

Leadership Series - #2

# White Paper

## Generational Differences: Challenges and a Solution for Organizations

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## **I. Generational Differences: Introduction**

Just as the workforce in America has experienced dramatic change over the last century when the bulk of our jobs moved from primarily industrial and manufacturing to mostly service related, another dramatic change is taking place in the workforce in that we now have four distinct generations of employees working side by side. As one generation is beginning to move out of the workforce, but staying longer than the experts anticipated (Buckelew, 2006), the next generation has moved in, and we find distinct challenges in the leadership and management of such a diversified workforce. No longer can we assume that employees will be challenged by the same factors as in the past. The intrinsic motivators of each and every generation present new challenges to the organization.

In this paper, I will first discuss several factors contributing to this situation, identify the four generations represented, the events that have affected each group, and the values and characteristics that drive them. I will discuss the different challenges that these divergent groups present for the organization and, finally, offer a powerful antidote for successfully managing this new challenge. The basic premise of my proposal is that while this discussion is very important, leading and managing staff as individuals and not as a group can overcome the challenges of an increasingly diverse workforce.

## **II. A. Factors and the Four Generations**

Several key factors contribute to the convergence of four generations. The first is longevity. At the turn of the 20<sup>th</sup> century, the life expectancy was around 50 years; now we find that the typical male will live to be about 75 and females to be almost 80 (depending on the country, this number can go up or down, but these numbers are representative of most developed nations). Because they are in better health, they will work longer. The second factor is inflation. My first real job in 1972 paid \$7,200 per year as compared to the average starting salary for most college graduates in the \$31k to \$60k range (Koncz, 2007). Add inflation to a stock market bust in 2000, the financial impact of 9/11, and another financial melt-down in 2008, and a large percentage of the first two generations do not have enough money to retire, forcing them to remain in the workplace longer than they want or expected.

Now that we have established some baseline information, how do we identify the four generations? One issue is finding a common ground for segmentation. The research finds numerous different brackets for the birth years for all four groups. However, I believe the difference in date ranges is a minor issue that does not impact the challenges the workforce is experiencing since the major events that have impacted each generation are still cogent.

For purposes of this paper, I will use the following dates to identify the groups:

(Wendover and Gargiulo, 2006)

- The Matures (or Traditionalists) – born prior to 1946
- Baby Boomers – born 1946 to 1964
- Generation X – 1965 to 1980
- Millennials (or Gen Y) – 1981 to 1999

## **B. Events and Values**

The events that helped shape each generation are very compelling, but also obvious. The Matures were influenced by the Great Depression, FDR's New Deal, World Wars I and II, and the Korean War. Baby Boomers experienced the Civil Rights impact, the sexual revolution, the Vietnam War, space travel, and the Kennedy assassination. Gen X saw the Berlin Wall come down, witnessed political corruption through Watergate and Nixon's resignation, women's liberation movement, and the energy crisis. The Millennials ushered in school shootings, the Oklahoma bombing, massive technology growth and shifts, the Clinton/Lewinsky scandal, and an era where parents believed in providing guidance and opportunities for their children (otherwise known today as "helicopter parents").

As distinct as these events and circumstances are, it would be obvious that each group would establish differing values and characteristics and bring those attitudes and motivations into the workforce. The Matures value hard work, dedication, rules and duty. One word that could describe them is loyal. The Baby Boomers are into personal gratification, being involved, competition, and affluence.

They have the same work ethic as the Matures but are much more likely to speak out against authority and challenge the status quo. Generation X sees strength in diversity, technical competence as an asset, self-reliance, fun and informality and pragmatism as important. They also came on the work scene during abundant job growth and fierce competition for their services which provided for early and, in fact, easy career and money success. This is in stark contrast to the first two generations where working your way up-the-ladder, paying your dues, and loyalty to the company were expected. In addition, this generation saw the death of the thirty (30) year career and gold watch at retirement that the Matures experienced and the Boomers thought they had. The tail end of the Boomer generation was the first to experience the beginnings of globalization of jobs; and Gen X (and now Gen Y) have seen their mothers and fathers lose careers to mergers and acquisitions and corporate downsizings. Finally, the Millennials are used to having things their way, want to be involved in their communities or charities, are very confident and want to achieve, but at the same time want work-life balance. In addition, because their parents had such a big influence on them, this generation, more than any other, actually like their parents and, in turn, value coaching and mentoring.

