

LANCE J. RICHARDS AND JASON S. MORGA

GEN NOW

Understanding the Multi-Gen Workforce
and The Coming Leadership Deficit

You've read plenty about the challenges presented by the multi-generational workforce.

You get it. The generations are wired differently, they work differently and organizations have to adapt or they'll go the way of the dinosaur.



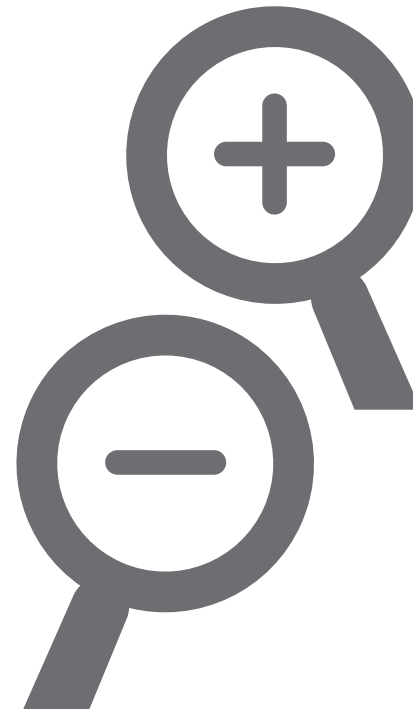
Improving productivity, reducing turnover and building your talent supply chain across four diverse generations is imperative for organizational success as we stare down the barrel of a rapidly changing workplace and marketplace.

There are fundamental reasons why organizations, not just HR departments and HR leaders, must respond to generational issues—and quickly.

The fact is, although there is a deluge of anecdotal evidence suggesting that the different generations' mindsets and approaches to work are worlds apart, we now know that the modern workplace is occupied by a constituency that—across the age spectrum:

- demands flexible conditions and work-life balance,
- thrives on collaboration and entrepreneurialism, and
- at once craves knowledge and is qualified to impart it.

Today's workforce needs to believe in its employer and perceive meaning in its work, too.



Where once we may have been daunted by the prospect of the much-maligned and little-understood Gen Y, or the Millennial generation, representing 44 percent of the US workforce by 2020, our research indicates that this demographic brings a fresh approach to the workplace. In combination with the experience and knowledge of the generations before them, this could be the exact solution business needs.

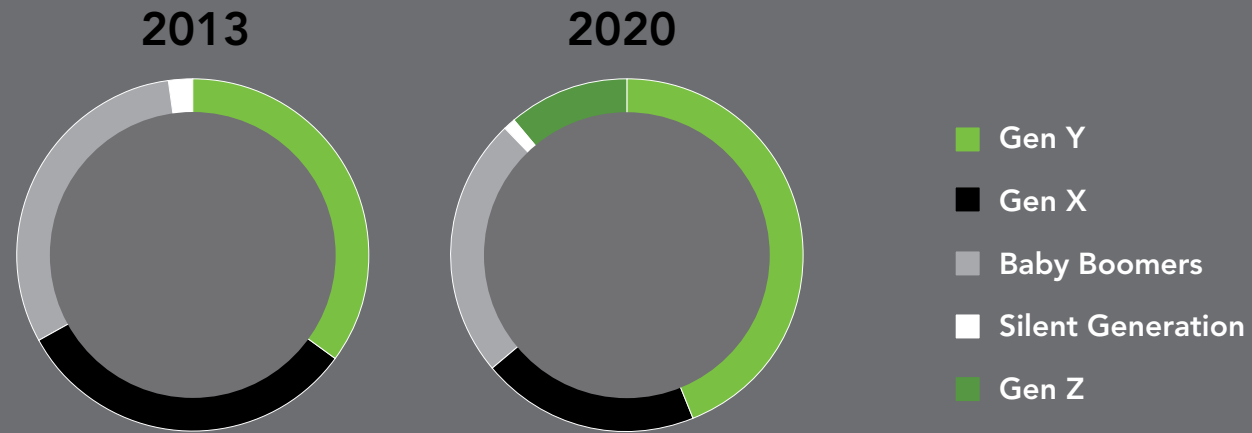
The simple truth? If leaders can adapt their mindsets and processes to embrace genuine integration of the learning and leadership styles of Baby Boomers, Gen Xs and Gen Ys, they will bolster their success—and resilience—in the changing world of work.



