

Generational Differences: Myth or Reality?

Presentation to the
Irvine Chamber of Commerce

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Outline

1. The popular wisdom about generational differences
2. Why might generational differences exist?
3. What do the data tell us?
4. How do we manage generational differences?
5. Questions and discussion

The Conventional Wisdom on Generational Differences: A Sampling

“Our youngest leaders matured in the glow of computer screens; our oldest in the shadow of the Depression and World War II.”

Warren Bennis and Robert Thomas. (2002) Geeks and Geezers: How era, values, and defining moments shape leaders. Harvard Business School Press.

“Veterans, also known as Matures, were born from 1922 – 1942. . . They tend to be motivated by duty, consistency, trust, knowing the big picture, and being acknowledged for their service and experience. They generally like working in teams and are extremely devoted to their team, their supervisor, and their organization.”

Executive Diversity Services Inc., n.d.

The Conventional Wisdom on Generational Differences: A Sampling (Cont'd)

“Compared to earlier generations in the work force, Generations X and Y are motivated more by the prospect of steady employment and a chance for promotion than any other job-related conditions.”

Patrick J. Montana and Janet A. Lenaghan. “What motivates and matters most to Generation X and Y.” Journal of Career Planning & Employment, Summer 1999, 59:4.

“Moved to pursue financial comfort in an economy that promises them security neither on the job nor in retirement, the 58 million X-ers have become resourceful in matters of the wallet. They’re making and, yes, saving money with a pragmatism that belies the stereotype . . . A higher percentage of X-ers than members of any other generation say they really agree with the following statement: ‘The only really meaningful measure of success is money.’ ”

Dan Zevin, “Boom Time for Gen X?” U.S. News, October 20, 1997.

Most of Us Seem Convinced: Generational Differences are Big and Mysterious

- **Articles in the business press every year**
- **Google searches**
 - “Generational differences” +work: 1.44 million hits
 - “Baby Boomer”: 1.79 million hits
 - “Generation X”: 1.83 million hits
- **Consultant boom**
 - Hundreds specialize in this area
 - Big emphasis of the Work-Life movement (formerly, the Work-Life Balance movement)
 - Most extreme argue that you can’t understand your younger workers without their help

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What Generations Are We Talking About?

Oldest	Older Middle	Young Middle	Youngest
Matures	Baby Boomers	Generation X	Generation Y
Veterans	Baby Boomers	Generation X	Generation Y
Traditionalists	Boomers	Xers	Millenials
Builders	Boomers	Busters	Bridgers
Silent Generation	Older Boomers	Younger Boomers	Generation X / Late Generation X

How Old are Different Generations?

Oldsters	Boomers	Generation X	Generation Y
(1922 – 1945) 60 – 83	(1946 – 1964) 41 – 59	(1965 – 1980) 25 – 40	(1981 – 2000) 5 – 24
56 – 65	36 – 54	26 – 35	1 – 25
60 – 78	41 – 59	28 – 40	1 – 27
60 – oldest	41 – 59	29 – 40	8 – 28
63 – 83	45 – 62	25 – 44	5 – 24

Are different authors talking about the same groups?

Two Basic Explanations for Generational Differences

1. Childhood experiences

- Childhood experiences shape us
- Part of what is shaped is our needs and attitudes at work (attitudes toward authority, orientation toward money, willingness to work with others, etc.)
- Each generation faces unique economic, social, political, and cultural forces
- Different generations are different in their needs and attitudes at work because they have had different childhood experiences

2. Age

- Each stage of life presents opportunities and challenges for human beings
- Employees' needs and attitudes at work reflect their life stage (e.g., 20 year olds have different needs than 35 year olds or 60 year olds)
- Different generations have different needs and attitudes because they are different ages

Some Differences in the Experiences of Different Generations

	Oldsters	Boomers	Generation X	Generation Y
War	World War II Korean War	Cold War Vietnam	Desert Storm Balkans	War on Terror Iraq
Economy	Great Depression	Post-war Boom	Stagflation in '70s; Reagan boom	Prosperous '90s; troubled '00s
Family	Close Nuclear	Divorce and working mothers	Single mothers, blended families	Lose family structure
Entertainment	Radio	Network TV	Cable TV, VCR	Internet, DVD
Social View	We	Me	Us & Them	Who?
The Future	Work for it, stabilize it	It's now Create it	Uncertain Hopeless	Ambivalent Hopeful
Career	Means to live	Central focus	Irritant	Fluid

In What Decade Was This Statement Made?

