Chapter 1

Old Rules and NEW Rules

> *We all live with the objective of being happy; our lives are all different and yet the same.*
>
> Anne Frank

Old Rules – The Customer (or Client) is King (or Queen)

Toward the end of the 1900s, the customer or client was widely regarded as the king or queen. Many of you have seen posters that said something like:

Rule 1. The customer is always right.

Rule 2. Even when the customer is wrong, refer to *Rule 1*!

Retaining clients and customers meant keeping them satisfied. Quality service was "Job 1" across all sectors of society. The Quality Assurance movement in its various evolutionary forms became a preoccupation of many managers and employees for several decades.

As consumers, we have come to expect prompt, personalized, and accurate services delivered by efficient, happy, and well trained employees. This expectation applies to all sectors, including retail, hospitality, food services, and public services. We believe that it is our *right* to have our drive-through order at McDonald's in the car in under 2 minutes (or was that 3 minutes?) or it should be FREE! Grocery stores, department stores, convenience stores, and gas stations are open 7 days a week and sometimes even 24 hours a day to "serve us better."

The New Reality – Shortage of Skilled Labour, High Expectations, and Economic Volatility

Now, we are in the latter part of the first decade of the 21st century. Has anyone noticed those signs at McDonald's saying that the store will be closed early due to lack of staff and only the drive-through will be open after 8:00 p.m.? Here's a sign spotted recently at Tim Hortons:

> *The management appreciates your patience and we apologize for the length of time you have to wait. We are doing our best with too few people.*

Or the sign posted at a highway Esso gas station:

> *Our staff has the right to work in an abuse-free environment. We are doing our best to meet our customers' expectations. Please treat us with respect. Please help us keep the staff we have!*

National organizations such as Home Depot are using million-dollar television commercial spots to troll for new hires, emphasizing that having grey hair is an asset in their business. Waiting for service due to employee shortages has become a way of life. Complaining about slow, inaccurate, or poor-quality service delivered by poorly trained and under-supervised employees has become the litany of morning chats over coffee.

An Emerging New Set of Rules

Employers and clients or customers are adjusting to a new reality and a new set of rules. *Employees* are the new kings and queens. Employers must align their policies and practices with this reality if they wish to be successful in attracting and keeping good staff. Being able to deliver quality services and products to clients and customers is the *result* of having a stable and happy workforce. Putting employees first is the means toward the end of having satisfied customers and clients.

This shift may be a very tough leap for some managers. For the past several decades, organizational cultures have emphasized satisfying clients or customers as their first priority. However, the core of client or customer service is in jeopardy if employers don't become more adept at attracting, supporting, and retaining good employees.

At this writing (late 2008), most of North America is in the midst of an economic "correction." In Canada, the unemployment rate has climbed to 6.6 percent and is attracting much attention from the mass media. What is not reported is that unemployment in 2004 (four short years ago) was 7.8 percent! So 6.6 percent unemployment is hardly the crisis that it is being made out to be. Although

employment in the construction trades has declined, many other sectors continue to experience labour *shortages*. Sectors such as retail, food services, hospitality, oil extraction, transportation, and human services all continue to struggle to find enough people to fill the positions available. As a result, some employers have resorted to shortening service or business hours, increasing overtime worked by existing staff, and requiring supervisory and managerial employees to do direct service work in an attempt to maintain service levels. The continuing high expectations of customers and clients are causing increased stress for both direct service employees and their supervisors and managers. Tried and true ways of advertising to attract new talent have become less successful for many employers. Some are responding with more creative recruitment campaigns and retention programs. In short, the old rules for the organizational sandbox appear to be giving way to *new rules and new ways of work*.

With notable geographic exceptions and acknowledging cyclical economic slumps, we currently have high employment rates and more vacancies than there are applicants to fill them. The more skills required by a position, the greater the competition for people with the training and experience to do the job. Put simply, most adults of working age are already employed. Most of the people your organization hires this month will have been drawn away from other employers. A successful hire by one organization means undesirable turnover for another.

