

THE MULTIGENERATIONAL WORKFORCE

THE NEW FAULT LINE?

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INTRODUCTION

Three main generations currently comprise the UK workforce. Each have grown up in differing economic, social and historical contexts and are often assumed to have varying aspirations and behave differently at work. But it's not that simple.

Each generational cohort spans 15 years, (with Baby Boomers spanning 20 years) and they often have more in common with each other than not.

We've examined data from our Trust Index® and national population surveys to establish the commonalities and differences that will give HR professionals the all-important knowledge to successfully recruit, engage, reward and retain a multigenerational workforce.

For decades social researchers have grouped people into generational cohorts in which their behaviour, attitudes and values are shaped by the shared experience of their formative years.

HR professionals have eagerly taken on these neatly-packaged stereotypes to manage different age groups at work.

But researchers, including Great Place to Work®, are beginning to question the possibility that employees from different generations don't actually differ greatly in what they want from work, their working environment or career development.

Three main generations

The UK workforce now spans three broadly-defined generations²:



Baby Boomers



Born Between:
1946 to mid-1960s

Age:
50-70

Generation X



Born Between:
Mid-1960s to early 1980s

Age:
35-49

Generation Y (Millennials)



Born Between:
Early 1980s to mid-1990s

Age:
20-34

1 Great Place to Work® Institute Inc. 2016, 'Three Generations, One Workplace'.
<https://www.greatplacetowork.com/reports/492-three-generations-one-great-workplace>

2 There are multiple ways of defining the time period of each generation. This paper uses the classification outlined in Jean M. Twenge and Stacy M. Campbell. "Generation Me and the changing world of work", in Linley, P. Alex, Susan Harrington, and Nicola Garcea (ed.) Oxford handbook of positive psychology and work. Oxford: Oxford University Press, 2010, pp. 25-38.

Baby Boomers

Hardworking and loyal Baby Boomers are considered good team workers who accept the chain of command, are idealistic, optimistic and driven.³ But they're not technologically savvy and dislike change.⁴ The past three decades have witnessed the employment rate for 50- to 64-year-olds grow from 55.4 to 69.6%, and more than double to 10.2% for those aged 65 and over.⁵ Many currently occupy senior positions in companies, although the first cohorts are beginning to be replaced by members of Generation X.

Generation X

This later generation represents 35% of the UK's total working population.⁶ Entering the workforce in the volatile 1980s job market, Generation X is regarded as cynical, pessimistic and individualist. Self-sufficient and reluctant to display strong loyalty to the organisation they work for, Generation X is still flexible, adaptable and comfortable with technology.⁷

Millennials

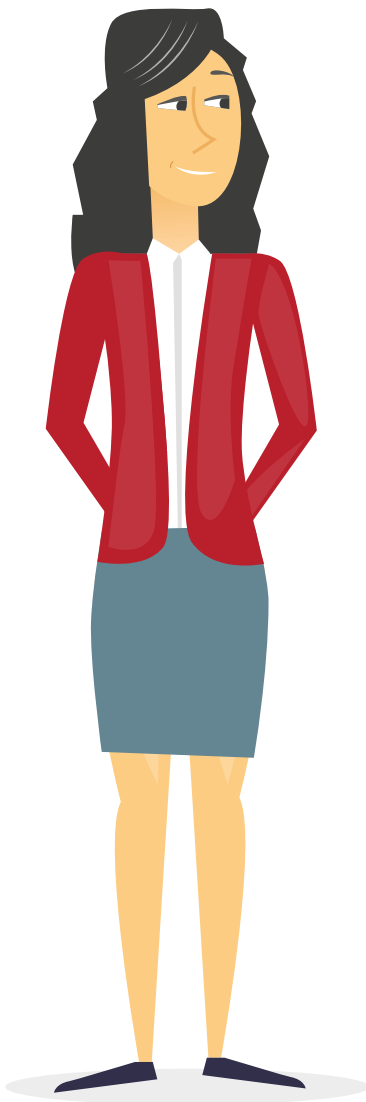
Millennials are digital natives, innovative thinkers, multi-taskers and one of the most educated generations of all time. Even though they prefer team work, Millennials are portrayed as self-centred, entitled and impatient.⁸ The first cohort has entered a labour market characterised by economic expansion between 2002 and 2007, but younger Millennials have experienced the tough labour market that followed the 2008 economic crisis.

These differences between the generations mean the potential for interpersonal relations, teamwork and collaboration and effective communication can be damaged as a result of the stereotypes – and past experiences – they have of one another.

In turn, employee engagement of different generations can be badly affected by lack of collaboration resulting in poorer productivity, profitability and customer satisfaction.

Yet diversity brings competitive advantage. Each generation can provide different experience, knowledge and viewpoints to organisations.

So it's imperative for HR professionals and leaders to overcome existing stereotypes while promoting synergies, mutual respect and consideration.



