

STERLING
DEVELOPMENT

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THE MULTIGENERATIONAL WORKFORCE

INTRODUCTION:
THE MULTIGENERATIONAL WORKFORCE

CHAPTER 1:
COLLABORATION AND KNOWLEDGE SHARING ACROSS GENERATIONS

CHAPTER 2:
MANAGING DIFFERENT GENERATIONS

CONCLUSIONS:
WE ARE ALL INDIVIDUALS



INTRODUCTION



Traditionalists – born before 1946

Baby Boomers – born between 1946 and 1964

Generation X – born between 1965 and 1976

Millennials – born between 1977 and 1997

Generation Z – born after 1997

It will soon be commonplace to have up to five different generations of workers in the same organisation.

With retirement ages increasing and longer life expectancy, a generation that would previously be retiring are now staying in the workplace, while millennials will soon be the largest portion of the working population.

What are the challenges associated with this? What do leaders need to understand about how each generation works to maximise their productivity as both individuals and as part of a team?

In this presentation we look at the multigenerational workforce, from how to collaborate and share knowledge better across generations, to managing the new culture where a twenty-five-year-old may be managing someone twice their age.

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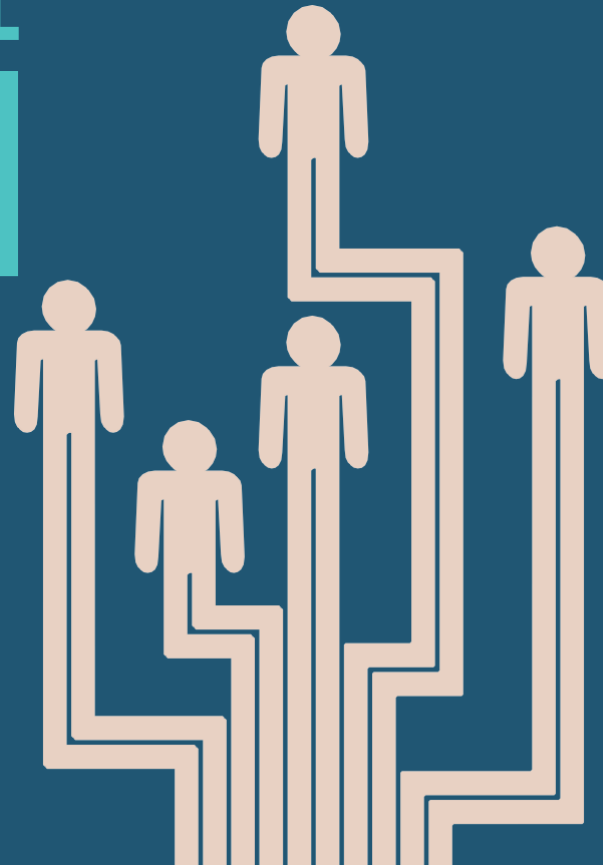


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THE GENERATIONAL MYTH

**60% OF MILLENNIALS
FEEL THEY HAVE LESS
JOB SECURITY THEN
THEIR PARENTS.**

Allianz Millennial Survey, 2017



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INTRODUCTION

The Generational Myth

By 2025, millennials will account for 75% of the global workforce, while all baby boomers will have reached retirement age by 2030.

The big question is, does it matter?

There is little evidence that one generation acts, behaves or has fundamental needs different to another based on what era they were born in. However, there is plenty of evidence that an employee's motivations and needs change as they make their way through their career. A person in their twenties cares less about pay than a person in their forties with kids and a mortgage.

The myth around generations works both ways – and companies are guilty of disregarding their older workforce based on several commonly held (and



mistaken) beliefs such as declining productivity, lack of innovative thinking, inability to learn new technologies, etc.

A study on generational differences in personality and motivation concluded that “the generational stereotypes that have been pervasive in management literature are not supported by the results. Even when differences have been observed, these have related more to age than generation.”

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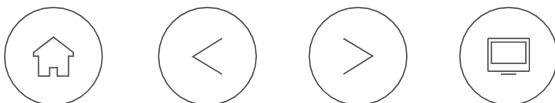
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INTRODUCTION: THE KEY CHALLENGES

**60% OF WORKERS
REPORTED THE PRESENCE
OF GENERATIONAL
CONFLICT, WITH
OVER 70% OF OLDER
EMPLOYEES DISMISSING
THE ABILITIES OF THEIR
YOUNGER COLLEAGUES,
AND NEARLY 50% OF
YOUNGER COLLEAGUES
DISMISSING THE ABILITIES
OF OLDER COLLEAGUES.**

Deloitte Millennial Survey, 2018

There are significant challenges for managing a multigenerational workforce, even when we remove the stereotypes.

