

My Generation

Employee Engagement across Four Distinct Generations

For Public Release

Each generation imagines itself to be more intelligent than the one that went before it, and wiser than the one that comes after it. - George Orwell

Bennett Hornbostel, Prem Kumar, and Ross Smith - July 2011

*For perhaps the first time in recorded history, labor markets in the 21st century are comprised of members of **four generations**. This situation presents very real challenges – and opportunities - to organizations and how they address issues of talent engagement, leadership development and people management.*



*As society continues to adapt to the prevalence of a multi-generational workforce, it is essential that companies proactively address this change and apply the same inclusive philosophies they often exhibited with regard to other forms of diversity, to the **generational** diversity trends.*

*All companies have an opportunity to leverage a generationally diverse workforce as a **competitive advantage** by employing a new set of engagement tools and practices. This paper highlights current research supporting our assertion and introduces practical solutions for addressing generational and life-stage opportunities.*

Vertical diversity between age groups is just as impactful to a company's future as the cross-cultural, gender-based, or differences anchored in disability – and many companies don't have a pipeline of future leaders to accommodate the dramatic societal changes that have taken place over the last few years.

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Introduction

Businesses around the world are currently facing demographical and societal changes, economic landscape alterations, globalization, and the ongoing rise of the knowledge worker that are leading us to a workplace in the United States where members of four generations sit side-by-side, for the first time.

This is both an opportunity and a challenge for businesses of all sizes.

In this paper, we would like to introduce the four different generations and provide immediately relevant recommendations for employee engagement across these age groups and associated life-stages. Our primary goal is to highlight techniques for better targeting the needs of specific generations and life-stages, while honing engagement practices that may formally have been age-independent.

We have intentionally taken a fairly broad approach with this paper and provided several recommendations which should be carefully tailored to an organization's unique needs.

Information consumption habits aside, we hope that by presenting a relatively large amount of information we can ignite this important discussion and highlight the forces at work and how they might be addressed.

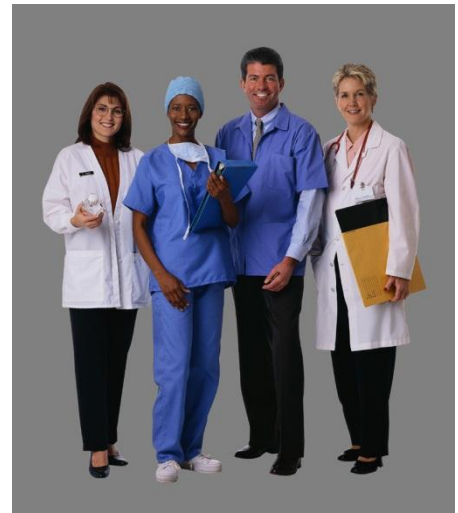
We will refer to these differences using two terms: "Life-stage" and "Generation". This difference is best explained with an example. At age 25, an employee might want more time off from work. At age 40, many people are more focused on family than on taking time off from work. These are "Life-stage" characteristics – and it doesn't matter if you were born in the 1950's or the 1980's – you likely share similar behaviors. A "Generational" difference might be that a 22 year old entering the work force today would know how to use a computer or has a cellphone whereas a 22 year old in 1960 was not as technologically savvy with these new devices. We believe both of these differences offer opportunities, yet feel that many life-stage differences are often incorrectly classified as generational – it's a very fine line. Much of the data does not make this distinction, and we ask the reader keep this in mind.

Four Generations of Workers in the 21st Century

"Corporate America is as diverse as ever. An unprecedented number of workers from each of the four generations – Traditional, Baby Boomers, Gen Xers and Generation Y – are working alongside one another and bringing their own values, goals and communication approaches to the workplace. Such generational dynamics in the workplace affect morale,

productivity, recruitment and retention. Employers are facing immediate challenges when it comes to optimizing productivity, protecting profits and growing their businesses.”¹

The makeup of formal – and informal - organizations has always mirrored that of society as a whole. As societal demographics shift, organizations have no choice but to consume the transformation. A “failure to respond to the demographic changes of society will make it difficult, if not impossible, for the modern organization to meet employee needs and productively move forward.”² This will leave the organization unprepared to compete – for talent or in the marketplace - eventually leading to its demise. We are confident that businesses will *react* to societal changes, but are advocating that leaders be more proactive in addressing generational diversity.



According to Jamie Notter from Notter Consulting, a firm focused on diversity issues, “Discussions of workplace diversity in the United States tend to start with the topics of race, ethnicity, gender, sexual orientation, and disability”³. “Another slice that is not always included in typical diversity discussions, however, is generational diversity. In any large



organization, you are bound to find groups where at least four distinct generations are working side by side.

Sociologists, psychologists, and everyday managers have identified important differences between these generations in the way they approach work, work/life balance, employee loyalty, authority, and other important issues.”⁴

Companies often view generational differences as inevitable, unavoidable, and abstract; but research shows that in the 21st century, companies that proactively address these issues will be more successful than those that do not. They will leverage the significant shift in societal demographics to build better and more relevant products, create more attractive work environments, and recruit better talent – leading directly to customer satisfaction, and then to shareholder satisfaction.

¹ <http://www.hrmreport.com/article/Engaging-the-Multi-generational-Workforce/>

² http://www.associatedcontent.com/article/1057728/changes_in_workplace_demographics_the.html?cat=17

³ <http://www.multiculturaladvantage.com/recruit/group/mature/Generational-Diversity-in-Workplace.asp>

⁴ <http://www.multiculturaladvantage.com/recruit/group/mature/Generational-Diversity-in-Workplace.asp>



Why this is Urgent and Important

OK, fine... but most organizations are already global, diverse, and open-minded. They already care deeply about diversity and view everyone the same, regardless of their differences.

That said, in the case of generational diversity, it is very important we acknowledge differences in work styles, attitudes and work preferences and we work to understand them thoroughly and integrate them in to the culture.

The societal demographic changes we're seeing are huge tectonic plates that are and will continue to shake the foundation of the workplace as we know it. We do not currently understand the magnitude of these generational differences – for customers, markets, and employees - and can build on our momentum to proactively to address them. **We all need to become students of generational and life stage differences.**

Cognitive Attrition and the Disengaged Worker

One of the biggest challenges in the modern workplace is employee engagement. An organization that struggles to keep employees engaged faces an onset of cognitive or mental attrition. So why do we need engaged employees? Engaged employees are happier, more productive and more efficient.

Gallup does a survey every year on employee engagement, identifying three types of employees. Their research shows that “business units in the top quartile of Gallup's engagement database have 37% less absenteeism, 25% less turnover in high-turnover organizations (such as retail), 49% less turnover in low-turnover organizations, 27% less shrinkage, 49% fewer safety incidents, and 60% fewer product defects when compared to business units in the bottom quartile. Top-quartile business units also have 12% higher customer metrics, 18% higher productivity, and 16% higher profitability than business units in the bottom quartile.”⁵



Figure 1 - Gallup - Types of Employee Engagement

As the age of the workforce changes, so do the things required to engage employees. The 25 year old wants time off, the 40 year old wants insurance to cover pink medicine for ear infections for infants, and the 60 year old wants to do work that leaves a legacy. The changing desires and needs present firms an opportunity to increase employee engagement levels across the generational levels of its workforce.

The cognitive attrition that comes with a lack of engagement is an area where businesses can improve, and learning how to engage a generationally diverse audience can lead to growth in the marketplace. There are many studies that show the relationship between employee-customer-shareholder satisfaction.

According to a Partner from Great Places to Work institute, the company that provides data for Fortune Magazines 100 Best Companies to Work For “the number one thing tied to job satisfcation is trust in the workplace ... [and] building in mechanisms for addressing

⁵ <http://gmj.gallup.com/content/142859/Right.aspx>

generational diversity will lead to trust in the organization and peers, among employees of diverse generations”⁶.

Why is engagement so important these days?

Building a culture that fully engages employees of varying generations will serve to ensure that as the economy turns, companies are able to retain their future leaders. According to the Economist “managers will have to make an extra effort to keep the “Net Generation” motivated in times of economic downturn, to prevent an exodus of young talent once the economy improves”. The ramifications of not improving the engagement of our various generations has implications on future staffing, leadership development and retention as well as making the most of our current staff.

With baby boomers filling most executive positions, there is a disproportionate amount of leadership talent and knowledge vested in employees who will soon be leaving the workforce. Not only are younger employees insufficiently prepared to fill the knowledge and leadership gap—there simply aren't enough to fill the shortage.

This shortfall is coming because the number of baby boomers born within an 18-year period, from 1946 to 1964, was so huge—78 million people. And U.S. birth rates have been on a steady decline since the late 1970s. Citizens of child-bearing age just aren't having enough kids to meet the country's need for future workers. ⁷

Looking only at the age of the workforce, it's likely that 50 percent of the current workforce would prefer to retire in the next 10 years⁸. Another problem we've found at many companies that folks are often staying longer instead of retiring, since their needs as Veterans are not being adequately addressed, they are not fully engaged.

It is clear that we face some significant challenges with engaging both these segments of the workforce.

When it comes to generational diversity, the risk of inaction is significant:

- 1) Corporations stand to lose more employees through lack of engagement in the short-term and head count attrition over the long term as the economy stabilizes.
- 2) Corporations will lose opportunities to capture experiential learning and institutional knowledge buried in the minds of our veterans, before they retire.

⁶ Anecdotal: Society of Human Resource Management: “Great Places to Work” Presentation at Society of Human Resource Management Management Conference, 2010

⁷ http://www.pipmag.com/feature_print.php?fid=200807fe02

⁸ http://www.disruptivedemographics.com/2010/03/disruptive-demographics-in-workplace_06.html

- 3) Our future leaders, Gen Y and Gen X will not develop and remain focused on their careers at their current companies - instead their focus will be around where to go for their next job.
- 4) Veterans – or more significantly – the experienced boomers who reach their late 50's and 60's - will spend the last of their years waiting to retire, collecting a (big) paycheck, and yet, by Gallup terms, are *disengaged* or worse, and companies will lose out on the opportunity for these folks to mentor, teach, learn from, and engage with the younger generation to develop a new and improved corporate culture.

Research Hypothesis

Methodology

The information in this paper is derived from five primary sources:

- Formal Focus Groups
- Listening tours
- Phone Interviews with employees from Facebook, Amazon, Boeing and two Seattle-based startup companies
- External Research

Key Findings

- Vertical diversity between age groups is just as impactful to a company's future as the cross-cultural, gender-based, or differences anchored in disability – and many companies don't have a pipeline of future leaders to accommodate the dramatic societal changes that have taken place over the last few years.
- Due to an unprecedented number of workers from four generations working alongside one another, generational dynamics in the workplace affect morale, productivity, recruitment, retention and engagement - **Corporations have an opportunity to draw upon past successes in embracing diversity to be a leader in the generational diversity space and use their diverse workforce as a competitive advantage through engagement**; it is critical that all employees understand the climate and make proactive efforts to embrace it.
- With attrition rates holding steady in an unstable economy, companies need to focus their efforts to prevent **cognitive attrition and increase engagement**.
- Benefits, both formal and informal are one way to improve employee engagement. At most companies, **there is a large discrepancy between the breadth of benefits offerings and employee awareness** – one way to improve benefits communications, and increase benefits awareness is by targeting content based on generation and life-stage.

