

# Managing Generations - **The Big Disconnect**

*Why most (well intentioned) Leaders  
miss out on engaging the next  
(well intentioned) Generation*

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“The single biggest problem in  
communication is the illusion  
that it has taken place.”  
*George Bernard Shaw*



INSTITUTE for HEALTH and HUMAN POTENTIAL

**“Shhuut uuup!” said the sassy Gen Y to her astonished manager.**

**“Excuse me?” replied the shocked manager, a Boomer.**

This conversation took place recently in the boardroom at one of the world’s largest oil and gas companies. It is a moment that crystallizes the challenge of managing across generations in workplaces today – with a young upstart Gen Y and her surprised Boomer manager on a potential generational collision course.

This exchange offers a glimpse into a big problem facing workplaces today - what could be the biggest white elephant to hit them in years - the departure of so many ‘old’ and arrival of so many ‘different’ employees.

### **Generational Differences in the Workplace Today**

This paper will outline how to deal with the very real challenge of managing new generations in today’s workplaces. It will identify three strategies to help older generation managers and leaders (Boomer and Veteran) manage these ‘new’ employees (Generation X and Y) more successfully. It will also challenge the widespread belief among popular management gurus that there exists a significant ‘values’ gap between the generations. This viewpoint is not only incorrect but potentially damaging to successfully bridging the gap between generations.

Specifically, it warns against the ‘values trap,’ whereby individuals see a generation as so different from their own that working together becomes almost untenable. It suggests that the difference is not about values but about expectation and style. The new generation has been taught to expect more and express differently than the previous generations. This insight is critical to understanding how best to manage the next generation.

### **The Payoff for Getting it Right**

Learning how to get it right will take a higher level of emotional intelligence

than most managers’ exhibit today but the payoff will be immense. Managers able to adopt the three strategies advocated in this paper are able to create the kind of relationship that not only retains the next generation employees more effectively (critical as talent is becoming more scarce), but also increases engagement in that employee<sup>i</sup>. The specific payoff can be measured by discretionary effort. Employees who score in the top quartile of engagement give 25% more discretionary effort (extra effort) than the average<sup>ii</sup>. Think about what 25% more effort from your employees would look like in your organization.

Would customers receive more value? Do you think an employee who gives 25% more effort would go the extra mile to make sure a customer is taken care of? Would projects be completed on time and on budget and more innovatively if the team gave 25% more effort? How about your sales people? Is there a greater probability that your sales reps would meet or exceed their plans if they gave 25% more effort? The answers are obvious; the path to get there a little more complicated, if only because of what is written in the popular press.

### **The Picture is Unclear**

The problem starts with a lack of clarity: most of the current knowledge regarding Generation X and Y is fraught with inconsistencies and contradictions<sup>iii</sup>. While there are very real differences between the diverse generations, which we will discuss in this paper, the truth is that there is as much or more difference within a generation than is found between one.

For instance, research conducted by Paul Fairlie, Director of Research at the Institute for Health and Human Potential, found that there may be as many as five different segments that make up Generation X alone<sup>iv</sup>. As such it is difficult to make a categorical statement about a group’s values when they may be more stratified than previously thought.

*In describing today's accelerating changes, the media fire blips of unrelated information at us. Experts bury us under mountains of narrowly specialized monographs. Popular forecasters present lists of unrelated trends, without any model to show us their interconnections or the forces likely to reverse them.*

*Alvin Toffler*

This is not to discount what so many are feeling today. There is tension between the different generations, but then there has always been. Up and coming generations have always been derided by those more senior, who have gone on record as saying “this new crop of young people is the worst in history.” Think James Dean in *Rebel without a Cause* or the 1960s when a “generation gap” was first observed between college age students and their parents.

The difference now is that a whole lot more is riding on these disparities. People are departing the workplace in unprecedented numbers creating a seismic shift in workplaces, unparalleled in modern times. Approximately 75 million employees will retire over the next 5-15 years<sup>v</sup>. The pressure this puts on organizations to find and retain top talent is immense. This new ‘war for talent’ is shifting power away from the group leaving (the Boomers) to the group arriving (the new Generations, X and Y).

In other words, whether the older generation likes it or not, more attention must be paid to the new generation in order to retain and engage them. Focusing on a values clash is not the way to bridge this gap. The two standards most frequently cited in the popular press as major differences between the younger and older generations are:

1. Generation X and Y are not committed, not engaged;
2. Generation X and Y have an entitlement mentality.

While these seem like very real differences on the surface, a closer examination reveals something different. There are more expectation and style differences than core value differences. Moving away from values (and an implication of bad intention): ‘they are just so different’ – to expectation and style: ‘they do things differently,’ is the first and critical step to effectively managing the gap between the generations.

