



Mind the Gap! Generations @ Work

By Dr Graeme Codrington
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“We can’t seem to keep our bright young things”. This is the common complaint of businesses around the world these days. Talented employees, especially young people, are not staying, and an older generation of managers don’t know why they can’t keep them. No “quick fix” solutions or simple, 1-2-3 strategies will work. And none of the tried and trusted motivational tools seem to have any effect on this new generation. The solution lies not in more techniques or cuter strategies, but rather in understanding that a radical value system shift is currently taking place in society. This shift is best explained by generational theory.

What are ‘Generations’?¹

Generational theory is another tool in the segmentation or profiling toolbox. Simply stated, it shows that the era in which a person was born affects the development of their view of the world. Our value systems are shaped in the first decade or so of our lives, by our families, our friends, our communities, significant events and the general era in which we are born. In the past century, global forces were at work like never before, and therefore many people throughout the world have had similar experiences or have had to face similar situations at the same time. And since we live in a globalised world, with similar influences at play in different countries at the same time, people of the same age are likely to have similar value systems, regardless of their country or community of birth².

For example, from the late 1960s to the end of the 1980s, the world was in chaos. Everywhere. And then came a major tipping point. In 1989, Gorbachev came to power in Russia and announced *perestroika* and banned the communist party. In South Africa, de Klerk came to power and announced the ending of apartheid, the release of Mandela (he was eventually released in February 1990) and *unbanned* the communist party. In Romania, in 1989, the dictator Nicolae Ceauşescu was overthrown and Eastern Europe began to open up. In Germany, students punched the air with the global clenched fist “power salute” as they danced on the Berlin Wall and smashed it to pieces. In China, students did the same on Tiananmen Square, as tanks rolled over them. And America invaded Panama in one of their early “pre-emptive strikes”. All this in 1989 – a tipping point in recent global history. The generation of children born during the 1970s and 80s - the decades that led up to these tectonic shifts in global power - were greatly affected, developing an air of scepticism about adult control of the world, a sense of impermanence and a pragmatic view of power and power structures. These are the so-called “Generation Xers”, who are currently entering midlife, and starting to have an impact as decision makers in the workplace.

Using generational theory, we can predict how these younger generations will grow up.³ We can look back at the way in which older, and still living generations have grown up and what they are like today, based on the influences they experienced in their youth. We can then postulate about the different influences on today's young people, and how they might be affected as they grow up through the predictable lifestages every generation must go through.

Strauss and Howe, the current generation gurus, summarise it this way: "History creates generations, and generations create history. The cycle draws forward energy from each generation's need to redefine the social role of each new phase of life it enters. And it draws circular energy from each generation's tendency to fill perceived gaps and to correct (indeed, overcorrect) the excesses of its elders."⁴

Studying the Generations

Generational theory has been around for many centuries⁵, but was popularised in its current form by Neil Howe and William Strauss in the early 1990s⁶. The theory of generations is a sociological and anthropological model. As such, it deals in generalisations, not specifics. It is in the same style as, "Men are from Mars and Women are from Venus"⁷ – overgeneralisations that are nevertheless filled with truth, and provide a helpful starting point for discussions and understanding.

While generations have existed since recorded humanity, the differences between them, because of the slow pace of life, have not been as dramatic and as overt as they are now. It was the advent of the Industrial era with its factories and production lines, which impacted massively on the pace of life. In the 20th century, further Industrialisation, a shift to an information economy, and the present transition to a connection economy⁸, have continued to create change. Rapid advances in technology and media combined with changing social mores have given each generation in the last century its own, unique, set of experiences and values. As time, and events, began accelerating, the concept of generational identity has become more important to describe each new generation.

Defining the Generations

To understand and successfully interact with people from different generations it's important to be familiar with what makes them tick.

Silent Generation (born 1920s – 1940s)

While not the oldest living generation, this is the oldest still in the workplace. They were influenced in their youth by the Great Depression and World War II. They are conservative, hard-working and structured, preferring rules, order and formal hierarchies. They have a "waste not, want not" mentality, and hate getting into debt. Their idea of progress is slow, incremental advancement, while minimising risk.

Baby Boomers (1940s – 1960s)

Baby Boomers are the postwar generation, the drugs, sex, and rock 'n' roll set who grew up during a time of grand visions. The idealistic visions of politicians and those fighting for freedom, or of those putting a man on the moon, all served to energise a generation of young people, who were simultaneously being culturally and socially revolutionised.

Boomers are passionately concerned about participation in the workplace, motivated by vision, mission and strategy, and care about creating a fair and level playing field for all. They love conspicuous consumption and have created more wealth (and accumulated more debt) than any other generation, ever.