One of the biggest issues that surfaces in the workplace between the Matures and Boomers as it relates to the Millennials is that they are perceived as slackers because of their high expectations but apparent lack of work ethic. From the first two generations' perspective, they just seem to be unwilling to work the 60 to 80 hours per week to get ahead (Wendover & Gargiulo, 2006), (Duke University, 2007), (Warren, 2006), (Lancaster & Stillman, 2002).

From these descriptions, it would seem fairly obvious that each generation brings different attitudes, work habits, expectations, and perceptions into their work environment. We need to recognize these differences and, where possible, identify workplace provisions that address them. If a company has a department that is largely recruiting Millennial employees at an entry level position, then appropriate accommodations should be made. For example, laptops instead of desktop computers would be preferable. Also, assigning a veteran Mature or Baby Boomer would be a nice touch since this generation actually does respect authority and likes coaching, unlike Baby Boomers!

There are, in fact, gaps that exist, different communication styles, complex motivators and potential conflicts that could exist when one generation is only willing to view the other through their own lens of experience and values. However, before large scale initiatives are introduced and companies hire consultants to solve this problem (my research shows a proliferation of individuals and consulting companies willing to come to the rescue to solve this burgeoning problem!), I believe a simple solution can go a long way in providing stability in the work environment.

### **III. Recommendation for a Solution**

If we look at typical management structures, what we find is normally no single assistant manager, manager, director, vice-president or president has more than six to twelve direct reports. That span of influence should allow each one to take an individual approach to leading and managing his employees. One of the best tools on the market that I have found and believe accomplishes this is called the Birkman Method® assessment. This assessment creates a complex and useful picture of individuals that showcases their usual behaviors, stress behaviors, underlying needs and motivations and organizational preferences (Birkman, 2007). I have been using this instrument in my leadership roles since 2002. What it provides that no other assessment I have found previously is a view into the NEEDS of the individual. There is a myth that permeates management in that how a person acts, works or gets things done is also indicative of his needs. Nothing potentially could be further from the truth as our work and “do” styles are adapted to our environments over time. There are some people whose needs match up 100% to the usual style that is visible, but in general, they are the exception. The needs of a person could be labeled his DNA, and the Birkman Method® allows a glimpse into this aspect of the individual. Because it is a very comprehensive instrument, I will not go into much detail in this paper; but let me provide a brief view into the application.

The Birkman Method® measures eleven (11) components (among a host of other measurements) of which Activity and Thought are two.

It uses a continuum scale of 1 (low) to 99 (high) and measures Usual Style, Need and Stress for each component.

If you take a person whose scores in Activity (preferred pace of action) are 98/20, the 98 usual style indicates he likes to do a lot of things and can juggle a lot of balls at the same time. If you were to manage and lead him based on just observation in the work environment, you might believe also that he has a NEED for a high level of activity. However, since the Needs score for Activity is a 20 and if that need is not met, then certain Stress behaviors will appear. The 20 score indicates that downtime is very important. While he CAN do a lot of things, he has no NEED to do a lot of things on a continual basis. Then, you combine component information, and an even more detailed picture emerges. If his Thought component scores are 2/72, which means the usual style for decision making is very quick, not much time or data is needed to make decisions. BUT, the high needs score says that he really does need time to ponder and think through issues, especially the more significant the decisions are. If you combine the low Activity need and high Thought need, you get a clear picture that this person really needs down-time; if that down-time doesn't appear, not only will stress behaviors manifest but health issues could become a factor as well. The need to go "within" and regenerate is paramount to this person and can't be ignored.\*

This is just the very beginning of what can be done with the information obtained by a person's Birkman profile. The next step is to look at the individuals as they relate and participate in a team environment. Unique patterns, strengths and blind-spots appear that otherwise would take months if not years to determine and adjust to. Recently I worked with an HR team of eight (8) people.

\*Based on real data from a full Birkman profile of one individual

We initially mapped the team at the highest level (four-color grid) and found that the team did not have a single person whose usual style (strengths) was in the Green or people section! HR has become about policy, compliance and legal issues, but not having one person on the team with a strong people focus is a huge blind spot. The first recommendation to the Director of HR was to make sure the next addition to the team augmented the current strengths of Red (activators) and Yellow (administrators)!

