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LEVERAGING GENERATIONAL DIVERSITY IN TODAY'S WORKPLACE

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Introduction

An increase in the age and generational diversity in the workplace has prompted the exploration of the ways in which employees co-exist and function. There is a lack of understanding when addressing generational diversity in today's U.S. workplace, which could be disastrous for companies wanting to increase economic wealth through human capital. Generations are cohorts with similar values and beliefs which affect the way they communicate (Hanna, 2009). Three generations are currently in the workforce: Baby Boomers-approximately 80 million individuals born between the years 1946–1964; Generation Xers-approximately 46 million individuals born between 1965 and 1980; and Generation Y (Millennials)-approximately 78 million individuals born between 1980–2000 (Stephey, 2008). Each generation has distinctive experiences that have an impact on their values, and each has complex cultural variations (McNamara, 2005). There are also various communication styles and workplace experiences that distinguish each generation. The contrasting characteristics and sheer volume of these generations combined are creating tension and dissension within the workplace. With three generations working together and a present lack of generational diversity understanding in today's workforce, a disharmony within U.S. businesses and decreased productivity has been evident (Clare, 2009). Corporate America seems to be ignoring these dynamics (Heffes, 2005).

The dilemma of generational diversity in today's workplace appears to be centered on (a) Baby Boomers retiring later and (b) the lack of effective intergenerational communication. Retention of new and young talent is problematic when older workers are not retiring, staying in the workforce, and planning to do so for years (Streeter, 2007). Baby Boomers currently make up the majority of the workforce, which limits promotion opportunities for younger employees. This creates discouraging and negative attitudes between generations working together (Dychtwald, Erickson, & Morison, 2006).

“Unquestionably, there are real differences, misunderstandings, and tensions among workers born in different eras” (DiRomualdo, 2006, p. 20). Intergenerational communication misunderstandings affect employee morale, productivity, and retention. As more generations co-exist in the workplace, there is a need for strategies that help them communicate more effectively.

Current research that discusses strategies for utilizing the strengths, talents, and creativity of the intergenerational diversity in the workplace is minimal. There is a need, therefore, for more research on leveraging generational diversity in order for organizations to run as smoothly and efficiently as possible, and it is imperative to address generational diversity in the workplace from a preventative measure rather than reactionary.

This paper will identify the dilemma that exists when multiple generations are in the workplace and identify strategies that promote efficiency and improve employee morale. The concern for generational diversity seems to be evident to organizations although a long-term solution has yet to be identified. A literature review is presented to illustrate the need for more research in the area of workplace generational diversity and initiatives to address this growing phenomenon.

Significance

Generational differences and misunderstandings in organizations inhibit productivity and transmission of crucial information from veteran employees to entry level employees. A “survey by consulting firm Accenture found that at least 45% of respondent organizations are failing to capture critical workforce knowledge to newer employees” (Heffes, 2005, p. 18). Furthermore,

according to Heffes (2005), “These organizations simply do not have a formal workforce planning process and/or tools in place to capture their workplace knowledge” (p. 18). Today’s workforce needs to adequately address these concerns with effective initiatives.

Baby Boomers’ Delayed Retirement

Baby Boomers who are poised to stay in the workforce past retirement can be problematic for generational workplace harmony. Generation X is smaller than the Baby Boomer generation by nearly 40 million people, and Generation X is looking to advance into higher ranks (Stephey, 2008). As for the youngest of the three generations, Generation Y, retention of new and young talent is challenging when, “the number of people age 55 to 75 still in the workforce has gone from a fifth to a quarter” (Streeter, 2007, p. 10). Furthermore, promotions and upward mobility in today’s workforce are limited, as “...68% of workers between the ages of 50 and 70 plan to work during retirement or forgo retirement altogether” (Segal, 2006, p. 129).

Ultimately, Baby Boomers are in a good position to continue working beyond the normal retirement age, and age discrimination laws make this possible. A few factors influence Baby Boomers to continue to work past retirement age. Williamson (2009) found that “Reasons included longer life expectancy, projected worker shortages and ambivalence about retiring, including not wanting to be seen as old enough to retire” (p. 84). People are living longer and therefore working longer which limits available positions for younger generations (Drummonds, 2007).

