How to Manage a Multigenerational Workforce
The multigenerational challenge: An introduction

Who said that? It must be an unhappy Baby Boomer, right? Perhaps a disgruntled Gen X? Wrong. That was Socrates (469–399 B.C.)

Every generation thinks the one that follows it knows everything, is lazy and disrespectful. In the workplace, these perceptions are magnified. And yet, in 2016, managers must cope with the idiosyncrasies and quirks of up to four generations in the workplace (Gen Z, Gen Y or Millennials, Gen X and Baby Boomers).

It’s this last group that perhaps has the greatest focus – for good reason. It has been well documented that it is an economic imperative for Australian businesses to keep people working well past the traditional retirement age of 65 for men and 60 for women. As far back as 2003, the then Prime Minister John Howard made a compelling case for business leaders to embrace the merits of older workers to create a multigenerational workforce, going so far as to suggest 70 could be the new retirement age.

Yet keeping Baby Boomers engaged is just the tip of the multigenerational challenge. With an age gap of nearly 50 years between the oldest and youngest employees in some organisations, there is a broad range of perspectives, needs and attitudes floating around the office.

Over the following pages Adecco provides tips for managing this diverse workforce — a workforce where, hopefully, the sum is far greater than its multigenerational parts.

Let’s be blunt. Some turnover is fine, even necessary: fresh blood, new perspectives, new ideas. However, when high performing employees are walking out the door, business leaders need to be aware of the unique causes of staff turnover in their organisation and industry. Armed with this knowledge, a retention strategy can be developed to set relevant and achievable targets.
**Gen: Z**

- **Born:** 1995-2010
- **% of Total Population:** 4.43 million (19%)
- **Average Tenure:** 3 years or less

**Biggest Misconceptions:**
- Susceptible to distractions; short attention spans; focused on dream job and will "job-hop" until they find it.

**Likes:**
- Freedom to express entrepreneurialism traits; online and social collaboration; lots of rewards — they are used to rewards for small accomplishments, "on the job."

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**Gen: Y**

- **Born:** 1980-1995
- **% of Total Population:** 5.15 million (22%)
- **Average Tenure:** 3.4 years

**Biggest Misconceptions:**
- Narcissistic and prone to jump from job to job.

**Likes:**
- Flexible work schedules; "me time" on the job; steady and instantaneous feedback from managers; a sense of connectivity; instant gratification; collaboration

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**Gen: X**

- **Born:** 1965-1979
- **% of Total Population:** 4.86 million (21%)
- **Average Tenure:** 5.8 years

**Biggest Misconceptions:**
- Adaptable, yet sceptical and quick to disengage.

**Likes:**
- Deserved rewards, efficient systems, regular feedback, flexible work benefits that allow them to juggle life priorities.

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**Baby Boomers**

- **Born:** 1946-1964
- **% of Total Population:** 5.20 million (22%)
- **Average Tenure:** 7.3 years

**Biggest Misconceptions:**
- Favour of 9-5 work days; struggle with technology; loyal to just one employer; no interest in up-skilling.

**Likes:**
- Respect for authority; dedication to work; enthusiasm.

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**Sources**

"McCrindle Research – ‘Australia’s Generational Profile’ ‘Builders’ (aged 69+ in 2015) make up 2.56 million of the overall population (11%) and make up 1% of the 2014 workforce; by 2020 this will be 0% ‘Generation Alpha (aged <5 in 2014) make up 1.6 million (7%) of the overall population"
Conflict in the workplace

While most organisations have acknowledged the importance of age diversity in their ranks, employees may not be quite so enthusiastic.

One report* indicates that younger workers find it more difficult to cope with age diversity than their older counterparts.

Researchers found that 16% of those aged 16-34 felt their older managers were out of touch with modern trends and a further 15% said older workers were resistant to change.

However, mature workers didn’t feel the same way – and were in fact generous in their assessment of younger workers. An overwhelming 94% of older workers said they thought younger generations were armed with the skills to be successful in their role.