The recruitment crunch is being felt across all organizational levels, from people "on the line" to senior managers, and across all skill levels, from so-called "unskilled labour" (people with limited or no technical or post-secondary training) to "knowledge workers" (those who are highly educated or have specialized training). Colleges and technical institutes cannot turn out enough graduates to meet

the demand in many sectors. As a result, employers have been forced to hire under-skilled people and then provide the necessary education and training *after the date of hire*.

Baby Boomers in the Driver's Seat

A tsunami of Baby Boomers is planning full or partial retirement in the next five to ten years. Among those Boomers who remain employed, many have over-worked for decades. Many of these individuals will be seeking to create better work-life balance by reducing hours on the job, taking less stressful positions at lower organizational levels, or changing careers. Some Boomers retire for months or years before returning to the workforce in entirely different roles and sectors. A 55-year-old I know retired from a high-stress life as an oil company manager, travelled for a year, and then accepted a position as a fundraising coordinator with a children's social service agency.

Younger employees tend to change employers more often than their older co-workers. The most common reasons for changing employers are opportunities to learn new skills, promotion, and better compensation. Some are dissatisfied with how they are treated by their employers. At present, Baby Boomers fill the majority of management positions in most sectors. Among this group of Boomers are managers who are flexible, seek employee input, and are willing to change with the needs and expectations of a younger workforce. They "get" that the sandbox has new rules. There are also some Baby Boomer managers who tend to over-use authority, over-control employees with inflexible policies, and micro-manage. These folks "don't get" that the sandbox has new rules and that these rules require the development of creative ways for employee recruitment and retention.

Improving Retention Practice

The cost of unwanted employee turnover has been well-documented elsewhere. Estimates run as high as 1 to 1.5 times the annual salary for a given position. More conservative estimates run at between $5,000 and $10,000 for each new hire. Improved retention contributes directly to the organization's bottom line. Let's do some simple math. A small employer has 50 employees. Last year's turnover was 30 percent (15 employees). Five people left for reasons that were not within the employer's control (this is called "unavoidable turnover"). The rest left for reasons that the employer believes could have been avoided. If the employer makes retention a priority and reduces *avoidable* turnover by 60 percent, the conservatively calculated cost savings will be between $30,000 and $60,000! Of course, the monetary return on investment is only part of the picture. Current employees and supervisors will be less stressed because of the reduced turnover. Clients or customers will experience better quality service. More information about defining and calculating turnover is available in my earlier book *Taming Turnover: Creating Strategies for Employee Retention*, available online at www.silvercreekpress.ca.

Supervisors and managers must improve retention (reduce turnover) among existing quality employees from all generations. Improved retention will not occur by chance. Effective retention programs must be multi-dimensional, well-coordinated, and implemented organization-wide. While the strategies are not rocket science, time must be invested in planning, implementing, and sustaining them. These strategies must also be adapted to fit the needs and priorities of each of the four generations. Compared to linear and customary recruitment processes (placing ads, screening candidates, interviewing, and reference checking) retention requires a greater commitment. As one manager with a

talent for mixing his metaphors recently said to me, "We are just too busy pounding the pavement, beating the bushes, and fishing in a puddle looking for people to take any time to stop the bleeding!" He is like many managers who have come to see recruitment activities as essential and retention activities as optional if there is any time left at the end of the day.

Becoming an Employer of Choice

> *So much of what we call management consists of making it difficult for people to work.*
>
> Peter Drucker

Much has been written about the importance of organizations becoming "employers of choice." The qualities that attract new recruits to your organization will also influence your current employees to stay. The goal is to become an employer of choice for both future *and existing* employees. Employees who speak positively about their current employer, their supervisors, and the culture of the organization create the buzz that makes the employer attractive to future employees. This reputation, which is maintained largely by word-of-mouth, cannot be bought with money, perks, or incentives. Working conditions and compensation are important. However, being treated respectfully and being valued, trusted, and involved are at least as important as monetary factors.

Increasing retention has the following added benefits:

- decreasing employee stress
- reducing overtime

- decreasing customer or client service problems, which usually require supervisory intervention
- improving the quality and consistency of communication

As already noted, improved retention also contributes to the bottom line by reducing time and money spent recruiting, orienting, and training new employees.