For example, one standout change is the move away from seniority as a means of advancement within an organisation and closer towards a meritocracy. The biggest shift here is based on new skills being required in today's workforce – particularly in technology – that allows younger people to move up quicker on the value chain.

An Ernest & Young survey of 1,200 professionals found that 72% of respondents said they weren't comfortable with younger employees managing older employees. This will likely become a more common experience.

Other issues such as differing incentives and rewards, preferred methods of communications and knowledge sharing are indeed significant – particularly in large organisations – and require a range of techniques to resolve.

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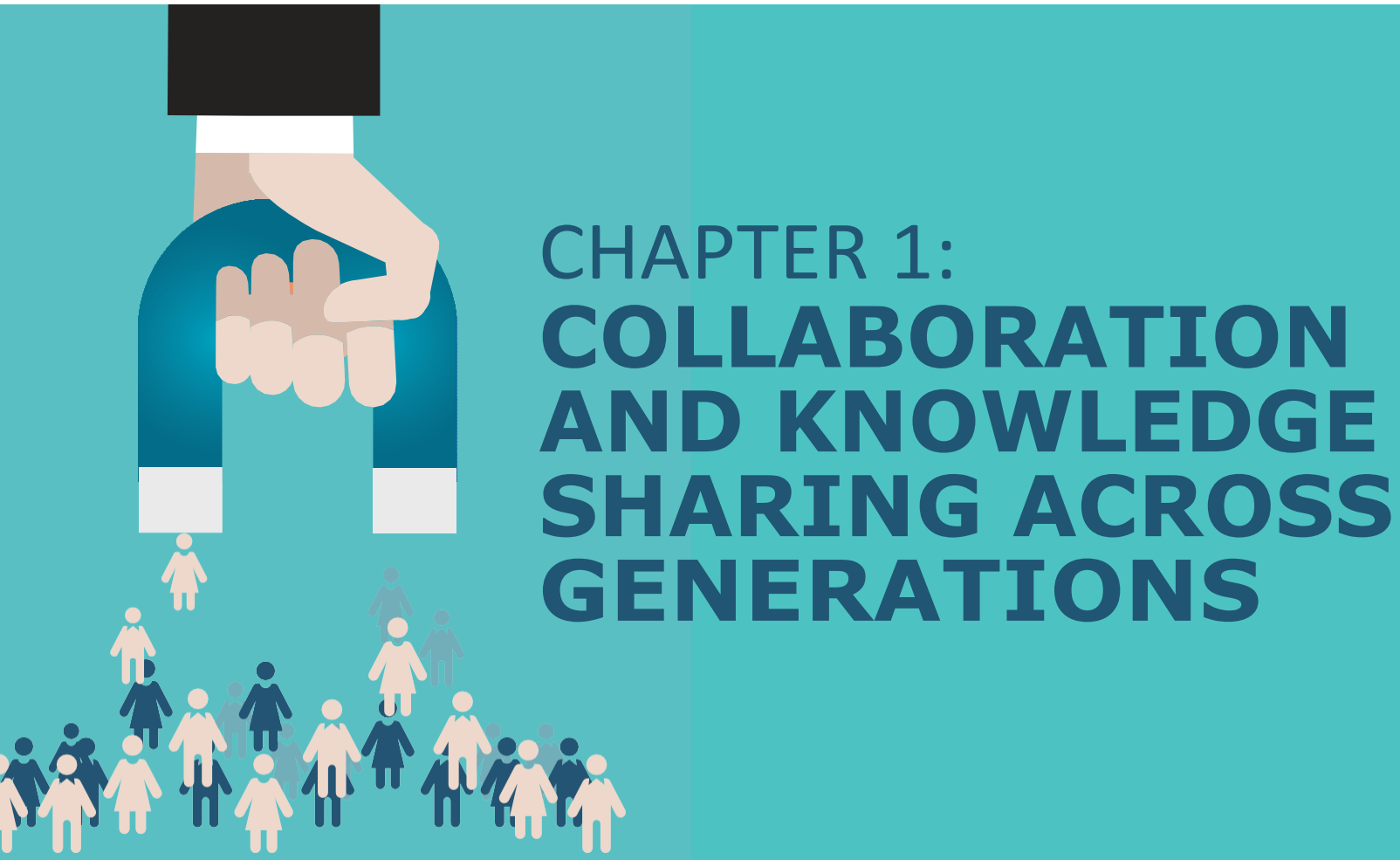
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CHAPTER 1:

COLLABORATION AND KNOWLEDGE SHARING ACROSS GENERATIONS

DO DIFFERENT GENERATIONS WORK WELL TOGETHER?