The survey found three overarching issues cause intergenerational conflict:

• Younger and older workers have different views on how things should be done
• Older employees stay in the workforce for longer and leave less room for new talent

Easing conflict

To ease the friction that naturally arises within any group of human beings, but particularly in the tight confines of the workplace, managers can try the following approaches:

• Data collection: gather information regarding the generational composition of the workforce, and use that demographical data to guide HR management. Regularly distribute surveys to gauge interest in flexible work options, and ask departing staff if they would have remained with the organisation if those options had been provided

• Train HR and people leaders in workforce analytics, and encourage them to partner with IT to make full use of data technology. This data will provide insights into how people want to work, their preferences, their motivations, etc.
Keeping Boomers engaged

A 2015 report by the Society for Human Resource Management (SHRM) Foundation offered some insights into strategic approaches to engaging older workers.

First, it was suggested organisational leaders address the following questions:

- What skills do we need to achieve our goals for the next five years or so?
- What skills do we have onboard to achieve this?
- What will our pipeline realistically deliver (minus attrition)?
- How could mature workers serve our long-term goals?
- How do we effectively manage knowledge transfer?

Just like any business investment, it’s critical to be fully aware of the benefits of engaging mature age workers. Consider these for starters:

Knowledge: Older workers have often accumulated a wealth of knowledge, experience and skills during their time in the workforce.

Desirable traits: Generally, mature workers are highly dependable and committed, with more life experience and wisdom.

Workplace training and mentoring: Mature age workers’ wealth of knowledge and experience are valuable resources in workplace training and mentoring programs.

“Companies should consider inclusion strategies as a part of their core business model. By implementing inclusion programs, specifically tailored to Baby Boomers and Traditionalists in the workforce, employers can expect to see an increase in retention among all generations.”

Erica Page,
Director of People and Culture
Attracting and retaining mature-age workers

There are a number of strategies that businesses can deploy to increase the retention rates of workers over the age of 60 and encourage them to work beyond the traditional age of retirement.

Age-friendly practices: Create an age-friendly workplace by ensuring your organisation has policies in place to eliminate stereotyping and discrimination against older employees.

Family-friendly and flexible work practices: Older workers often have more commitments around extended family and caring for others. Flexible work arrangements can encourage them to stay in the workforce longer.

These can be offered in various forms including:

- Scaling back to part-time positions or job-sharing
- Flexible work hours adjusted to allow older employees to honour outside commitments and still contribute to the business

Role swapping: Older workers may prefer to transfer to a role with reduced pay and reduced responsibilities. This is win-win, as the organisation retains corporate knowledge and skills while the employee is given a less-demanding but still rewarding job.

Phased retirement: Valued mature-age workers can stay engaged with the business longer by offering them a customised phased-retirement plan, which gradually reduces their working time or workload over an agreed period.

Training and up-skilling: One of the biggest myths around Baby Boomers is that they no longer wish to upgrade their skills – but up-skilling older workers and helping them maintain relevant skills to meet the requirements of the workplace and keep up with the pace of change is a highly valued motivator for most mature-age workers.

Pre-retirement career planning: Speak to employees as they enter their early 50s and map out the next decade of their working life.

“It is crucial for employers to understand what top millennial talent is looking for in a position. We are in an extremely candidate driven market, and in order to attract and retain millennial talent, companies are shifting their benefits to be much more non traditional. Flexibility and work-life balance are at the top of millennials wish list.”

Matthew De Zilva, Strategic Account Director
The forgotten generation: Gen X

Gen X currently make up the largest chunk of the workforce (35%). And yet, despite their numbers, they have often been overlooked in the rush to pander to retiring Baby Boomers and fussy Millennials. Mercer uncovered some home truths about Gen X in their research, ‘Inside Employees’ Minds’:

- For the most part, Gen Xers’ minds are overloaded with other concerns. They know planning for retirement is important because they’ve seen the challenges facing their parents, but they view retirement as being too far away to save money seriously. They need money now.