Viewing Recruitment and Retention through a Generational Lens

Generational uniqueness (which I prefer to the term *generational differences*) is only one form of diversity among people in a workplace. An organization that understands diversity in all its forms and establishes organizational practices that respond to the uniqueness of the people within it is more attractive to current and future employees.

Increased cross-generational understanding must precede changes to organizational recruitment and retention policies or practices. Cross-generational education and awareness are essential for employees at all levels, from on-the-line employees to senior managers, owners, and boards of directors. Light-bulb moments often result when employees attend cross-generational educational sessions. Adapting individual and organizational practices to meet the needs of each generation leads to a better quality workplace and improved client or customer service as well. Some workplaces or business sectors are dominated by one or two generations. Notably, high-tech organizations tend to be dominated by Gen Xs and Gen Ys. More commonly, there are four generations working together. Employees are expected to be members of teams, communicate well with each other, solve

problems, and provide quality services and products. Until just a decade ago, the majority of workplaces comprised only three generations of workers. The notable exceptions were family-owned businesses and some human service agencies that actively engage youth and seniors as employees or volunteers or both.

Adding Generation Y to the workplace has not always gone smoothly for employers. This outspoken, articulate, challenging, well educated group often asks, "What's in it for me?" Not surprisingly, supervisors, managers, and older co-workers often have mixed reactions to Gen Ys and their approach to life and work. Some find Gen Ys refreshing and enjoy the spirited dialogue. Others find Gen Ys simply baffling. Still others find Gen Y attitudes presumptuous and their behaviours offensive.

Cross-generational recruitment and retention strategies must not be based on stereotyping any particular generation, nor should we retool policies and practices to appeal to any single age group. The goal is to build bridges across generations, creating responsive human resource practices that are a good fit for each generation.

> *It were not best that we should all think alike; it is difference of opinion that makes horse races.*
>
> Mark Twain

Chapter 2

Four Generations at Work

> *Each generation imagines itself to be more intelligent than the one that went before it and more wise than the one that comes after it.*
>
> George Orwell

What Do We Mean by "Generation"?

A generation is a group of people who are born within a defined period of time and who therefore come to share some common experiences and defining life events. There is not unanimous agreement on what specific period of years defines a generation. There is also no agreement on exactly what years determine the start and finish of each generation. To make things even less clear, with the possible exception of Baby Boomers, there is also no agreement on the names for each generation! So to some degree the definition of generations is arbitrary. Common sense suggests that a generation should be about eighteen to twenty years. This is the time it takes an infant born at the beginning of any generation to reach maturity and for this person to be physiologically capable of bearing children who form the next generation.

Four Generations Defined

Authors refer to anyone born before 1945 as belonging to a generation variously called the Veterans, WWII, Silent, Radio Baby, or Traditionalist generation. In this book, I have chosen to use Traditionalist to describe this generation. If we apply a twenty-year timeline and the end of World War II as the end of the generation, then this generation would span the years of birth between 1925 and 1945. In addition to World War II, many members of this generation experienced the Great Depression of the 1930s. Some were immigrants, and the majority of the rest were born into immigrant families. It has been suggested that this generation should extend back to the beginning of World War I in 1914 or even to the turn of the second-last century in 1900. Very few people born before 1925 are still in the workforce today, so the earliest birth year of this generation is not important for our discussions here.

Baby Boomers were born after World War II veterans returned home and birth rates subsequently increased. It is generally agreed that the Baby Boomer generation spans 1946 to 1965. The experiences of Baby Boomers as they grew to adulthood were significantly different from those of their Traditionalist parents. Instead of world war and economic depression, Boomers grew up in a time of optimism, confidence, and economic prosperity in a comparatively peaceful world.

The next generation is most often called Generation X – a term coined by Canadian novelist Douglas Coupland to identify a generation that defied description. This generation has also been called Twenty-Somethings (although most are now in their thirties), Post-Boomers, and the Slacker Generation. The birth-year timeframe mostly commonly cited for Gen X is from 1966 to 1980. Do the math and you'll find this is only 15 years. A great deal changed politically,

economically, and socially around the world in this short time. Perhaps this justifies a shorter generational timeframe. Most Gen Xs spent their early years in daycares, playgroups, and preschool. Fifty percent of Gen Xs were raised in single-parent families. This has resulted in a generation of independent, self-reliant adults who strongly value family connections.