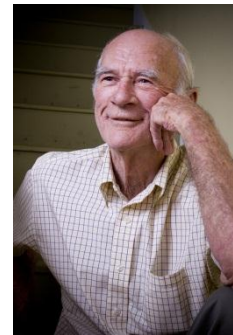
- Employee engagement is a two way street – not only does an organization have to adapt its practices in a generational diverse setting, but **employees must be proactive in understanding their own tendencies, desires, and triggers as it relates to their generation and life-stage, and proactively seek out opportunities to engage with the organization as they move through life-stages.**
- Globally the fastest growing segment of the population is aged 60 and over, so engaging the older workforce is just as important as engaging younger employees. At many corporations folks aren't retiring when "retirement ready", making it crucially important that companies work hard to engage these employees that are staying longer than expected, and provide "friendly exit" opportunities with higher ROI to the company.
- Ultimately, attrition and engagement are most influenced by an employee's direct management chain.
- Reverse Mentoring is a tangible way companies can better utilize their multi-generational workforce, increase engagement between workers, both young and old, and bridge generational gaps.

The Multi-generational Workplace

Before generational differences can be adequately addressed it is important to have a high-level understanding of the four generations that share our workplace; Generation Y, Generation X, Boomers and Veterans.



"Armed with an improved knowledge of the motivators and disincentives that drive its employees, an organization is more likely to develop the recruitment and retention strategies that others only dream about."⁹ The same can be said about engagement strategies.



⁹ http://www.delawareemploymentlawblog.com/2008/10/how_to_use_reverse_mentoring_a.html

Generation Y, Generation X, Boomers and Veterans

Four Generations “roughly” Defined¹⁰

Veterans (or Traditionalists or Matures)

The Veterans (ie, **people born approximately between 1922 and 1943**) were children of the Great Depression and World War II. They lived through the Korean War and are recognized for their strong traditional views of religion, family, and country. Their core values include respect for authority, loyalty, hard work, and dedication. They make up about 10 percent of the U.S. workforce: They grew up in tough economic times during the Great Depression and World War II. Veterans tend to value hard work. They are dedicated, and not just to doing a good job or making themselves look good, but also to helping the organization succeed and getting customers what they need. They are great team players, carry their weight and don't let others down.

Baby Boomers

The Baby Boomers (ie, **people born between 1943 and 1960**) did not experience the same difficulties as their parents. They grew up during a time of great economic growth and prosperity. Their lives were influenced by the civil rights movement, women's liberation, the space program, the Cold War, and the Vietnam War. They place a high value on youth, health, personal gratification, and material wealth. Baby Boomers are optimistic and believe their generation changed the world. They make up almost half the U.S. workforce (46 percent): They grew up during an era of economic prosperity and experienced the tumult of the 1960s at an impressionable age. They are driven, love challenge and build stellar careers. Because they have had to compete with each other at every step of their careers, they can be highly competitive.



Generation X

Generation Xers (ie, **people born between 1960 and 1980**) sometimes are referred to as the misunderstood generation. They are the product of self-centered, work-driven Baby Boomer parents. Watergate, the advent of MTV, single-parent homes, and latchkey experiences played influential roles in their development. They were the first generation to embrace the personal computer and the Internet. They welcome diversity, are motivated

¹⁰ http://findarticles.com/p/articles/mi_m0FSL/is_3_78/ai_109352507/

by money, believe in balance in their lives, are self-reliant, and value free time and having fun. Gen X makes up 29 percent of the workforce: Gen Xers witnessed their parents' experiences with corporate downsizing and restructuring in the 1970s and '80s. Raised in an era of two-earner households, many of them got a child's-eye view of work-centric parenting. They value flexibility, work/life balance and autonomy on the job and appreciate a fun, informal work environment. They are constantly assessing how their careers are progressing and place a premium on learning opportunities. They are technologically savvy, eager to learn new skills and comfortable with change at work.

Generation Y (or Millennials, Nexters, Generation Next)

Generation Y -- are those **people born between 1980 and 2000**. (4) They have no recollection of the Reagan era, do not remember the Cold War, and have known only one Germany. Their world has always had AIDS, answering machines, microwave ovens, and videocassette recorders. This generation includes more than 81 million people, approximately 30%, of the current population. Generation Y makes up just 15 percent of the U.S. workforce. However, over the next two decades that percentage will grow to approach that of the baby boomers in their prime.



Gen Y tends to be well organized, confident, and resilient and achievement oriented. They are excellent team players, like collaboration and use sophisticated technology with ease. They want to work in an environment where differences are respected and valued, where people are judged by their contributions and where talent matters.

"Their defenders say they are motivated, versatile workers who are just what companies need in these difficult times. To others, however, the members of "Generation Y"...are spoiled, narcissistic layabouts who cannot spell and waste too much time on instant messaging and Facebook. Ah, reply the Net Geners, but all that messing around online proves that we are computer-literate multi-taskers who are adept users of online collaborative tools, and natural team players. And, while you are on the subject of me, I need a month's sabbatical to recalibrate my personal goals"¹¹.

Research has shown that 401ks, salaries and other forms of monetary compensation are less important to Generation Y *retention* than fruitful collaboration with peers, recognition of work, opportunities for growth and the idea of "being a part of something". These young

¹¹ http://www.economist.com/node/12853955?story_id=12853955

employees are less averse to change and will tirelessly seek environments that promote these activities, leaving those that don't.

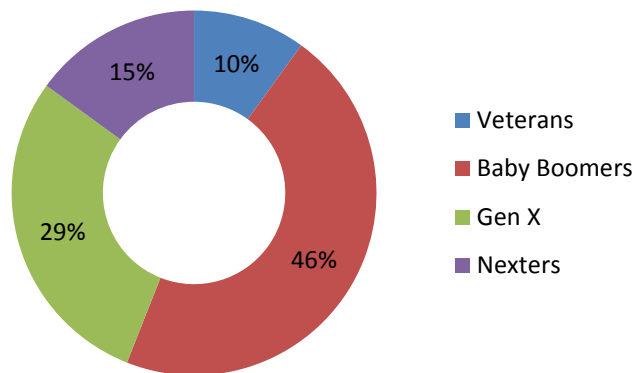


Figure 2 – 2010 US Workforce by Generation¹²

Differences in Life-stage

Spiritual Denouement (66 and beyond)				
Key Issues	Self-Image	Goal Focus	Relationships	Community
Hope vs. Despair,	Accepting self as dependent on a wisdom greater than one's own, recognizing that wisdom as benevolent, and submitting one's self and life to that wisdom's will	Tying things up and completing the development of the person/spiritual being we want to become	Accepting others and recognizing/ respecting humankind's diversity as part of a greater wisdom's plan	Recognizing that life is only part of a larger, more enduring spiritual community and helping others understand that
Survival of Spirit vs. Mortality, Surrender vs. Control				

¹² http://findarticles.com/p/articles/mi_m0FSL/is_3_78/ai_109352507/

Leaving a Legacy (49-65)

Key Issues	Self-Image	Goal Focus	Relationships	Community
Contribution vs. Personal Benefit, Other vs. Self-Centered, Social vs. Independent Accomplishments	Letting go of earlier inaccurate ego images and accepting oneself as a worthwhile being with weaknesses as well as strengths	Making the best of the time one has left to help others and leave a positive legacy	Settling into more realistic and rewarding relationships based on recognizing/forgiving each other's imperfections as human and helping each other grow	Re-engagement on a deeper, more objective, less driven and more productive, level with family, friends, and society

Mid-Life Transition (40-48)

Key Issues	Self-Image	Goal Focus	Relationships	Community
Resolving Key Polarities	Re-examining realities of projected ego and image vs. true self and struggling to define/accept true self	Questioning the dream whether or not it was achieved and developing a more mature sense of what is really important	Recognizing/acknowledging one's own negative and positive impact on relationships and correcting course for deeper, more authentic connections	Disengaging from group and cultural pressures/norms to re-evaluate and restructure priorities

Making Commitments (32-40)

Key Issues	Self-Image	Goal Focus	Relationships	Community
Master vs. Apprentice,	Firming up/establishing a more permanent sense of self and who/what we want to become	Deciding a life direction and defining/aggressively pursuing a dream of what we want to accomplish in life	Making more permanent commitments to love relationships, friends, and peers	Establishing more permanent connections and community ties/responsibilities
Permanent vs. Tentative				

Choices				
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Young Adult Transition (27-31)				
Key Issues	Self-Image	Goal Focus	Relationships	Community
Turmoil vs. Certainty,	Questioning sense of self and who/what we want to become	Re-assessing initial life style and making more permanent choices/ commitments	Sorting out and deciding which relationships will become more permanent	Re-thinking and evaluating commitments and connections
Settling Down vs. Keeping Things Open				
Autonomy / Tentative Choices (18 - 26)				
Key Issues	Self-Image	Goal Focus	Relationships	Community
Autonomy vs. Dependence,	Developing sense of personhood as separate from parents and childhood peer groups	Defining self as an individual and establishing an initial life style	Testing out new relationships (e.g., love interests, peer groups, and friends)	Realigning focus from family of origin to new peers and groups
Tentative vs. Lasting Choices				

Table 1 - Personal and Lifestyle Characteristics by Generation¹³

Cross-Generational Engagement

- The Younger Workforce
- The Older Workforce

Generational and life-stage issues affect us both consciously and subconsciously every single day.

A survey by Lee and Hecht Harrison tells us that “70% of older employees are dismissive of younger workers’ abilities and nearly half of younger employees are dismissive of the abilities of their older co-workers”¹⁴.

¹³ http://www.career-test.biz/stages_assessment.htm

¹⁴ http://www.usatoday.com/money/workplace/2005-11-06-gen-y_x.htm

Even at the most progressive of companies, these trends often persist. It's important to address them head-on to win the battle of engagement.

For organizational purposes we'll split the conversation into one about Younger Workers (Generations X and Y) and Older Workers (The Baby Boomer Generation and Veterans), present the unique traits that folks of these various life-stages and generations share and provide recommendations and tips for addressing these differences.

The Younger Workforce

- Building a Pipeline of Future Leaders
- Younger Managers

With regards to the younger workforce a huge engagement challenge for many companies lies in missing out on opportunities to grow future leaders

One of the biggest historical challenges in the tech workplace is effectively motivating and engaging top young talent. Human Resources plays a huge role in bringing this talent in but engaging and developing it is a responsibility all employees share.