First-Line Supervisor:

“Younger workers just don’t have the same kind of dedication to the job that my generation did growing up. They just aren’t as loyal to the company. I can’t believe how they argue with me whenever I give them direction – they don’t listen. And they are so impatient about getting ahead. They want the rewards, but they don’t want to work hard enough to deserve them. ”

Guesses?

Let's Test Ourselves

- Which generation is most motivated by monetary rewards?
- Which generation is most loyal to the employer?
- Which generation cares most about its careers?

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Some Research Findings

- **Jennifer Deal (CCL), “Boomers, Gamers, X and Y” (out of print):**
 - Older and younger workers have similar values on family, integrity, love, self respect, fame, affluence, authority, competition
 - Younger workers change jobs no more frequently than 20 years ago
 - No age-related differences in hours worked
 - Older employees want training and to use computers as much as younger ones
- **Families and Work Institute, 2004 Study, based on data in 8 companies since 1977:**
 - All generations work equally hard – indeed Gen-X work 2.7 hours more per week than their counterparts in 1977
 - Gen X and Gen Y are more family centered and less work centric than Boomers
 - College educated employee want more responsibility
 - Gen X and Gen Y men spend an hour a day more with children than Boomers

The Rewards of Work Studies

- **Source: Ledford, Mulvey, & LeBlanc, The Rewards of Work: What Employees Value, Scottsdale: WorldatWork, 2000**
 - Sample: 1,218 adult respondents
 - 1,008 regular, randomly selected respondents plus 210 were high tech respondents, half of which were identified from marketing sources
 - 384 of the sample were supervisors, managers, or executives
 - +/- 3% margin of error at $p < .05$ confidence level
 - Method: telephone survey selected by random digit dialing
- **Follow-up study: Ledford & Lucy, The Rewards of Work: The Employment Deal in a Changing Economy, Sibson Consulting, 2003**
 - Sample: 1,215 adult respondents
 - Similar methodology to the 2000 study
- **Similar results in both studies**