3 Smola, K.W. & Sutton, C.D., 2002, "Generational differences: Revisiting generational work values for the new millennium." *Journal of Organizational Behavior* 23.SPI (2002): 363-382.

4 Yu, H.C. & Miller, P., 2005, "Leadership style: The X Generation and Baby Boomers compared in different cultural contexts." *Leadership & Organization Development Journal* 26.1 (2005): 35-50.

5 Department for Work and Pensions, 2005. Employment statistics for workers aged 50 and over, by 5-year age bands and gender. From 1984 to 2015.

6 Office of National Statistics, 2015, Labour Market Statistics, December 2015.

7 For further reading see, for instance, Karen Hart (2006), "Generations in the workplace: finding common ground", Available at www.mlo-online.com [December, 2015]; Kupperschmidt, Betty R. "Multigeneration employees: strategies for effective management." *The Health Care Manager* 19.1 (2000): 65-76. Available at <https://www.gov.uk/> [December, 2015] Ferres, Natalie, Anthony Travaglione, and Ian Firms. "Attitudinal differences between generation X and older employees." *International Journal of Organisational Behaviour* 6.3 (2003): 320-333.

8 For further reading see, for instance, Erickson, Tamara. "Plugged in: the generation Y guide to thriving at work". Harvard Business Review Press, 2008; Ng, Eddy SW, Linda Schweitzer, and Sean T. Lyons. "New generation, great expectations: A field study of the Millennial generation." *Journal of Business and Psychology* 25.2 (2010): 281-292; Lipkin, Nicole A., and April J. Perrymore. "Y in the workplace: Managing the 'me first' generation". Career Press Inc, 2009.

HR professionals need to overcome existing negative stereotypes while promoting the positive benefits of diversity.

Generational differences in trust

Our Trust Index[®] survey across UK organisations examines how employees in different generations perceive work environments and what they most value.⁹

In particular, there are similarities between levels of trust in line managers displayed by Baby Boomers and Millennials (Table 1). Millennials are often assumed to be more distrustful of people than ever, but it is Generation X which has the lowest levels of trust in everyone they work with.

Generation X are more distrustful of colleagues than Millennials

Generation X-ers are also least likely to think that their managers trust them to do a good job: 61% compared with 64% of Baby Boomers and 69% of Millennials.

Table 1. Perception of trust by generations (%)

Trust	GENERATION		
	Baby Boomers	Generation X	Millennials
In team	65	59	59
In line manager	61	56	61
In senior leaders	47	45	53

Generational differences in engagement

There are slight disparities between the three generations in the elements that comprise engagement (Table 2). Pride, a sense of mission in their jobs and an emotional commitment to the organisation are all strongest in Baby Boomers and weakest in Generation X.

However, when comparing responses to the question, “Taking everything into account, I would say this is a great place to work”, there are no striking differences among generations.

⁹ Great Place to Work Trust Index[®] Survey conducted by Research Now on a sample of respondents representative of the UK's working population by industry, region, gender and work status; N= 2085.



Table 2. Engagement indicators by generations (%)

	Baby Boomers	Generation X	Millennials
PRIDE			
I'm proud to tell others I work here	65	59	62
When I look at what we accomplish, I feel a sense of pride	68	60	62
ADVOCACY			
Taking everything into account, I would say this is a great place to work	56	52	57
DISCRETIONARY EFFORT			
I feel I make a difference here	66	60	59
People here are willing to give extra to get the job done	64	58	60
INTENTION TO STAY			
I want to work here for a long time	60	54	54
SENSE OF MISSION			
My work has special meaning: this is not "just a job"	55	48	51

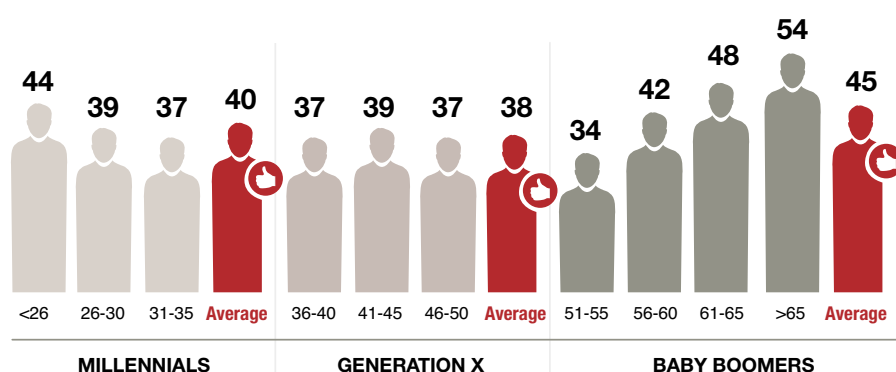
Age - or generation?