Gen Y and Gen X are our current and near term future leaders. Employers need to invest in efforts to engage these future leaders in a positive way, at the risk of losing them and their influence on their peers.

Common Background Characteristics ¹⁵		
Characteristics	Generation Y	Generation X
Core Values	Realism, Confidence, Extreme fun, social	Skepticism, Fun, Informality
Family	Merged families	Latch-key kids
Education	an incredible expense	A way to get there
Communication Media	Internet, picture phones, email	Cell phones, call me only at work
Dealing with Money	Earn to spend	Cautious, Conservative, Save, Save, Save
Generational Attitudes		
Area	Generation Y	Generation X
Attitude toward work-life balance	I want to integrate work and leisure	Let me create a schedule that allows time for work and home

¹⁵ Ten Things You Need to Know About Generational Benefits Preferences” Benefits Roundtable, Corporate Executive Board corporation

Attitude toward risk	Relatively high risk tolerance	Relatively moderate risk tolerance
Degree of intellectual curiosity	I want to learn transferable skills	I want to learn the latest and greatest new skills
Dependent obligations	Now- few or none; reliant on boomer parents Future – obligation will grow as Gen Y marries	Now- Responsible for a spouse and one or more children Future- Obligations increase due to parents' elder care needs

Common Gen Y and Gen X Weaknesses

Gen Y	Gen X
<ul style="list-style-type: none"> • Absent related to lifestyle decisions • Respectful communication • Functional literacy • The consequences of their lifestyle or risk-taking behavior 	<ul style="list-style-type: none"> • Career development • Conflict resolution and office politics • Multigenerational team projects • Balancing work and family

Building a Pipeline of Future Leaders

Whether leadership is measured by title or influence, organizations need to proactively address the leadership potential Gen Y and Gen X, and engage them in a way that prevents cognitive attrition.



Companies are losing leaders at a much faster pace than they are producing them, say Douglas R. Ready and Jay A. Conger, co-authors of a recent MIT Sloan Management Review article titled "How to Fill the Talent Gap." "More than 30 million managers and leaders will be retiring within the next five years," they report.¹⁶

The respect for gender or cultural diversity and the programs to build pipelines for future leaders in these areas helps corporations see opportunities they might otherwise miss in these arenas, but they don't always have that in place for generational diversity. This is one area where organizations can stand to greatly improve. so as to not lose their future leaders to attrition, or lack of engagement.

According to a Taleo study conducted in 2008, 43% of college graduates stayed in their first job less than two years and 19% of 18-34 years olds wanted to quit their first job every day, compared to 3% of those 55 years and over¹⁷.

The focus on keeping younger talent will become even more important when the economy turns. According to the Economist "managers will have to make an extra effort to keep the "Net Generation" motivated in times of economic downturn, to prevent an exodus of young talent once the economy improve". This is attributed to a capricious quality present in the latest generation of professionals, Generation Y (or the "Net Generation").

The great news for many tech companies , **if they are able to adequately engage these folks** technological savvy is a core skill for every college recruit – whether the job is writing code, developing an ad campaign, or doing corporate tax work.

Growing up in a tech savvy environment also means that during development, Gen Y'ers may actually approach problem solving differently than workers of other generations. They are after instant gratification and recognition and often value the speed of a solution over its comprehensiveness. They are used to getting things now,

¹⁶ http://www.pipmag.com/feature_print.php?fid=200807fe02

¹⁷ <http://ir.taleo.com/releasedetail.cfm?releaseid=397261>

and are more used to two-way communication (rather than one-way instruction). They love feedback.

Gen X-ers bear many similarities to Gen Y employees, though both these younger groups are strikingly different in work style than Boomers and Veterans.

*"3 out of 5 Gen Xers have said that someday they want to work for themselves. I believe this is less to do with the need for true business ownership than it is a sense of control over their own destiny."*¹⁸

Gen Xers have an entrepreneurial streak. Like Gen Y employees, Generation X-ers also seek recognition and are drawn to opportunities to learn and enjoy their work as well have control over their surroundings. Since X-ers value workplace environment and culture, employers should create a light and lively learning culture. Be honest and unafraid of conflict when providing feedback. X-ers seek responsibility, but not always proactively: create a career ladder or promotion plan for them. Gen X grew up in an era of corporate downsizing, so they are skeptical and want to control their own destiny.

X-ers love technology and toys; equip them with the latest office technology. They also work to live lives full of the best and the biggest; therefore give them perks that are personal.

In return, expect a strong work ethic and an amazing ability to multi-task. X-ers will commit to you if they feel you have committed to them.

To keep future leaders on track it is important to understand the aforementioned traits and make changes in management practices to build on them.

Younger Managers

One of the most dramatic changes that this demographic shift brings with it is the increase in younger bosses managing older workers. Traditionally, the more experienced move up in the organization and manage those with less experience. The societal demographics and rapid increase in the pace of work brought on by technological change has led to a growth in instances of younger managers managing employees older than themselves. In many corporations this dynamic has not been specifically addressed by management training programs and it is essential this happens, to successfully prepare a pipeline of future leaders.

¹⁸ http://www.newcommbiz.com/the-future-of-employee-retention/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+NewCommBiz+%28New+Comm+Biz%29&utm_content=Google+Feedfetcher

What should a younger manager do?

“The very first step towards making the younger boss/older worker relationship work is to accept the situation for what it is and stop kicking and screaming! The younger boss is the boss and wouldn’t be the boss if he or she were not qualified – diapers or no diapers. At the same time, a boss is only as strong as his or her direct reports. The younger boss needs to respect the older worker for the years of experience and expertise that he/she brings to the table, which will help to make the team shine – dentures or no dentures. If both individuals can accept that they each have something unique to bring to the table, then one big hurdle has been overcome.”¹⁹

In situations where a manager has a direct report older than them, the manager must have enough self-confidence to respect the experience and not try to dictate or micro-manage.

This can even help young manager accelerate their own learning and growth. However, many young managers are uncomfortable in situations where their employees are much older than them and can fall into a trap where they dictate and micro-manage as a reactionary tactic, which leads to either mistreatment, ignorance, under-utilization, or a general lack of success in these situations. As a result, many organizations with younger management chains are reticent to hire older workers. Younger managers need to show respect, and make a solid first impression²⁰ with older employees, and be open to listening to their wisdom, while still maintaining their position as the leader.

Asking questions, asking for feedback and learning from employees are areas where younger managers must particularly focus on, and can do so without losing authority as a leader.

As with most employees, older workers want to be respected, to be consulted and involved in decision making. Younger managers need to engage older employees and empower them, perhaps more so than they typically would with employees of a similar age or generation.

Lastly it is important for the younger manager to understand the people s/he is managing, and be aware of the motivations and tendencies of the older workforce.

The Older Workforce

- An Aging Workforce
- Age Discrimination

¹⁹ <http://bridgingthegenerationgap.com/articles/Apr2007.htm>

²⁰ <http://abcnews.go.com/Business/CareerManagement/story?id=3690248>

With regards to the older workforce challenges for many companies around engagement lie in understanding the demographical changes at play, ensuring that the rise in workforce age is treated with respect and urgency (taking into account older workers' unique traits), and ensuring that older employees have positive exit experiences.

Given the aforementioned work dynamics and opportunities brought upon by the unprecedented generational diversity demographers are seeing, it is equally important to understand the older workforce as the younger.

Both Head count retention, and cognitive retention should be evaluated in determining a company's plan for engaging the Older workforce .

If employees decide to hold off on retiring organizations need to understand what keeps them at the company and use that to engage them – or risk losing millions of dollars a year in cognitive attrition. Companies also need to develop strong exit options for the older workforce, so they leave on good terms.

So what makes the Boomers and Veterans unique?

Common Background Characteristics		
Characteristics	Boomers	Veterans
Core Values	Optimism, Involvement	Respect for Authority, Conformers, Discipline
Family	Disintegrating	Traditional, Nuclear
Education	A birthright	A dream
Communication Media	Touch-tone phones, Call me anytime	Rotary phones, One-on-One, Write a Memo
Dealing with Money	Buy now, pay later	Put it away, Pay Cash
Generational Attitudes		
Area	Boomers	Veterans
Attitude toward work-life balance	Give me a schedule that allows time for work and home	Let me create a schedule that allows time for work and home
Attitude toward risk	Relatively low risk tolerance	Lowest Risk tolerance
Degree of intellectual curiosity	I want to master a few core skills	Pride in already established skill-set and interest in learning more as it relates to this skill set
Dependent obligations	Now – supporting Gen Y children and/or elderly parents Future – obligations may decrease	Relatively low dependent obligations, may be supporting Boomer and Gen X relatives

Common Boomer and Veteran Weaknesses

Boomers	Veterans
<ul style="list-style-type: none">• The nontraditional work styles of Generation X and Generation Y• Technology replacing human interaction• Sharing praise and rewards• Balancing work and family• Practicing what they preach	<ul style="list-style-type: none">• Potential Pessimism related to medical issues• Absence related to medical concerns• Respect for diversity

An Aging Workforce

As the population ages, and the economy continues to struggle, we see the number of Boomer and Veteran workers increasing, and a rise in the average age of employees in the US.

