[white paper]

The "Generations" Debate Degenerates: Finding Facts Among the Myths

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From the moment the media began publicizing the retirement of the Baby Boomer generation, organizational leaders and HR practitioners have been concerned with generational differences. This is big business—entire consultancies are based on managing the transition of the Boomers into retirement. A search for "generations at work" in the book section of Amazon.com results in more than 25,000 hits. Popular titles include "Generations at Work: Managing the Clash of Veterans, Boomers, Xers and Nexters in Your Workplace" and "When Generations Collide: Who They Are. Why They Clash. How to Solve the Generational Puzzle at Work." Both books elicit imagery more akin to Armageddon than a day at the office.

In the spirit of full disclosure, I will tell you I am a skeptic. According to an article in *Human Resources Planning* and a study in the *Journal of Managerial Psychology*, boundaries between generations are fuzzy. It's unclear which historical events made enough impact to similarly alter the perspective of an entire generation, and it's difficult to say which effects, when found, are due more to age or career stage than generation affiliation (Giancola, 2006; Gardner, 2008). The *Journal of Managerial Psychology* also offers information on differences that exist between generations, including:

- Self-esteem and narcissism have risen in more recent generations. Anxiety and depression also have risen (although the latter could be due to diagnostic improvements).
- People of younger generations look to and blame external events more than internal events for things that happen to them.
- The need for social approval declined from the 1950s to the 1970s, but now has leveled off.
- Women have taken on increasingly masculine workplace traits, such as assertiveness and dominance, and they hold better paying jobs (Twenge & Campbell, 2008).
- Gen Y members are significantly more achievement and affiliation oriented, as well as conscientious about their work and their dealings with others, but Baby Boomer members are more optimistic and motivated by power and progression (Wong, Gardiner & Coulon, 2008). From Early Gen X to the late Baby Boomer generation, the younger the generation, the higher the learning orientation (Gen Y was not tested in this study).
- Between early and late Gen X and the Baby Boomer generation, the older the generation, the higher the organizational commitment.
- Gen Y is significantly more motivated by status and freedom-related work values, and has more intention of leaving an organization than Gen X and the Baby Boomer generation (Cennamo & Gardner, 2008). Additional research found that the early Baby Boomer generation and late Gen X have a higher intention of leaving than the late Baby Boomer generation. Gen Y was not included in the sample. (D'Amato & Herzfeld, 2008).
- Gen Y and the Silent Generation value organizational security more than Gen X and Baby Boomer generations (Dries, Pepermans & De Kerpel, 2008).

These studies also have inherent flaws. Studies by Wong, Gardiner, Lang & Coulon (2008); Cennamo & Gardner

(2008); and D'Amato & Herzfeld (2008) did not account for life or career stage. Studies by Cennamo & Gardner (2008) and Dries, Pepermans & De Kerpel (2008) used small sample sizes, and studies by Wong, Gardiner, Lang & Coulon (2008) and Cennamo & Gardner (2008) were not generalized to a more diverse population.

A Lament on the Issue of Generational Names

I found researching the generational boundaries and characteristics so frustrating that I feel compelled to write the following lament.

The Silent Generation is probably the best name of the bunch—it connotes an unoriginal youth who had no real "voice" and generally copied the trends and ideals of the previous generation—although they were the "Greatest Generation," so really, who can blame them for being copycats?

The Baby Boomers are so named due to a demographic phenomenon—WWII soldiers re-embraced life upon their return to American soil, hence the severe uptick in births that is the Baby Boomer generation. Unfortunately, the name fails to indicate their tell-tale characteristics. There is also a "Generation Jones" which has been partitioned out—named after the idiom "keeping up with the Joneses." From hippie to yuppie, this group is hard to characterize.

Gen X got the short-end of the naming stick to be sure. Gen X refers to Douglas Copeland's book, "Generation X: Tales for Accelerated Culture," and refers to his interviews that revealed the dark side of teenagers in the 1990s—godless, over-sexed, disrespectful and apathetic. Weren't we all like that at 15?

And poor Gen Y—named simply because Y is the letter after X. A debate has been waged for the adoption of a more meaningful name, but given that two of the options are corporate brands, I don't have much hope. (Frankly, if we're going to name an entire generation after a product line, then Gen X should be renamed Generation Aquanet.) For the purposes of this paper, I'll stick with Gen Y because it fits better in legends and graphs.