With generational cohorts spanning 15-20 years, there are likely to be differences within cohorts as well as across them. So what about differences due to age? We looked at our Population Survey data to see whether there were substantial disparities in engagement levels between age groups as well as generations. As Table 3 shows, we found little difference between the generations in levels of employee engagement; it was only when we looked at age groups that we saw more noticeable differences.

There are more differences in employee engagement between age groups than there are between generations.



Table 3 Employee engagement levels by generation and age



Source: Great Place to Work®, 2015/2016 Programme [data file]

Financial benefits most important to all generations

The top priority when choosing a job is the same for all three generations: salary and financial benefits. As Table 4 shows, there are no major disparities between generations in the ranking of top job priorities.¹⁰

But there are differences in other priorities. Baby Boomers and Generation X want interesting jobs, whereas Millennials want career progression.¹¹ “The younger generation is now expecting a visible career pathway with a prescribed and bespoke career development plan,” says Hyatt’s HR Area Director, Dawn Turner.

Table 4. Choosing a job - top 5 priorities by generation

	Baby Boomers	Generation X	Millennials
1.	Pay/financial benefits	Pay/financial benefits	Pay/financial benefits
2.	Location/easy commute	Job security	Job security
3.	Job security	Location/easy commute	Flexible working
4.	Interesting/enjoyable job	Interesting/enjoyable job	Location/easy commute
5.	Flexible working	Flexible working	Opportunity to career progress

¹⁰ The questionnaire included another 13 options to fully capture employees’ criteria for choosing a job. To name a few, we included: Being proud of the job, greater responsibility, non-financial benefits, organisation’s mission and values and work-life balance.

¹¹ These expectations of rapid career progression among the Millennial Generation is frequently cited in the HR literature. See for instance: De Hauw, Sara, and Ans De Vos. “Millennials’ career perspective and psychological contract expectations: does the recession lead to lowered expectations?” *Journal of Business and Psychology* 25.2 (2010): 293-302; Terjesen, Siri, Susan Vinnicombe, and Cheryl Freeman. “Attracting Generation Y graduates: Organisational attributes, likelihood to apply and sex differences.” *Career Development International* 12.6 (2007): 504-522.

Managing different generations in Best Workplaces

Discrepancies between different generations in the workplace are small, suggesting a one-size-fits-all approach to employee engagement could work across the workforce.

But HR managers of organisations participating in the Best Workplaces awards agree that, as Millennials are entering into the job market in ever increasing numbers, organisations should have a deep knowledge of co-existing generations' needs and expectations in order to anticipate potential engagement threats.

Chris Oglethorpe, HR Director of Wragge Lawrence Graham & Co, acknowledges that age diversity is one of the HR challenges faced by the legal sector. "Creating a working environment that meets the needs of generations X, Y and Z is a key challenge", he says. (Generation Z, or Post Millennials, Centennials or the iGeneration, are born after the Millennials; there are as yet no precise dates for when this cohort starts and ends.)

Consulting and research firm Third Bridge has strategies in place to attract talented Millennials. "We are transparent about the competencies required to be successful, the robust learning and development curriculum we offer, and our total rewards package, with clear, pay-for-performance incentives and career path, says CEO Emmanuel Tahar.

There are more similarities than differences between the three generational cohorts

A generational 'fault line'?

Despite widespread generational stereotypes in HR literature and the media, we identified few meaningful differences between the three generations, and instead found more similarities between employees. These findings are consistent with recent research. And largescale longitudinal cohort studies and attitudinal surveys in the UK suggest it is improbable that intergenerational tensions will produce a new 'fault line' in society since there is a lack of evidence of general resentment among young people towards older generations.

However, rapid demographic changes in the workplace coupled with the incorporation of new generations into managerial positions may lead to conflicts in defining organisational values and culture in organisations with increasingly multigenerational management teams.



¹² Wong, Melissa, et al. "Generational differences in personality and motivation: do they exist and what are the implications for the workplace?" *Journal of Managerial Psychology* 23.8 (2008): 878-890; Cennamo, Lucy, and Dianne Gardner. "Generational differences in work values, outcomes and person-organisation values fit" *Journal of Managerial Psychology* 23.8 (2008): 891-906.

¹³ Social Attitudes of Young People Community of Interest (2014). *Social Attitudes of Young People* (HM Government Horizon Scanning Programme) [online]. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389086/Horizon_Scanning_-_Social_Attitudes_of_Young_People_report.pdf [December, 2015].

About Great Place to Work®

Great Place to Work® UK is a consultancy specialising in workplace culture, helping organisations create exceptional, high performing workplaces where employees feel trusted and valued. We help employers improve recruitment, retention and productivity by putting employees at the heart of the organisation, analysing what they think and feel and identifying the real issues that need to be addressed. Part of a global organisation, we apply data and insights from thousands of organisations across the world to benchmark individual performance and advise employers on how to continuously improve employee engagement and wellbeing and so help build and sustain business performance. We run the Best Workplace awards to enable the organisations we work with celebrate their achievements, build their employer brand and inspire others to take action.

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