



I get a sense of purpose from my work



Who is getting it right in Europe?

Organisations in Sweden are the most positively rated employers. In particular they are well rated for their working environment where people feel part of a team, feel they are treated with respect, are personally valued by those around them and they can have fun. They also feel that their organisation demonstrates social responsibility and are positive about communication within the organisation.

Jobs within Sweden are also better rated for offering a sense of challenge and giving people the opportunity to stretch their skills. People also feel encouraged by the organisation to focus on delivering customer service.

Organisations in France are best rated for being 'good employers'. People feel enabled to get things done and that they are working in a team-based environment. French workers are also the most optimistic in Western Europe about having access to job opportunities with their current employer.

In Ireland, employees are the most positive in Western Europe about the competitiveness of their 'deal'. They also feel a good sense of job security and that they can achieve good life/work balance. They are also more inclined to feel that good customer service is recognised by their employer.

Figure 2
Average ratings of the core value proposition by country

I'm fairly paid for my contribution to my organisation's success



I get back from the organisation a fair return (financial rewards, etc.) for what I give (effort, performance)



I'm paid fairly for the work I do relative to people in similar positions in similar organisations



I feel secure in my job



Senior Management considers employee input when making decisions that impact my organisation



My contribution to my organisation's success is recognised by my manager



My organisation has a reputation as a good place to work in the industry



I feel able to use my key skills/expertise in my role



I get a sense of purpose from my work



Generational differences in the value proposition

Some aspects of the value proposition differ in their impact on engagement and in terms of the relative importance that each generation places on them. These factors include certain aspects of the job role, the working environment and personal development preferences. For example, the emphasis on customer service, work/life balance and the desire for teamworking. In this section, we outline the preferences of each generation.

Such differences in what generations seek means that certain messages may be more or less attractive to certain groups. Some of these preferences may relate to the current lifestage of the generation. However, the fact that organisations are finding a need to vary their practices to attract and retain younger generations, indicates that the changes are generational and not simply a factor of lifestage.

The emphasis on the value proposition criteria varies by industry sector. In the Service sector, recruitment

messages around teamworking are more likely to attract Gen Y, while the opportunity to be of service to customers may work better for Boomers. In the Public sector, older generations will respond better to messages around autonomy while the younger generations respond better to messages around specialist skills development. In the Professional sector, work/life balance is more important for Gen X workers. Their younger colleagues may respond to messages around rapid job promotion, while older colleagues respond to being able to serve customers.

In the next sections of this chapter, we explore the preferences in the value proposition that would attract a particular generation.

At BNP Paribas' Scottish office, there is a small pool of financial services skills in the employment market. They have therefore sought to attract people from each generation to a new training programme to ensure that they have the capability that they need.



BNP PARIBAS

Multi-generational Accelerated Growth Programme

Business case: BNP Paribas are growing significantly in Scotland, where there is a relatively small financial services market. Due to competition for a small pool of skilled Financial Services employees, they are finding it difficult to find new talent in order to develop a pipeline for future leaders.

What they are doing: They have launched a new Accelerated Growth Programme, which will be a 2-year development programme for 15 people. This is aimed at attracting people from as wide a pool as possible - from school leavers and university leavers, to parents returning to work and older workers changing career. The scheme is genuinely about talent, with behaviours and attitudes as important, or more important, than qualifications. The scheme will be piloted in Scotland and then rolled out to other countries in Europe. People will start on 6th October.

Everyone on the scheme will take an IAQ qualification, will have a senior mentor and will undertake 4 x 6 month placements in different parts of the business. There will be a range of different learning methods to appeal to different groups. This includes: a reading and video club; regular get togethers to discuss learnings and practical applications; development day and the opportunity to get involved in project work to give them a helicopter view of the business. There will be the opportunity to adapt the programme to different people, to make sure that Gen X get assignments and Gen Y are given autonomy and plenty of feedback.

Impact: Consultation within the business and senior level sponsorship of the scheme has been very positive. Too soon for results as it only launched in July but they anticipate a broad generational diversity of participants on the scheme.

Veteran preferences

Veterans place particular emphasis on feeling valued by those around them. They feel more engaged if people take note of their opinions and ideas. They also desire to work in organisations where they can serve other people.

Their view of work/life balance varies from other generations as well. Veterans are the only generation whose retention is not significantly influenced by their job role. They would consider working beyond retirement if they could choose the hours they work. There is clearly an opportunity in offering these soon-to-retirees alternative flexible contracts to retain their wisdom within the organisation. At the same time, four in ten Veterans are seeking training to coach, advise and support others. Tapping into this segment of the workforce offers a real opportunity, especially given the smaller workforce of the future and the impending retirement of boomers.

Currently, Veterans are more likely to display discretionary effort than any other generation. Female Veterans in particular are also more likely to recommend the organisation and feel passionate about what they do than any other group in the workforce. The Public sector seems to offer the best overall value proposition for this generation.



Veterans

The Veteran value proposition

Veterans seek jobs that involve having authority to make decisions. They are used to clarity with regard to their roles, responsibilities and hierarchies. Most currently feel they have authority to make decisions. Six in ten feel able to get things done and have a clearly defined role or set of responsibilities.

Veterans want to be of service to their customers. However, over half currently feel their organisation is not focused on good customer service. Those in the Public sector are generally more positive.

They want to feel personally valued by those around them. They expect organisations and people to reciprocate their loyalty and recognise their experience. They tend to be more engaged if people take note of their opinions and ideas. Currently, nearly six in ten feel that this happens. This is higher in the Public sector.