According to the [Bureau of Labor Statistics](#), the median age of the American workforce is about 41 years old, compared to 20 years earlier when it was nearly 36



Whether it's the result of an aging workforce or a trend that finds companies hiring more stability-oriented, older workers, the United States Bureau of Labor Statistics (BLS) estimates that over the next 10 years, members of the workforce ages 55 and up will grow by an annual rate of four percent – four times faster than the growth expected for the entire workforce.²¹

Nearly two in five workers (38 percent) currently aged 50 to 64 plan to carry on working beyond 65, according to a survey conducted by Chartered Institute of Personnel and Development (CIPD). In addition, those who are not planning to work past 65, 31 percent would change their mind if their employer allowed them to work flexibly, and another fifth say that they would be tempted to carry on working past 65 if they were offered a deferred

²¹ <http://www.ergoweb.com/news/detail.cfm?id=924>

larger pension.²²

2008 National Projections
(In millions)

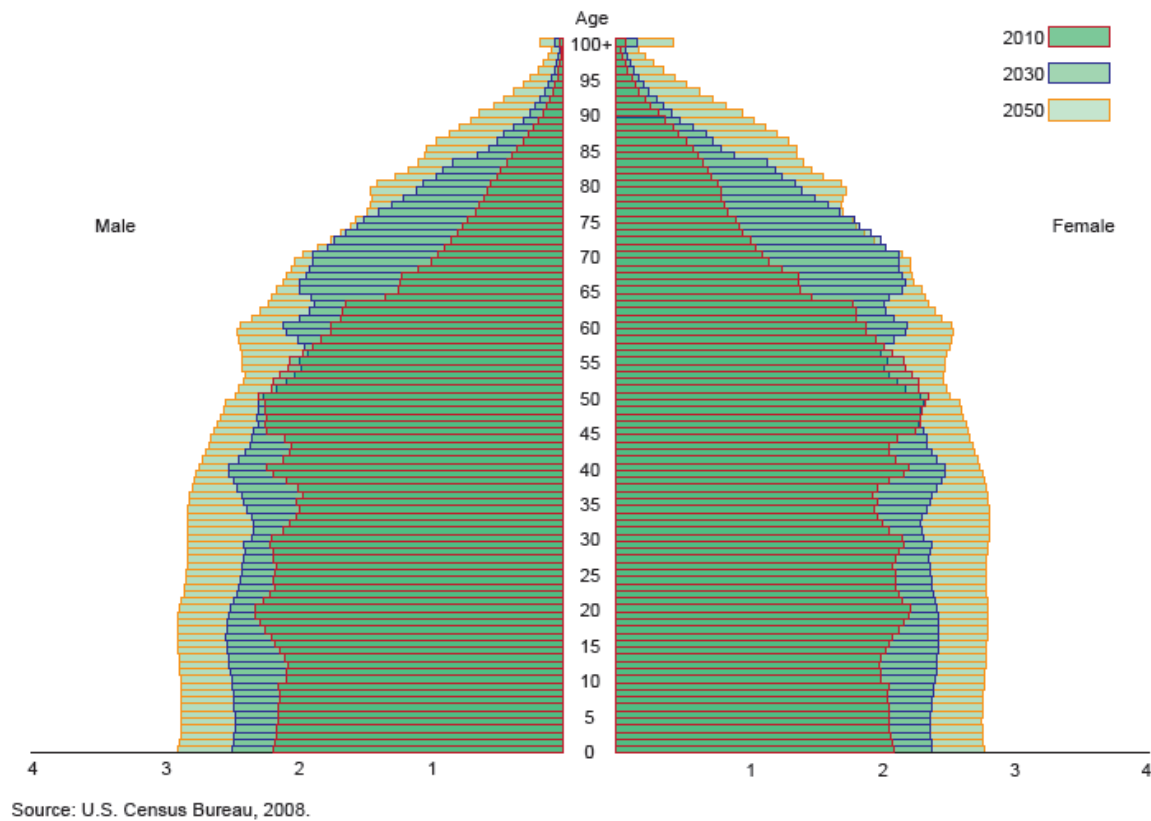


Figure 3 US Population Age and Sex Structure 2010, 2030, 2050²³

Globally, the population aged 60 or over is the fastest growing

Population aging will continue to have important implications. In the more developed regions, the population aged 60 or over is growing at the fastest pace ever (at 2.0 per cent annually) and is expected to increase by 58 per cent over the next four decades, rising from 264 million in 2009 to 416 million in 2050.²⁴

Deborah Russell, manager of AARP's Economic Security/Work section, told MSNBC that with 78 million baby boomers approaching retirement age, industries like healthcare and retail

²² Families and Work Institute for the American Business Collaboration, *Older Employees in the Workforce, Generation & Gender in the Workplace*, (2002)

²³ <http://www.census.gov/population/www/projections/analytical-document09.pdf>

²⁴ http://www.un.org/esa/population/publications/popnews/Newsltr_87.pdf

are already focusing on hiring and retaining older workers. “By virtue of their sheer numbers, absolutely, employers have no choice but to really look at [older workers] ... as a continuing pool of resources that they might need in the future,” Russell said. And that means more than just offering the older worker a job – it means making the work and the workplace fit the worker through ergonomics.²⁵ It means truly engaging them.

Impact of a Down Economy

The recent economic downturn plays a big role in the choice to retire. Working longer has a big impact on retirement savings.

- On average, working an additional year increases annual retirement income about 9 percent
- Working an additional five years boosts annual retirement income about 56 percent.
- The impact is even larger for people at the lower end of the income distribution.²⁶

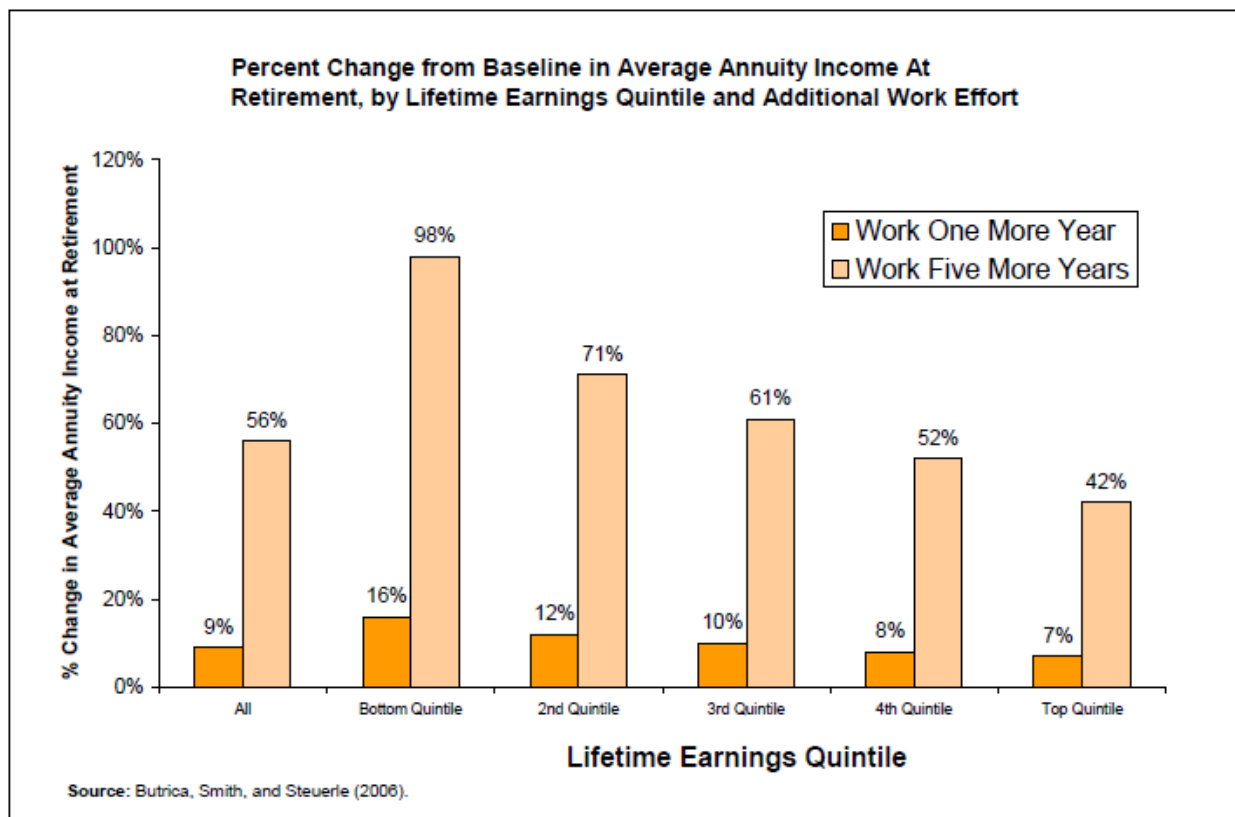
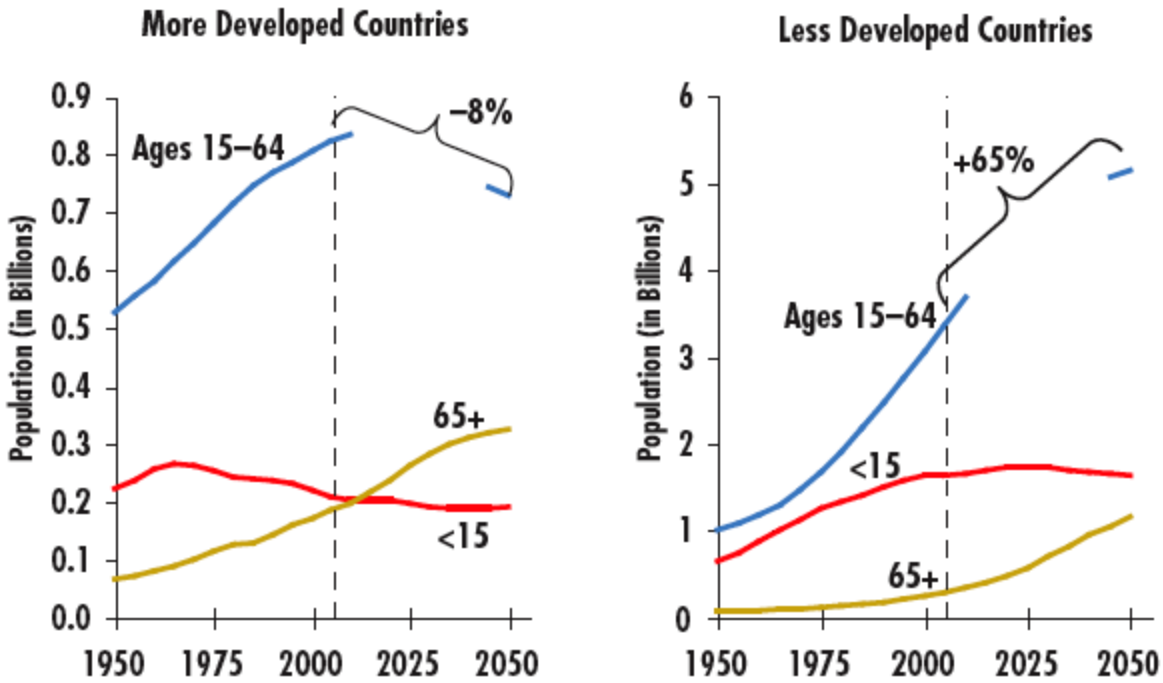


Figure 4 - Working Longer - Percent Change in Income at Retirement²⁷

²⁵ <http://www.ergoweb.com/news/detail.cfm?id=924>

²⁶ http://www.urban.org/UploadedPDF/411584_work_longer.pdf

Exhibit 4: Workforce growth diverges, but there will be fewer children and more old people everywhere.



Source: United Nations *World Population Prospects: The 2006 Revision, Medium Variant*

Figure 5 - Workforce growth diverges²⁸

In United States, there are dramatic changes taking place in the median age and life expectancy at birth numbers. From 1950 to projected 2050, median age in North America will rise from 29.8 years to 42.1. The percentage of the population over age 60 will rise from 12.4% in 1950 to 27.8%. Life expectancy at birth from 68.8 years to 83.5 years in 2050.²⁹

Not only are people living longer, but the percentages of those over age 65 who are unable to work because of chronic disability continues to fall. In addition, as the type of work has changed from physical labor to knowledge work, older workers are more able to contribute at sufficient levels. Improved healthcare and healthier lifestyles contribute to living longer.