### **The Formative Experiences of Each Generation**

Understanding differences between the generations is an important place to start in this ‘Gordian knot’ (the famous unsolvable knot from Alexander the Great’s time) of organizations. For each generation there are particular ‘formative’ experiences that mold specific preferences, expectations, beliefs and especially, style. Here is a brief description of each the generations’ formative experiences and how they have impacted their work and leadership styles.

#### **The Veteran Generation**

The Veteran Generation, born between 1922 and 1945, were brought up in a more challenging time with life experiences that included World War II and the Great Depression<sup>vi</sup>. The economic and political uncertainty that they experienced led them to be hard working, financially conservative, and cautious. Organizational loyalty is important to this generation, and they feel seniority is important to advance in one’s career<sup>vii</sup>. The impact on their style is that they don’t like change, are not very risk tolerant and have a respect for authority and hard work. This tends to lead to a command and control style of leadership. This generation set the rules in the workplace.

#### **The Boomers**

The Boomers, born between 1946 and 1964, were brought up in an abundant, healthy post-war economy, becoming one of the more egocentric of generations. They saw the world as revolving around them – and, in large part, it did. Nuclear families were the norm. More than anything, work, for the baby boomers, has been a defining part of both their self worth and their evaluation of others<sup>viii</sup>. One of the implications on their style is that they live to work. Balance is a quaint idea but not really a possibility. As such, they see the workday as at least 8 a.m. to 5 p.m. This is a significant tension point between them and the newer generations, as they expect others to have the same work ethic and work the same hours. The earlier part of this generation followed the rules set by the

veterans, the later part, with their compounding sheer size, bent the rules.

### **Generation X**

The formative experiences that influenced the X generation, born between 1965 and 1980, were that they were the first generation to be 'latchkey' kids and they grew up amidst divorce<sup>ix</sup>. They were also brought up in the shadow of the influential boomer generation. They witnessed their parents sacrifice greatly for the 'firm' only to get summarily downsized. As a consequence, they developed behaviors (not values) of independence, resilience and adaptability more strongly than previous generations<sup>x</sup>. In opposition to the hard driving Boomers who live to work, they work to live and view the world with a little cynicism and distrust.

### **Generation Y**

The Y generation, born between 1981 and 2000, has been heralded as the next big generation, an enormously powerful group that has the sheer numbers to transform every life stage it enters<sup>xi</sup>. They were brought up during the 'empowerment years where everyone won and no one lost (everyone got a medal). Raised by parents who nurtured and structured their lives, they were drawn to their families for safety and security. They were also encouraged to make their own choices and taught to question authority. This group was also raised in a consumer economy, and as such, expects to influence the terms and conditions of their job. As a result, they expect employers to accommodate their 'consumer' expectations in this regard<sup>xii</sup>. This is the basis for the expecting more style that characterizes this generation. They don't necessarily see that they should get more, but that all employees should get more from employers. And, having been brought up with an 'empowered' parenting style, they are not afraid to express it.

Generation Y (as well as X, to a lesser degree) is also the first to grow up with computers and the Internet as a significant part of their lives. Constant experience in the networked world has had a profound impact on their style in approaching problem-solving situations.

This generation of worker is coming into the workforce with networking, multiprocessing, and global-minded skills that their elders never could have imagined<sup>xiii</sup>.

The advent of interactive media such as instant messaging, text messaging, blogs, and especially multi player games have generated new skills and styles of collaborating in these two generations that differ from those previous. This 'always on' or 'always connected' mind-set is at the heart of some of the friction that exists between the generations and why the younger generation is challenged by the rigidity of the eight to five workdays.

### **The (Real) Big Disconnect**

While there are different formative experiences that influence each generation, the popular media and many generation gurus have taken these differences between the generations too far in describing them as a clash of values. Unfortunately, most of these observers have it wrong. There is less difference and more similarities than both sides appreciate.

After reviewing a study of 1,053 Americans in four generations, the director of the Roper Center for Public Opinion Research, Everett C. Ladd, concluded:

"The results - some of the most powerful views I have encountered in 30 years of public-opinion research - show that even though young people buy different CDs and clothes, they do not buy into a set of values different from their elders.<sup>xiv</sup>"

The study compared fundamental beliefs and values across four generations and found only minimal differences. This growing body of independent research and expert opinion shows that concerns about a generation gap have been overstated and points to flaws in the theory behind this conclusion<sup>xv</sup>. In fact, two of the pioneers of the early academic generational research admit:

"Triumphant in popular culture, the cohort generation has been confined by experts to the shadow world of unproven hypothesis."