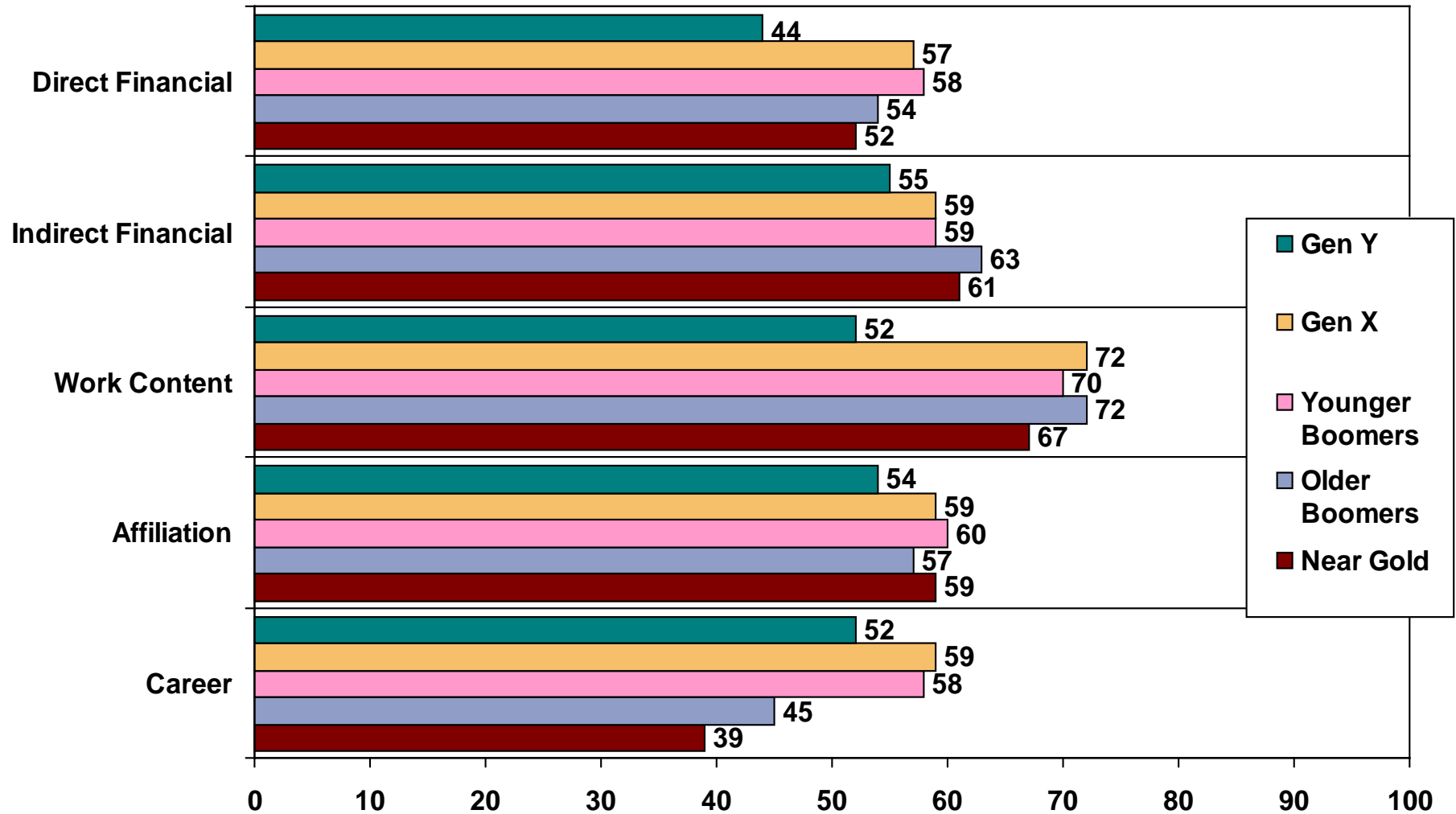
The Sibson Rewards of Work Model



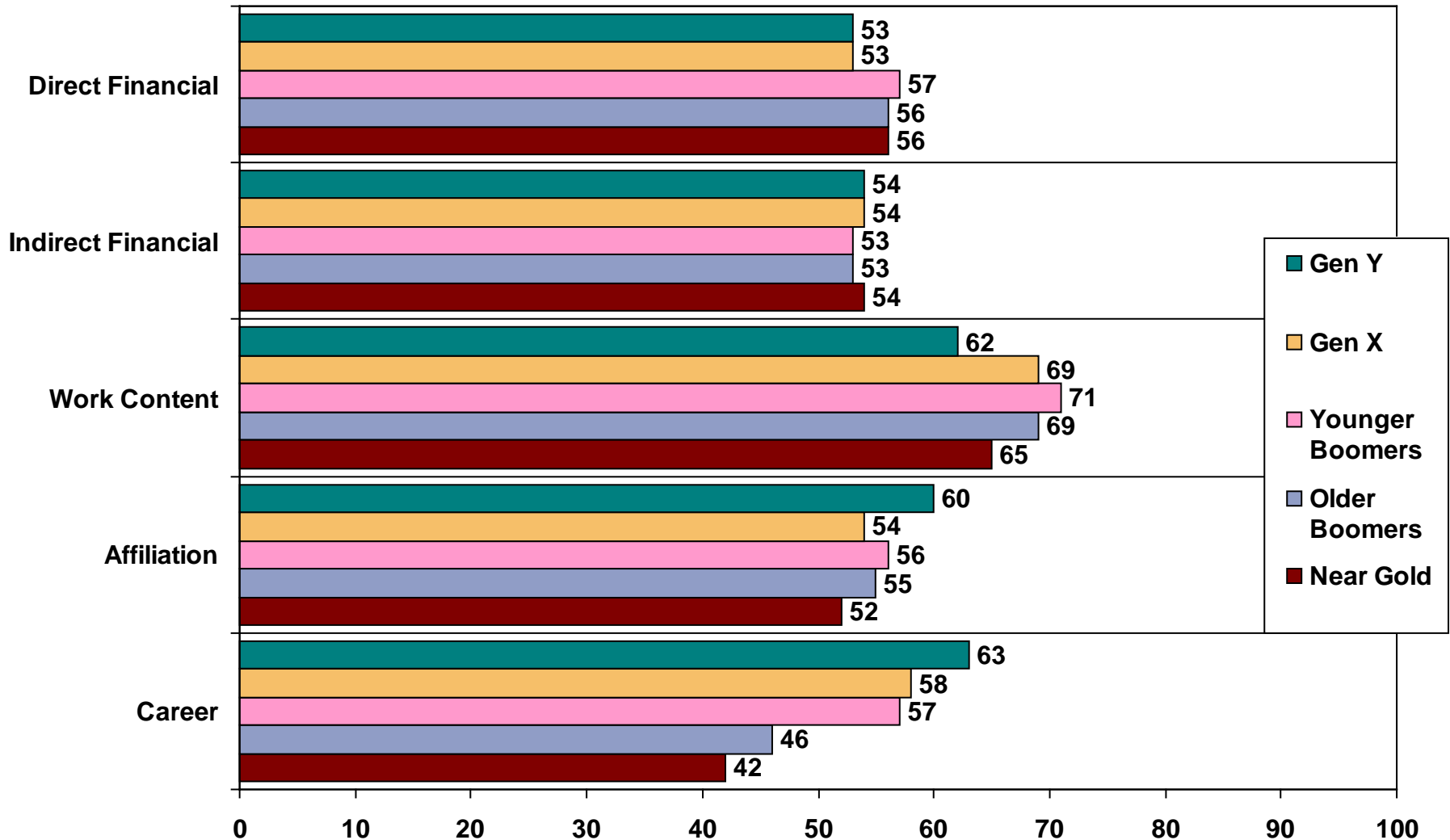
Generations as Defined by the Rewards of Work Study

Subgroup	Age Range	Birth Year Range
Generation Y	25 or younger	1975 or later
Generation X	26 – 35	1965 – 1974
Younger Boomers	36 – 45	1955 – 1964
Older Boomers	46 – 55	1945 – 1954
Near Golden Age	56 – 65	1935 – 1944