Workers also stay in the workforce longer because the emotional well-being and identity associated with work is harder to give up. The social aspect of the workplace is more

²⁷ Retirement Policy Center http://www.urban.org/UploadedPDF/411584_work_longer.pdf

²⁸ <http://longevity1.stanford.edu/files/Exhibit%204.png>

²⁹ United Nations World Population - <http://esa.un.org/unpp/p2k0data.asp>

important as divorce rates have been on the rise for decades and there are more single adults. "In 1960, only 1.6 percent of older men and 1.5 percent of women aged 65 and older were divorced. But by 2003, 7 percent of older men and 8.6 percent of older women were divorced and had not remarried. The trend may be continuing. In 2003, among people in their early 60s, 12.2 percent of men and 15.9 percent of women were divorced."³⁰ Without the social relationships in the workplace, these single older workers fear being completely alone.

The result is that the size of the mature workforce is large and will continue to grow for the foreseeable future.

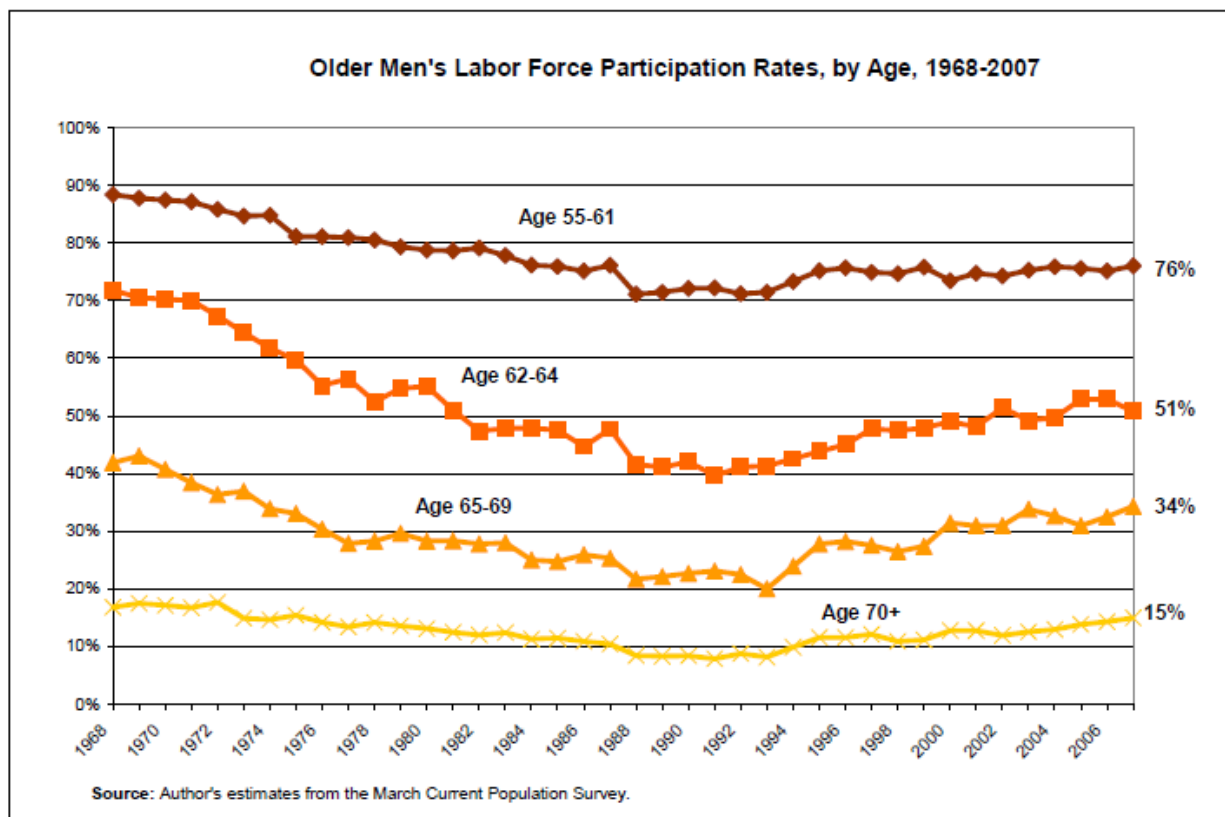


Figure 6 - Older Men's Labor Force Participation³¹

³⁰ <http://health.dailynewscentral.com/content/view/0002152/53/>

³¹ Retirement Policy Center - http://www.urban.org/UploadedPDF/411584_work_longer.pdf

Age Discrimination

With the increasing numbers of older workers, who are staying in the workforce and not retiring, one immediate concern that comes up is age discrimination aimed at the older workforce.

Studies show that “nearly half of younger employees are dismissive of the abilities of their older co-workers”³².

If the goal is to engage the older workforce and prevent cognitive attrition it is important that corporations start by being leaders in respecting older workers.

It’s been suggested that, at least informally, age is discriminated against more so than race or gender. Everyone tends to use self-deprecating humor about the impact of aging. It’s OK to make jokes about aging that would be inappropriate for race or gender. As a result, beliefs about age and performance have clouded the picture.

The myth that older workers don’t perform as well has been dispelled by luminaries like Warren Buffett, George Soros, Brett Favre, and the Rolling Stones.

Older workers don’t necessarily cost more in salary. Certainly, experience may cost more, but many older workers are not working solely for the paycheck - there are other factors that have value, and they may be quite willing to earn less.

Older workers don’t necessarily cost more in healthcare insurance costs. Individually, older workers may make more claims, but since most companies offer family benefits, it’s likely that overall costs for older workers who no longer have dependents, are less than younger workers with children.

All that said, age discrimination is still on the rise. As more baby boomers remain in the workforce past retirement age, it is likely that older workers will sense discriminatory actions. In his new book, Peter Capelli says that managers are often reluctant to hire someone older than they are, because they are intimidated or they believe that candidate won’t respect a young manager. In some cases, those biases deprive organizations of the experienced senior workers they need.

It is important age discrimination is taken seriously, and management practices that can perpetuate these issues are carefully reviewed.

For example, “forced ranking can provide a patina of legitimacy that obscures—perhaps, in some cases, even from the decision makers themselves—the reliance on unfounded stereotypical assumptions about older workers, such as the canard that older workers are

³² http://www.usatoday.com/money/workplace/2005-11-06-gen-y_x.htm

resistant to change and innovation and, therefore, cannot adapt to the virtual realities of the computerized twenty-first century workplace, whereas their younger counterparts can do so easily.

To be a leader in the diversity space and win the employee engagement battle companies must learn from generational diversity issues related to discrimination and put in place measures to prevent it.

Things we've done on the Lync Client Test Team

The Lync Client Test Team is made up of about 85 people who span all four generations. The team has been together for several years and has a very diverse cultural, gender, and technical background. Our job is to discover defects and improve the customer experience around unified communications using Microsoft Lync. One caveat - some of the items on the list below are aspirational – our schedules can vary by individual, so while some things, like team identity, impact everyone; other behaviors may not apply to everyone all the time. We've tried to capture many of these behaviors through an initiative called 42projects – www.42projects.org.

Strong Team identity

One of the most important factors in developing a strong and healthy team is the establishment of a strong team identity. All of us on the team benefit from viewing our team as a unique entity. The work we do to discuss the Lync client test team as a whole help each and every person on a team, regardless of their age, to feel part of something bigger. One of the biggest things we've done over the last few years is developed a strong identity for our team.

Younger managers managing older workers

On the Lync Client test team, we have several cases where managers are younger than employees who work directly for them. While some of this is intentional, the majority of these cases are an artifact of the demographic makeup of our team. Respect for life stages, work styles, expertise, skill sets, motivational factors, and diversity across these age groups is an important component to the success of our team. Many people do not want to be an up-and-coming manager. Some people are very happy being technical experts sitting in their office each day and diving deep into the technical details. Others are very happy managing people, attending meetings, thinking about the careers of others. While these differences are not necessarily age dependent, there are many cases where optimizing for individual preferences lead to situations where younger managers are managing older workers. If we can manage these situations effectively, the team as a whole realizes great benefits - we are able to engage workers of all generations.

Online meetings

Our product, Microsoft Lync, is developed around many of the scenarios that benefit workers across all generations. As we see in our research, work styles vary dramatically across the generations. Flexibility in schedule, geographic location, and communication styles are important in varying degrees to each generation. We have the benefit with Microsoft Lync of being able to leverage technology to help us respect the differences between work styles of the different generations. For example, almost all of our meetings offer an online option. Attendees can choose whether or not to attend in person or online. Often times as schedules conflict, whether those schedules are work based or personal, it is easier for an individual to attend a meeting via an online video conference instead of in person. The culture of our team reflects these changes and respects the priorities of an individual and has very little "judgment" around those who attend online instead of in person.

Remote work

Offering employees the opportunity to attend meetings online, enhances our ability to support remote workers. Given the historical trends, it's pretty likely that remote work will be a key component of the most successful and competitive firms of the future. We are fortunate enough to work on a product that facilitates remote work, and our experiments in how to work remotely will help us develop the skills to enable us to recruit top talent in the future.

Emphasis on Training

While the particulars of the training courses may vary dramatically across life stages, we have a strong focus on our team on Training. Whether that training is formal classroom-based, whether it is due to the altruism of a peer, or something that spans from a weekly ad hoc meeting around a particular topic, there is a strong emphasis on growing the skills of our team. Our belief is that an investment in training is an investment in retention and productivity. As we've seen, people at different life stages expect and are motivated by different things. Training offers an opportunity for everyone to advance, grow, and stay engaged. Each of the life stages are motivated by and will benefit from training, while at the same time the productivity of the organization improves.

Any hands meetings

The idea behind any hands meetings is once again to respect the priorities of the individual. What a senior leader calls for an all hands meeting, the unwritten implication is that everyone should make sure they attend. Individuals may find it hard to assess the importance of the meeting, relative to their own priorities. A simple change, such as changing the title of an "all hands" meeting to an "any hands" meeting shifts the prioritization of attendance from the manager to the individual. Managers must convey the importance of a meeting. An optional invitation from management to attend a meeting --

where the employee truly feels that it is optional -- will empower individual employees to more accurately prioritize their use of time. The risk for the leader is that potentially they could be alone in a meeting room, as employees have prioritized other activities above the leader's meeting. While this can be an embarrassing situation for the leader, it serves the organization well.

Skip level 1:1's

Every manager aspires to know every single individual on the team. Every manager would like to know spouse names, kid's birthdays, personal goals, work struggles, and opinions on company strategy - for each and every single employee. This is true whether the leader leads a team of five or a team of 50,000. Obviously at some point, scale becomes an issue. Every single employee on the team deserves this courtesy. A healthy relationship across multiple layers of the organization benefits the individual, the manager, the team, and the overall organization. We've tried to prioritize time so that we have a level of familiarity across levels in the organization. Making time to meet with, and understand the challenges at all levels.