Xers (1960s – 1980s)

Generation Xers grew up as “latchkey kids”, children of divorce, experiencing an era of crises - from Watergate and the Profumo scandal, to the energy crisis and the collapse of communism, it was clear the adults didn’t know what was going on. Today, they need options and flexibility; they dislike close supervision, preferring freedom and an outputs-driven workplace. They love change so much they actually need it. Xers strive for balance in their lives - they work to have a life; they don’t live to work.

Millennial Generation (1980s – 2000s)

Millennials are living in an age of unprecedented diversity and exposure to other cultures. They are growing up quickly - too quickly, some would say. They’re confident – so confident they’re almost arrogant. They’re the chief technology officers of their homes, are concerned about global warming, are civic minded and want to change the world.

Why this is important

The challenge for leaders comes from a clash of the generations: a collision of values, expectations, ambitions and attitudes. In addition, the human factor is increasingly important for maintaining a competitive advantage in business.

In virtually every industry, the competitors are becoming indistinguishable on the basis of product or service. What a company sells is becoming less and less of a competitive advantage. Competing companies offer the same stuff at about the same price and quality, to the same people, delivering through similar channels and advertising in the same media using similar techniques. And they even swap staff every few years. Innovation is not the competitive edge it used to be either. Even if one company comes up with the industry’s “next big thing”, their competitors will copy it within a matter of days (without the R&D costs).

Competitive advantage is therefore less and less about *what* a company sells, and more and more about *who* a company is, and *how* it sells. In this environment, talent is the primary commodity, and the ability to attract, retain, nurture and motivate talented staff is a critical success factor for any company in any industry. It is vital to create an “internal environment that allows people to individually and collectively create far more value than they could if they were employed elsewhere.”⁹ Generational theory provides a powerful framework for creating such an environment, where multiple generations interact effectively.

Generations @ Work¹⁰

There have been massive changes from the Industrial era, Silent generation, “Organisation Man” to the Connection economy, Xer, “Bright Young Things”. The former went off to work, dressed in his suit and tie, and the correct, conventional attitude to his lifelong job, from which he retired at age 65. The latter, a “whatever”,

techno-brilliant Xer, carries her business in her laptop, works in jeans at coffee bars and feels little loyalty for companies that tossed her loyal Boomer parents on to the scrap heap during the last economic downturn.

Loyalty

The change in the contract between company and employee is the biggest generational shift of all in the workplace. The old contract was simple: an employee came into an organisation and accepted the values of the company, bought into the vision and mission, and sold the company's products to the company's customers, using the company's systems, vocabulary, methods and processes. In other words, they made themselves virtually unmarketable anywhere else, which wasn't a problem since the company offered employment as long as they wanted it. The employees paid their dues, working like slaves for a few years in order to be fast tracked up the company structures. In return, the company guaranteed that there would be a management position available a few years from now.

But how many companies can offer such security these days? Even if they did, would we believe them? If companies cannot offer security, why are they still asking for loyalty? If they cannot long-term commitment, why are they still asking for it? Many companies have just given up. Yet, loyalty is still available - it must just be purchased with a different currency. That currency includes helping employees (and even customers) develop generic skills and remain marketable, creating an environment that values fun, flexibility and freedom, and giving them constant, timely, honest feedback on everything they do.

The scary truth is that the more marketable and mobile your best employees feel, the more likely they are to stay with you. You have to help them develop skills beyond their current job functions and ensure they're continually developing in new ways. They need constant change – even chaotic change – and value being given options.

Flexibility

Generation Xers value flexibility highly. They're asking questions like, "If I answer emails on a Saturday night, can I watch movies on a Tuesday morning?" and "If I take my work home, can I bring my family to the office?"¹¹ We've known about telecommuting, virtual offices, remote management, flexi-time and "hot desking" for many years now. This generation of young employees is just going to make sure we do something about it. And as customers, they're demanding more flexibility, too. No longer will they accept the excuse from your front line staff that "the system won't allow it". They know that all systems can be changed (and overridden) and they will continue to demand "mass customisation" from the companies with whom they interact.

Personal Lives at Work

Today's young workers don't understand why they must "leave their personal lives at home". They need a workplace that will allow them to make personal phone calls, send personal emails, and be flexible enough to let them take care of personal issues that must be dealt with during office hours. They would also be very attracted to workplaces that offered amenities like gyms, "chill out" spaces, crèches and daycare centres and

areas for entertainment (we know of a call centre that built a skate park in the carpark for their employees, for example).

Accountability

Don't misunderstand this list. Generation Xers understand that all these things come at a price. "With great power comes great responsibility"¹². They're aware that with responsibility comes accountability. In fact, they expect to be held accountable for what they do – even brutally accountable. Any environment that allows too much slack (as opposed to flexibility and freedom) is one that they will want to leave quite quickly. They're prepared to put in serious effort, as long as they know they'll be rewarded and recognised for it. But if the environment encourages (and even inadvertently rewards) loafing, then that is what you will get.