**EMPLOYEES WORKING WITH
MULTIPLE AGE GROUPS
REPORT A 10% INCREASE IN
HAPPINESS COMPARED TO
THOSE WHO ONLY WORK
WITH THEIR PEERS.**

People do work well across generations. In fact, teams are made significantly better by having members from different generations – and they are happier and more engaged in mixed teams too.

In a survey of more than 32,000 McDonald's UK employees, people who work with a cross-section of ages registered a 10% increase in happiness levels compared with those who only work with their peers. Out of a sample of 1,000 McDonald's customers, the majority (84%) said they like to see a mix of ages in the restaurant team, and most (60%) expected better service as a result.

Collaboration among older and younger workers in the workplace has also been found to boost the cognitive performance of older adults and help foster positive social behaviour and a lack of egocentrism in younger adults.

What are the differences in outcomes – such as the decisions made by a collaborative group – when you have a mixed age team?

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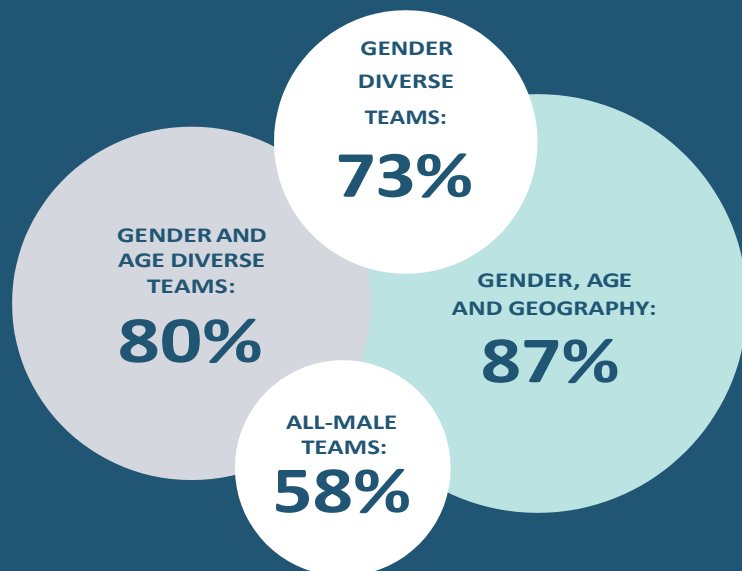
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THE CASE FOR MULTIGENERATIONAL TEAMS

**BETTER DECISION-MAKING
(VS AN INDIVIDUAL):**



Forbes, 2017

We know teams make better decisions than individuals – teams outperform individual decision makers 66% of the time – and decision-making improves as diversity within the team increases.

If we take all-male teams, they will make better decisions 58% of the time (compared to an individual). Compare this to a gender diverse team which makes better decisions 73% of the time. When we add diverse age groups, this rises to 80%. With geographical diversity included, this rises to 87%. Furthermore, decisions made and executed by diverse teams delivered 60% better results. Why is this?

Research shows that the answer is straightforward: more diverse voices means more perspectives, which leads to better refined and more creative innovations. As such, when building teams, leaders should try to get as wide a variety of voices in the room as possible, and that includes multiple generations.

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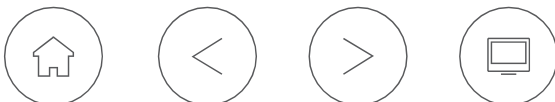
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CHAPTER 1: COLLABORATION AND KNOWLEDGE SHARING ACROSS GENERATIONS

MANAGING UP

While multigenerational teams are clearly better than uniform teams when it comes to business outcomes, there are still challenges in forming these teams and making them perform. One such challenge is the rise of the young manager, leader and CEO.

For the leader themselves, tactics such as being humble, communicating effectively, valuing an older worker's experience, recognising their needs as being different to yours, not adhering to stereotypes, etc. are all self-evident but difficult to follow.

For the employees, the idea of a great leader rarely differs, no matter what their age (more on this later).

