



# The Multi-Generational Workforce Challenge



A Research Summary by Next Step

## The Multi-Generational Workforce Challenge

To better understand and address the emerging organizational challenges caused by the changing nature of the workforce, Next Step conducted research and focus groups and then surveyed over 3,000 current and prospective clients in early 2008.

The purpose of the survey was to assess issues related to the four generations currently co-existing in the workforce. The survey questions sought to quantify and define the level of challenges and opportunities resulting from this blending of perspectives.

The results demonstrated that, while companies continue to deal with the age-old challenge of maximizing employee productivity, they now also need to face up to the fact that today's workforce represents employees spanning 60 years in age. As the face of the workforce continues to change, Next Step's survey results validated the aggregated third-party research and focus group findings that suggest:

*To maximize employee engagement and productivity, companies need to consider the different perspectives, needs and motivators of their workforce and the challenges that come with integrating the various generations.*

### Who is the Multi-Generational Workforce?

The multi-generational workforce is described as:

- “Stabilizing” Traditionalists, born prior to 1946
- “Transformational” Baby Boomers, born between 1946 and 1964
- “Entrepreneurial” Generation X, born between 1965 to 1980
- “Always on” Millennials, sometimes called Generation Y, born between 1981 to 2000

The survey respondents represented all four generations, ranging in age from mid-20s to mid-60s and employed in sectors ranging from not-for-profit and government agencies to public and private companies. They represented a variety of industries including technology, life sciences, manufacturing and professional services, with revenues from under \$1 million to over \$100 million.

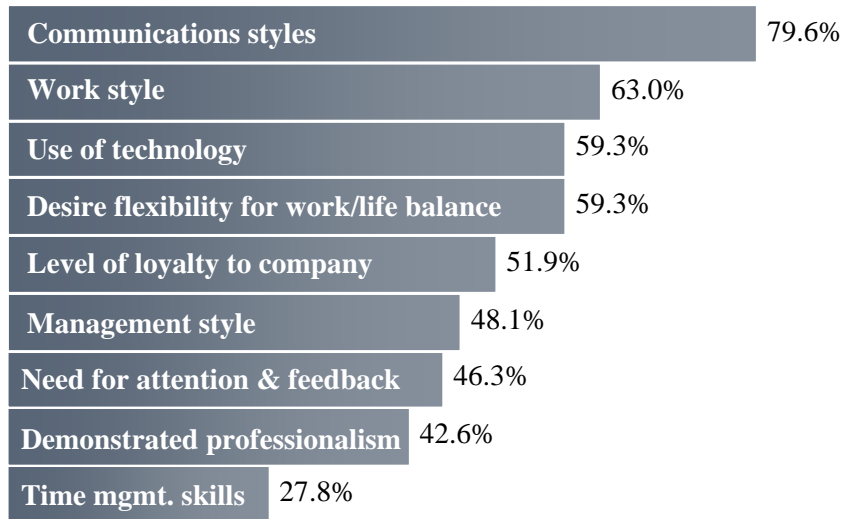
### Issues Companies Are Facing Today

Overall, the survey results show that almost three-quarters (72.3%) of the respondents were facing some challenges created by today's multi-generational workforce. In fact, 15.4% reported they not only had significant challenges, but also issues caused by the new generational diversity. Their comments have indicated that the type, number and level of issues related to the challenges have increased in the past 9 – 12 months and are expected to continue to escalate if they remain unaddressed.

When asked to describe the number one challenge they were facing with a multi-generational workforce, the predominant challenge was a difference in communications styles (79.6%). The issue of least concern was completion of tasks in a timely manner (27.8%).

Other challenges cited are noted below.

### Challenges in Working with Different Age Groups



## Millennial Generation

### Challenges working with Millennials

Differences in communication styles apply to all generations, but are a particular issue between Millennials and the other generations. Third-party research has cited that 75 million Millennials are entering or will be entering the workforce. This large population of young employees brings their own set of expectations to their employers.