The effects of Baby Boomers retiring will be substantial on the workforce, leaving an overwhelming burden on the fewer remaining employees (Dohm, 2000). The learning curve for some positions can be steep and employees of younger generations may not have the time to master such skills before their predecessors retire (Dohm, 2000). When this generation begins to retire, the labor market most likely will not completely collapse, but it remains a concern.

Generation X is not large enough, nor is this population occupying enough senior leadership positions to challenge the current positions that the Baby Boomers have in place for the workforce at large. “They are a relatively small generation, sometimes called the “baby bust” (Bell & Narz, 2007, p. 57). Occupying this niche, Generation X is likely to continue feeling inadequate to their elders in many areas of life and, as a result, resent the younger, yet larger, Generation Y population.

Intergenerational Miscommunication

Communication is vital in order for businesses to be successful. American corporations have been slow to recognize the importance of generational changes in the workplace and have not planned effectively to prevent a demographic meltdown (Lindborg, 2008). A job is more complex than just output and profit and human relations affect work performance. “As Americans increasingly disengage from traditional forms of public life, the workplace has emerged as the primary location for political and moral learning. It is where we learn about each other, work together, and exchange social and political views” (Jauregui, 2007, p. 347). It is imperative, therefore, that communication among workers, including members of the various generations, be clear, effective, and productive.

Miscommunication between generations perpetuates discord in the office. This is especially harmful for U.S. businesses’ economic capital when unnecessary time is spent fixing communication problems in the workplace. Organizations recognize and accept that three

generations working in their industry often misunderstand each other, and this problem translates into decreased productivity for the business (Sago, 2001). Not all generations communicate the same or relate in the same way because, “They not only learn differently but also interact differently” (Hanna, 2009, p. 1). Sago (2001) stated that understanding one another is a prerequisite to prevent employee disenchantment, miscommunication, and ill will as a result of generational differences.

Younger generations have different learning styles compared to Baby Boomers, and they are able to rapidly process, multitask, and complete several tasks efficiently (Knight, 2000). The different ways in which each generation learns and works may create interpersonal communication problems. When all three generations are coexisting in the same workplace yet approaching and completing tasks differently, generational miscommunications can negatively impact morale.

Competition between the generations can also create communications problems. The workforce today is not the same as it was when the Baby Boomer generation was in their prime. Many Baby Boomers will see their younger Generation X coworkers climb the corporate ladder faster than they did and may surpass them altogether (Jennings, 2000). This changing work pace and seemingly unfair system makes positive employee relationships across generations difficult. Communication can, therefore, be stifled among generations, which may negatively impact productivity and employee morale.

Strategies to Address Generational Diversity

Diversity Training

Diversity training in the workforce increased in popularity in the 1970s and 1980s (Lee, 2002). During this time, the demographics in the workplace were changing, and organizations needed a way to promote equality and embrace multiculturalism. The introduction of diversity into the workplace was a new concept and many could not agree on a clear definition. This is still true. Anand and Winters (2008) stated:

Diversity is one of the most popular business topics of the last 2 decades. It ranks with modern business disciplines such as quality, leadership, and ethics. Despite this popularity, it is also one of the most controversial and least understood topics. Rooted in social justice philosophy, civil rights legislation, and more recently, business strategy, diversity has evolved into a rather amorphous field where the very word itself invokes a variety of meanings and emotional responses. A recent survey conducted among human resources (HR) and diversity practitioners examined how they defined diversity. At least eight definitions emerged, and 71% of respondents indicated that their organization did not have an official definition. (p. 356)

This lack of a common definition was and continues to impact the diversity training that is offered to employees.