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Another study of 1,200 US workers examining the rewards of work associated with performance, retention, and satisfaction found a surprising similarity in the generations: "There was no evidence that Generations X or Y represent any special breeds, and any differences in the attitudes of these groups from older groups can be explained by age rather than special circumstances in the youthful experiences of each group.<sup>xvii</sup>"

If you look into the engagement literature, again there appears to be even less of a difference between the generations. Across generations, between 82 and 86% of each group are similarly engaged in their work and share the top three engagement drivers which are:

- senior management interest in employee well-being
- skill improvement in the past three years
- reputation of the organization as a good employer<sup>xviii</sup>.

If there was one area where there seemed more of a potential values difference, it was in salary versus challenging work. Research we conducted at The Institute for Health and Human Potential found while there was very little difference across generations in a number of areas of 'values,' there did seem to be a difference between generations on the relative importance of salary versus challenging work.

In a worldwide survey of over 2,000 individuals<sup>xviii</sup>, we found the following 'generational' agreement (agree or strongly agree) with the statement: "I value a challenging job over and above salary."

44% of Gen Y males;  
48% of Gen Y females;  
58% of Gen X males;  
54% of Gen X females;  
57% of Boomer males;  
69% of Boomer females.

While there seems a values gap at first glance at this data, if you look more closely at the numbers, you can make the argument that the bigger difference in this data is less generational and more gender specific (at least within the Boomer generation). Boomer males are more closely aligned with Gen X males and females and Gen Y females than they are with Boomer females. As you can see, broad judgments based on a difference in values between the generations might make for good copy. They do not, however, make for good science.

Overall, these results do not mean that a problem is nonexistent between the generations; it is just a different problem. "What we have here," as the old saying goes, "is a failure to communicate," or as George Bernard Shaw so eloquently put it, "The single biggest problem in communication is the illusion it has taken place."

It is not a generation issue per se, but a human behavior issue. Under the pressure of time and the need to drive results, we let emotions become drivers of our behavior. When there are perceived differences such as those with the generations, we become overly judgmental and have trouble moving beyond impact to intention.

As a result, when a hiccup occurs in a relationship it is much easier to jump to conclusions, make assumptions and create the disconnections in the manager/direct report relationship. This gets exacerbated when there is a 'style' or expectation difference between generations, and it worsens when the popular message is that the new generation has such a different set of values.

The fundamental question to consider is whether the new generations' desire for the work environment differs so greatly from the older generations. Both the literature and anecdotal evidence do not support a significant difference. Who wouldn't want more flexible time, a greater say in how the business is run or an expat assignment (working abroad for a year or two to gain further skills in a different part of the business) as soon as

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they could get it, as the Gen Xer's want<sup>xi</sup>? Or who doesn't want to work with 'positive people,' be treated 'respectfully,' be 'challenged and learn new knowledge and skills,' be 'paid well,' and have more control over their environment—all wishes that the new generations have for their workplaces. Does this list differ significantly from previous generations<sup>xx</sup>?

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### **The Way Forward**

If there was no stress, no need for results and no time pressure, this issue would probably be dealt with in a more effective and skillful way. The truth, of course, is that there is stress, the need for results and time pressure. Factor in the biggest migration of workers out of the economy ever, the evolving technology 'disruption' currently at work (where some generations are jumping on it while others remain skeptical or scared of it) and you have the perfect storm for a seemingly generational divide. There are three ways to manage this divide that make all the difference in the world.

#### **1. Don't Confuse Impact for Intent**

Probably the area where a latchkey, empowered, consumer oriented, technologically savvy younger generation's style is causing most impact is in the use of their voice in the workplace. Gen X or Y employees express differently. They are not afraid to speak up for change in their workplace. Here are three examples where a Gen X or Y's behavior can be misinterpreted:

- Advocating for a more 'fluid' use of time in their workday, they think, why not work from morning till noon, take

off part of the afternoon and then restart again at 5 p.m. and continue to midnight? In their minds and in their 'always on' world, they see this arrangement as perfectly legitimate as long as they get their work done and meet customer expectations. For the Boomers, who are either afraid of new technology or just simply do not understand it, the impact is that the new generations do not seem as fully committed. After all, if they are not 'seen,' they cannot be working<sup>xxi</sup>.

- The first day on the job, the Gen Y sends an email to the CEO of the organization with 5 suggestions on how to improve the company. This seems helpful – why wouldn't the CEO want an opinion on how to improve things? The boomer manager sees that behaviour as presumptuous and rude.
- The Gen X requests an expat posting after just two years working in the business. They think, if there is an opportunity to learn and grow, why not me? The impact on the Boomer or Veteran is incredulousness. They think, "the gall of this newbie!" and see them as 'entitled.'