When delegating assignments respondents noted that, during the communications process, the younger employees needed more specific information (31%) and managers needed to spend more time to explain the reason for the assignment (30%). Their lack of work experience (30%) also presented challenges in the communication process.

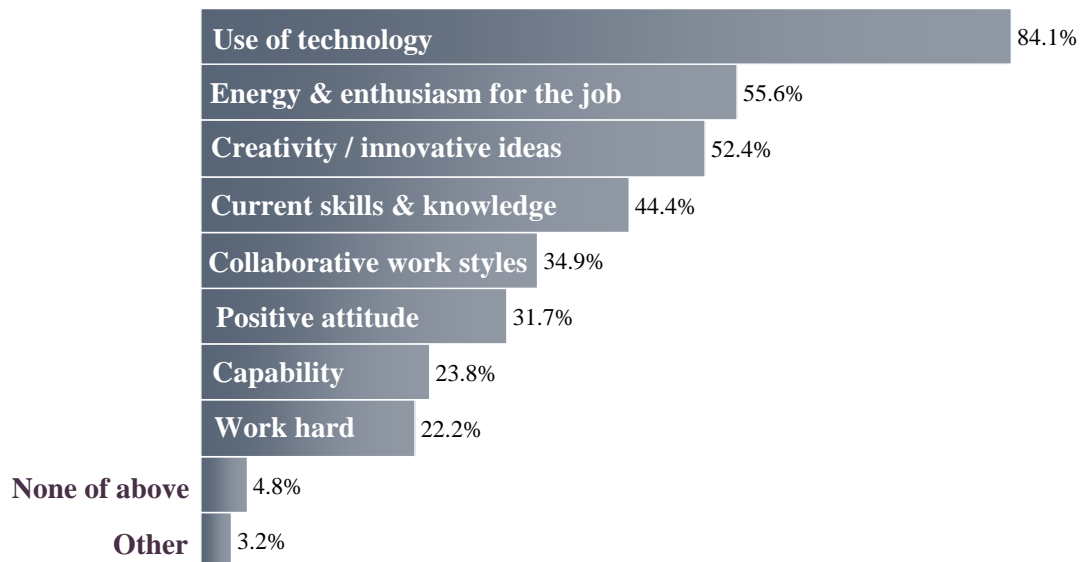
Compared to other generations, respondents felt that Millennials were noticeably less willing to subordinate their personal plans (vacations, time off, weekends, family commitments) when work deadlines or completion dates conflicted with these plans.

### Attributes of Millennials in the Workplace

When asked to note all attributes that applied to Millennials, respondents overwhelmingly said that Millennials’ use of technology (84.1%) was their most valued contribution to the workforce. By encouraging others in the organization to embrace new collaborative and communications technologies, many respondents have indicated that Millennials are driving a significant shift in how companies operate.