Gen Y, or the Millennial generation, will represent 44 percent of the US workforce by 2020



A look at the multi-gen workforce





A new workplace,

a new workforce



There are a number of social and economic factors that have combined to define the modern workplace and the workforce that embodies it.

The modern workplace is defined by the looming skills shortage, caused in part by declining workforce, which is a global phenomenon taking place in all industries.

More than seventy-eight million Baby Boomers are being followed by a far smaller cohort of forty-five million Gen X workers, so there will be a shrinking pool of prime-aged workers to fill the gaps. The demand for talented Gen X leaders will increase, but the supply will decrease.

As well, people are remaining in the workforce longer than they used to and not just because their pension plans took a beating in the global financial crisis. Besides financial pressures, the prospect of post-work boredom is chief among the reasons that people delay retirement, or opt for flexible or temporary work past retirement age.

The skills shortage is also attributable to organizations' inability to retain top talent. Worldwide, 43 percent of workers are considering quitting their jobs.¹ Gen X is frustrated with lack of opportunity for advancement,² and even highly experienced and knowledgeable Baby Boomers are still slipping through organizations' fingers.

In short, there will still be a significant deficit in leadership capabilities and the competition for older, more experienced leaders will increase.

Then there is the arrival (with a resounding thud!) of Gen Y, who by 2025 will constitute a whopping 75 percent of the global workforce.³

Unfortunately, not only are traditional corporate structures out of step with the way Gen Ys want to work, but the recession has forced Millennials to walk the paths of non-traditional employment⁴ and education. This has forever altered this generation's perception of what 'work' is and, unsurprisingly, has prevented them from being able to just 'fall in' with the career status quo. In Australia alone, this generation has an annual job turnover rate of 40 percent, with two-thirds of Gen Y workers up and leaving each job they hold within two years.⁵

1 2013 Kelly Global Workforce Index Key Insights presentation

2 <http://www.evolvedemployer.com/2012/01/18/why-companies-cant-ignore-gen-x/>

3 <http://www.forbes.com/sites/85broads/2012/01/23/gen-y-workforce-and-workplace-are-out-of-sync/>

4 <http://www.forbes.com/sites/85broads/2012/01/23/gen-y-workforce-and-workplace-are-out-of-sync/>

5 http://www.myrecruitonline.com/events-news/MyRecruitOnline_Gen_Y.html

One workplace, multiple generations

Clearly, a multi-generational workforce requires trans-generational solutions: the diversity of experience and knowledge offered by four distinct generational mindsets can provide tangible benefits if leveraged and managed well. The challenge for employers is to embrace the talent mix, tap into it, and use its strengths to deliver operational performance.

The current practice of working longer and harder is unsustainable for many reasons, but its detrimental effect on employee wellbeing and, ultimately, the bottom line will certainly have the greatest impact on the overall health of an organization. And, we have at least one generation of workers – now the dominant one – who reject this practice altogether.

What defines

Gen Y?



Before we start talking about Gen Ys as though they come from another planet, it's important to know how they grew up—and the impact this has had on their approach to work.

One of the key differences between growing up in the mid-1980s through to the 1990s and the 2000s (as opposed to previous decades), has been the way in which children have experienced self-directed play and, more importantly, risk and freedom.

Many studies and articles have discussed the increased emphasis during recent decades on the following elements of parenting and education:

- risk aversion
- positive feedback
- adult or parental supervision during play, then during school and now at work (i.e. helicopter parenting).

Fundamentally, these parenting and educational trends have changed the way people now behave in the workplace. And, while older workers have been trained to focus on issues of fairness and uniformity in their management style, in many ways this reinforces (rather than bridges) the generational divide.

“

Yes, we need constant feedback, that's part of who we are, and it's part of what we're used to from posting things on social media. Tools like Facebook are just so powerful. Through them, I'm exposed to the details of hundreds of people's lives every second of the day. I'm constantly seeing how they're progressing and it makes me reflect on my own life and ask myself, 'How can I be better?'"

