



# Managing Workforce Generational Differences

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# Introduction

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  - ▶ Overview of Performance & Reward
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# Agenda

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- ▶ Talent strategies in a dynamic environment
- ▶ Employee value proposition (EVP)
  - ▶ Importance of understanding workforce
  - ▶ Role of generational management
- ▶ Generational differences and similarities in EVP
- ▶ Recruiting and retaining employees
  - ▶ Effective recruiting
  - ▶ Motivators, values & expectations

# Talent strategies in a dynamic environment

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# Employee Value Proposition

## ▶ Culture and values

- ▶ Company industry reputation
- ▶ Meritocracy
- ▶ Advancement
- ▶ Lifestyle
- ▶ Impact on society

## ▶ Employees' opinion of senior management

- ▶ Employees' relationship with boss



Source: McKinsey & Company

## ▶ Total Rewards

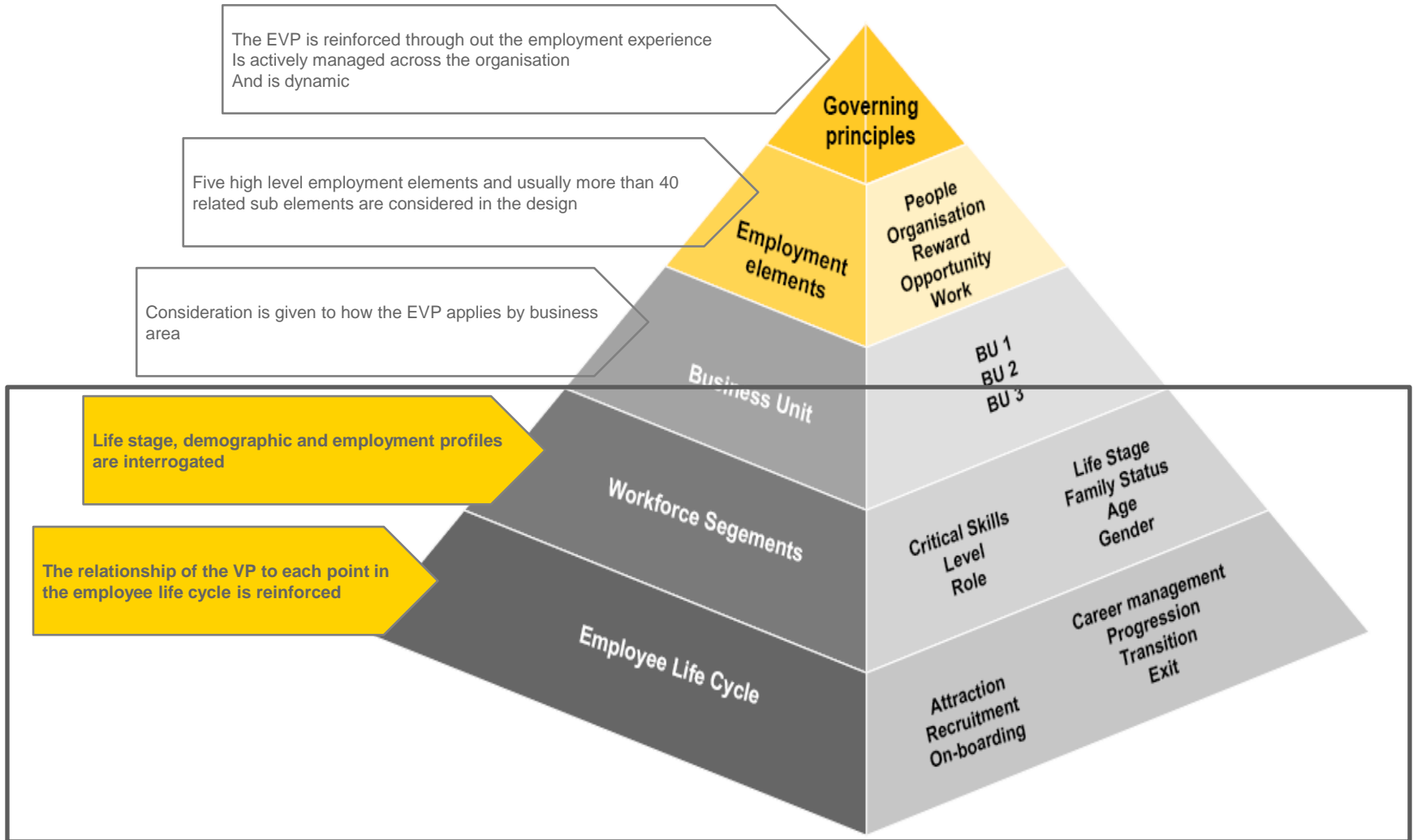
- ▶ Base pay
- ▶ Short-term incentive
- ▶ Long-term wealth creation
- ▶ Benefits