Are differences between these groups cause for concern? Individually, perhaps not—group differences have been the subject of study and consulting for years, and surely there are diversity program practices that translate into a culture of, and policies for, inclusion. However, the gestalt of change caused by a massive influx of younger workers, coupled with a mass exodus of older workers, is cause for consternation. Not only might the culture of an organization need to shift toward the values and attitudes of younger workers, but also when the threat of losing a large volume of intellectual capital and experience looms, it makes sense to sit up, take notice and do something about it. As it turns out, given the state of the economy, the exodus in the U.S. has been postponed—Baby Boomer members are begrudgingly continuing to work so they can supplement their retirement savings, which will postpone the fallout for a few more years. But proactive organizations are looking at the issue in an attempt to understand generational differences and start on the slow path of change, moving toward a generationally inclusive culture.

The research is predicated by an assumption: the youngest generation, Gen Y (also called Millennials, iGeneration, Generation Next, the Google Generation (see sidebar), has a fundamentally and qualitatively different relationship with work than its elder predecessor generations. Major media has actively explored the debate, with some harsh resultant opinions. A couple of years ago, and to a lesser extent, major media opined on Gen Y's revolutionary, but not necessarily positive, way of working. In a 2006 interview on PBS, Stan Smith of Deloitte and Touche USA liberally dichotomized generations at work when he said "I put it this way: The Baby Boomer generation is "work, work and work." It's a very important part of their lives. Gen X is "work, work, I want to work some more, let's talk about it." And Gen Y is "work, work, you want me to work even more? How lame. I think I'll IM my friends and tell them how lame you are."

Ouch. This paints the picture that Gen Y employees are nothing but spoiled brats with serious entitlement complexes. The interview went on to say that Gen Y will change the way organizations run, that they will need to have flexible schedules and management will be able to ask them to do only personally fulfilling jobs. In our heart of hearts, we fear their mass numbers

Myths Challenged

Many generalities have been made about members of generations, including Gen Y's supposed:

- Sense of entitlement in contrast to other generations' acceptance of authority structures
- Sense of fulfillment and personal accomplishment through work, lending to job satisfaction
- Difficulty with management or managers' difficulty managing this generation
- Mobility and comfort with change
- Satisfaction with their current state versus striving for more

There are multitudes of others, of course, but since these tap the basic characteristics of an individual's attitude at and about work, we'll start here. In this research, some questions have been asked in exactly the same way for 24 years and can serve as proxies for these attitudes. The topics serve as our test variables. In abbreviated form, they are:

- Satisfaction with one's current company
- Having a sense of personal accomplishment, satisfaction with the job and liking the work
- Ratings of manager's overall performance
- Rating of job security and an ability to get a better job within the company
- Satisfaction with pay

will buck the system and not only will they say "no," they'll tell "the man" to take a long walk off a short pier.

The eldest members of Gen Y have been working for about 10 years now, and I personally haven't seen such behavior. My Gen Y colleagues are generally hard-working and aim to please. Broad generalizations such as those outlined above beg the questions: How different are the generations at work, really? Are there areas to manage, or is it all hype? Are the differences found true generational differences, or are they simply an effect of age (younger workers are snarky and push boundaries of authority, and older workers are settled, having already fought for their autonomy and position)? Are we blaming our changing work environment on generational differences when really it's just naturally evolving?

The Kenexa® Research Institute is in a unique position to definitively report on the generations' work attitudes through the WorkTrends™ data. For this study, we reached all the way back to 1984, using 24 years of data to check for differences between generations when in the same stage of their career. This data can reveal, for example, if Gen Y employees are more optimistic or satisfied than their generational elders, or if their attitudes are simply a function of their newness to their careers and the workplace.

As I mentioned before, this research not only compares generational job and company satisfaction, ratings of pay, job security and manager performance, but also factors out the effects of career stage. This tells us if there were differences, for example, in the beginning stages of a career versus stages of career tenure between Gen Y, Gen X and the Baby Boomer generation. Career stage is defined by the employee's age at the time of surveying and only included "knowledge workers," (professional, technical or managerial employees) to keep data consistent with a typical career delay caused by earning a college education. New career group employees were ages 18 to 25, early career group employees were ages 26 to 35, mid-career group employees were ages 36 to 50 and late career group employees were ages 51 or older.