For senior management at the very top, it is incumbent on them to develop their people as leaders and not assume that because they have an advanced degree in AI, they will be able to manage people.

Generally, leaders are made, not born.

TOP TIPS FOR MANAGING OLDER EMPLOYEES:

1. DO NOT DWELL ON DIFFERENCES
2. BUILD COLLABORATIVE RELATIONSHIPS
3. CREATE OPPORTUNITIES FOR CROSS-GENERATIONAL MENTORING
4. CONSIDER LIFE PATHS WHEN MOTIVATING



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REVERSE AND RECIPROCAL MENTORING

While we can confidently state that millennials, for example, are not fundamentally different than baby boomers, we can say that both generations have had different experiences.

These differing experiences result in (current) skill levels in certain areas being significantly different, and their frame of references also being different. To close this natural gap, many organisations are implementing reverse or reciprocal mentoring.

As the name implies, reverse mentoring is the concept of a younger employee teaching a senior leader, typically in the areas of new and emerging technologies. This allows the senior leader to experiment and apply that learning to key business challenges. Reciprocal mentoring takes it a step further, becoming an exchange of new learnings for old experiences.

When he was CEO at GE, Jack Welch was one of the early adopters of reverse mentoring – first doing it himself with a junior employee before rolling it out to 500 of his executives. HP, Cisco and Coca-Cola are other companies that have initiated reverse mentoring programmes.

THOSE INTENDING TO STAY WITH THEIR ORGANIZATION FOR MORE THAN FIVE YEARS ARE TWICE AS LIKELY TO HAVE A MENTOR (68%) THAN NOT (32%).

Deloitte Millennial Survey, 2016



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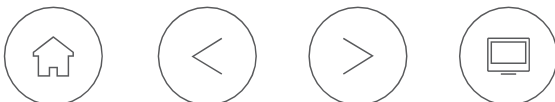
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REVERSE AND RECIPROCAL MENTORING: THE GROUND RULES

Mentoring is a powerful development tool (rightly) being used by businesses today.

Any successful mentoring programme will have a strongly defined purpose and a set of ground rules to follow. Just as importantly, it should be flexible enough to change as it becomes more unique to your organisation.

**SENIOR LEADERS
CAN BEGIN THEIR
OWN EXPERIMENT
IN REVERSE
MENTORING BY
FOLLOWING THESE
SIMPLE STEPS:**

- 1 Make a list of 5 things you do not know but need to know.
- 2 Identify 1 or 2 items from the list that you are most likely not to learn on your own or during your course of work.
- 3 Identify a junior colleague that has the expertise you need.
- 4 Ask the junior colleague to mentor you.
- 5 Clarify where to meet, frequency, expectations, etc.
- 6 Prepare by identifying a set of questions before the first meeting. (Do not be afraid to ask naive questions.)
- 7 Meet and mentor.

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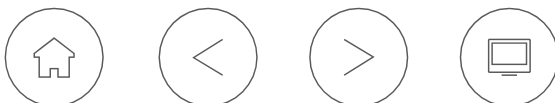
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INNOVATION INNOVATION INNOVATION



With movies like *The Social Network* chronicling the rise of Mark Zuckerberg from college to the boardroom, the image of the young entrepreneur has become a fixture of our culture. It is also, in the main, very misleading.

If leaders are looking for the next great innovation within their ranks, it may come from an unexpected place. Research shows that people aged between 55–64 years are found to be the most entrepreneurial workers across all age groups.

Even among the very fastest growing new tech companies, MIT discovered that the average founder was 45 at the time of inception. Furthermore, a 50-year-old entrepreneur is nearly twice as likely to have a runaway success as a 30-year-old.

For leaders looking for the innovators within, they should look beyond the youngsters with the fancy gadgets and towards people (of all ages) with the fancy ideas.

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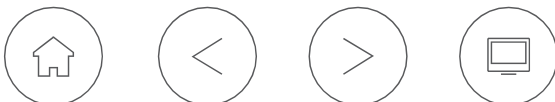
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A PERSON WHO IS **40** IS **2.1X** AS LIKELY TO FOUND A SUCCESSFUL START-UP AS A PERSON WHO IS