## ▶ Work content – degree of challenge and excitement

## ▶ Development opportunities

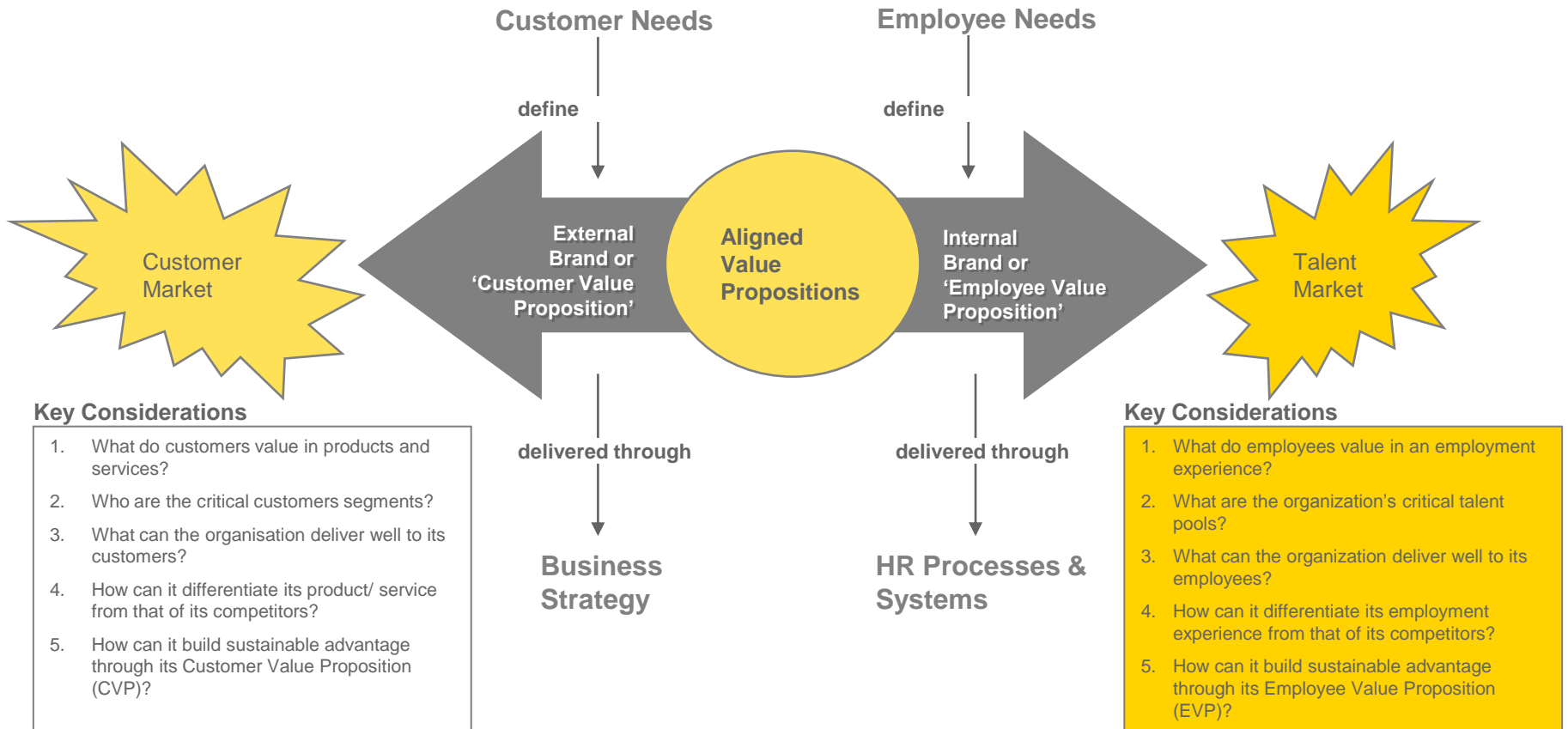
- ▶ Job security
- ▶ Freedom and autonomy
- ▶ Coaching, feedback and mentoring