The boundaries for the generations are murky at best. For this research, generations were primarily defined according to "Generations: The History of America's Future from 1584 – 2069, and the U.S. Census." These boundaries are: Silent Generation, born 1925 to 1945; the Baby Boomer generation, born 1946 to 1964; Gen X, born 1965 to 1978; and Gen Y, born 1979 to 1994 (Strauss & Howe, 1991). The WorkTrends sample only includes employees over 18 years old, working full-time in an organization with more than 100 employees. Due to age, data do not exist, and therefore cannot be collected for Gen Y employees in the mid- and late-career groups and the first members of the Silent Generation who entered the workforce before WorkTrends was in existence.

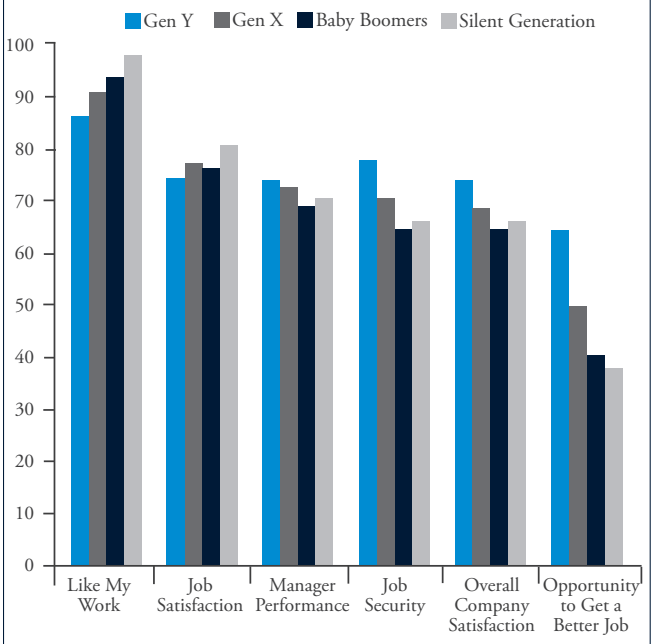
They Do Exist

Generational differences do, in fact, exist. Career stage did not affect generational differences on the following specific critical work attitudes:

- Overall company satisfaction—generally, the more recent the generation, the higher the employee satisfaction rates are within the company, although there is no difference between Gen X and the Silent Generation
- Job satisfaction and liking their work—the Silent Generation has significantly higher employee satisfaction rates than any other generation; however, employees' fondness of their work decreases with recency
- Manager performance—Gen X and Gen Y employees rate managers' performance more favorably than the Baby Boomer generation
- Job security—Gen Y is more positive than Gen X, and both generations are more positive than the Silent Generation on job security, but the Baby Boomer generation is the most pessimistic

Figure 1 displays the percent of favorable responses on the aspects of work for which career stage did not affect the generations' differences. Here we see only incremental gains and losses

Figure 1: Percent Favorable by Generation

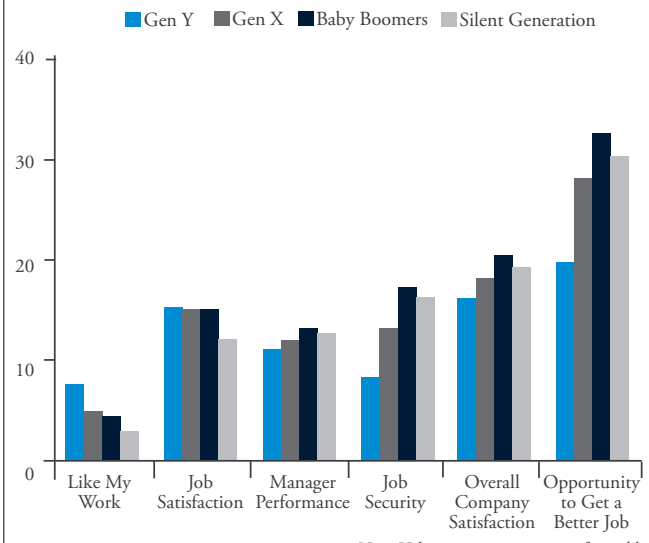


Note: Values represent percent favorable

from generation to generation, except employees' perceptions of their opportunity to get a better job within their company, where more recent generations are clearly more optimistic than their predecessors.