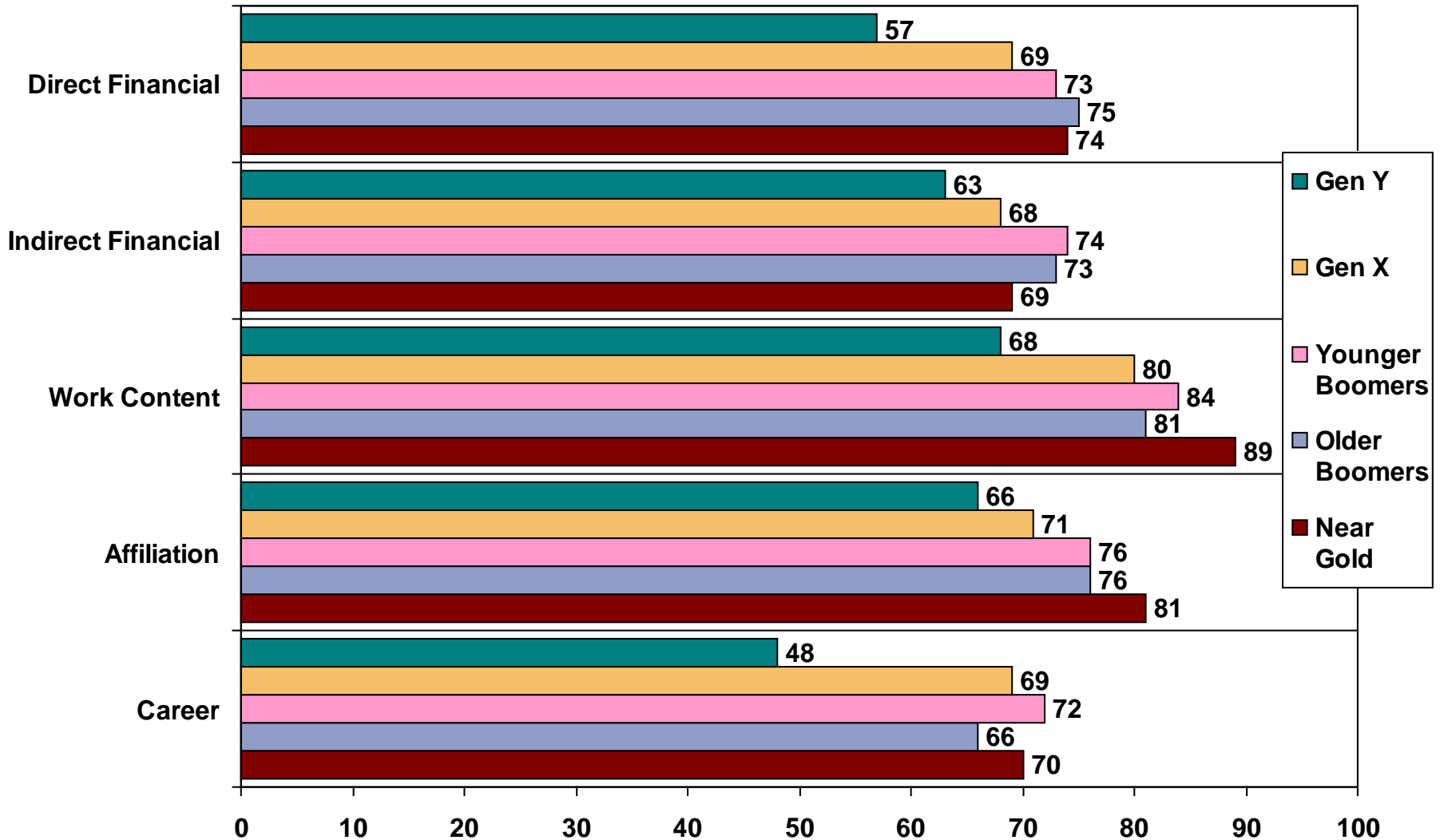
Percent of Respondents by Age Indicating High Importance of Rewards for Retention



Percent of Respondents by Age Indicating High Importance of Rewards for Motivating Performance



Percent of Respondents by Age Satisfied with Rewards of Work



Conclusions from the Rewards of Work Studies

- **No evidence that Generation X'ers (born 1964-1973) are significantly different from Baby Boomers (1945-1964)**
- **Generation Y (born after 1973) is different in some respects**
 - Gen Y is less satisfied in general
 - Direct financial and work content rewards are less useful for retention
- **Career opportunities are less a source of motivation for either retention or performance among the two oldest groups of employees**
- **Life cycle stage, not something unique about Gen X or Y, is a probably the best explanation for the differences that we found**

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1. Don't Overstate Age-Related Differences

- Subgroups usually are more similar than different
- Any real subgroup difference **ONLY** indicates a difference in central tendency – not a difference that applies to all members of the group
- Members of all subgroups may be more similar than different
- Take an example: importance of monetary rewards
- The same is true of all subgroup differences (education, ethnicity, gender, etc.)

If we forget this lesson, we are guilty of stereotyping

2. Remember What You Were Like

- **Outside experts have their place – but use them wisely**
- **Your experience is often your best guide**
- **You don't need to:**
 - Listen to the same music as all your employees
 - Watch the same TV shows
 - Use a computer in the same way
- **What matters most at work is work-related behaviors and attitudes**
- **Remembering what you were like will help you understand what others are like**

This only works if you are honest with yourself!