# Create a compelling Employee Value Proposition



# Create a compelling Employee Value Proposition

‘meaningful’, ‘differentiated’, and ‘aligned’ with the external brand



**Alignment is essential because it is the employees who deliver the organisation's brand promise and similar considerations govern the customer and talent markets**

# Employee Value Proposition: Benefits

Key findings of research conducted by the Corporate Leadership Council based on empirical analysis of more than 58,000 respondents at 90 organisations indicate that a compelling EVP helps:

## Attraction

- **Pay lesser attraction premium:** Companies with a relatively unattractive EVP pay an average premium of % as against only % by those with an attractive EVP
- **Deeper labour market access:** Organisations with managed EVPs are able to source from more than % of the labour as against only % by those with unmanaged EVPs
- **More employee advocates:** Only % of current employees would recommend their organisation to a friend. By demonstrating trust, flexibility and organisational values, likelihood of employees advocating their organisations can be increased to %.

## Retention

- **Increased commitment:** New hires are % more committed in the first month and % more committed 12 months after joining in organisations who effectively deliver on their proposition to new hires as compared to organisations that don't.
- **Enhanced retention:** Every % improvement in commitment can increase discretionary effort levels by % and can decrease the probability of departure by %.

## Potential Benefits of an EVP

### A compelling EVP will enhance talent attraction

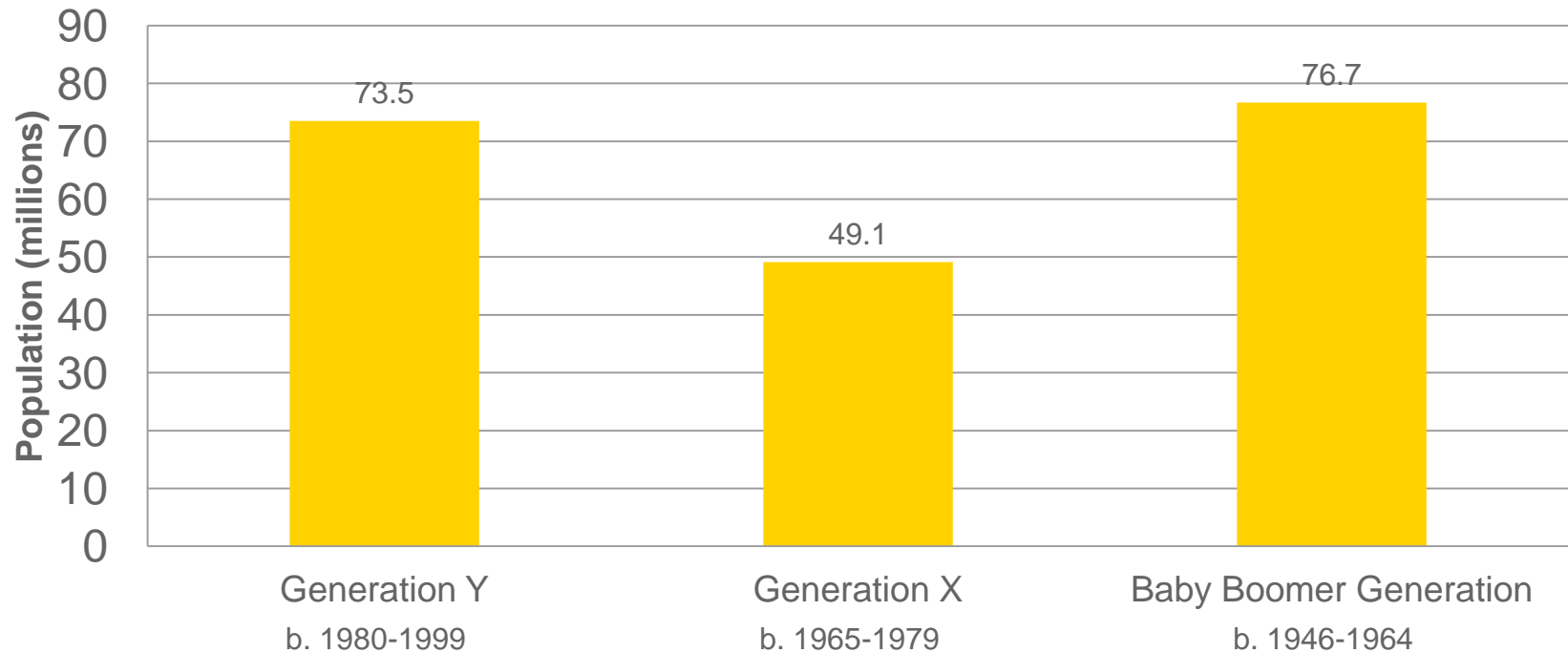
- ◆ Will provide competitive advantage, given shortage of trained and talented engineers
- ◆ Will enable tapping into more diverse communities to help overcome skill shortages
- ◆ Will reduce recruitment related costs

### A consistent employment experience will facilitate talent retention

- ◆ Will boost employee morale and engagement
- ◆ Will improve market place reputation