25

"How Old are Successful Tech Entrepreneurs?", Kellogg, 2018



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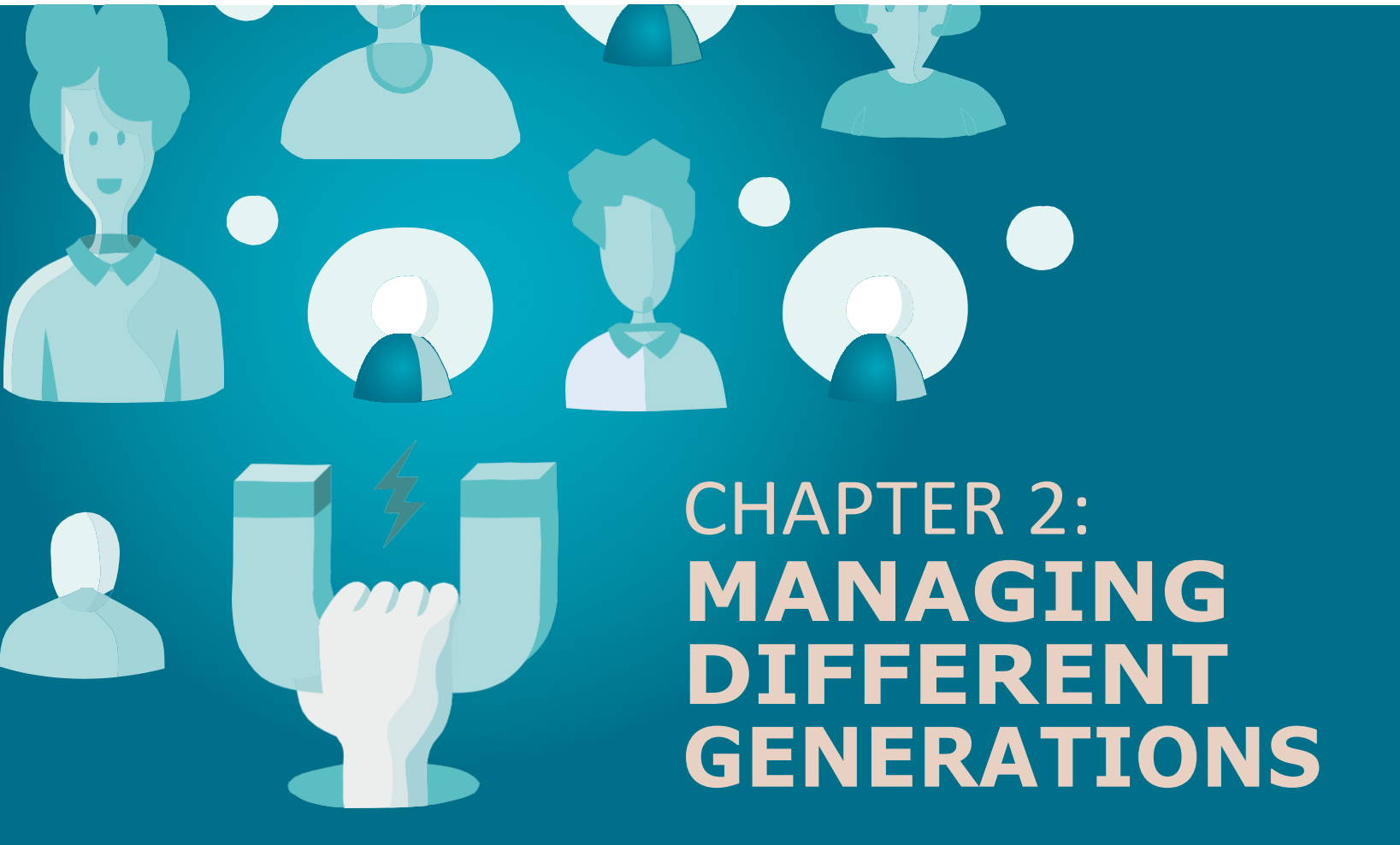
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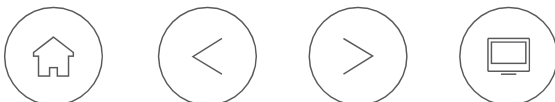
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REWARDS AND INCENTIVES

As needs change for an individual as they move through their career, so do the rewards and incentives that they desire. However, according to the 2018 Deloitte Capital Trends, only 8% of companies believe that their rewards programme is “very effective” at creating a personalised, flexible approach towards rewards for employees.

Organisations must avoid a one-size-fits-all approach when it comes to rewarding people. One company that has embraced the personalisation philosophy is the outdoor clothing company, Patagonia.

From the moment of hiring, Patagonia actively seeks out the rewards that matter to an employee, from on-site childcare to time off for outdoor activities and volunteering for environmental causes. Once hired, people have a menu of rewards to choose from.