Organizations introduced diversity training to help eliminate intergroup biases and stereotypes as well as understand differences in perceptions and beliefs (Combs & Luthans, 2007). The Civil Rights Movement of the 1950s and 60s, along with the implementation of Affirmative Action, created pioneer laws and policies for promoting equal opportunities for employees (Cantu, 2008), which created the opportunity for organizations to offer diversity initiatives. Organizations were mandated to report the demographics of their employees to insure they were abiding by these regulations (Cantu, 2008).

As a result of the aforementioned actions, the workplace grew in racial, ethnic, and gender diversity. Organizations knew they needed to incorporate a new type of training with the changing dynamics in order to capitalize on their eclectic employee talent. Diversity training to address the various dimensions of diversity grew. However, although diversity training has been present in the workforce for over 40 years, there is little quality assurance completed on these programs. Combs and Luthans (2007) stated that an evaluation must be done to determine the applicability of the training. The author stated:

This process encompasses the impact of diversity training on the cognitive disposition of trainees as they return to the job [after diversity training]. However, in spite of these goals, very little attention is devoted to assessing the outcomes and impact of diversity training in terms of the skills provided to trainees and, more important, their belief and confidence (that is, their efficacy) that what they learn in training can be transferred to the work setting. (p. 92)

This lack of evaluation of diversity training has implications for how employees from diverse backgrounds work and communicate. It also limits the creation of training that addresses emerging issues such as age and generational diversity. Increased and sustained workplace generational diversity requires new, more comprehensive diversity initiatives.

New Diversity Training Model

In today's workforce, "the modern workplace is something akin to the one-room school house of old, with all ages lumped together and working side by side" (Anderson, 2009, p. 62). Acknowledging generational diversity is not enough for a business that is aiming both its short-term and long-term goals on increasing economic capital in an ever-changing national and global market. U.S. organizations need to seek out effective generational diversity training programs to address generational misunderstandings.

Few companies offer diversity training specific to generational diversity and tend to focus on race and gender differences. The problem that some organizations run into is that they wait until they have already failed in this area before addressing it. "Many organizations, however, have yet to recognize the value of generational awareness—and typically wait for failure to occur before taking action" (Salopek, 2006, p. 3). Generational diversity training is a critical element to the success of today's workforce.

"The multigenerational workforce is likely to be a lasting trend. Successful managers will be those who know how to capitalize on the varied strengths, motivations, and work styles of diverse teams (Messmer, 2006). Generational diversity training that includes a focus on this is important to effectively deal with all employees. Just as blended learning captures all valuable mediums to accommodate different learning styles, such concepts should be implemented to address the various learning and work styles of different generations.

Mentorship

Mentoring can be used to leverage generational diversity. Yamamura and Stedham (2007) stated:

Mentorship could be an effective, informal method to bridging the gap between generations:

New professionals should be paired with experienced mentors who can provide practical guidance and support. New professionals who are properly coached will develop faster

and further than professionals without coaching. They are better able to develop systems understanding and self-motivated creativity because their learning has been enhanced and guided. The challenge in implementing these suggestions is one of prioritization and time allocation. (p. 68)

In support of mentoring relationships, Schlimbach (2010) also stated:

Generations can learn from each other and with each other, using the potentials, knowledge and experience of both. With the 'knowledge explosion' of our time, classical knowledge hierarchies dissolve. Therefore, intergenerational learning in the context of mentoring has to be understood as stimulation to self-reflection and an exchange of knowledge rather than an imposition of opinions and directives. Or to put it metaphorically: a modern mentor is more of a companion on the transitional pathway than a signpost. (p. 7)

Older workers who mentor new professionals need to be given adequate time and resources to do so, and their efforts need to be acknowledged by the organization in order for this method to be successful (Yamamura & Stedham, 2007).

Evidence exists showing that mentorship is beneficial for new employees. In a study by Harris, Winkowski, & Engdahl (2007), "Career mentoring and task support were the types of social support most predictive of job satisfaction. Coaching and task support were the types of social support most predictive of job tenure" (p. 150). Younger generations, like Generation X, tend to be receptive to mentorship because they value feedback and support from their supervisor, and guidance on performance development (Andersen & Greene, 2009). Generation Xers are motivated towards career development and professional growth so one would expect them to be receptive to mentorship ("Exploding generation-X myths," 2005).