- ◆ Will enable a better diversity profile
- ◆ Will enhance long-term retention of talent

# Understand your workforce to flex it

## Current generations in the workplace



Are you aware of the generations of your current employee population? Is your company planning for the future?

Source: Lieber, Wiley Periodicals

# Generational Differing EVP Perspectives

	Company	Leaders	Total Rewards	Job
Generation Y	<ul style="list-style-type: none"> <li>▶ Change jobs frequently</li> <li>▶ Believe in self worth</li> <li>▶ Have sense of entitlement</li> <li>▶ Tech savvy</li> <li>▶ Embrace change</li> <li>▶ High expectations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Relaxed towards authority</li> <li>▶ Value collaborative leadership</li> </ul>	<ul style="list-style-type: none"> <li>▶ Prefer responsibility and decision making</li> <li>▶ Still desire pay equity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Work must be meaningful to company and them</li> <li>▶ Prioritize opportunity and autonomy</li> <li>▶ Desire detailed instruction but also creativity</li> <li>▶ Learning-oriented</li> <li>▶ Reject concept of "paying dues"</li> <li>▶ Need continuous feedback</li> <li>▶ Multi-task-oriented</li> </ul>
Baby Boomers	<ul style="list-style-type: none"> <li>▶ Refuse to retire</li> <li>▶ Believe in self-sacrifice</li> <li>▶ Put career above all</li> <li>▶ Not as technology savvy</li> <li>▶ Question change</li> <li>▶ Prefer in-person communication</li> <li>▶ Uncomfortable with conflict</li> </ul>	<ul style="list-style-type: none"> <li>▶ Respectful of authority</li> <li>▶ Hierarchical leadership</li> <li>▶ Consensus-driven</li> </ul>	<ul style="list-style-type: none"> <li>▶ Money</li> <li>▶ Title recognition</li> <li>▶ Status symbols</li> </ul>	<ul style="list-style-type: none"> <li>▶ Desire challenging work opportunities</li> <li>▶ Believe experience is more valuable than a degree</li> <li>▶ Work well in teams</li> <li>▶ Utilize workplace to prove worth</li> <li>▶ Meeting-oriented</li> <li>▶ Desire quality</li> </ul>