The easiest way to kill an Xer is to micromanage her. Xers like to be told what must be done, and then left alone to do it. In fact, at the heart of this desire is an understanding that people should be paid for their outputs, not their inputs. No longer should people be paid for just arriving at work. We need to transition to a world where people are rewarded for the quality and speed of their outputs. Generation Xers are ready for that world – and are starting to demand it, as employees and as customers.

What next?

Unfortunately, there are no quick fix answers, no "one size fits all" solutions, and simply making a few tweaks to your HR policy won't work. To adjust to a new generation in a new century requires a change of attitude, a mindset shift, and systemic changes in organisational structures. The good news is that it isn't as hard to do as you think. And if you do make the shift, you'll open yourself up to such a leap forward in competitive advantage that the pain will be well worth it.

The key is the people. Jeff Immelt, CE of GE, said recently that "HR is not on the agenda. HR *is* the agenda."¹³ "Our people are our most important asset" needs to come out of the chairman's report in the annual financial statements, and become a reality in the world we live in. You can't afford to lose another "bright young thing". You need to start bridging the gaps today.

Graeme Codrington is an expert on talent and the future of work. He is a recognised world expert on Generational theory, and is the co-author of two best-selling books, his latest, "Mind the Gap" published in 2004 by Penguin. He has five degrees, including a BComm and Research Masters, and a Doctorate in Business Administration, majoring in leadership and future studies. He can be reached at graeme@tomorrowtoday.biz.

¹ This paper is based on research completed by the author for a Masters degree (available online at <http://www.tomorrowtoday.biz/mindthegap>), and later published as a popular book.

Codrington, G and Grant-Marshall, S (2004). *Mind the Gap!* Johannesburg, Penguin.

² In South Africa, particularly, the immediate reaction is to point out obvious differences between race groups and cultures. Research conducted for SAMRA (see footnote 3 below) and Kelly SA contests this popular notion, at a base value system level. A report by Kelly, in November 2003, "Manage the age group, not the race group", (see http://www.kelly.co.za/display_trend.asp?tT_ID=194), argues that the younger your employees are, the more important age/generations is - in fact, a person's generation becomes more important than race as a predictor of behaviour.

³ Research into generational theory is plentiful. Refer to <http://www.fourthturning.com> to access global research.

⁴ Strauss, W and Howe, N (2000). *FAQ* at <http://www.fourthturning.com>.

⁵ In recent times, Morris Massey was a legend in academic circles in the early 1970s for identifying the arriving Boomers in his lecture tour, *Who You Are Is What You Were When*. Margaret Mead before him identified generation development in Polynesian islanders. The primary European contributors to generation theory in the twentieth century have been José Ortega y Gasset, Karl Mannheim, Julius Peterson, Willhelm Pinder and Julián Marías. John Zimmerman offers a summary of their contributions in "Leadership Across the Gaps Between Generations" In *Crux* (Vol. 31, No. 2, June 1995. pg. 42-54). But the concept is even older than this. Historically, other philosophers who have attempted to describe the theory include Auguste Comte, Maximilien Littré, John Stuart Mill, Gustav Rümelin, Ottokar Lorenz, Wilhelm Dilthey and Emile Durkheim. A fourteenth century Bedouin, Ibn Khaldun, was the first philosopher to describe a four-generation cycle in detail (see Marías, Julián (1970), *Generations: A Historical Method*. Trans. Harold Raley. Alabama: Alabama University Press, pg. 198-207). Greek historian, Cicero, Greek writers, Heraclitus and Homer, Chinese philosopher, Lin Yü-t'ang, and the writers of the Old Testament (especially the book of Judges), show that this cyclical nature of history and generational development has not just been recently noticed.

⁶ Their first book was *Generations* (1991, New York, William Morrow), followed by a more accessible version which became a best seller, *The Fourth Turning* (1997, New York, Broadway Books), and a website, <http://www.fourthturning.com>.

⁷ From the book of the same name, by John Gray (1992), Harper Collins.

⁸ Different writers use different terms for the emerging era: relationship era, emotion economy, transparent, conversation, storytelling, wisdom era. "Connection economy" seems to capture all of these concepts, and attempts to define the emerging reality, where high touch supersedes high tech.

⁹ Goshal, S and Bartlett, C (1997). *The Individualized Corporation*. London, Random House. p176.

¹⁰ This title is from a presentation of the same name, a summary of which is available at <http://www.tomorrowtoday.biz>, and a book by Zemke, R, Raines, C, and Filipczak, B. (1999) *Generations at Work: Managing the Clash of Veterans, Boomers, Xers, and Nexters in Your Workplace*. American Management Association.

¹¹ Credit for these questions goes to Semler, Ricardo (2004). *The Seven-day Weekend. A Better Way to Work in the 21st Century*. Arrow.

¹² Yes, that is Spiderman.

¹³ Reported in *Harvard Business Review, Leadership Special Edition*, August 2003.