Areas of difference become more apparent when we look at the percent of the generations that scored these same items unfavorably (see Figure 2). Here we see the Silent Generation breaking from the pack in job satisfaction and the more recent generations holding slightly better ratings of managerial performance.

Figure 2: Percent Unfavorable by Generation



Note: Values represent percent unfavorable

Overall, a few myths have been confirmed, and some have been challenged by these results. Although conventional wisdom states that Gen Y might be searching for meaning at work in a way that surpasses prior generations (we'll look at the extent to which they differ on their feeling of personal accomplishment below), they haven't found it yet; generations that came before them find more satisfaction in the work itself, although with 81% of Gen Y liking their job, the majority are happy doing what they are doing. Does that mean organizations need to try harder to engage the remaining 20% of this generation? Perhaps, but the counter-motivation might lie in their consumerism. Even a shift to social justice and societal good requires substantial investment. There is money to be made in developing green energy alternatives and building a sustainable, national mass transit system. This research indicates that despite the hypothetical individual-to-societal good paradigm shift, Gen Y is likely to engage and employ.

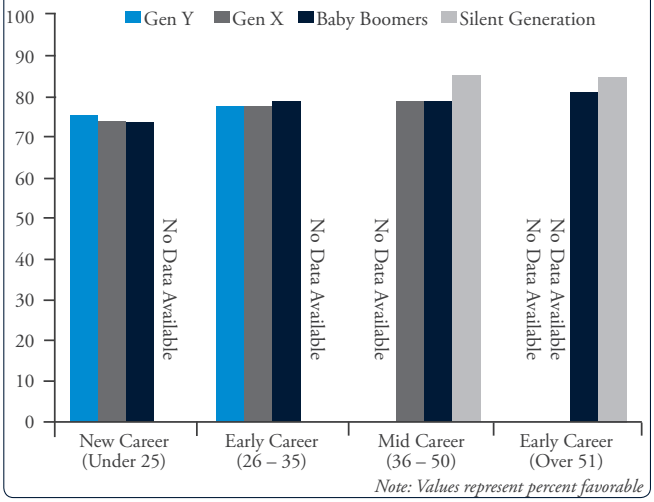
Although we hear plenty of noise about managing Gen Y employees, leadership must be doing something right. Gen Y is slightly but significantly more positive about their managers' performance. They are also more positive about job security and internal career opportunities—and remember, they are more positive than past generations. Overall, Gen Y seems to be a pretty optimistic group.

It's ironic that employees of the Baby Boomer generation in managerial positions find employees of Gen Y mystifying, threatening or both. Not only are Gen Y employees positive about their managers, but Baby Boomer generation employees, overall, are also the least positive on these measures. Why this is true is difficult to say, but the result is that the Baby Boomer generation employees who are raising the alert are also the generation that is most discontented at work.

But Sometimes, It Depends

Certain issues at work vary based on each individual's career stage, meaning there are differences between generations, but only at certain career stages. One such example is generations' reports of their sense of personal accomplishment gained through work. The myth is that Gen Y expects fulfillment and meaning at work, but the data show that Gen Y knowledge workers achieve personal accomplishments to basically the same extent as other generations. With more than three-fourths of the WorkTrends sample reporting a feeling of personal accomplishment, it is apparent that people across all generations find meaning through achieving their goals at work. The difference lies in the Silent Generation's scores. For the career stages where WorkTrends has data, they are significantly more positive on achieving personal accomplishments (see Figure 3).