Mentorship gives value to the knowledge Baby Boomers have gained over their career. Gerstberger (2008) purported:

Succession planning is a must now as Baby Boomers reach retirement age. Utilizing the talents, knowledge and expertise of this retiring force is necessary and smart in order to bridge the gap left by its absence. This wealth of information is meant to be tapped and shared with younger staff. There is a moral requirement of anyone holding the knowledge to pass it on -- to be a mentor. (p. 62)

Sujansky claimed:

Every time a great employee leaves, you have to shell out the cost of rehiring and retraining his replacement -- a cost that studies have shown could range from 70 to 200 percent of that person's annual salary. You also lose that employee's institutional memory, another great asset for your company. (p. 6)

Although mentorship may not seem like a profit-driven technique, loss of human capital also means loss of financial capital. Allowing veteran Baby Boomers to mentor younger employees creates opportunities for knowledge to be shared and utilized within the organization.

Summary

Baby Boomers are the largest group in the workforce and due to technological and medical advances and economic necessity, they are choosing to continue to work past the traditional retirement age. This generation is the largest in the workforce and holds the largest number of senior executive positions, which makes opportunities for advancement for the younger generations difficult. With this type of stifled upward-mobility caused by the Boomers, younger generations entering, or already present in today's workforce (Generation X and Millennials) are essentially competing against each other for very limited positions. Subsequently, this assuredly creates tension among the generations.

The reviewed literature highlights miscommunication as a contributor to poor interpersonal relationships among employees of different generations. Each generation comes with unique values and views which are associated with the era in which they were raised and these differences can often clash in the workplace and decrease morale. What some managers and employees might view as inappropriate communication styles in the workplace may actually be misinterpretation of the generations' styles and use of communication. Without training of the generations, abilities to co-exist and understand one another may not occur.

Much of the literature focuses on the need for diversity training to solve problems due to generational diversity in the workforce. Many organizations identify generational diversity as an issue but do not yet have a proven solution. It would appear that a two-pronged effort would help aid in educating and retaining corporate knowledge of the generations leaving, staying, and entering: generational diversity training and mentorship. Generational diversity training would go beyond the common training that focuses on race, gender, and sexual orientation. It would include generational differences, similarities, misconceptions, and common misunderstandings in the workplace salient. Also, a successful mentorship program would help the various generations to work together for success and allow U.S. businesses to capitalize on retention of knowledge transfer amongst its future human capital.

Recommendations

The dilemmas concerning U.S. generations that have been discussed in this paper are examples of why organizations need to expand their view of priorities past merely profit generation. It is imperative to place an emphasis on the employees themselves. As Meyer and Hill (2008) suggested:

Time and unforeseen circumstances befall us all, and the loss of key operations staff can cripple an organization. Utilities nationwide spend millions of dollars on master planning, asset management, capital improvement, and building necessary infrastructure to accommodate growth; the question that cannot be ignored is why not invest in one of the most important aspects of sustaining a utility's future, the people who keep it running. (p. 65)

More strategies, therefore, are needed for the benefit of the organization, yet more importantly, for the betterment of workers.

First, managers need to publicize the positive aspects of intergenerational relationships in the workplace and eliminate negative perceptions before they create or further breed resentment that weakens engagement and performance (DiRomualdo, 2006, p. 20). Leveraging generational diversity and creating an environment conducive to constructive employee interactions and improved employee morale must become ultimate goals.

It is also recommended that organizations develop new and innovative methods of training employees so generations can effectively communicate with each other, transmit corporate knowledge, and create an environment of acceptance and understanding. Opportunities to collaborate on duties and interact in company events, both during and after work hours, can encourage cohesion and promote partnerships between various generations. Incorporating a mentoring program will give employees a chance to develop bonds across generations. Organizations should make it a priority to show they value their employees' participation in these mentoring programs by providing incentives for participants. The overall goal is to retain employees, who feel good about themselves, their co-workers, and their futures within the organization.

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