They seek personal development opportunities around:

- coaching and mentoring others
- project management.

“Retire? Me? Not likely.”

Baby Boomer preferences

Traditionally seen as the 'presenteeism' generation that works long office hours, Baby Boomers now desire work/life balance as much as any other generation. A third of Boomers in the Public sector would only join an organisation if it offered flexible working. However, half of Boomers in any sector feel that they can strike this balance currently, something that those in the Professional sector find especially difficult. Fewer Boomers than Veterans would consider working beyond retirement age.

Baby Boomers are the generation least inclined to desire teamworking. In fact, only half of Boomers feel that success is more easily achieved through teams than individually. This is contrary to the expectation in which Gen X are seen to be the 'individualistic' generation.

Notably, more Baby Boomers than younger colleagues consider the demonstration of social responsibility as an important factor in their engagement with the organisation. An organisation that demonstrates social responsibility is likely to attract and engage more Baby Boomers than any other generation. Again, this is different to common belief that Gen Y value social responsibility more than other generations. Although many of that generation do value social responsibility, their choices and behaviour are not driven by this.

Baby Boomers are more likely to stay with their current employer than any other generation but, at the same time, are less inclined to recommend the employer to others or feel motivated to display discretionary effort. Male Boomers are less positive than their female colleagues.

For Baby Boomers, the Public sector offers the best overall value proposition. They are more positive about the aspects of the position that their generation seeks from an employer. Baby Boomers in the TMT sector are also more positive about the value proposition their employer offers.



Baby Boomers

The Baby Boomer value proposition

Baby Boomers seek authority to make decisions. Six in ten feel they are able to get things done. If they have challenging work, then Boomers are more likely to feel engaged with their organisation. More than six in ten feels a sense of challenge. Those in the Public and TMT sectors are more likely to feel positive about these aspects of their job.

Baby Boomers want work/life balance. Half would consider working beyond their expected retirement age. Currently, half of Boomers feel their job allows them to have an appropriate balance between work and personal life.

They want to feel personally valued by those around them, but currently under half of them do. Just under half feel people take note of their opinion and ideas. Those in the Public sector are slightly more positive.

Boomers are more engaged if their organisation demonstrates social/environmental responsibility. Currently, four in ten feel their organisation demonstrates this, although those in the TMT sector are less positive.

Access to personal development engages them. For example, if they feel able to be successful and there are excellent job opportunities available. Only one in five are positive about job opportunities, but this is higher in the TMT sector. The nature of development that they seek includes:

- more knowledge around other parts of the organisation, especially in the TMT sector
- leadership skills, although those in the Professional sector are less concerned about access to this development
- in the Public sector, how to coach and mentor others
- customer service skills - especially for those in the Service and Professional sectors.

“I want to work for a socially responsible employer.”

Generation X preferences

This generation is used to flat hierarchies, dispersed working environments and complex or blurred reporting structures and accountabilities. Many currently feel that they have challenging work, but some may be frustrated that they do not have authority to make their own decisions.

In all industry sectors, flexibility is starting to be seen as part of the core deal. Gen X commonly seek jobs that fit well with their life outside work. One in four cites this as a key decision factor when seeking a potential employer. This demand for flexibility should not be seen as a desire to work fewer hours as half of them would willingly work more hours if flexibility was offered. This is especially so in the Professional sector.

Gen X sees the workplace as a place to socialise as well as to work and tend to feel loyalty towards people within the organisation rather than to the organisation itself. Organisations that offer a sense of workplace community are therefore more likely to attract and engage this generation. Traditionally described as independent and not team players, Gen X are actually the group most likely to be engaged with the organisation if they feel part of a team.

On balance, the Professional sector currently seems to offer Gen X the best value proposition. In any sector, they are likely to feel a sense of team and challenge in their role. However, they may see a lack of career development opportunities within the organisation. These opportunities are felt to be more available to those in the Professional sector. Conversely, only one in five in the TMT sector tends to feel engaged.



Gen X

The Generation X value proposition

Gen X seeks authority to make decisions and thrives on feeling challenged. Currently, around half feel they have the authority to make decisions. More than six in ten feels a sense of challenge, although fewer feel challenged in the Service and Professional sectors.

They want work/life balance. Gen X have reacted against the 'face time' culture and often look for more of a work/life balance which gives them flexibility and freedom. They are more concerned with outcome than process. Half feel their job allows them to have an appropriate balance between work and personal life. Access to work/life balance is similar across all sectors.

They want to be personally valued by those around them, and tend to be more engaged if there is a sense of team. Seven in ten feel part of a team. This level is consistent across sectors. Currently, half feel people take note of their opinion and ideas at work and this too is similar across sectors.

They value feeling able to be successful in their organisation. Access to personal development opportunities include 'on the job' growth combined with excellent job opportunities within their organisation. However, only one in four feels they have job opportunities with their current employer. Those in the Professional sector are more optimistic. Gen X seek development that focuses on:

- more knowledge around other parts of the organisation
- leadership skills
- customer service skills, especially in the service sector
- project management skills in the TMT sector
- help with career management (in the public sector).

“A bit of team effort over ‘me, me, me’ please.”

Generation Y preferences

Although each generation places clear consideration on the competitiveness of 'their deal' when seeking an employer, it only affects Gen Y's subsequent performance. This combined with a sense of empowerment to get things done will be more likely to engage Gen Y.