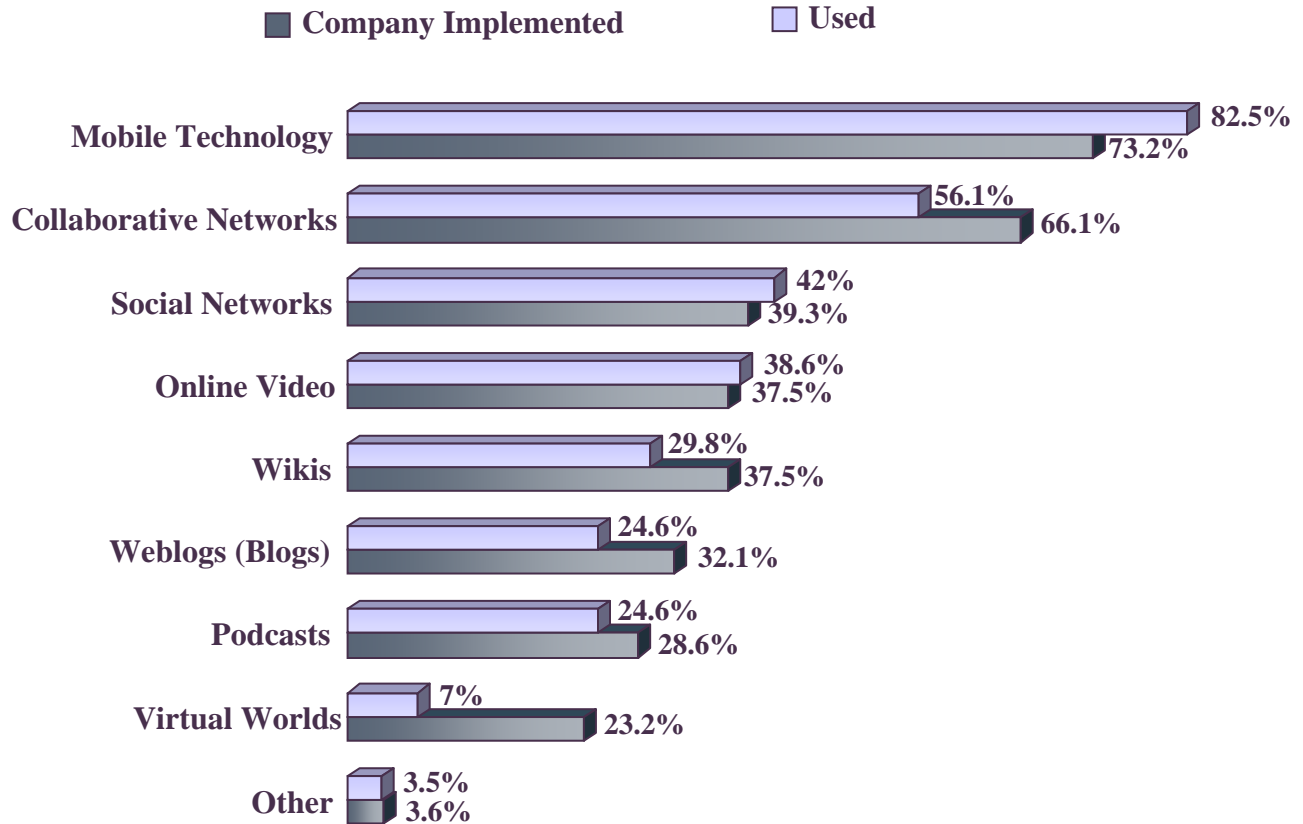
Millennials were also recognized as bringing positive energy and enthusiasm along with creative approaches and innovative ideas to the organization. These traits and approaches provide significant opportunities for managers and companies that can be leveraged to achieve greater competitive advantage in the market. Many leading companies are specifically seeking to hire Millennials for their creativity and new ideas that will drive change and innovation within their organizations.

### Valued Attributes of Millennials Entering the Workplace



While use of technology in the workplace may be driven by Millennials, it affects all generations as they need to keep up with evolving technology and productivity tools. The following charts show the new types of productivity tools offered by organizations and their substantial use by respondents across age groups.