Work from anywhere

Lync enables remote communication and remote work. One of the principles we try to support is the ability for individuals to work from anywhere. We have one individual working remotely, and probably everyone on the team does some aspect of their work outside of our building, every single day. Many people work from home, work while they commute, and attend meetings while they travel.

Meeting free Thursdays

We have declared each Thursday off-limits for scheduling meetings. The goal of this program was to enable people to have a full day to count on for focusing their efforts. While the success in keeping Thursday's truly free of meetings has been mixed, the program has had some impact on efficiency.

Weekly "pizza meetings"

This tradition has been in place for many years as part of our 42projects effort. This practice is designed to encourage knowledge-sharing, teamwork, and collaboration. The idea is to host a weekly lunch hour, with free pizza, for people to share projects, new tools or inventions, ask for feedback or collaboration, or bring in unique guest speakers. We typically have about 20 people attend in person and another 30 attend online. The meetings are recorded and have been very successful in helping to share best practices across the team.

No fixed working hours

Most high tech companies share this behavior, but we wanted to call it out as a successful practice. There are no required working hours. We have members of the team that show up at 6AM and others who start their day at noon. The respect for individual schedules and work styles helps people to be more productive, more motivated, and to do better work.

Facebook is fine

Again, this is a standard practice for many companies. There are no limits on internet usage. Obviously, illicit sites are off-limits, but if someone wants to check Facebook or use the web to catch up on something while they are at work, it's fine. Parents may have web-based day care cams, Gen Y might be updating their social networks, and Gen X might be taking a break to play a game. We strive for a climate of mutual high trust, and do not impose any limits or restrictions, with the trust and belief that it won't be misused.

Productivity games

As the nature of the workforce shifts – with incoming “Gamer Generation” employees – and the rise of social gaming in older generations, we can make use of successful game mechanics to help motivate employees to participate in work-related activities. The principles of trust, collaborative play, and fun allow novices to experiment with new strategies with the freedom to fail in game play that might not exist in the traditional workplace. Risk-taking, supported by the structure of game mechanics, play, and organizational trust actually improves software quality by varying defect detection techniques.

Productivity games – games in the workplace – can help enhance traditional workplace methodologies including effective communication, employee engagement, cost savings, and more. Employees desire many of the same things from the workplace that gamers demand from games.

Emphasis on results

Each generation works slightly differently. The benefits of a diverse workforce are well understood. Our job is to improve the quality of Microsoft Lync, and different approaches brought about by different habits across generations, help to improve the overall quality of the product. It's important for us to always remind ourselves that diversity helps reduce risk. There is no one standard definition of quality – many different definitions are quite valid – and it's important to look at the results, and not to over-emphasize any specific approach or methodology.

How does this work help our product?

It's always important to bring the discussion back around to our products. How do these behaviors impact our success in the marketplace?

Customer empathy

Employee satisfaction has been shown to be a predictor of customer satisfaction.³³ When individuals are empowered to work the way that suits them best, they are better able to put themselves in the minds of our customers and empathize with their needs. A generationally diverse workforce can help to broaden the thinking around how our customers might use our product.

Respect for work styles improves productivity

Maintaining a healthy respect for the differences in the way in which people work results in higher levels of productivity. These differences not only span individual preferences and work styles, but can reflect broader needs of generation-based behaviors. The ability to learn and categorize by generation can help lead to the discovery of new and productive practices.

Diversity improves quality

As mentioned earlier, diversity in techniques and approaches to quality improvement leads to higher quality products. For a tester, it's harder to find the 10th bug in a piece of software than it is to find the first. A diverse workforce, including generational diversity, will approach quality differently and those unique approaches will lead to higher quality software.

Using our product in our work

We have a unique advantage in working on Microsoft Lync, because the product we work on is a key tool in managing the benefits of the generationally diverse workforce. Remote communications empower individuals to work in the way they choose and that best supports their lifestyle, instant messaging can provide real-time access, and online meetings help make people more productive by reducing travel time and improving meeting efficiency. Because we use our product to help facilitate practices that benefit each generation, the quality of our product improves.

³³ [MSI](#) and [Emerald Group](#) and [Quantos](#)

Our workforce reflects our customers

As the demographics of the world continue to evolve, we believe that we will have a generally representative sample across our workforce. The value of having a generationally diverse organization lies in our ability to understand the needs, requirements, goals and usage patterns of our users. The way in which a boomer uses software is very different than the way someone from Gen Y might. If the makeup of our team can span generations in the same way as our customer base, our ability to empathize with our users increases, and with that the quality of the customer experience for our products.

Recommendations

- Bridging Generational Gaps
 - Reverse Mentoring as Means of Cross-Generational/Cross-Life-stage Engagement
 - Re-thinking Rewards and Benefits

Bridging Generational Gaps

The first step in ensuring employees are engaged with the company, lies in making sure they are engaged with one another. Generational gaps must be addressed through peer-peer interaction.

Reverse Mentoring as Means of Cross-Generational/Cross-Life-stage Engagement

Establishing formal “Reverse Mentoring” relationships will bridge generational gaps and better engage both groups involved with their day jobs, reducing cognitive attrition in small and large ways.

This concept isn’t new and has already been employed by several companies pioneering strategies for leveraging generational differences.



To utilize Generation Y’s confidence, desire for growth, desire for *being a part of something* and technical skills, companies from Procter and Gamble to Siemens have set up tutoring for middle-aged executives, placing college-hires in the mentor role. The focus on the session was knowledge-transfer regarding tech skills. Despite the unorthodox nature of this approach, it has helped break down barriers in corporate interactions and left Gen Y employees with an

experience that addressed their needs instead of suppressing them.

The dynamic created by a formal reverse mentoring partnership, seems to be very conducive to generational/life-stage cross-pollination. As the relationship is driven by the Veteran mentee, Younger mentors tend to open up, creating more of a “level playing field”, so to speak. Regardless of who is doing most of the learning and who is doing most of the teaching, setting up a mentoring relationship as “Reverse Mentoring” in nature seems to breed great results in terms of empowering the younger generation, and engaging the older generation.

At technology companies where most all employees have a pretty high tech IQ giving Gen Y’ers the chance to meet once a quarter with executives (whether it be via formal reverse mentoring or a less formal scenario) to impart knowledge around social networking and new coding techniques or to simply chat about the state of the business could address the aforementioned generational issues via:

- Empowering future leaders, by giving them access to our current leaders in an informal manner – opportunities for our future leaders and current leaders to connect informally are very sparse.
- Helping current leaders gain an understanding of and appreciation for future leaders.
- Helping younger employees gain Institutional knowledge from the Veteran workforce before they retire.
- Engaging Veteran workforce with what’s happening “on the ground” and the younger workforce with what’s happening on leaderships teams – this sort of engagement can help curb cognitive attrition.

Below are findings from two of the authors of this paper, who have partaken in a Reverse Mentoring relationship over the last year.

Mentee perspective

I am 47 years old and have been in the industry more than 20 years. Prem, my mentor is 25 years old. We have maintained this relationship, meeting monthly for almost a year. The biggest things I’ve learned is how similar Prem is to how I was at that age. How my priorities and perspective has changed as my life-stage has changed. From what I’ve read, reverse mentoring helps a lot when older workers struggle with technology, and I don’t think that’s been my experience. What’s been enlightening to me is how communication has changed. I’m on Facebook – and all I see are updates from old high school friends, and learning more than I need to know about my kids’ social life.

I'm not connecting with my peers there – that happens in person or on the phone or email.

I learned a lot about the impact of benefits on our life-stage goals. When I was 22, I worked for the government, and we had “comp time” (compensatory time) – and I LOVED it – I could work hard one week, and take more time off the next week. I realize that's not an option for Prem. I am working to make sure my kids can go to college, so money and career advancement are important to me, and I realize that my mentor cares less about these things that I care about and wants to be exposed to diverse technology, unique jobs, and career experience – and that it's less about financial reward and advancement than getting experience. If you asked each of us these two questions:

- Would you work 7 days a week for an extra \$10,000?
- Would you give up 20% of your salary to get experience doing XYZ?

I think we would answer oppositely. What the reverse mentorship has taught me was not how to be better at Facebook – but that motivation, incentive, and goals vary dramatically as we move through the life-stages.

I know that people on our team have benefitted from my experience with my mentor (though as I write this, I realize I could do more) – because we have cut people loose from the “day job” to seek out new experiences.

Mentor perspective

Since I started at the company as a college hire in 2006, I've had both peer and career mentors, informally and formally. Being involved in a mentoring relationship is the single most effective career development tool I've found in my professional career, and reverse mentoring is no different than traditional mentoring with regard to the value one can glean from it.

Being able to bounce ideas off Ross over the last year has really helped me as I grow in my career. Contrary to my initial guesses I've learned that Ross and I, despite our different life-stages are passionate about many of the same things, though there are some very tangible things, such as away time where we differ.

Placing the “Reverse Mentoring” wrapper around our relationship has really helped set expectations in a way that helped me get quite a bit out of it. I think having Ross really drive the relationship, as my “Mentee” took out some of pressures I'd subconsciously feel just by being in a room with someone that has 80 people under him, and is in a completely different life-stage and generation than me. Devoid of this pressure, I was able to really bounce any ideas that came to my mind off him, and get context for those ideas that could only be provided by someone in his life-stage and or level.

Re-thinking Rewards and Benefits

- Rewarding Positive Deviance
- Formal Benefits

Rewarding Positive Deviance

Gen Y employees are natural positive deviants – they’ve lived their entire lives deviating out of necessity and interest. One important change that companies can make to recognize generational changes is to empower and reward those positive deviants who are already taking steps to informally bridge generation gaps.

The thirteenth-century Sufi mystic Nasrudin is a fixture of Middle Eastern folklore. His parables combine wisdom with irony, logic with the illogical, the superficial with the profound. In one, he is a notorious smuggler routinely crossing the frontier with his string of donkeys, saddle bags loaded with straw. Customs inspectors searched in vain for the contraband that accounts for his steady accumulation of wealth. Years go by. Nasrudin retires. One day he encounters the former chief of customs in a local teahouse. The retired official broaches a long suppressed question: "Nasrudin, as we are now old men who have ended our careers and are no longer a threat to each other, tell me, during all those years, what were you smuggling?" Nasrudin replies, "Donkeys"

Invisible in plain sight. Invisible positive deviants often don't know what they don't know.

They do not realize that they are doing anything unusual or noteworthy. Living alongside peers, they flourish while others struggle. Also invisible in plain sight is the communities latent potential to self-organize, tap its own wisdom, and address problems long regarded with fatalistic acceptance. Once the community has discovered and leveraged existing solutions by drawing on its own resources, adaptive capacity extends beyond addressing the initial problem at hand, it enables those involved to take control of their destiny and address future challenges.