Gen Y commonly blurs the lines between socialising and work. Nearly seven in ten of Gen Y employees in the TMT and Professional sectors would consider working longer hours for more pay. Gen Y knows that their ideal is to gain a greater work/life balance but is also keen to gain employability. To balance these preferences many actively seek an employer where they can be part of a team, have fun and make friends within the workplace. Although they see time for friends and family as important, they trade off putting in the hours and socialise with the team of people around them. This is especially so for those in the Service and Professional sectors.

Gen Y is more likely to recommend their employer than any other generation. Perhaps opposite to expectation, nearly half actually intend to stay with their current employer for the next five years. This is especially the case in the Public and Professional sectors.

Google is well known among Gen Y as a good employer. For this organisation, culture fit is at the heart of its recruitment and retention practices as our case study describes.

The Professional sector seems to have an edge over other sectors for Gen Y. The majority of Gen Y is positive about the aspects of the value proposition that they seek from an employer. For example, they feel part of a team, their organisation is fun, they feel challenged and can get things done. However, like Gen X, they are less positive about job opportunities with their current employer. Gen Y in the Service sector tends to be the least positive about the value proposition offered by their employer.



Gen Y

The Generation Y value proposition

Generation Y seek to be part of a team, have fun and make new friends. They feel more engaged to perform better where they can access this teamworking. Three in four feel part of a team at work while half feel their organisation is a fun place to work. This environment is consistent across sectors.

They also feel more engaged if they have challenging work and they feel able to get things done. Almost two in three feel a sense of challenge. This is higher in the Public sector. Nearly seven in ten feels they are able to get things done. This is slightly lower in the Service sector.

They want life/work balance. Over half feel they can achieve it. This is higher in the Professional sector and lower in the Service sector.

They are more engaged with their employer if their overall benefits package meets their needs, but only four in ten feel their needs are met. This is much higher in the Professional sector and below average in the Service sector.

They are more engaged with their employer if they have access to personal development. For example, being able to be successful and having ample opportunity to grow. These opportunities include specialist skills development. Around two in three feel they can use their key skills in their job and so feel they are developing these skills. Those in the Service sector are less likely to feel positive.

One in three feels they have job opportunities within their current organisation. This is higher in the Professional sector. Gen Y seeks:

- more knowledge around other parts of the organisation
- leadership skills
- customer service skills, especially in the Service sector
- project management skills (in the TMT sector).

“I trust what the company says implicitly.”



Culture fit at the heart of recruitment and retention

Background: Google has grown rapidly exponentially since it was founded 10 years ago. Its technology is absolutely cutting-edge and it needs very bright talent to keep generating great ideas and great technology. By accident, rather than design, the type of people they have employed have been young, tech savvy and often straight from university. This is because they have the skills and ideas needed – but their objective is to recruit clever, innovative people who will fit the Google culture, regardless of their background and level of experience. The Google culture is slightly anarchic, informal, relaxed and friendly. People are not spoonfed – they are expected to stand on their own feet and use their initiative. With their phenomenal growth and increasing competition, they have an ongoing need for new talent. They aim to present the Google ‘brand’ to people they want to employ now and also those who may join them in 5 years’ time. The impression they make at any touch point in the hiring process is very important, as are word-of-mouth and reputation as a good employer.

Approach:

- Created a ‘housestyle’ look and feel for offices – the Google primary colours, lava lamps, massive Google current search and Google Earth screens in receptions, chill out areas - which encourages a relaxed (although highly focused) working environment
- Every employee can have three free, high quality meals a day in a lively canteen, plus open access to lots of areas with free drinks and snacks. This leads to informal social and business interaction and, hopefully, healthy employees
- Culture Club – lots of special interest groups to engage broad range of interests, both professional and social
- There is absolute consistency across all global locations in terms of technology and an office pass which can be used anywhere – so wherever people go they can plug in their laptop and work
- The recruitment process is very personal and consistent globally. After a telephone interview there are a number of one-to-ones with different people. The process suits all ages – but possibly is more favourable to experienced people. However, new graduates need to be able to deal with it. The objective is to ensure not just skills match, but also culture fit.

Outcomes:

- Still attracting incredibly talented people
 - Excellent retention rates
 - No.1 Employer graduates want to work for
-

Creating fair recruitment practices

With the recognised differences between the generations, many employers are concerned to attract the generations they require. They also want to ensure that they are treating each generation 'fairly' when it comes to the recruitment process. But, given this, how can organisations communicate their specific value proposition? And do organisations need to reconsider how they assess and select talent?

Firstly, it seems a mixture of recruitment channels is required to access all age groups. The use of recruitment channels varies more significantly by sector. Our research found that those in the TMT sector expect an online process - with one in four stating they wouldn't even bother applying for a job if they couldn't apply online. However, in some sectors such as Hospitality and Retail, where there is a lower reliance on technology in the workplace, few expect to apply online for a job.

Social networks, whether online or offline, are becoming increasingly powerful – and organisations should be aware of how these may be used by employees, alumni and potential employees. Our research indicated that the younger the person, the more likely they are to listen to a friend's recommendation about a potential employer. It seems that Gen Y is most likely to recommend their organisation to others. However, Boomers are the least likely to either recommend their organisation or feel that their organisation offers high quality products.

As noted earlier, the broader reputation of the organisation as an employer is also an important channel for attraction, especially for the older generations. Given that Veterans and Baby Boomers are more influenced by the reputation of a potential employer, then this group may be an important audience to influence. This generational difference is common across industry sectors.