FREELANCE DIRECTOR, AUSTRALIA

Technology and instant feedback

In understanding the foundations of Gen Y, we cannot ignore the role of technology. While technology has influenced all of us, Gen Y has evolved with technology as a life center. It has particularly influenced their communication styles—Millennials have developed a new version of community, friendship and connectivity.

Gen Ys ability to build, shape, dismantle, evolve and grow networks quickly and easily is one thing. But their ability to create networks that are genuine forces for change is something else entirely. We often minimize social media as pure entertainment—it's not (the Arab Spring proved this). And, proficiency in using it is a skill that has genuine application in the workplace.

Gen Y have been parented and educated differently, and as a result they tend to value and expect the following:

- constant feedback
 - connectivity
 - self-expression
 - opportunity and reward for a job well done.
-

Connectivity is meaning

Members of Gen Y place a high value on connections. In fact, a recent Cisco report found that more than half of students felt that they could not live without the Internet. From their earliest childhood, members of Gen Y have used technology and devices to connect them with learning, knowledge, information, entertainment—and people.

Just as many Ys were entering their high school years—when they were laying the foundations of their peer-to-peer relationships—the Internet quite quickly transformed into an environment of ‘user-generated content’ and individual expression.

So, connectivity and self expression is what Ys expect. They are the ‘now’ generation and the ‘me’ generation because they can be—and it has made them more open, less concerned with privacy and often less likely to keep their opinions to themselves.

As a digitally connected generation, Gen Y has also been afforded the luxury of exploring diversity for much of their formative years. This understanding and appreciation of cultural difference and inclusion has exposed them to social issues and diverse needs.

Yet, consider how different these expectations and experiences are from what the average workplace actually delivers. When social media posts elicit immediate feedback yet career reviews occur only once or twice per year, Gen Ys experience a major disconnect.

If we underestimate this 'validation/feedback gap' we will have a serious slide in motivation on our hands.

Gen Ys are also far less inclined to 'get' hierarchies, or to take them at face value. Gen Ys much prefer intricately, although fully, connected, cross-functional ways of operating regardless of location, rank or role. They prefer dialogue and informality, which is in stark contrast to how many businesses communicate.

While organizations large and small have focused their efforts on developing the kind of one-way, top-down monologue that favors platitudes over specifics and transparency, Gen Y has led the charge in communicating on every topic—from the Boston bombings to Bieber—in just 140 characters. They have had much more experience with making productive connections across traditional boundaries and are generally more participative.

The Gen Y reach is global, 24/7 and it will join any conversation that seems relevant or interesting, ready or not.

Generational mindset differences

	BABY BOOMERS	GENERATIONS X AND Y
Work-Life Balance	'Live to Work'	'Work to Live'
Job Stability	Seek job stability, security	Are comfortable with job changes
Job Expectations	Respect Authority Expect to have and to earn rewards	Question formal authority Want immediate payoffs Demand change and fun
Technology	Learned as adults	Technologically savvy

Trust and dialogue

matter



In the experience economy, where Gen Ys live, we don't deliver goods or a service, we deliver an experience. The same applies at work.

Just as the act of unpacking your latest i-device is an experience Apple has deliberately 'created', the experience of a workplace must also be deliberately built and delivered on a daily basis. And, a large percentage of this 'delivery' falls in the lap of the manager/supervisor.

Getting this right for younger workers isn't always easy. It often requires challenging specific traditions and entrenched ways of operating, but it's non-negotiable if building a talent supply chain across this age group is a genuine goal.

The flow of information, the ease and quality of connections and collaboration, the facilitation of self-expression and feedback are all experiences that directly impact the way Gen Y workers feel about their workplace, and their place within it.

Our research—empirical, experiential and anecdotal—suggests that Gen Y may have the most highly refined BS detectors ever.

“

Some organizations have very rigid rules about whom you can speak to if you have an idea or want to fix a problem. It's frustrating when I have an idea but can't go directly to the person it's most relevant to. As I see it, it's a waste of time for the organization if my direct manager has to get involved to progress a solution. It devalues ideas; they should be taken on merit, not based on who has them.”