The pragmatic Mocua tribe of Mozambique have a succinct adage: "The faraway stick does not kill the snake". Positive deviants in your midst are the stick close at hand - readily accessible and successfully employed by people "just like us." No need for outside experts or best practice remedies that "may work over there but won't work here." No need for deep systemic analysis or a resource intensive assault on root causes. Just discover the closest stick and use it.³⁴

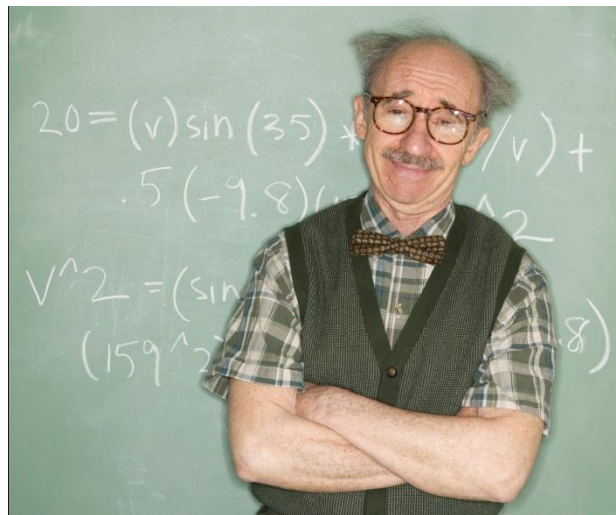
The world is changing rapidly. Across industries, employees are building complex solutions to complex problems. These challenges require a diverse, talented, and intellectual workforce capable of approaching problems from a wide variety of perspectives. A healthy

³⁴ The Power of Positive Deviance – Pascale, Sternin, Sternin, p7.

respect for diversity has been a strength of most successful companies, since their inception. In large corporations there will inevitably be a trend, at some point, towards standardization – in process, titles, rewards and methodology – that is natural as an organization matures but seems to inhibit risk-taking and experimentation.

Deviance has traditionally referred to behavior the departure from the norm and is often seen as a negative thing. However, positive deviance can be a healthy practice for a community or organization. “Positive Deviance is an approach to behavioral and social change based on the observation that in a community, there are people (Positive Deviants) whose uncommon but successful behaviors or strategies enable them to find better solutions to a problem than their peers, despite having no special resources or knowledge”³⁵

“...people who are highly respected throughout the organization define desired outcome, not management. Such respect comes when individuals, often called “positive deviants” (Pascale and Sternin, 2005), demonstrate excellence in a given domain through commitments and actions that are both visionary and practical. Positive deviants tend to think and act well in advance of where organization wants to go (Seidman McCauley, 2008), and are already practicing many of the attitudes, behaviors, and business processes these functions want to achieve as a result of the cultural change initiatives.”³⁶



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The three criteria for positive deviance are voluntary behaviors, significant departure from the norms of a referent group, and honorable intentions. There are examples of this everywhere. From the employee who creates a popular mailing list or internal blog - to those organizing sports activities, social clubs, recruiting trips, conference speakers, and special interest groups. These are attributes of what makes an organization a great place to work, and helps to attract top talent.

³⁵ Sternin, J., & Choo, R. (2000). The power of positive deviancy. Harvard Business

³⁶ A Scientific Model for Grassroots O.D., Seidman McCauley <http://www.scribd.com/doc/19180652/A-Scientific-Model-for-Grassroots-OD>

These opportunities don't just magically appear, they arise from the passion, the effort, and the interest of one or more people who are willing to take initiative. Virtually all of these great options – things that make an organization great - come from the voluntary efforts of the employees. For example, a typical mentor may contribute 12-40 hours a year helping one or more mentees with virtually no formal recognition in the company rewards process, and likely no reduction in their own workload to accommodate for that time investment. They do it to give back, to give to others. These people help one another as a citizenship behavior for the benefit of the organization and to help others.

If a team has done something successful – technically, organizationally, with management, morale, etc., there are typically outlets for sharing best practices - but preparation and delivery to share comes at the expense of the individual, who often must forsake his or her own job, or more likely, work extra hard, in order to help the company by sharing.

These “positive deviants”, whose practices and success stories we acknowledge, should be explicitly rewarded – and encouraged through more than just a circumstantial acknowledgement with an “atta boy or atta girl” email. This should be part of our formal reward and recognition effort and called out deliberately by upper management, and rewarded accordingly.

Formal Benefits

Discussions around customizing, re-allocating and adding new formal benefits often accompany discussion of building an organization that truly engages the multi-generational workforce.

Communication of Benefits

We've found that great companies have great benefits packages for their people resource, but often the gap can lie in that fact that not all their employees are aware of the benefits we provide. Addressing this problem needs to come from both human resources **and** our employees themselves. It's important both groups are proactive and that we ensure the right information is consumed by the right people.

Customizing the dissemination of benefits information to employees based on generational preferences may be one effective way of targeting our benefits information and associated marketing.

“One Size Does Not Fit All”

While we found in our focus groups that there are many similarities in the types of benefits that employees want, there are many differences in why they want these, if they will consume them and if they will continue to want them. This is due to employees of different

life-stages and generations having different attitudes towards and expectations for their jobs and lives.

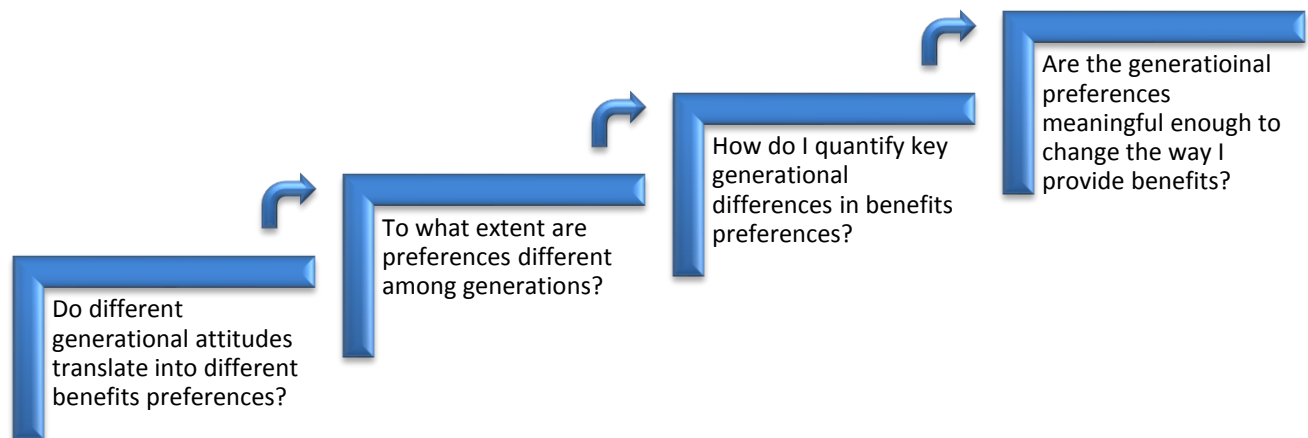
Generational Characteristics and Attitudes³⁷			
Characteristics	Generation Y	Generation X	Boomers
Attitude toward work-life balance	I want to integrate works and leisure	Let me create a schedule that allows time for work and home	Give me a schedule that allows time for work and home
Attitude toward risk	Relatively high risk tolerance	Relatively moderate risk tolerance	Relatively low risk tolerance
Degree of intellectual curiosity	I want to learn transferable skills	I want to learn the latest and greatest new skills	I want to master a few core skills
Dependent obligations	Now- few or none; reliant on boomer parents Future – obligation will grow as Gen Y marries	Now- Responsible for a spouse and one or more children Future- Obligations increase due to parents’ elder care needs	Now – supporting Gen Y children and/or elderly parents Future – obligations may decrease

Potential Benefits Impacted by Generational Characteristics and Attitudes³⁸	
Characteristics	Potential Benefits impacted
Attitude toward work-life balance	<ul style="list-style-type: none"> ▪ Paid time off/vacation ▪ Flexible work schedules ▪ Child Care assistance ▪ Telecommuting/remote work options
Attitude toward risk	<ul style="list-style-type: none"> ▪ Short- and long-term disability insurance ▪ Group term life insurance ▪ Co-pay, co-insurance, deductible, and OOPM levels ▪ Annual and lifetime maximum health insurance coverage amounts
Degree of intellectual curiosity	<ul style="list-style-type: none"> ▪ Educational assistance ▪ On-the-job training
Dependent obligations	<ul style="list-style-type: none"> ▪ Child Care and adoption services ▪ Dependent care FSAs

³⁷ Ten Things You Need to Know About Generational Benefits Preferences” Benefits Roundtable, Corporate Executive Board corporation

³⁸ Ten Things You Need to Know About Generational Benefits Preferences” Benefits Roundtable, Corporate Executive Board corporation

An organization considering re-aligning benefits must be pragmatic in its approach and consider the following:



The following five items taken from “Ten Things You Need to Know About Generational Benefits Preferences” ³⁹ are applicable to any organization and echoed throughout our own research.

1. The Generations are more alike than not

Generations have similar preferences for many key benefits, implying that organizations planning to design segmentation strategies can offer a set of “core” benefits elements that target the common preferences across generations

2. The highest return plan changes vary by generation

Benefits plan design changes can yield very different ROIs for each generation. When making such changes, be mindful of each generation’s representation in the workforce and how they will be impacted.

³⁹ “Ten Things You Need to Know About Generational Benefits Preferences” Benefits Roundtable, Corporate Executive Board corporation

3. “I want it does not mean that I will use it”

Generation Y employees value the “option value” of educational assistance benefits. Organizations should communicate more about educational assistance benefits offerings to Generation Y employees and job candidates, since they can create significant employee value by doing so, without necessarily incurring high costs.

4. Generation X and Boomers are becoming more sensitive to “less likely” health costs

Generation X and Boomer employees are growing more concerned with the health care costs they are less likely to encounter. Employers can influence these employees’ health plan selection during open enrollment by providing more generous coverage levels of “less likely” benefits in certain plans (here ROI makes this advisable).

5. Most health benefits are becoming less important for generation Y

We’ve put together the below recommendations based on our research and focus groups. These are informal recommendations made to provide “food for thought” and *the success of each will hinge on the ability of an organization to incorporate them within the context of the regulations and tax laws they are bound by.*

Formal Benefits food for thought:

Life-Stage Aware Benefits

As a 22-year-old new hire, one of my big goals might be repay my parents the money they loaned me for college or “gap year” expenses. I now have a “real job”, and perhaps the company offered me a loan, deductible from my paycheck for the next N years, to pay them back immediately. My needs for self-image, autonomy and independence are fed immediately, and from the company’s perspective, loyalty and the likelihood of retention are greatly improved.

