Leading a Multi-Generational Workplace

For the first time in history, four generations are working side by side. Although different values, experiences, styles, and activities may sometimes create misunderstandings and frustrations, organizations that choose to develop leadership across the generations will gain a competitive edge.

In the short term, 70 million Baby Boomers will retire. Generation X, an age group with different values and priorities than Boomers, will assume leadership positions. The second half of the Millennials (referred to as Generation Z) will join the earlier Millennials (Generation Y) and enter the workplace. These shifts will arguably create the largest demographic shift in the modern day workforce.

The Pew Research Center published a paper pointing out some of the social and cultural dynamics of the Millennial generation, from their being digital natives to their detachment from traditional institutions. But as the next generation leaves school and enters the workforce, we find opportunities to draw on traditional leadership values to help them assimilate into the organizational culture. Dan Schawbel, a leading expert on workplace trends and generational differences, recently offered a webinar to help focus on the importance of examining readiness to recruit, retain and engage the Millennials.

Just as other types of diversity have created assimilation challenges for leaders, so will generational diversity. Each of the four generations (Baby Boomers, Generation X, Generation Y and Generation Z) has distinct attitudes about work, work-life integration, rewards and preferred work styles. Additionally, each generation has distinct skillsets regarding knowledge transfer, technology, communications, and the ability to work effectively in teams. Assimilating the generations into the workforce of today is a critical part of any strong business plan. Leaders who recognize opportunities to attract and retain top talent, develop their next generation of leadership, and incorporate succession planning and targeted recruitment efforts are well positioned to succeed even as the workforce demographics change.

The good news is that despite the differences in the generations, there are many similarities in what employees are looking for:

First and foremost is competent leaders. Each generation expects their leaders to know what they are doing in terms of both technical and people skills. They demand honesty and transparency. Likewise, they want to be competent leaders but may not know how. Developing leadership capacity across generations will keep organizations attractive to new talent. Today, according to Schawbel's analysis of the research, one in four Generation Y workers is in a management role, and most feel unprepared to lead.

Second, each person is looking for meaningful work. Every worker wants to be part of a successful, high-performing organization. Work should be challenging but able to be completed within a reasonable amount of time. What this work looks like differs across generations. While more senior workers are happy to work on a long-term project and in an individual contributor role, younger workers are more focused on purpose-driven work, collaborative project teams and on quick success. Zeroing in on how work is delegated and accomplished will help leaders deliver on results.

Next, everyone wants to be recognized for his or her contributions. The nature of the reward or recognition may change from generation to generation, but the principle remains the same. Our survey work in organizations shows again and again that this is an area of concern for workers. Leaders share distinct
challenges in retaining some of the best educated, diverse and ambitious workers seen in years. These employees require different rewards and recognition system, and a manager who is actively engaged and approaches them as their coach.

**Performance management continues to be an issue for leaders.** Workers cannot be engaged if they don’t know how they are doing. While the timing and content of the feedback may differ from group to group, feedback is critical. Yet the way feedback is received across the generations is different. Research points to the fact that the Millennial Generation requires more frequent feedback as well as more explicit goals and expectations. On the heels of “helicopter parenting” and education rubrics, younger workers require leaders to use coaching and teaching as part of their performance management system.

**Finally, leaders need to be mindful of work-life integration.** Each person has a different need to balance the time they spend at work and their personal time. Some work to live; others live to work. Building a leadership pipeline aware of the generational needs for flexibility and balance will help engage and retain across the workforce.

The opportunity to benefit from the “Millennials” skills can propel organizations forward by capitalizing on their nimbleness with technology and networks, comfort with innovation and creativity, and focused clarity on mission and purpose.

Companies can gain a competitive advantage by assessing generational needs unique to their organizational culture, then beginning to explore customizable options to help attract and retain younger workers, and employing a solid assimilation plan for new hires. Millennial workers will look for companies that offer teamwork, flexibility, coaching and mentoring, and a set of corresponding cultural attributes where they feel engaged.

In order for those organizations to ready themselves to manage through the “youth bubble,” we suggest considering the following factors:

**Knowledge Management:** Opportunities exist to manage knowledge through the generational shift and during a period filled with the constant flow of information. Historical knowledge and systems thinking may be dismissed by younger generations looking for the quick answer rather than working toward solving the problem on their own. Their instinct is to pursue speed over accuracy. Harnessing the power of the younger workers who have also spent the majority of their formative years working in groups rather than individually can help organizations tap the expertise of all while simultaneously integrating institutional knowledge with technology.

**Recruitment and Retention:** The combination of the independence gained from powerful, mobile technology and the constant sense of affirmation from their parents has produced a sense of entitlement in Millennials that can be seen as a double-edged sword. They have the resources and initiative to make positive changes where they see the need but may not have the experience necessary to know what it takes to persevere. While working for the same employer for a long period was a point of pride to the Baby Boomers and a matter of necessity to Generation X, Millennials will likely see themselves as functional experts who use their technical skills to become internal consultants, fix a problem and then move on. Retaining employees in an age of free agency offers opportunities for organizations to explore helping the next generation to manage their careers and identify realistic succession opportunities.
Engagement: In any organization, results are better across the board when workers are engaged. Fundamental to engagement is feedback. Traditional feedback is centered on development and individual achievement. The newest generation grew up in a spirit of collaboration and an “everyone is a winner” mentality and thus may be inexperienced with a performance management system focused on metrics and shortcomings. They may be more interested in how the team and the enterprise are doing and less interested in individual development and competition. Organizations placing a new lens on how employees are evaluated, recognized and rewarded will benefit from the loyalty the next generation will display.

We are already beginning a seismic shift in the workplace. Some organizations are experiencing the major influx of Millennials; others have yet to be affected. In the next decade all of us will make decisions about how best to achieve results and in all cases, the key to success is leadership – leadership to analyze the environment, produce a clear and compelling vision, and lead those key leaders who translate strategy into action. The times ahead are exciting, and those who are prepared and proactive will find a better organization because initiatives are integrated and tailored to fit both the culture and the current workers.

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