- This generation started out with high expectations, entering the workforce during a period of ample job opportunities. They enjoyed signing bonuses and rode the wave of the first dot com boom. But then they saw the tech bubble burst. And just as they were regaining stability, the GFC pulled the economic rug from under their feet. They didn’t fall as hard as the Baby Boomers, but the GFC left many of them financially shaken and wary about the future.

- As a result, many feel they are lucky to have a job today and may not have the confidence, opportunity, or flexibility to make the career changes they’d like. This feeling of “being stuck” due to other forces and commitments has led more than 50% of employees in this middle age group to be disengaged in their work.
Engaging Millennials

By their own admission, Millennials appear far more likely than other generations to move on quickly after their enthusiasm ebbs away.

It seems this connection between motivation and mobilisation also exists amongst older colleagues – but only for a minority. 6% of Generation X resigned within a fortnight of recognising they were no longer giving their best, compared to 5% of Millennials and 3% of Baby Boomers.

• Ultimately, their list of ‘wants’ are not so different to other generations – but their preferences may be ordered differently. Consider these easy-to-achieve fundamentals:

• Provide training. Gen Y, more than any other generation, want guidance.

• Understand their priorities. Gen Y seek greater work-life balance. While some may harbour entrepreneurial desires and a drive to progress, the majority want to be able to enjoy life outside of work. To a point, managers must understand this is the attitude this generation adopts towards work. Just like other generations, providing flexibility is critical.

• Acknowledge and reward. While it would be unrealistic to be giving cash rewards for every accomplishment, Gen Y are driven by a feeling of contribution. Simply acknowledging their contribution verbally or in writing will help drive productivity. This can be applied to other generations as well.

“The introduction of Gen Z into the workforce is changing the skill sets available to employers. Many candidates are more tech savvy and STEM focused than generations prior. It is vital for employers to acknowledge these new skill sets entering the market and understand how positions and industries will be impacted.”

Ger Doyle,
Chief Executive Officer
New kids on the block: Gen Z

Just as employers have started to come to grips with the expectations and quirks of the Millennials comes the next wave: Generation Z. By 2020, Generation Z – those born between 1995 and 2010 – will make up 20% of the workforce.

- Gen Z is the first generation who, as teenagers, did not experience a world with slow or stationary internet access. They are used to interacting online with others, and can consume and share content with ease. They easily adapt to new technologies and implement them into their work practices. Companies can leverage this proficiency.

- Having grown up during the War on Terror and the economic crises, Gen Z is said to be goal focused and target oriented. They are said to plan their careers and seek job security early on. Starting the long path of university education might be less attractive to them; a better option may be early internships and apprenticeships.

- Members of Gen Z are on the brink of making the decision about where their careers are headed. With knowledge of what is attractive to them right now, employers can be part of the decision process (for example, convincing more students to choose science, technology, engineering and mathematics subjects) and position themselves on Gen Z’s desired employer list before they even enter the job market.

- Gen Z is believed to be the first truly diverse and global generation. Traditional gender segregation in jobs does not apply to them as strongly as for previous generations, and they are the first generation able to communicate with and find friends globally. This has major repercussions for those employers who lag on diversity & inclusion issues, and also the technology options they offer to workers.
Perks and benefits

A huge part of recruiting and retaining employees is the benefits package. This holds true for every generation. A one-size-fits-all approach to benefits does not work for any group of employees, let alone entire generations of employees.

Looking at the findings, training is valued by Millennials more than other generations, but other incentives, for example changing roles or countries, are welcomed equally across the workforce.

There are some surprises. Mentoring, which is often cited as a way to nurture young talent, does not have a significant following. Only 2% of Millennials put mentoring as the single most motivating intervention, compared to 3% of Generation X workers.

When asked about money, 84% of Millennials agreed they'd stay in a job that was well paid, compared to 75% of Generation X and 69% of Baby Boomers. However, when asked to quantify the additional time they'd spend in a role the data implies there's a clear expiry date on the loyalty bought from cash and prestige packages. For example, Millennials will increase their service by a factor of 18 months, while promotion extends their work cycle by 19 months.