COMMUNICATIONS ADVISOR,
AUSTRALIA

Members of Gen Y are far less likely to believe what you say unless they can verify it independently via other sources. Trying to hide, ignore or gloss over negative media coverage or customer feedback about your organization's activities or products is a sure-fire recipe for disengagement and distrust. Gone are the days when the CEO could put out an internal statement (written by the PR department) about an issue in the media and expect the workforce to accept it. Organizations now need to engage in genuine dialogue.

Members of Gen Y make it their business to seek out people they trust and relate to—they don't always assume this will be their direct manager. They take personal responsibility for finding information and people through their networks—and this can sometimes be misconstrued as undermining authority, or an inability to work within assumed processes. But often, that's not it at all.

They seek information differently

Two employees of different generations simply use different skills to achieve the same ends. For example, if you ask an older person to find out how to do something, they will head straight to Google and start trawling the search results—and we all know that this can take seconds or hours. A Gen Y or Gen Z on the other hand might

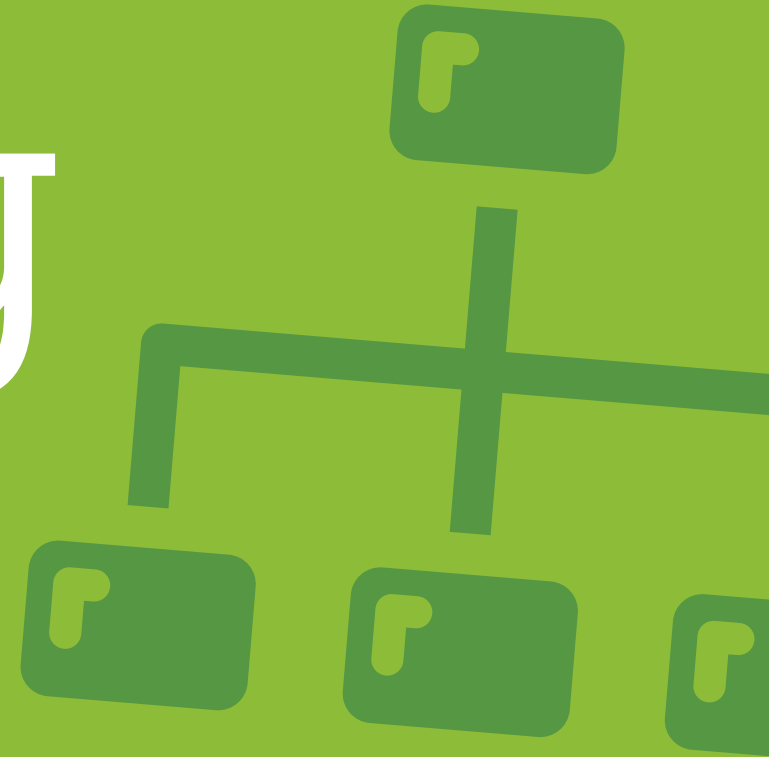
try Googling first, but if the result isn't there immediately, they'll reach out to their networks instead. They will post a question to Twitter, Facebook or any other network they feel may hold the answer. They will rely more and more heavily on crowd-sourcing answers, particularly as networks become more sophisticated and intelligent in assisting with this task.

The reality is that the concepts of 'open source', of 'self-as-publisher' and of social networks as 'democratizing forces' have been developed and honed by Gen Y throughout their teen and young adult lives. As foundational aspects of how they think and behave, they're not about to leave them at the office front door each day. Besides, Gen Z has been thinking and behaving in these same ways since elementary school. In short, we ain't seen nothin' yet.

In many ways, 'searching' and 'experiencing' are what Gen Y workers are good at. And sometimes this just makes everyone else a little bit uncomfortable. Keep in mind, if you allow them to use their strengths in this area, it just might lead to an innovative approach or experience that you might otherwise never have considered.

Engaging

a multi-gen workforce



So how can organizations support the integration of all four generations in the workplace?