Source: Trends E-Magazine, Bruce Mayhem, AARP, Harvard Business Review

# Workplaces adapt to generations examples

## Company

- **Ernst & Young** – Corporate Responsibility Fellows Program
- **American Express** – Phased Retirement Program

## Leaders

- **Cisco** – Intergenerational mentoring through Legacy Leaders Network and New Hire Network
- **Time Warner** – “Technology mentors” reverse mentoring program

## Total Rewards

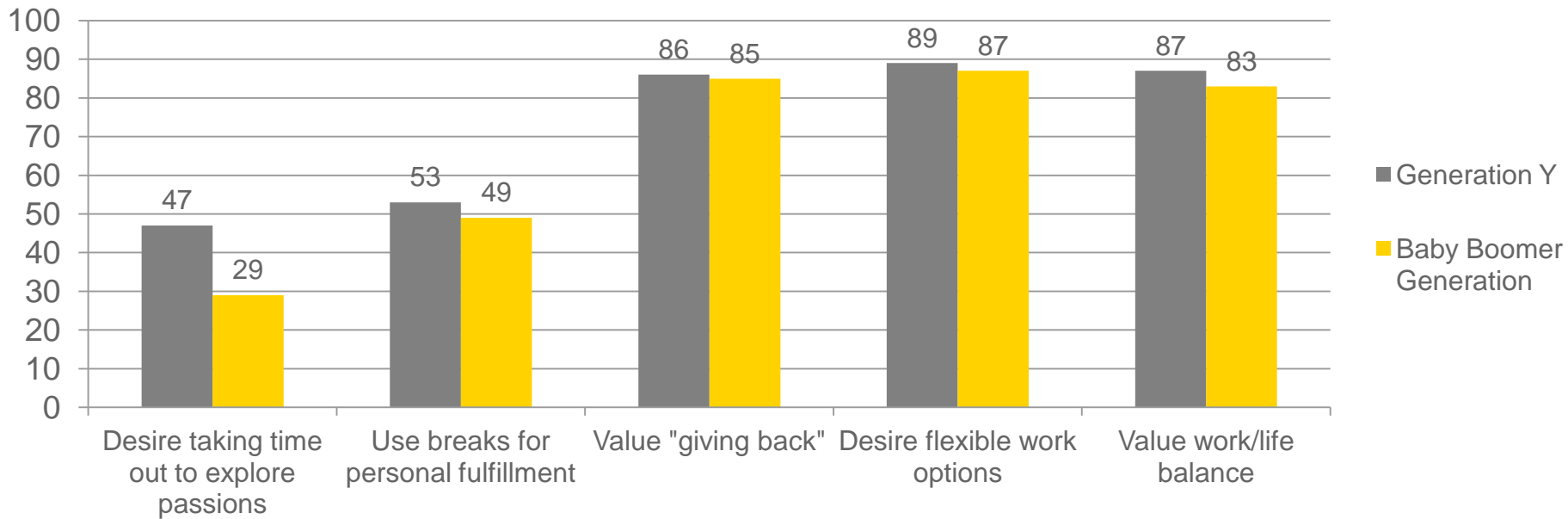
- **UBS** – Subsidized gap year for new hires