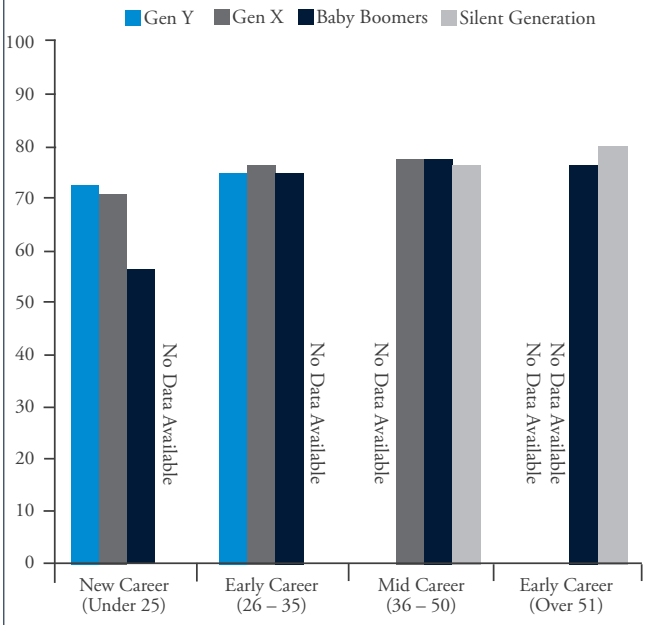
Figure 3: Work Gives Feelings of Personal Accomplishment



Note: Values represent percent favorable

The next area where career stage plays a role is intuitive: skills and abilities are utilized to varying degrees depending on where you are in your career. Employees find themselves on the talent bubble if they are overqualified in a job they've outgrown or under-qualified in a job to which they've just been promoted. There is always a job-to-skills differential that organizations struggle to equalize. That being said, there is a difference in opinion within the Baby Boomer generation in that a far fewer percentage of Baby Boomers new to their career in the 1970s reported that their companies made good use of their skills than more recent generations. To a lesser degree, the increased negativity of the Baby Boomer generation resurfaced in the later stage of their careers as fewer Baby Boomer generation employees reported their skills being fully utilized.

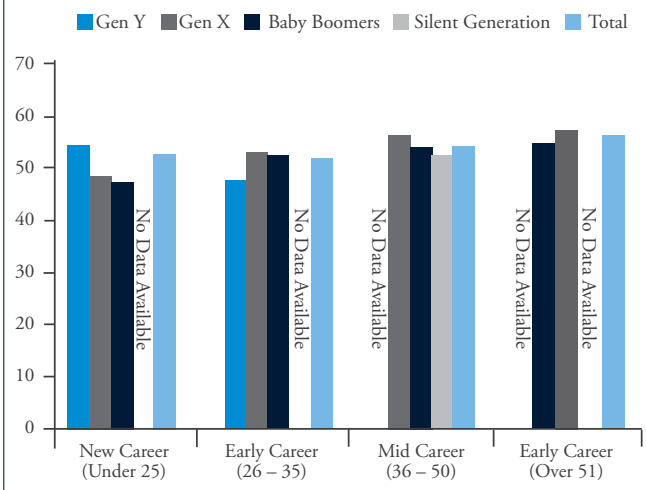
Figure 4: Job Makes Good Use of Skills and Abilities



Note: Values represent percent favorable

Sometimes expected results not realized are just as interesting as the significant findings. Despite rumors of discontented youth and job-swapping for higher pay, Gen Y employees are just as satisfied with their pay as their older counterparts, although overall only half of knowledge workers are satisfied with their pay. Although there are no differences between generations, there are significant differences between the career stages. On average, those in the later and middle stages of their career rate their pay higher than earlier stages (See Figure 5).

Figure 5: Rating of Pay Amount



Note: Values represent percent favorable

Although it is difficult to extrapolate a trend from only four generations, it seems as though generations either feel similar to previous generations, or incrementally change their opinion about work with each passing generation. This short trend line might indicate that generations do evolve and change as entities, at least with regard to their work attitudes, but there is little evidence of a brewing massive paradigm shift. There are many similarities between the generations, and while Gen Y might not seem very similar to the eldest of generations, they do resemble Gen X in many ways. Now that Gen X has been in the workforce from 12 to 25 years, and we have witnessed organizations' adaptation to the incremental shift in attitudes from Baby Boomer generation employees to Gen X employees, we can pontificate that there could be some cultural shifts necessary as Gen Y employees come of age. However, the dramatic claim of the organizational upheaval to come is likely overblown.

What Needs To Change?