1. Reinforce your corporate brand/reputation

Protect your brand in the marketplace, including how potential candidates see you. Strong Gen Y candidates are seeking companies with a positive image, and that means:

- being transparent and open to customer feedback;
- acting and embracing the customer view; and
- allowing staff a deep connection with the strategy, and letting them make change happen *for themselves*.

2. Improve feedback mechanisms

Think about different, ongoing forms of performance feedback. Gen Y favors immediate and ongoing input in a smaller/shorter and more casual format so they know how they're progressing day-to-day and minute-to-minute, not year-to-year. Performance management is an ongoing process, not an event.

3. Promote connectivity

Find ways to use social media principles and tools for work purposes to fulfill the Gen Y need for consistent, ongoing input and dialogue with co-workers—regardless of rank or location. Crowd-sourcing answers to questions can now yield faster results than Googling a topic—and this is a skill that companies MUST exploit. Allowing younger workers to use these techniques to increase productivity is part of the solution, not the problem.

4. Evaluate the experience of working at your organization

This doesn't always mean adding services within the building such as dry cleaners and bowling alleys, but it might. As long as the experience reflects your brand and has clear links back to productivity, engagement and talent retention, nothing is a dumb idea. Ask your Gen Y employees what changes they would like to see in their workplace. Chances are, if they are involved with the ideation, it will stick and make a difference. When in doubt, ask.

5. Promote positive dialogue about generational issues

Providing specific forums where the issues of not just managing, but understanding, the needs and approaches of the generations will help to bridge the divide. Training courses may be part of the solution, but so too could be finding ways to enable different generational perspectives to be discussed by the individuals themselves.

6. Help workers excel and be transparent

Gen Y workers are far more likely to derive 'meaning' from their work by their ability to excel and develop in their field, yet this sometimes has more to do with a career 'lattice' than the career 'ladder.' So, find ways to provide career-building opportunities, even if that doesn't mean an promotion straight away.

Whatever other generations might think about the much aligned FOMO mentality often attributed to Gen Ys, it's critical to recognize the risk it poses to organizations that do not openly and effectively communicate opportunities that are available, as well as significant changes that are on the organizational agenda.

7. Set up real mentoring programs

Before you disregard this concept as ‘old hat’ and skip ahead to the next section, allow us to cut to the chase by saying that Gen Y have rather a different take on mentorship.

Thanks to technology, mentorship is no longer constrained by geography and it can take place over a variety of mediums: group webinars⁶, phone, instant messaging or Skype, for example. It allows an employee to have multiple mentors—aka ‘a personal board of directors’⁷—and direct access to people with the experience most relevant to each mentee’s unique requirements.

8. Consider intrapreneurship models

Changing business from the inside-out—that’s the central aim and mission of the world’s intrapreneurs. Often, intrapreneurs are the kind of high-performing and motivated employees that become frustrated by inaction and low productivity. They’re the kinds of people who often end up leaving their jobs to start their own businesses, and it’s this drive that companies are learning how to harness for themselves.

⁶ www.smartcompany.com.au/web-2.0/gen-ys-turn-to-mentors.html

⁷ www.mindflash.com/blog/2011/07/mentoring-2-0-why-gen-y-demands-a-new-approach

Managing the workplace

collision



Productivity is about promoting diversity and inclusion, and Gen Ys aren't going to wait for it happen.

One of the enduring lessons from the academic business literature centers on the value that organizations derive from decision-making that is founded on a diversity of knowledge and opinion. Decisions that flow from a variety of inputs are, on the whole, superior to those that eventuate from just a few sources—what's commonly known as 'groupthink'.

The source of that diversity may vary. It may be generational, geographic, ethnic, occupational or socio-economic. In coming to complex decisions, it almost always pays to have as many varied inputs as possible. One of the critical advantages in a multi-generational workforce is the incredible diversity it can provide.

For managers, a multi-generational workforce may seem the source of much frustration, though it need not be. The challenge lies in recognizing both the similarities between the generations as well as the areas of divergence, and putting into practice measures that address each group's priorities and interests. Businesses that can manage and capitalize on the generational divide actually have an enormous source of competitive advantage at their fingertips.

“

I don't want to sit around and wait for a bunch of other stuff to happen. I'm all about taking as much or as little time as needed to get something done, and doing it well. There is no need for wasted time."