As a boomer, I might need help with a loan for mortgage or college tuition or to pay for my Mom to go to a nursing home. Some may want a higher level of charitable contribution matching. As a mature employee, I may want some flexibility to work at a non-profit one day a week. Older workers are not motivated by a 5 year stock vesting, and maybe not even interested in a bonus.

Paid Leave as a Reward

Gen Y works to live. Veterans want to leave a legacy. Boomers need to pay college tuition. Instead of offering everyone, regardless of life-stage, a big annual bonus, perhaps, a firm could offer the Gen Y employee a month paid time off instead of a cash bonus – or maybe 3 months off for the Veteran instead of stock options – and use the stock for the Gen X and cash for the Boomer.

Segment-specific Recommendations

- Engaging Generations X and Y
- Engaging Boomers and Veterans
- Stuff YOU Can Do Right Now

In this section we will provide engagement recommendations specific to age group and generation. Our goal is to provide tangible calls to action without getting into implementation details, as these will change from org to org.

We've categorized these recommendations, first by the group to which they are intended to engage and secondly by the party primarily responsible for initiating them at most large tech organizations. We'll use the following designations to identify the latter.

E - Executives and Leadership Teams

M - People Managers

P - Program Owners

A - All Employees

Engaging Generations X and Y

We know that Generations X and Y represent future leadership, and many of the current leaders. What material actions can we take to ensure they are engaged? The table below includes our recommendations with **the specific generation the recommendation will help engage** listed in parenthesis. The business press is filled with stories of organizations across industries who are successfully experimenting with many of these recommendations.

Key – Organized by group responsible for initiating change

E - Executives and Leadership Teams

M - People Managers

P - Program Owners

A - All Employees

Remove Annual Review Labels for College Hires' First Review (Gen Y)? **E P**

Stress Formal Training to Employees (Gen Y, Gen X) **M**

Generation X and Y employees love training, more so than other generations. It has been reported that eighty percent consider training when accepting a job⁴⁰.

Build manager training for those faced with managing older employees.

Build training for employees of all ages to better understand generational diversity issues.

Build Internal Communities (Gen Y, Gen X) **M A**

Xers and Yers will work hard for what they believe in, and what they find to be challenging. They strive for a feeling of community, a feeling of family.

Because of this desire for community they like to work in a team environment, team projects.

⁴⁰ <http://ezinearticles.com/?Six-Tips-on-Coaching-Generation-X&id=860544>

Make the work environment one they can believe in, give them a sense of belonging, a sense of self improvement and you will have happy people on your team ready to serve.

Generation Y is drawn to community via technology, so social media technologies may be a good fit for engaging these groups. Creating mailing lists, Facebook or LinkedIn groups, etc. specifically focused for social discussion among these groups can also help (in fact we see many examples of this already).

Treat Them as Individuals (Gen Y, Gen X) M A

While we tend to lump people together when we talk about these personality traits of a generation, keep in mind that Gen-Xers and Gen Y's want to be treated as individuals. They know they are part of a group, part of a team, but they want to be recognized as an individual as well.

Give Them Space (Gen Y, Gen X) M

Don't be one of those over-the-shoulder managers or an intense micro-manager. Let younger employees have their space, leave them to do what they are educated and trained to do. They don't like to have every move constantly monitored. Trust that you have trained them properly; that they can perform their skills appropriately, and let them do their job.

Time with the Boss (Gen X) M

One relationship that is of particular important to Gen-X is that with their bosses. They actually crave time with their boss. This not only gives them another valued relationship, but it also gives more opportunities to learn and develop as they gather information from someone they see as an authority at the workplace.

This relationship with the boss will also provide them with the feedback they love so much. They want to know how well they are doing their job. Having time with the boss will afford them more chances of gaining feedback on performance and gives them the chances to improve their jobs and themselves.

Gen-X wants to improve, to learn and to grow. Having a proper relationship with their boss is, to them, the perfect way to develop that growth.

Feedback, Feedback, Feedback (Gen Y) M A

Though no one likes to be micro-managed, Gen Y particularly loves feedback. Be more than a manager, be a coach.

In order to meet their need for *recognition and growth*, it's important that they receive constant feedback from their manager, as to how they are progressing, what they can improve on and what they should do more of. A good way to provide this is through regular, structured 1:1's, informal reviews between formal performance evaluation periods, and through maintaining an open and honest relationship. There are also a variety of online tools that can be used to facilitate manager/employee feedback discussion.

Feedback from peers also helps if administered constructively.

Incorporate Informal Recognition Programs (Gen Y) M

All our research points to “recognition” as a huge factor in young employees’ job satisfaction and motivation. They’ve grown up in a system where they are recognized for their achievements, small and large and continuing that in the workplace can be fun and easy. Be creative.

Transparent Manager Ratings for Upper Management (Gen Y, Gen X) E P

Following the lead of HCL (below) advances in transparency at the upper management level can have significant impact on engaging our future leaders. This level of transparency ties in nicely to Generations Y’s upbringing and how they are used to engaging.

Vineet Nayar, CEO of Indian outsourcer HCL Technologies, needs to work on his time-management skills. Last year, his team rated him 3.6 out of 5 for how well he keeps projects running on schedule. That was among Nayar's lowest scores from the 81 managers who rated him, and everybody at HCL knows it.

- *Nayar's grades, along with ratings for the top 20 managers at HCL, are published on the company's intranet for anyone who wants to see them. Employees also have the capability to see their own supervisors' scores. While many companies have "360-degree reviews"—which compile feedback from peers, managers, and underlings—HCL may be the only one in the world that broadcasts the results throughout the organization. That has created no shortage of workplace angst. "There was this whole picture of me that [emerged] as a heavy taskmaster," says R. Srikrishna, who runs HCL's U.S. infrastructure services division, of his early results. "It was very unsettling the first time."⁴¹*

What can Older Workers do to help Younger Managers (Gen Y, Gen X)? A(specifically Veteran or Boomer Individual Contributors)

Older workers play an important role in making situations where people managers are overseeing employees older than them, work. They are critical to the process, and have to teach younger managers how to grow. Older workers tend to have better social, interpersonal skills than their younger manager, and they need to share the ‘what’ and the ‘how’ to teach the younger manager.

They may need to initiate the relationship building and engagement with the younger manager – and teach why that is important.

⁴¹ http://www.businessweek.com/globalbiz/content/nov2007/gb2007118_541063.htm

Engaging Boomers and Veterans

So how do we use some of the tendencies of our Boomer and Veteran generations and their associated life-stages to engage them?

How does an organization make the most of their experience while they're employed, and perhaps provide more meaningful exit options so that if they are inclined to move on, they hold the organization in high regard upon exit?

The table below includes our recommendations with **the specific generation the recommendation will help engage** listed in parenthesis.

Key – Organized by group responsible for initiating change

E - Executives and Leadership Teams

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A - All Employees

Invest in Capturing Institutional Knowledge before it Disappears (Veterans) M A

It is crucial to retain intuitional knowledge locked in the minds of our older workforce. Mentoring, both informal and formal is one way to ascertain this. Other ways include informal listening tours and engagement of older workers by their direct management chain.

Informal Motivation and Rewards (Boomers, Veterans) M

Incorporate informal Motivation and Rewards programs. Our research shows that older workers tend to place high value on social relationships that the workplace offers. They want meaningful work. They tend not to have big financial obligations, and are more willing to jump to another organization if they can't find what they are looking for. Unlike new hires, they are not seeking promotions or stock options – and they are not as afraid of being fired. So the carrots and sticks used to motivate most employees will not be as effective with older workers. Those in the middle of their career are far more impacted by these rewards than older workers.

Alternative Exit (Veterans) E P

Research and explore job sharing, part-time work, and other alternatives for Veterans to leave the company. Many are unsure, financially, socially, and even from a self-image perspective, whether or not retirement will go well. An organization should offer a variety of ways for the Veteran to “wean” themselves from day-to-day work – for the benefit of both the employee and the organization.

Training (Boomers, Veterans) E P

Build manager training for those faced with managing older employees. Build training for employees of all ages to better understand generational diversity

Understand the Benefits of Older Workforce (Boomers, Veterans) A(specifically Gen Y and Gen X Individual Contributors)

There are several huge benefits to hiring and retaining older workers and younger workers need to be aware of them. In segments, where employers are facing the following conditions, hiring and older workforce will thrive.

- Smaller basic training budgets
- Speed of business requires immediate ramp-up
- No room for “learning curve” – mistakes are costly
- Preference not to make long term commitments to employees
- Remote work is making “management” more difficult – harder to motivate remote employees
- Market intelligence is crucial

Older Experienced workers do not require significant training – they have done the job before and know what to do. Older workers can hit the ground running, and immediately contribute. They are less likely to make “rookie mistakes” and don’t require a learning curve to get up to speed. They are not looking for stock options or long-term rewards. They aren’t showing up reliably each day to get that next level promotion – they are there because work has meaning to them. Often, Older workers don’t need carrots and sticks to keep them performing – therefore, they require less management time, and are able to perform better on their own, without being told what to do. This helps as the business world gets flatter and the workforce is more geographically distributed. Older workers tend to be absent less, more socially adept, and better able to engage across an organization.

Tools and Open Policies conducive to success in a multi-life stage environment

- Tools
 - Unified Communication tools (e.g: Microsoft Lync)
 - Remote Access Networks
- Open Policies
 - No block on facebook and other popular networking sites
 - Transparent org charts
 - Any hand meetings
 - Open door policies
 - Skip level 1:1s
 - Round tables
 - Transparency with regard to organizational goals and commitments
 - Strong Gen Y programs (see other paper)
 - Training opportunities
 - Elective
 - Online training
 - Communities, dance troupe, spanning generations , lifestyle communities –
 - Flexible Giving programs

Stuff YOU can do Right Now!

Community, Community, Community [A](#)

Join existing work communities. Start one based on your generations needs or one where you can represent your generation and life stage within a diverse group. Make the workplace smaller with community.

Find or create mailing lists, Facebook or LinkedIn groups or other community forums that may be Dedicated to your Generation or Life-stage [A](#)

Communicate your Generational and Life-stage Preferences to your Manager – have a conversation about your unique needs and how they may differ from your peers! [A](#)

Conclusion

The differences between the four generations and life-stages that make up corporate America's population are significant. Understanding these differences, embracing them and building mechanisms within your company, both informally and formally, that can allow employees to leverage them can help tremendously in the areas of engagement and cognitive attrition. The cost of doing nothing is a significant loss of efficiency in the workforce, potential headcount (or cognitive) attrition as the economy rights itself and overall loss to bottom line.

Whether you are an Executive, a People Manager, or an Individual Contributor it is essential to the continued success of your company as a leader in the diversity space and innovator in the respective industry, that you take the time to understand the different generations and life-stages that make up our workforce and proactively seek out opportunities to engage. **Become a student of generational and life-stage diversity.**

Thank you for reading!