In terms of assessing and selecting the generations, employers demonstrated concern around implications of age legislation. Employers indicated that there are two key considerations - the fairness of techniques used and the criteria used to select people. The findings from the survey indicate that some consideration of the selection techniques is needed for the different generations. For example, Baby Boomers are more likely than younger colleagues to be put off applying for a job if they have to go through an assessment centre.

In relation to the criteria to select people, an example of employer response to this challenge is the use of generationally inclusive competencies at Brunelcare. The organisation has a large proportion of Baby Boomers and Veterans in its workforce. However, the competencies required for roles within the organisation could be sourced from different industry sectors and different types of experience. They therefore use competencies rather than 'experience levels' to recruit the best capability.



Using competencies for fair recruitment assessment across generations

Business case: Traditionally, recruitment criteria required a specific length of experience in the care sector. However, Brunelcare was finding difficulty recruiting experienced care people with the competencies needed to tackle new issues for their business. An example competency is in investigative and problem-solving techniques which could come from any industry or experience level. Previous recruitment techniques would have looked more specifically at experience within the care sector. Brunelcare wanted to prioritise 'organisational fit' over strict adherence to the traditional criteria of qualifications and sector-specific experience. They also wanted to ensure that their recruitment process suited each generation equally.

Approach: Line managers define the person specification and HR ensures that "essential" criteria include competence more than qualifications and experience. Recruitment communications are then designed to offer a "non-conditional" message. For example, in a job advert there is no mention of a required amount of experience or of qualifications unless these would be essential to the role such as for nurses. The focus of recruitment communications is around Brunelcare's values – hard working, committed, keeping promises and being nice. These values are based on the qualities that correlate to people thriving in the organisation.

Criteria used in the selection process focuses on these values. Candidates meet their potential line manager, are assessed using a battery of tests and have a competency based interview. For example, people are asked to provide examples of when they last helped someone or an example of when they last put themselves out for someone. Judgement is based on how people actually behave in situations and not how they would have liked to have behaved. Where people do not have appropriate technical experience, they are given support and training.

Outcomes: Brunelcare has seen a marked improvement in performance of employees and in the variety of backgrounds of people recruited. For instance, they are currently building an £8 million complex of sheltered housing and have used the competency-based process to hire a 23 year-old Project Manager for a post which carries significant responsibility. The recruitment process had identified that this individual had all of the required qualities for the role and for the organisation. This individual continues to be considered an 'outstanding' performer. Within Brunelcare, there is a strong belief that this methodology helps to identify and hire "pieces of gold" that many other organisations would not take on.

Why do generations misunderstand each other?

4

The differing expectations and engagement drivers of the generations may lead to misunderstanding in workplace relationships. This is especially so for individual line managers who may have different generations within the team.

This chapter covers the different organisational practices that can be affected by generational differences in attitudes towards work and the workplace. Each generation may find more sources for misunderstanding around specific organisational practices. We have found that Veterans may find greater misunderstanding around different attitudes towards retention and customer services; Boomers with performance management; Gen X with mobile and flexible working and internal communications and Gen Y with leadership, management and career development. In the next sections we explore each of these practices and unpack the differences in generational views.

Retention and loyalty

Differing attitudes to retention and loyalty are most likely to feel like a source of conflict for Veterans when working with colleagues. Retention is also higher among Veteran workers with around six in ten feeling that it would take a lot for them to leave the organisation they work for. Close to retirement age, a third still expect to be with their current employer in five years time. Veterans are also more likely to display discretionary effort than any other generation.

Retention is unlikely to be a source of conflict between Veterans and Baby Boomers as the latter are more likely to stay with their current employer than any other generation. Nearly six in ten intend to stay with their current employer for at least the next five years and feel that it would take a lot for them to leave.

However, the Veteran manager may find Gen X and Gen Y slightly paradoxical in terms of their 'loyalty' to the organisation. These are employees who are happy to work longer hours but at the same time are difficult to retain beyond two or three years employment.

Gen Y colleagues are also more inclined to leave if their colleagues are made redundant – something that a Veteran would be much less likely to consider. This is likely due to the break up of a core value proposition for Gen Y: their social network. If a Veteran manager is leading organisational transition or downsizing within their organisation, then they will need to engage colleagues through the change journey.

Like the Veteran, the Baby Boomer may find that the younger generations somehow 'lack loyalty'. For example, Gen X and Gen Y may 'demand' more flexible hours and are less likely to take a long term career view with the organisation. It is noteworthy for the Boomer therefore that nearly half of Gen Y intend to be with their current employer in five years time and one in four expects to change jobs every two to three years. So, the commonly held belief that Gen Y is a generation easy to recruit but hard to retain may not be strictly the case. Those in the Public and Professional sectors are more likely to feel this way.

Gen X may be surprised at the continuance commitment⁵ seemingly shown by older generations. The Gen Xer may find the Veteran puzzling in relation to their loyalty. Veterans are seemingly not willing to work flexible hours, yet would extend their working life into retirement. As many as one in six Boomers may display continuance commitment. Gen X and Gen Y may not understand why older generations would stay with an employer that they would not recommend to others.

5 – 'Continuance commitment' is the term used to describe individuals who stay with an organisation because the cost/effort of leaving is greater than that of staying. These individuals remain but do not feel motivated to 'go the extra mile'.