## Job

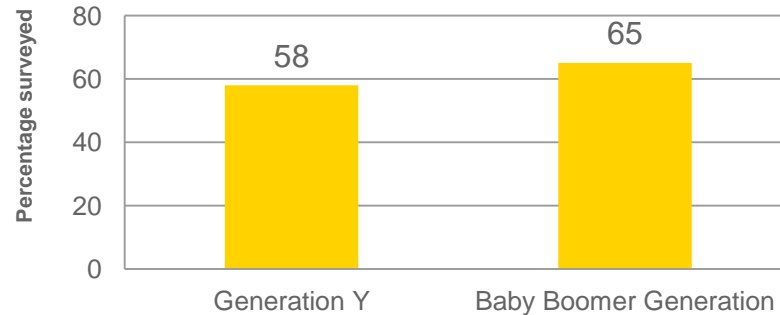
- **Best Buy** – Result-Only Work Environment
- **Bloomberg**- Open space progressive policies

Source: Trends E-Magazine

# Gen Y and Baby Boomer Similarities



## Propensity to seek each other out in workplace



Source: Harvard Business Review

# Workplace Perceptions

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## ▶ Workplace Perceptions

- ▶ Each generation has distinct attitudes, expectations, habits and motivational qualities
  - ▶ Is your workforce aware of each generations' differences?
- ▶ Strong business results are dependent on the workforces' willingness to adapt their individual styles and preferences and be more inclusive
  - ▶ Utilize the diversity among the 3 generations to create value
- ▶ Embracing generational differences builds a workplace that fosters an inclusive culture and educates people so they are better equipped to work together effectively

# Generational Differences in Managing Employees

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## ▶ Maximizing Relationships

- ▶ More than 60% of employers are experiencing intergenerational conflict (*Source: AARP*)
- ▶ Tension between the generations can negatively impact workplace moral and reduce productivity
- ▶ Baby Boomer managers should seek to maximize relationships with Generation Y employees and best utilize the strengths of Generation Y
  - ▶ Technology
    - ▶ Gen Y is superior at technology
    - ▶ Reverse mentoring
    - ▶ Continue to invest in technology to enable greater flexibility in the workplace
  - ▶ Diversity
    - ▶ Gen Y is more diverse than any other generation and is more comfortable with diversity than previous generations
    - ▶ Utilize diversity to be creative and innovative in the workplace
  - ▶ Collaboration
    - ▶ Gen Y's daily use of email, texting and social networks has also made it an interconnected social group, which leads into more workplace collaboration
- ▶ Communication is critical
  - ▶ Generational conflicts often arise from perceptions rather than valid differences

# Generational Differences in Managing Employees

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- ▶ Take advantage of the common similarities among the 3 generations
  - ▶ Remember generational stereotypes are generalizations
  - ▶ Increasing need for flexibility
    - ▶ Freedom to work anytime anywhere
  - ▶ Opportunities for growth
    - ▶ Personal growth and career growth
  - ▶ Desire to be treated fairly in the workplace
  - ▶ Build connections
    - ▶ With coworkers, clients and the community

# Recruiting and Retaining Employees

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## ▶ Recruiting and Retaining Employees

### ▶ Effective Recruiting

- ▶ How you source differs between generations

### ▶ Recruiting Generation Y

- ▶ By 2025, Gen Y will make up approximately 75% of the world's workforce (*according to the 2011 BPW Foundation study*)
- ▶ Innovative approach to finding careers
- ▶ Establish a presence on social media sources
- ▶ Develop relationships and humanize the company brand

### ▶ Motivators, Values & Expectations

- ▶ A company's corporate structure should reflect the lifestyles of its workforce
  - ▶ Accommodate work values and expectations resulting in increased employee performance, reduced turnover and increased productivity

# Summary

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- ▶ Fulfilment of an Employee Value Proposition drives business success
  - ▶ Strategy should align and evolve with generational differences in the workforce
- ▶ 3 Generations in the Workforce: Baby Boomers, Gen X and Gen Y
- ▶ Each generation has unique attitudes and expectations
- ▶ Manage generations effectively to achieve Employee Value Proposition
- ▶ Employee retention and satisfaction through the Employee Value Proposition
  - ▶ Culture and Values
  - ▶ Employees' Opinion and Senior Management
  - ▶ Work Content and Development Opportunities
  - ▶ Total Rewards