3. Organizations Usually Need To Make Surprisingly Few Age-Related Accommodations

- **Perhaps the biggest issue that matters: benefits**
 - Health insurance
 - Retirement plans
 - Life insurance
 - Tuition remission
 - “Cool” perks
- **To a limited degree, the overall reward package can shape your attractiveness to employees of different ages for retention purposes**
 - A reward package tilted toward long-term career opportunities will appeal most to those in the middle of their career
 - Benefits appeal most to older employees – especially the most expensive ones
- **Most required age-related accommodations are legal issues (e.g., access)**

4. Age-Related Diversity is Just Like Other Kinds of Diversity (Race, Gender, etc.)

- Employees, supervisors, and managers may need diversity training to make differences and similarities manifest
- Often, such training is about just the differences
- We do not need a lesson in the history of the 20th century to expose or explain such differences – the differences and their causes are in the room if the group is diverse
- Emphasizing what people have in common is important too
- The end result should be a renewed appreciation of the needs and potential contributions of others

5. Age-Related Differences Are Not Always Caused by Age

- Often, the differences just correlate with the differences that matter most
- For example, parents of small children have special needs, and parents of small children generally are in their 20s and 30s – but not always
- For example, older workers may prefer opportunities for part-time work – but so may younger workers
- The real underlying issue may need to be addressed to solve retention or performance problems

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About the Ledford Consulting Network, LLC

- The Ledford Consulting Network, founded in January 2004, focuses on thorny business problems in which people issues are central. These problems require that we see people issues in their business context. We are not just business consultants or just human resource consultants.
- We provide the greatest value when we work on problems in which the business need is compelling but the problem is murky, the likely solutions are complex, change management is difficult, and/or organizational politics are blocking solutions. We do not look for opportunities to implement canned solutions that we have used many times before. We seek client partnerships that jointly develop innovative, creative solutions.
- LCN uses a virtual organization model. Gerry Ledford is the President and primary consultant for the firm, and he performs the project work himself. If a particular project requires additional assistance, he draws on his wide circle of consulting colleagues from a myriad of specialties to assist with the project.

Gerry Ledford – Biographical Statement

Expertise

Gerry Ledford is a nationally recognized authority on human capital issues, including compensation, talent management, organization design, change management, and management of the Human Resource function. He has devoted over 25 years to consulting and research on these topics. Gerry has consulted to dozens of Fortune 500 companies. He has done extensive work in many industries, including high technology, insurance, health care, telecommunications, paper and forest products, food manufacturing, and consumer goods.

He has deep experience with employee compensation. He has consulted extensively on compensation systems that reward employee knowledge, skills, and competencies. He has helped a number of major companies to develop an overall corporate rewards strategy that reflects business needs. He also has worked with many companies to develop employee incentives that reinforce unit performance.

Gerry has helped many organizations to develop comprehensive approaches for improving performance and changing organizational culture. For example, in a large insurance firm, he led a project that developed a package of nine changes including employee incentives, business literacy, better performance management, a recognition system, and work redesign. He has extensive experience in developing high performance work systems, especially in new plants.

Professional Background

From 1998 to 2003, Gerry was a leader at Sibson Consulting. He was Senior Vice President and National Practice Leader, Employee Effectiveness, the largest Sibson practice. Previously, he was Research

Professor at the Center for Effective Organizations, Marshall School of Business, University of Southern California, where he was a key contributor from 1982 - 1998.

Education

Dr. Ledford received his Ph.D. and M.A. in Psychology from the University of Michigan. He received a B.A. in Psychology (with Distinction) from the George Washington University.

Professional Affiliations, Awards, and Intellectual Contributions

Gerry is active in such professional societies as WorldatWork, the Human Resource Planning Society, the Society for Industrial and Organizational Psychology, and the Academy of Management. He is past chair of the Organizational Development and Change Division of the Academy of Management. His awards include the Society for Human Resource Management's Yoder-Heneman Personnel Research Award.

Gerry has published extensively in both academic and practitioner-oriented outlets. He is the author of 80 articles and is the author of ten books and monographs, most recently [The Rewards of Work: The Employment Deal in a Changing Economy](#) (2003). He is a frequent speaker for such groups as WorldatWork, the Human Resource Planning Society, SHRM, and the Human Resource Strategy Forum. His research and opinions have been cited in many print and broadcast media outlets, including the [Wall Street Journal](#), [Business Week](#), [Fortune](#), the [Los Angeles Times](#), the [Washington Post](#), and PBS.