## Technology Implementation and Adaptation in Organizations

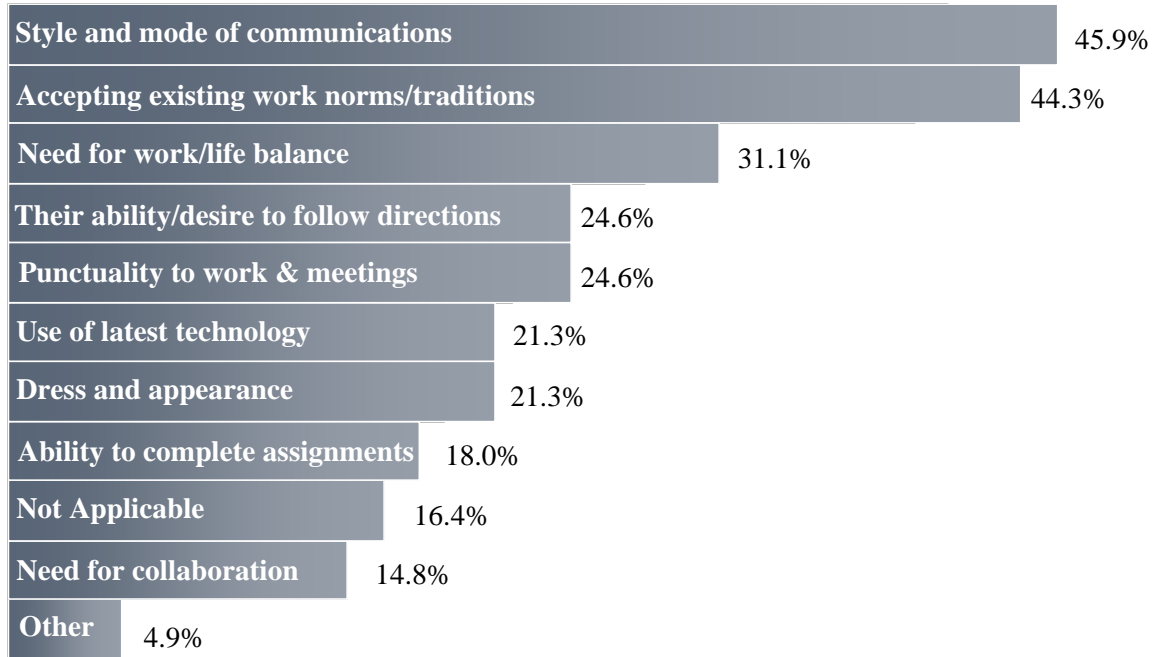


### New Diversity – New Management Challenges

Overall, the greatest challenge in managing or working with Millennials was style and mode of communications (45.9%) followed closely by their resistance in accepting existing work norms and traditions (44.3%). This was the dominant answer across all industries represented in the survey but most heavily cited in technology and professional services.

Other challenges cited reflected the difficulties many managers are experiencing when integrating Millennials into their existing work environments and management styles as shown below.

### Challenges in Managing and Working with Millennials



### Best Practices: Approaches that Engage Millennials

Those who had success engaging Millennials noted using the following approaches (listed by most important to least important):