MARKETING SPECIALIST, USA

From the traditional employer point of view, work hasn't changed all that much in the past five or six decades. Work is work, and that's how it will be for the foreseeable future—just as soon as younger generations get with the status quo, that is.

But the reality is, work has changed, the workplace has changed, and so has the workforce. The progressive employer already understands this. The problem is, they are in the minority. The traditional employer, then, sees EVOLUTION.

As far as the Millennial sees it, work is in flux, just as the rest of the world is. Nothing is stable, static or long-term, nor should it be. Here's a staggering thought—the redefined workforce has redefined the workplace. And they dig it. So, Gen Y sees REVOLUTION.

Work as the traditional employer sees it

THE OFFICE

Offices to cubicles, back to offices again

From suit and tie to business casual (and at some firms, back again)

Flexibility is required, but not ideal. It's harder to manage large volumes of people telecommuting, job sharing etc.

'Face time' means meetings in the office

The attitude of workers is changing work (not always for the better)

Fear of loss of control

Clear distinction between 'work' and 'not work'

Social networking leads to decreased capacity and productivity

An inability to adapt to the current structures is due to immaturity, lack of discipline and avoidance of doing the hard yards

Work as the Millennial sees it

THE THIRD PLACE

Laptops, iPads and iPhones. All the information you need is on the Internet, and working is 24/7, not 9-5

Self-expression, not conformity. The person and their outcomes, not the clothing or title

They chose their classes and timetables and submitted assignments online, now they choose where to work and submit work via VPNs. It's not just practical, it's more efficient

'Face time' means Apple Facetime, messaging, virtual collaboration

The changing nature of work requires a new way of working

Question the effectiveness of, and need for, traditional, hierarchical control

Blurred line between 'work' and 'personal lives'

Social networking is capacity-building and leads to innovation/better perspective

Adapting to current organizational structures is a waste of time because they don't make sense

Conclusion

Rather than hoping Gen Y workers are simply going to grow up and realize their older colleagues were right all along, leaders need to understand that the generational differences are here to stay. They're hard-wired and fundamental to the way members of Gen Y live and work.

Members of Gen Y value connection and rely on networks. They seek dialogue and input regardless of location, rank or role. They search for meaning and the ability to excel—and they want to be rewarded when they're heading in the right direction. They take personal responsibility for finding the information and people they need to help them do their job, and this makes for a big challenge for most traditional organizations and hierarchies. It's just not how we do things...yet.

Lurking within all this misunderstanding is a huge opportunity.



If you allow Gen Ys to use their strengths it just might lead to a new, innovative approach or experience that would otherwise never have been considered. After all, innovation, creativity, collaboration and flexibility are the very characteristics that many organizations are striving to increase, right?

There is a light at the end of the tunnel for organizations experiencing the bitter divide we all know as 'the generation gap', but the choice is yours: continue managing Gen Y workers as you have every other generation, or recognize that it's time to #understandgeny.



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ABOUT THE AUTHORS

LANCE J. RICHARDS, GPHR, SPHR, HRMP is Vice President, Innovation for Kelly Services. Previously, he headed KellyOCG's Human Resources Consulting practice, where he had overall accountability for the practice on a global basis. Lance is a frequent writer and speaker, providing thought leadership on workforce strategy and evolution. Lance has over 20 years of executive roles in cross-border HR. Twitter: [@lancejrichards](https://twitter.com/lancejrichards)
Linkedin: [Linkedin.com/in/lancejrichards](https://www.linkedin.com/in/lancejrichards) Email: Lance.richards@kellyservices.com



JASON S. MORGA, PHR is Vice President, Americas Marketing for Kelly Services. His group delivers a wide range of interactive and media-rich solutions to support internal and external Kelly clients. Jason is also an Innovation Champion for Kelly's Office of Innovation and has been engaged in human resources and marketing for more than 15 years. Twitter: [@jasonsmorga](https://twitter.com/jasonsmorga) LinkedIn: [Linkedin.com/in/jasonmorga](https://www.linkedin.com/in/jasonmorga)
Email: Jason.morga@kellyservices.com



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