Table 2: Possible sources of generational conflict from a Veteran's perspective

<p>V Veterans</p> <p>Retention: Retention is higher among these workers. Around six in ten feel that it would take a lot for them to leave the organisation they work for. Close to retirement age, a third still expect to be with their current employer in five years time. More than any other generation, these workers are more likely to feel motivated to go beyond what is expected and show more passion and pride for what they do. More than other employees, they may consider working beyond retirement age. Veterans are more likely to feel they get a fair deal.</p> <p>Customer service: Relatively few Veterans feel that there is a good level of internal customer service from internal support departments within their organisation. Those in the Public sector are more likely than other groups to feel that external customer service is part of the cultural norm.</p>	<p>B Baby Boomers</p> <p>Retention: Retention is also common among these workers. Nearly six in ten intend to stay with their current employer for at least the next five years and feel that it would take a lot for them to leave. Half feel proud to work for their employer but only four in ten would recommend their employer to others or feel motivated to display discretionary effort.</p> <p>Customer service: Boomers are generally less positive about customer service being received internally or being recognised when it is demonstrated externally.</p>
<p>X Gen X</p> <p>Retention: Gen X may seek a change of jobs more frequently than the Veteran would expect.</p> <p>Less attached to their current employer than older generations, over half still intend to work for their current employer in five years' time. As with Baby Boomers, just over four in ten would recommend their employer or would go beyond what is expected. Paradoxically, Gen X are more likely than the Veteran to expect flexible working and are willing to work longer hours for more pay or flexibility.</p> <p>Customer service: Gen X are more likely to work flexibly so potentially offering a different form of customer service than that offered by Veterans. Only one in ten Gen Xers are interested in roles where they can give good service.</p>	<p>Y Gen Y</p> <p>Retention: The Veteran may find Gen Y colleagues difficult to retain. The Veteran may be surprised that the Gen Y employee is willing to work longer hours for more pay or flexibility. They may be equally surprised therefore that the Gen Y employee may also expect to change job every 2–3 years. The Veteran should note that Gen Y employees will consider leaving if their colleagues are made redundant.</p> <p>Customer service: Gen Y are the most optimistic about customer service being recognised and rewarded at their organisation, especially in the Service sector. They are also more positive about internal customer service, especially in the Professional sector. 16% of Gen Y are not at all interested in customer service being part of their role.</p>



Creating a generationally balanced workforce

B&Q were the first British company to employ older workers and have become the company that people think of in connection with generational balance. Now in 2008, 26% of their workforce is over 50 and 24% are aged 24 and under.

The key actions and drivers behind this achievement have been consistent but have developed over the years:

- opening two stores in 1989 entirely staffed by over 50s
- benchmarking one of these stores against four other Supercentres
- using the encouraging results to drive cultural change and proactive recruitment of older workers
- removing the retirement age and an audit of all other age barriers
- research among all over 50s staff across the country which reflected the wider social benefits as well as the financial security
- providing flexible working for everyone, irrespective of age, length of service or caring responsibility
- regular review of attraction and workforce statistics
- process that drives recruitment on ability and not age
- learning and development framework offering choice and flexibility around how and when you learn
- regular feedback and views from the workforce via their information and consultation forum and employee sessions with the CEO
- diversity champions within all stores
- diversity e-learning programme based on their core value of treating people with respect.

The business case for B&Q remains compelling. The older workers prove to be great coaches/mentors and role models to younger, less experienced staff. They have also found that despite common stereotypes about older workers, they do in fact openly embrace change and new technology.

Driving customer service

A second source of conflict for Veterans may be around the emphasis placed on customer service. Veterans are more likely than other generations to seek roles where they can be of service to customers. This generational difference is, perhaps ironically, most significant in the Service sector where less than one in ten Gen X or Gen Y employees seeks a role where they can be of service to their customers. This compares with one in four of the older generations.

It may need to be of real concern for employers that few of the younger generations seek roles where they can be of service to customers. However, many younger workers do not feel that there is recognition for good customer service and two thirds of all employees feel their effort would not be recognised by their organisation. Those in the Public sector are consistently less positive about this recognition. Gen Y are more positive about service being recognised than other generations.

Performance management

Short term reward demands may be a key source of conflict for the Baby Boomer, especially with the younger generations. They may feel conflict with shorter service colleagues from other generations who demand pay increases on grounds of 'good performance'. Having given long service to their current employer, Boomers expect recognition of their contribution to the organisation's longer term success. Veterans may have some empathy with this view, but are still more likely to feel that pay reviews should be based on merit rather than time served. As a consequence of these differing views, Baby Boomers may feel that they do not have as good a 'deal' as their colleagues.

However, even in the Public sector, where longer service is generally rewarded, Baby Boomers do not feel performance is financially rewarded. Feedback from Gen X and Gen Y employees in this sector also indicate a lack of financial incentive for higher performance. This indicates that, over time, high performing employees - Gen Y in particular - may find pay will become a retention issue. Their engagement is affected by whether the 'deal' meets their needs and so they are more willing to move elsewhere to find this deal. There are clear implications for the design of pay structures in the Public sector.

Gen Y's relatively aggressive attitude to performance management may be a further source of conflict for Baby Boomers. While very few Boomers believe that under-performers should be fired, Gen Y is much less tolerant of under-performance. Nearly one in five Gen Ys believe that the best solution for underperformance is for someone to be fired. This tolerance is especially low within the TMT sector. Gen Y may feel frustrated that length of service is recognised by Boomers but performance is not.

A Baby Boomer manager may be pleasantly surprised that the younger generations are willing to work the extra hours. They should be conscious, however, that these members of the team are going to be interested in clawing hours back in flexitime or overtime pay. Conversely, Veteran members of the team are much less likely to even consider working the extra hours.