Now, to be clear, there is a percentage of the new generation who do have an entitlement mentality, are presumptuous, and who do come across as if the world needs to cater to their every whim. The reality, though, is that this is not a large percentage. They have the same values as other generations; they just expect more and express differently. Driven by their formative experiences, they are simply not afraid to expect more from their employers and they are certainly not afraid to ask for more - and this catches the older generation off guard.

Ironically, the biggest danger might be the impact that emotionally unintelligent managers are having on the younger generations as a result of their reactions and judgments. In a study of 2,100 individuals that we conducted, 34% of Gen Y males, 37% of Gen Y females and 42% of Gen X males and females

*In a study of 2,100 individuals that we conducted, 34% of Gen Y males, 37% of Gen Y females and 42% of Gen X males and females agreed or strongly agreed with the statement. I don't think my manager truly knows he/she impacts me.. Given the fact that employees leave managers and not organizations, emotionally unintelligent managers unable to deal with the frustration that comes with managing the younger generation can be a recipe for disaster. Not only does this impacted group not want to give extra effort, but they will be more likely to leave.*

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## **2. Don't fall into the 'Trap of Values'**

Avoiding this trap cannot be overstated. Wars are fought on values. Partisan politics begin with a difference in values. Bridging the generation gap does not happen if it is fought on values, nor is there research to prove that a significant difference exists in their values. As Abraham Lincoln said, "I do not like that man. I must get to know him better." Getting to know the new generation – getting to their side of the bridge to connect with their preferred style and expectations is critical for successfully managing the next generation.

## **3. Start From Their Side of the Bridge**

In order to connect with members of other generations, a bridge needs to be constructed. This notion of building bridges is the basis of IHHP's Emotional Intelligence training program. This program focuses on giving tools to individuals and leaders to perform better under pressure in order to manage differences between generations more constructively. This, in turn, will drive results.

Most individuals understand the value of connecting to another person's perspective. However, most people do this by starting from their own side of the bridge, explaining their perspective first in their attempt at connecting to other individuals and generations. With very good intention, and without knowing any better, they build the bridge from their own side and assemble it toward the other person. Unfortunately, this has limited success.

The more effective way to connect to other generations is to start from the other side of the bridge and build it backwards, step by step, toward

themselves. Entering into the conversation or situation, thinking about what is going on for the other person, can make all the difference in the world. What is their reality? Their expectation? What might they be really asking for in their request? What emotion might be driving their behaviour? What might be their true intention in this situation? As opposed to jumping to a judgment based on a stereotype and a style difference, moving to their side of the bridge and thinking about their intention can transform the interaction.

Over time, this approach builds a more robust 'bridge' or connection that allows the relationship to withstand most events that occur under stress. As a leader of a national grocery store chain (who was interviewed for this paper) described, "The difference now is going from having a discussion with the new generation about their reality to actually having them at the table." Having them at the table, getting on their side of the bridge can help a leader see their true intention which is, style and expectation aside, the same as their own; to do great work, learn, grow and contribute."

## **Summary**

(Going back to the conversation that started on page one...)

"What exactly did you mean by that?" the Boomer asks.

"Mean by what?" the Gen Y responds.


"Shuuuut uppp?" the Boomer asks, emphasizing the Gen Y's interesting pronunciation.

"Oh, you know, like wow, I never knew that! That's amazing! I really didn't mean anything by it. Just having fun with you. Did I offend you?"

"Well, I really wasn't exactly sure what you meant."

"I'm sorry, I got carried away. I think I just got excited because I love the work and I really like working here."

Controlling his emotional impulse to react to the obvious affront was not easy for the Boomer. Suspending judgment to



get more information and move to the Gen Y's side of the bridge was harder still. The impact of managers who can manage their emotions in a moment like this creates the opportunity for people with the same basic values to move beyond style and expectation differences and function in a new, more powerful way.

With the coming demographic shift, organizations with people who do not confuse impact for intention, are trained to bridge the gap, and who remain mindful of the values trap will be the organizations to win the coming war for talent. In this way, they will retain and engage the next generation of employees.

#### **ABOUT IHHP – WHAT WE DO**

The Institute for Health and Human Potential is a research and learning organization that uses Emotional Intelligence to leverage performance and leadership. We do this based on a blended learning approach which includes keynotes, selection and development tools, training programs, coaching and e-learning to create lasting behavior change. Our expertise is sought by Fortune 500 companies, the world's top business schools, professional athletes and Olympic medalists.

Businesses around the world look to IHHP and our programs on Emotional Intelligence to help them with a wide variety of issues: providing greater leadership and management skills, improving teamwork and individual relationships, retaining key employees and fostering an environment of greater motivation and inspiration. Our customers also find our emotional intelligence programs bring them greater fulfillment and a stronger sense of purpose and meaning to their lives.

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