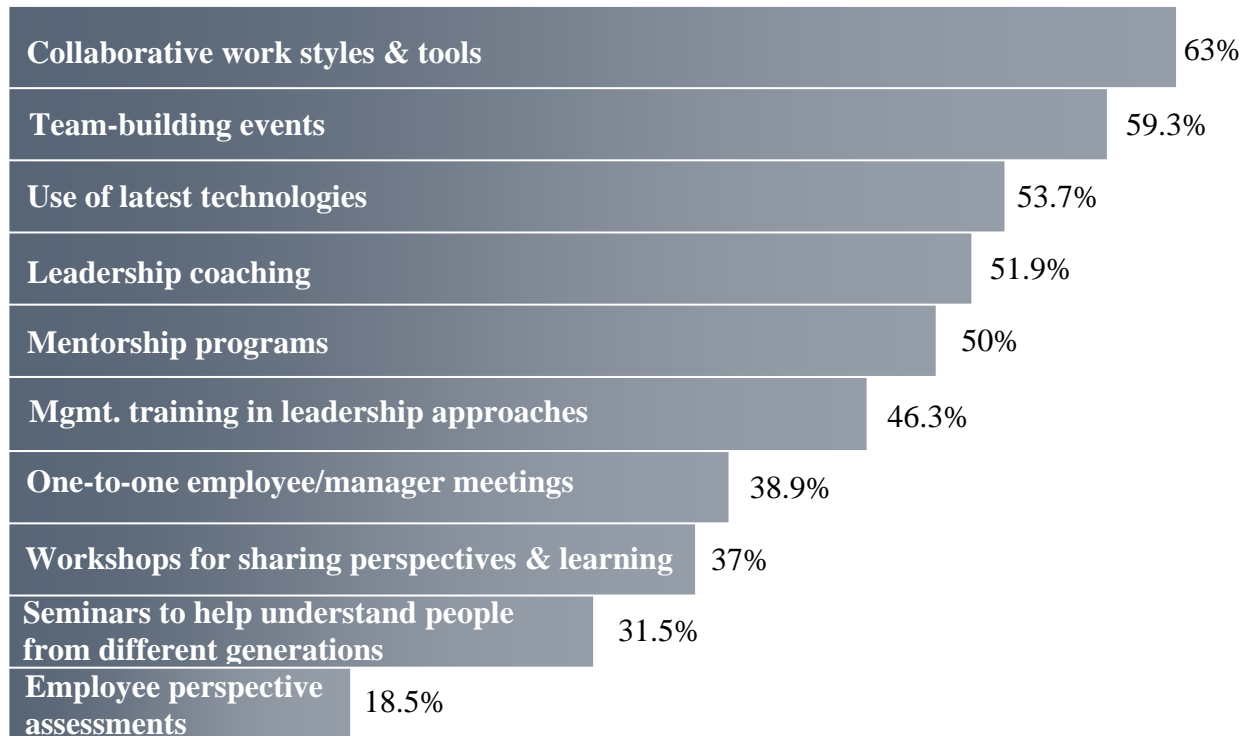
1. Positive feedback and frequent praise
2. Developing a fun working environment
3. Open communications
4. Collaborative work assignments and styles
5. Mentoring programs
6. Challenging assignments
7. Flexible work schedules
8. Opportunity to use the latest technology
9. A community and social atmosphere at work
10. Training and development opportunities
11. Incentive-based compensation

### Leveraging the Power of the Multi-Generational Workforce

Finally, Next Step’s research solicited opinions on the best way to bridge multi-generational challenges at work. Heading up the list of suggestions was collaboration in the form of collaborative work styles and tools as well as team-building events.

Respondents' top ten suggestions to bridge generational challenges in the workplace are shown in the graph below.

#### Best Way to Bridge Multi-generational Challenges at Work



### Conclusion

Next Step’s survey results highlight the differences in work styles and requirements for engagement across the four different generations in today’s workforce. If organizations don't recognize and address these differences they will ultimately lead to challenges and serious issues between employees and management and can affect overall employee productivity.

Style and mode of communication was cited repeatedly as a difference and a challenge, and can be seen as the greatest opportunity for improvement within organizations.

Companies are addressing this challenge through traditional methods such as training and coaching, and implementation of new technologies such as mobile communications and collaborative networks. Many respondents agreed that leveraging the enthusiasm and creativity of Millennials and increasing the productivity of the other generations working with them requires an increased awareness and understanding of the multi-generational workforce and the skills needed to work productively in its environment.

Across all industries, Millennials are bringing new perspectives, innovative ideas and creative enthusiasm to the table. By leveraging the power of the ‘always on’ generation and proactively addressing the inherent challenges of the multi-generational workforce, organizations can learn to embrace the new diversity and use it to their competitive advantage.

### About Next Step

Next Step is the go-to partner with the resources and experience to take companies of all stages to their next step of growth. Our seasoned professionals maximize clients’ results through integrated consulting and training services delivered with accountability. Next Step helps clients reach the next level through:

- Increasing employee productivity and sales revenues
- Improving return on marketing investments
- Attracting and engaging top talent
- Enhancing sales success and effectiveness
- Preparing organizations for the workforce of the future

Next Step offers consulting services and training programs to help companies learn how to leverage the strengths of each generation for a competitive edge—internally with employees and externally with customers. Our training programs include workshops designed specifically to address the learning styles and cater to the needs of the millennial generation, enabling them to better integrate into the organization and work with customers and partners of all generations.

Next Step was founded in 1998 by Jennifer Vessels, leveraging her extensive technology, communications and service industry experience in launching companies and building global sales and marketing teams.