Table 3: Possible sources of generational conflict from a Baby Boomer's perspective

<p>V Veterans</p> <p>Performance management: Veterans, although likely to feel fairly paid, may seek a pay increase justified by 'good performance' – something the Baby Boomer may not expect. Veterans are more likely than the Boomer to feel that performance is financially rewarded and that they get a fair return.</p>	<p>B Baby Boomers</p> <p>Performance management: Boomers are more likely to feel pay should be based on length of service rather than merit. They are less inclined to feel they have fair pay for their contribution than their colleagues from other generations. Boomers are less likely than any other group to feel that performance is financially rewarded and that they get a fair return.</p>
<p>X Gen X</p> <p>Performance management: Gen X may seek a pay increase for 'good performance' rather than 'time served'. Gen X is more likely to feel that performance is financially rewarded in their organisation and that they get a fair return.</p>	<p>Y Gen Y</p> <p>Performance management: They are more likely than the Boomer to engage with the formal performance processes in the organisation as they are more likely to feel it helps improve their performance. They expect pay to be based on 'good performance' rather than time served. They are also more likely than the Boomer to feel that the reward package meets their needs, that performance is financially rewarded and that they get a fair return.</p>

Mobile and flexible working

A key source of possible conflict for Gen X is in the organisation's management of life/work balance. As managers, Gen X are likely to support a Veteran's desire to work reduced or flexible hours beyond retirement and are more likely to understand this desire than a Boomer. However, the Gen Xer may feel surprised by a Veteran's seeming lack of willingness to be flexible around hours worked. Baby Boomers may display a similar lack of interest in being flexible in their hours.

As employees, Gen X may still feel that they are driving organisational changes in flexible and mobile working practices. As a generation, Gen Y are the first to truly adopt technology to manage their life/work balance as the boundaries of office and personal life become blurred.

Internal communication

Gen X are also more affected by the quality of internal communication from their organisation than any other generation. They expect to be able to trust the information they receive and may leave if they feel that communication in their organisation is poor. Baby Boomers and Gen Y expect a good level of communication but are less judgemental of whether they can trust it. Veteran attitudes are less affected by communication than their other colleagues.

Given that they are the most information hungry generation, having joined the workforce during the digital information age, Gen Y is actually the most positive generation about communication. They may be expected to be more demanding of internal communication given the fact that they are used to 'information at their fingertips'. They are more positive than the other generations about having the information they need to do their job, feel that information is believable and that work priorities are clearly communicated.

Employers are finding that one size does not fit all for communication across the generations. Where organisations are changing to more IT-based communications such as intranet, telephone video conferencing, they are finding that they need to communicate through multiple channels to a generationally diverse workforce. The use of newer technology such as videos and podcasts may put off Veteran and Boomer workers. The demand for training in the different uses of technology is the second most common training need.

Table 4: Possible sources of generational conflict from a Gen X perspective

<p>V Veterans</p> <p>Work/life balance: The Veteran may be seeking to work beyond retirement age. The Veteran employee may not be willing to work longer hours for more pay or flexibility - something that may surprise Gen X.</p> <p>Internal communication: More feel they have the information they need to do their job than the Gen X. However, fewer Veterans feel that work priorities are clearly communicated and so may require more explicit direction than Gen X might expect, especially through periods of change and transition. Otherwise, Veterans hold similar ratings of internal communication to Gen X.</p>	<p>B Baby Boomers</p> <p>Work/life balance: The Boomer employee may not be willing to work more hours for more flexibility - something that might surprise Gen X.</p> <p>Internal communication: Boomers find internal communication important to their engagement yet they are less happy with it than Gen X. One in three is satisfied with the internal communications they receive from their organisation.</p>
<p>X Gen X</p> <p>Internal communication: Six in ten feel they have the information they need to do their job. It is slightly lower in the TMT sector. Half feel that the information they receive from their organisation is believable. It is higher among Professional sector workers than Public sector workers. Half feel work priorities are clearly communicated. A third are satisfied with the communication they receive.</p>	<p>Y Gen Y</p> <p>Work/life balance: The Gen Y employee may be more willing to work more hours for extra pay than Gen X might expect.</p> <p>Internal communication: Relatively optimistic about internal communication, Gen Y is more positive about clarity of work priorities than Gen X. Their manager is more likely to be in their social contacts than any other generation. One in four doesn't want to be managed by someone younger than them.</p>



Improved internal communications as a key to work/life balance

Business case: One of the big issues for P&G is work/life balance. With new people coming into the organisation from Gens X and Y they have seen an increased demand for greater work/life balance within the company, which is recognised as a generational difference.

Over the course of the last 2–3 years, recent recruits are willing to work hard but also want to have some down time. More and more people now have location free roles or are out in the field. Results from annual employee survey and also from quarterly pulse surveys indicated growing demand from organisation as a whole – there are 2 or 3 questions specifically about work/life balance within the survey.

Approaches: Work/life balance is one of the key areas of focus from an HR point of view. P&G have set up an “Energy” team to look into improving work/life balance. This cross-functional team, led by an individual who is not from HR, is looking at ways to be innovative in this area and working with Kings College, London. At the Head Office in Weybridge the large atrium area was used this year for one week to gather opinions from employees and also to trial potential initiatives and to gain feedback. These approaches are helping to put things in place to improve work/life balance and are part of a range of internal communications initiatives geared to multi-generations.

A new online information/knowledge sharing system called Sharepoint can be accessed anywhere through a link from the company intranet. This is a major shift from when teams stored information in directories, which could only be accessed from office locations. A lot of this information is open for anyone to look at and feedback on if required. This is a real shift for the company in making things open and transparent. More and more teams are using blogs to feedback on learning courses.