Interestingly, according to Kronos' study, two thirds (65%) of Millennials say they'd have stayed longer if managers had shown interest in them as an individual – a greater proportion than amongst Generation X (48%) and Baby Boomer respondents (49%).

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<tr>
<th>Benefits</th>
<th>%Gen Y</th>
<th>%Gen X</th>
<th>%Baby Boomers</th>
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<tbody>
<tr>
<td>Increased pay</td>
<td>61</td>
<td>41</td>
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<tr>
<td>Promotion</td>
<td>44</td>
<td>22</td>
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<td>Better flexible working opportunities</td>
<td>31</td>
<td>30</td>
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<td>Better personal development</td>
<td>29</td>
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<td>Different role or country opportunities</td>
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<td>Better training</td>
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<td>Formalised mentorship</td>
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<td>Better social/work integration</td>
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Benefits in a nutshell

**Baby Boomers**
- Set up a retirement plan. Boomers will always look for and expect this opportunity in their benefits package. Boomers will also pay attention to companies with a focus on health, and value healthy lifestyle incentives in a benefits package.
- Give Boomers parameters and flexibility when it comes to family time.

**Gen X**
- Show them that their work schedule is flexible and can be personalised to meet their needs.
- Emphasise how your benefits are unique from other companies. Gen Xers are often looking for added incentives and are sensitive to being taken advantage of.

**Millennials**
- Include them in any financial benefits, such as superannuation plans Millennials want opportunities to become financially sound (and savvy).
- Highlight your flexibility when it comes to work-life integration. ‘Integration’ is the new work-life “balance”, and it is important to showcase that your company is aware of the realities of the modern workplace.

New generations in the workforce are forcing employers to reassess what engagement interventions work, when, and with whom. Kronos asked employees to rank common sweeteners.
Be personal and flexible with policies
Managers must make an effort to understand their employees on an individual level whenever possible. Doing so will reveal the unique needs of each employee and/or generation, which ultimately provides the necessary information for a manager to personalise policies when the opportunity presents itself. As always, being empathetic to employee needs should not go overlooked. When facing a generational issue directly, it is helpful to offer options. The ideal scenario won’t always be met for each employee, but reaching a balance or mutual compromise is the next best step.

Instigate a dialogue
When dealing with potentially sensitive topics based on generational values, it doesn’t hurt to be upfront. Direct the conversation by asking specific questions without shying away from the central theme of the topic. Allow yourself to open up about the challenges you may face, or your own generational tendencies, which often spurs your employees to discuss the same topic. Starting a conversation helps everyone on your team become more aware of their own work styles as well as the styles of others, and can be the first step towards greater collaboration.

Always build on strengths
Rather than accommodating for weaknesses, pay attention to the specific strengths of each generation. Understanding your employee’s strengths on a personal level allows you to build on these strengths. For example, there will be occasions where an employee from the Boomer generation will be more equipped for a certain task - and this may or may not have to do with their generational grouping.

Offer resources and opportunities
Listen to your employees and look for ways that they can develop professionally. By seeking out ways to support your employees based on their unique needs, you can create a baseline from which each individual can grow in the workplace.

Encourage generational understanding
Showcase how different perspectives benefit your team dynamic. By calling attention to what makes each generational skill set valuable, you can drive a company culture through which each group understands the other better and finds opportunity in hearing new perspectives. Encouraging a level of understanding company-wide will only result in more cohesive teams and successful projects.

Develop a work-life integration culture
One of the most noteworthy shifts in workplace culture in recent years is the advent of work-life integration, rather than work-life balance. Work-life integration is a shift that many employers have adopted to meet multigenerational needs while trying to keep up with the fast pace of business in our technological age. With constant access to email and other methods of work and communication, employers have begun revising expectations that work is meant to be done from 9-5 alone. Employees and their employers should look to strike an understanding that work will be accomplished on time, emphasising a culture of trust, even if that time doesn’t fall within the archetypical 9-5, Monday-Friday frame.
Adecco