One popular programme, called 9/80, reconfigures the traditional 40-hour work week. By working nine-hour days Monday through Thursday, the company is able to close the office every other Friday, giving employees 26 three-day weekends a year.



THE PERSONALISED SCHEMES HAVE NOT ONLY SPURRED “RIDICULOUSLY LOW (STAFF) TURNOVER” ACCORDING TO DEAN CARTER, PATAGONIA’S VICE PRESIDENT OF HR, FINANCE, AND LEGAL, BUT ALSO INCREASES IN PRODUCTIVITY.

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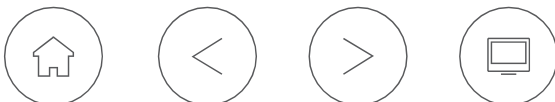
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CHAPTER 2: MANAGING DIFFERENT GENERATIONS

MANAGING THE TRANSITIONS

Age is but a number, but sometimes that number is significant. It can be significant factually, such as a year before retirement age, or psychologically, such as being 39 years old (an age people typically take stock of their life).

Just like the individualisation of rewards and incentives mentioned in the previous section, organisations should be aware of the life-changing decisions being made by their employees all the time. From hiring through to promotion (and firing), a company really looking to engage its workforce will look for positive touchpoints around those key dates.

For example, your company may get a cake for an employee's birthday, but are they then asked what they want to do for the next year? As a new year approaches and people might be thinking of switching jobs, is your management team projecting a clear, exciting vision for people to follow?

"THE PEOPLE WHO WORK FOR YOU

AREN'T BUILDING A COMPANY FOR YOU, THEY ARE BUILDING IT FOR THEMSELVES – THEY ARE THE CENTER OF THEIR OWN UNIVERSE. JUST BECAUSE YOU ARE THE CEO DOESN'T MEAN THEY ARE COMING TO WORK EVERY DAY TO MAKE YOU HAPPY. THEY WANT TO BE HAPPY AND IT'S YOUR JOB TO KEEP THEM THAT WAY."

Ben Lerer, Thrillist

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CREATE A COACHING CULTURE

ONLY 20%

OF EMPLOYEES SAID THAT THEIR ORGANISATIONS DEVELOP PEOPLE THROUGH EXPERIENTIAL LEARNING

Deloitte Global Human Capital Report, 2018



People across generations want to learn through a coaching style and, indeed, coaching and mentoring appeals most to the oldest (50+ years old) and youngest learners (21–25 years old) out of all age groups in the workplace (Source, Wainhouse Research).

There can be some anxiety from younger generations to interact personally with their seniors, but this isn't a result of the smartphone age – it's a result of being young. Even then, studies have found that young workers find informal conversations with subject matter experts extremely useful as a learning tool and should be encouraged.

The research shows that human interactions should remain a key part of learning within an organisation. With all the tools available to us, a blended approach is ideal (for example, mid-career workers like short video tutorials) and should be used expansively, but the human element should always remain at the centre.

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SUMMARY LEADERSHIP QUESTIONS

Yes, and in fact they are **more** effective when they do work across generations.

A gender diverse team will make better decisions 73% of the time – an age and gender diverse team will make better decisions 80% of the time.

Absolutely. The more diverse voices in your team the better.

Replace the word “Diversity” with “Different Points of View” and you will begin to see why it’s vital to create diverse, multigenerational teams.

The best ideas will come from multigenerational teams, and more experienced employees are more likely to bring an innovation to a profitable conclusion.

All generations want the same from their leaders.

The ideal type of leadership is one of personalisation using a coaching style.

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CONCLUSION WE ARE ALL INDIVIDUALS



Leading a diverse workforce through a time of change is a challenge for all senior executives, but it is also a critical opportunity.

The traditional hierarchical and seniority focussed method of moving up in an organisation is largely over, and this shift will inevitably cause tensions. However, it will also unleash a boom in innovation and new thinking as different ideas get mixed together and put into action.

For senior leaders today, capturing this transition and creating a truly engaged workforce across generations will give them a head start in the race to capture new and expanding markets in this still emerging digital economy. As our marketing arms move towards hyper-personalisation for our customers, so should our HR department move towards hyper-personalisation of our employees.

After all, we are all individuals.

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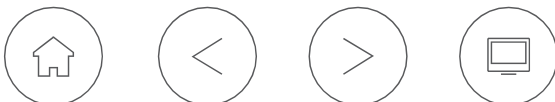
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