The approach to career development is also assisting work/life balance. “Build from within” (P&G’s policy of hiring people as graduates and moving them on fast) has created a retention challenge. People were tending to leave after 3–5 years if their high expectations were not met. One initiative to help combat this is to offer people a 3-month unpaid sabbatical after they have finished their first assignment (typically after 2–3 years). Also if someone was interested in a gap year before they joined the company but couldn’t afford it, then they can take it at this stage and a position will be held open for them.

Outcomes: Progress is tracked and monitored, primarily through an annual survey, a pulse survey and also exit interview data. Signs are broadly positive to date for work/life balance and retention.

Leadership and Management

Gen Y may find that older generations demonstrate less trust for senior management. Gen Y are also more likely to rate senior managers well including the fact that they make work priorities clear. This generation are also more likely to place their manager in their network of social contacts. Overall, perhaps Gen Y are the most trusting of the organisation as they have not been exposed to significant downsizing or economic uncertainty. It will be interesting to see whether their general optimism about the workplace remains through the current economic cycle.

Although Baby Boomers value exposure to the organisation's leaders, this generation is less likely to feel they have access to their senior managers or feel listened to by them. Gen X expect exposure to senior managers but have a more positive view of them than Boomer colleagues. Leaders in the Professional and Service sectors are rated more positively than those in the TMT and Public sectors.

Career development

Gen Y may find some generational conflict in terms of career development. A Gen Y manager may feel that Veterans and Boomers 'demand' that the organisation will develop them. They may find conflict with the older generations who will expect their line manager to provide opportunities for them to learn. Gen Y may find development conversations with other Gen Y much easier to manage - conversations are likely to stretch beyond the current organisation.

The Baby Boomer may be surprised at the 'self sufficiency' of Gen Y as they expect to manage their own career development. Gen Y are generally more optimistic than Boomers around much of the workplace but they seem especially different in their view of career development. The differences are clear in the Public sector where Baby Boomers seek coaching and mentoring skills and Gen Y seek training in how to manage their job prospects.

In the Service sector, many want to learn a completely new trade. It is not older workers who are seeking a second career at their current lifestage. Instead, the younger generations are more likely to want to learn new trades. However, there is no indication that Gen Y in this sector want to change industry, as they are most likely to want training in people management and customer service skills.

Table 5: Possible sources of generational conflict from a Gen Y perspective

<p>V Veterans</p> <p>Leadership: The Veteran is less inclined to trust senior managers. Gen Y may feel surprised that Veterans don't expect their manager to be among their social contacts network.</p> <p>Development: Gen Y may be surprised at the Veteran's lack of interest in changing jobs frequently to progress along the career 'scramble net'. Veterans are less positive about numerous aspects of development than their Gen Y colleagues (career paths, opportunity to grow and job opportunities). They are also less likely to feel their manager provides opportunities for them to learn.</p>	<p>B Baby Boomers</p> <p>Leadership: The Boomer is less likely to trust senior management than their Gen Y colleague. They may also feel the information they receive is not believable. Boomers do not expect their manager to be in their social contacts network. One in ten don't want to be managed by someone younger than them.</p> <p>Development: The Boomer is less positive than Gen Yer about their development opportunities including – career paths, opportunity to grow, job opportunities, and fair competition for jobs. They are also less inclined to feel their manager provides opportunities for them to learn and grow.</p>
<p>X Gen X</p> <p>Leadership: One in six don't want to be managed by someone younger than them.</p>	<p>Y Gen Y</p> <p>Leadership: They are most likely to trust senior management. Their manager is more likely to be in their social contacts than any other generation. One in four doesn't want to be managed by someone younger than him or her.</p> <p>Development: Gen Y are more inclined to feel that they have opportunities for development than any other generation. They are more positive about career paths, growth on the job and that there is fair competition for jobs. They are also most positive about using formal performance feedback processes to improve their performance. They feel their manager provides opportunities for them to learn and grow.</p>



Tailoring career development to meet generational needs

Business Case: The Generation Y cohort makes up almost 75% of the McDonalds workforce. Training and development is recognised as a key career anchor for Gen Y and one that, if organisations get it right for this generation, will seek to attract, engage and retain them. Therefore, training and development not only plays a fundamental part in helping McDonalds to effectively attract, engage and retain such a large proportion of its workforce but is also critical in maintaining high levels of customer service and quality. With such a large percentage of employees from one particular generation, McDonalds has developed a bespoke training and development offering, accomodating the needs, expectations and behaviours of Gen Y, rather than placing the majority of its workforce into a predefined training and development plan.

Approach: Key to the success of this approach was the recognition and acceptance that Gen Y employees were different. The training and development had to be adapted in order to keep them engaged and maximise their performance. When McDonalds explored exactly what this difference looked like, they found Gen Y to be superb multi-taskers, with the ability to quickly absorb information from a myriad of channels that frequently offer information centred around audio-visual stimulation.

Gen Y have built up an incredibly strong sense of loyalty to friends and to peer groups. McDonalds therefore found that within a training environment, the preference of Gen Y is to work collaboratively. They also demand immediate feedback. McDonalds have therefore redesigned their training programmes taking these distinct behaviours into account, ensuring that programmes use the latest technology to provide training which facilitates multi-tasking, that is filled with audio-visual information, allows a collaborative approach and provides opportunities for instant feedback.