## **Summary**

With this brief description of the Birkman Method®, I have only scratched the surface of its potential but, hopefully, have provided a glimpse into a different level of thinking about dealing with the multi-generational issues that face our work environments. As stated before, while recognizing the value and importance of the bodies of work on this issue, the overwhelming message that we're hearing is "manage these people as groups." I think that does a disservice to the individual. I know several Gen Y'ers who have the same work ethic as Traditionalists and Boomers. Labeling them all as "slackers" is not only ridiculous, but also is completely off target. Yes, they are different and some that come out of college are ill prepared for the realities of today's work place. But I ask a question of any generation, "Don't you remember friends you went to school with that you could label as slackers?" The point is that group labeling does not work as you will find every type of behavior described previously in every generation.

Every generation has some flavors of all types of people. Real leadership addresses the masses where appropriate, but more importantly deals with individuals and finds the inherent motivators that will challenge and inspire that person to produce the best results they are capable of delivering.

The Birkman Method® is one tool that will allow a leader to see what the needs of individuals are so that an attempt can be made to provide a work environment that optimizes their strengths, meets their needs and keeps them out of stress mode, which will in turn allow the person to operate in the work environment at peak performance. If that goal is met, then the generational differences that do exist can be minimized, and the workplace can be productive and motivating for all.

## IV. About The Human Capital Initiative

The Human Capital Initiative is an Atlanta-based management consulting firm dedicated to **people powered solutions®**. We work with individuals and corporations to help establish a focus on driving results through investing in the number one asset any company has; its people. Our belief is that a people focus, above all else, is the critical component for establishing and creating a growing and thriving culture. In other words, people first and the profits will follow!

One of the main methods that HCI uses for investing in yourself or your team is the Birkman Method®. It is one of the most highly validated motivational assessments on the market and provides for deep insight into the following areas: interests, usual style, needs and stress behaviors. A full understanding of a person is gained and “peak performance” is identified through the information of the components presented by the report. It also provides for unique ways to view team dynamics and interpersonal relationships so that the team or people involved can truly see the similarities and differences and have prescriptive information with which to build better and stronger teams and relationships.

### I. About the Author

**Ed Chaffin, ACC** is the Founder and President of The Human Capital Initiative. In 2009 he established HCI to follow his passion and dream of helping others invest in themselves, their teams and their organizations and to live out his mission of **“changing the world one person at a time.”**

Ed just completed a successful corporate career where, as President of UC eXpress, TALX Corporation’s largest division, he took seven disparate cultures and using the mantra of leadership starting with a servant’s heart, helped mold the division into one with a common purpose – providing the best possible service to 9,000 clients. The division achieved tremendous success and became the best performing division of the company. Client retention reached never before levels; and revenue and gross margin growth and profitability achieved and surpassed all goals. Ed’s focus was on his people; Investing in them, coaching and mentoring them, and guiding them to reach for seemingly impossible goals. And, they kept hitting those goals, resetting the bar, and building the business to \$150 million annually!

In addition to his Executive Leadership, Ed is an accomplished sales person and sales leader. He was the number 1 salesperson for a technology company for two consecutive years. He has established and led large sales and service organizations and is a twenty year veteran of utilizing Miller Heiman’s selling models such as Strategic Selling.

Ed is a certified Birkman Method® consultant, and he believes any organizational success starts with its leader(s) becoming truly self-aware. The Birkman is one of the best motivational, relational assessment tools on the market and the best method to start investing in yourself and your people. In addition, he has completed the Core Essentials Program (CEP) at CoachUniversity, and has achieved the first level of coaching certification (ACC) by the International Coach Federation (ICF). He is currently enrolled in the Advanced Corporate Coach training and is working toward the Master Certified Coach certification.

He is an Executive Coach for the High Performance Leadership executive development program at the Institute of Management Development (IMD) located in Lausanne, Switzerland.

Ed is a native of Georgia, but grew up in Charleston, SC, where he studied business administration at the College of Charleston. He has completed an Executive Development program at the Wharton School of Business and the High Performance Leadership program at IMD.

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