There are a few lessons to be learned from this research, the results of which translate into actionable steps:

Nineteen percent of Gen Y employees are either ambivalent about, or don't like, their job. This percentage is higher than other generations, so if you have a younger workforce in your organization, it might make sense to start listening to this cohort. While some managers could see this as bending to a perceived sense of entitlement, we might be reminded that we all feel entitled to enjoy our work. After all, we do spend at least 40, if not 60, hours a week there.

More of the Silent Generation feels a sense of personal accomplishment on the job. I think it is safe to say that we all want to feel as though we are contributing, and that we are meeting our personal goals by coming to work. Perhaps the Silent Generation's higher sense of accomplishment is a direct relation of growing up in the Great Depression. Whatever the case, Silent Generation employees feel this sense of pride more than Baby Boomer generation employees or Gen X employees. Finding out what triggers this sense of accomplishment before the youngest among them retire might help HR and management increase newer generations' motivation, performance and desire to fulfill personal goals.

Gen X, Baby Boomer and Silent Generation employees are less optimistic about getting a better job within their current organization. We might be tempted to pin this result on youthful optimism, but the data tell us that career stage doesn't matter—Gen Y is more positive about job opportunities regardless of career stage. Perhaps we are witnessing an increased value of organization tenure by knowledge workers—and an increased drive to achieve within an organization. This increase benefits organizations as they become more specialized and better align the workforce to the business growth. Whatever the reason, Gen Y employees see their career path more clearly, and it would behoove organizations to clear the view for employees of all generations.

Baby Boomer employees who are further in their career feel their organizations don't make good use of their skills. They are still a large part of the workforce, and with the recent headcount reductions, organizational leaders need to utilize these employees to their fullest capacity. According to Baby Boomer employees, they are a languishing resource—waste not, want not.

Gen Y and X employees rate job security higher. Although the rhetoric that job security is a dead concept, Gen Y and Gen X employees are rating job security higher than their predecessors despite recent 2008 layoffs and the downsizing resultant of the dot.com bust of 2001 and 9/11. Perhaps expectations have been lowered since the days of cradle-to-grave employment, and these generations are too young to remember that kind of stability. However, organizations need to understand how younger generations define job security so they can effectively meet expectations.

Gen Y employees' sense of "entitlement" does not translate into satisfaction with pay. If Gen Y employees were going to feel entitled at work, chances are they would expect more money for less work. However, their dissatisfaction with pay is equal to other generations—approximately 50 percent.

Managers must be doing something right. How often do you hear, "Keep doing what you are doing?" Whether it's because they demand more attention, or because managers are getting better at the interpersonal side of management, Gen Y employees report more satisfaction with their bosses. Nicely done, managers—now give your experienced workers just as much attention.

Summary

The natural preoccupation with identifying differences between "us" and "them" sometimes gets the best of us. Since the days of cavemen, it has been important for a society, such as an organization, to identify and delineate roles and responsibilities so there is no unfamiliarity within the group. Proactive organizations are well-served by examining values, opinions and behaviors that are not understood, and rather than strong-arming younger workers to copy their predecessors, being flexible in accommodating new ideas. Who knows—maybe these new ideas are founded in a changing economic climate and way of doing business and will clinch the competitive edge.

The WorkTrends data demonstrate that, while there are some differences between the generations, there also are significant similarities. The differences could be due to shared cultural beliefs and values, the challenges of business, the economy and work climate, or a little of all three. However, at the end of the day, the grand majority of employees in the U.S. are subjected to certain rules about being at work, prescribe to the same value proposition of work-for-compensation and similarly engage in our consumer-driven economy. With hard-coded cultural rules such as these, it really leaves very little room for generational variation. These similarities among the generations represent space for common ground and can be used as platforms to establish commonalities and tackle differences. ■

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Kenexa provides business solutions for human resources. We help global organizations multiply business success by identifying the best individuals for every job and fostering optimal work environments for every organization. For more than 20 years, Kenexa has studied human behavior and team dynamics in the workplace, and has developed the software solutions, business processes and expert consulting that help organizations impact positive business outcomes through HR. Kenexa is the only company that offers a comprehensive suite of unified products and services that support the entire employee lifecycle from pre-hire to exit.

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