One example of just such a programme is McDonald's Service Leadership course created in 2008, a one-day course for Restaurant Shift Managers which is delivered in-store. The course focuses upon the role of the Shift Manager as that individual moves from a sole focus upon kitchen processes to managing the entire restaurant and taking full responsibility for employees and customers. Key to this course is a short DVD which follows "Sam", a Restaurant Shift Manager as he undertakes just such a development journey. The video is viewed in five episode, each up to five minutes in length. After each episode is seen the participants then have the opportunity to discuss and undertake interactive tasks, which puts the learning from the DVD into action. Early feedback from course participants is very positive.

Outcomes: A study conducted by the academic Adrian Furnham showed that 90% of McDonalds' staff showed high levels of employee engagement. The key contributing factors in this high level of engagement among McDonalds employees were the opportunities for training and development offered by the organisation.

Creating a winning strategy

5

Current workforces already present employers with a complex mix of generational attitudes, motivations and appetites. There can be no doubt that the changing demographic landscape will continue to present challenges as the older generations retire and the newest generation, Z, enters the workforce. The active management of cross-generational misunderstanding will increasingly be a fact of life for HR practitioners.

Avoiding labels and assumptions about people's attitudes and work appetites is crucial. People may have core values throughout their working life but complex life experiences overlap and mean that people will have different work appetites at different times. Employers will need to develop a compelling value proposition that meets the core values common to all of the generations but also be prepared to deliver on a "mix and match" basis to reflect individual, generational, sector and even country differences.

Creating a winning strategy for managing generational diversity is not for the faint hearted. Our research suggests that there are some real challenges and issues to be faced in the key areas of attraction and engagement, recruitment, leadership, career development, performance management and customer service.

Proactively managing the organisation's employer brand and reflecting generational differences in job design, will be fundamental drivers of attraction and engagement. Attraction strategies will need to reflect the increasing importance of social responsibility with the Baby Boomer generation and be informed by an understanding of the different generational attitudes to retention and loyalty. Retention and engagement strategies will need to balance the business needs with increasing demands for work/life balance, flexibility and freedom to suit the individual. Managing the emerging blurred lines between socialising and work for the younger generations will also be a key driver of engagement.

Creating competency-led recruitment, assessment and selection practices will remain as key drivers of recruitment best practice. If we are to avoid the influence of 'who you know' rather than 'what you know', maintaining fairness in the face of increasing focus on personal networks is emerging as a real challenge for recruitment practitioners.

Leadership development will be influenced by changing leadership models as a result of the different generational views of hierarchies, reporting structures and teamworking. Issues around trust in

leaders are emerging as a result of differences in exposure and access to leaders and managers.

We will see an increasing need for bespoke personal development opportunities that suit both the career development demands of the older generations and the self-sufficiency of Gen Y to manage their own career development. The cross generational demand for skills development in their specialist area and for people management skills, will also need to be built into these bespoke opportunities.

Managing the conflict between the older generations' view of reward linked to length of service and the younger generations' aggressive attitude to performance management and reward related to merit, will be a particular challenge. This will be especially significant in the retention of Gen Y who will move on if they see a lack of financial incentive for higher performance.

The need to deliver communications and training through multiple channels will continue to increase. One size will certainly not fit all as expectations of communications vary with some wanting a high level, some wanting good quality, and some demanding trustworthy communications first and foremost.

Given the fundamental importance of customer service, a real challenge will be to drive a consistent appetite across the generations for customer service delivery. The low level of interest in customer service roles among the younger generations, and the cynicism about recognition for good customer service among the older generations, need to be of real concern to employers.

Whilst most organisations are aware of their specific challenges (there are lessons to be learned from those already doing it well), few organisations have really considered the strategic implications of four generations working together. Potentially five generations if we assume Veterans will stay beyond retirement. Even fewer organisations can evidence measured successful initiatives that they have driven in response to the attraction, engagement and management of multi-generational workforces.

Now is the time for organisations to face the challenges and create a winning strategy to take advantage of the opportunities presented by generational diversity. For those organisations that respond now there is the chance to turn a threat into an opportunity. Greater harmony within the workforce can achieve sustainable high performance, broader talent attraction and higher levels of creativity and innovation.

Top Ten Tips

Our Top Ten Tips to help organisations start to review and implement changes in their strategy and practices:

- 1** Analyse your workforce profile in terms of age and analyse the future impact of the changing generational mix.
 - 2** Carry out an employee survey and analyse the views and motivations of different age groups. Ensure the survey captures views on respect and dignity in your workplace.
 - 3** Audit your internal communications to assess whether your communications channels and styles are sufficiently flexible to meet the preferences of all groups of employees.
 - 4** Does your employer brand really convey what is compelling about your organisation as a place to work in a way that attracts and engages all generations?
 - 5** Rigorously analyse career development opportunities for all staff through stats and career conversations. Are any groups disadvantaged?
 - 6** Flexibility. Don't just meet legal requirements, consider radical changes to flexible working practices. Talk to staff. What would make a big difference to them could enhance your business.
 - 7** Maximise opportunities to enhance coaching and mentoring across the generational groups. Use the experience of Veterans more effectively.
 - 8** Re-engage Baby Boomers. Look at the impact of disengaged Baby Boomers in customer service or other business critical roles. Re-engage them by ensuring that they are feeling challenged and have development opportunities.
 - 9** Re-evaluate your CSR policies and practices. Who are they aimed at and who shows the most interest and engagement?
 - 10** Identify the areas of commonality and build on them.
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Equality and Human Rights Commission	TK Maxx
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