Next is Generation Y, born between 1981 and 2000. This generation is sometimes called the Millennials (hard to pronounce and spell and not all that accurate, since most were born before the turn of the Millennium), Echo Boomers (confusing because some authors use Echo Boomers to refer to Gen Xs!), Nin-Gen (Nintendo Generation), and Net Gen (Internet Generation). More simply, Y follows X in the alphabet.

One Gen Y recently said to me, "We are the WHY generation, as in 'Why do you want me to do it? Why is it necessary? Why is it this way…Why, Why, Why?'" Gen Ys were raised with mass media and global consciousness as a major part of their daily lives. They are (or will be) the best educated of all generations. From a very young age, Gen Ys have been a part of groups, making peer connection and teamwork almost a genetic trait! Gen Ys are also characterized by high self-esteem, and most are masters of all forms of technology.

Finally, we have the youngest generational cohort, born between 2001 and 2020. As of this writing, the oldest of this generation are still in elementary school. They will begin entering the workforce about ten years from now in 2018. Neither pop culture nor researchers have labelled them yet. This generation, which we will call the Fusion Generation, has already piqued the interest of parents (most of whom are Gen Xs and early Gen Ys) and educators. Wise employers should be preparing to find ways to recruit and retain Fusion "kids" too.

Born in the Cusp?

So by now you have identified your own generational group as well as those of your family members and friends. If you were born within a year or two of the beginning or end of any generation, you may feel allied with both generations or with the generation older or younger than your chronological one. Cuspers may have grown up experiencing the events and influences of two generations. At a recent cross-generational workshop I was facilitating, a Traditionalist participant (born on the cusp in 1944) chose to sit with a group of Baby Boomers during the small-group exercises. He said world events and societal values prior to World War II were meaningful for his parents but not for him personally. Younger Baby Boomers may identify with Gen Xs, and older Gen Xs may feel an affinity for Baby Boomer beliefs and values.

Generational Demographics

As of the end of 2007, 16.9 million Canadians were employed. This represents about 94 percent of the available labour force and an unemployment rate of about 6 percent. Baby Boomers have dominated the workforce in North America for the past four decades. During the same time period, the number of employed Traditionalists has been declining and the number of Gen Xers has been increasing. In the first decade of the 21st century, the number of employed Gen Xers surpassed the number of employed Baby Boomers in Canada. Interestingly, however, people over the age of 55 accounted for half of the growth in the Canadian workforce in 2007. The median age of employed Canadians is now 39.5 years, up from 31 years in 1985.

The following chart provides an interesting demographic profile of employed Canadians by generation as of 2007. It should be noted that there are some minor variances between the generational birth years we have chosen in this book and the birth years used by Statistics Canada in its labour force analysis; however, this does not change the general picture of generational employment in the country.

Employment in Canada by Generation

Generation	% of Population (2006 Census)	% of Workforce (StatsCan 2007)	% of Generation that is Employed
Traditionalists	15%	2%	9%
Baby Boomers	30%	37%	71%
Generation X	20%	45%	83%
Generation Y	25%	15%	59%

Source: Statistics Canada, *Labour Force Historical Review*, February 19, 2008 (STC cat. 71F0004XCB).

Recommended Organizational Activity

It would be both interesting and useful to create a generational profile of your current employee group. If practical, you may also wish to do the same profile for your clients or customers. The employee generational profile will help you:

- project the number of people approaching retirement age
- begin succession planning
- support individuals with planning for their retirement
- create recruitment and retention strategies that are designed for generational cohorts who represent the majority of employees

- target generational recruitment to ensure a generational mix that fits the nature of your work and is compatible with the demographic profile of clients and customers

- target generational recruitment that ensures stability of the workforce in both the near and longer term

Age and Stage versus Generation

> *The older generation thought nothing of getting up at five every morning – and the younger generation doesn't think much of it either.*
>
> John J. Welsh

Common sense tells us that someone who is 25 years old has different needs and motivations than someone who is 55 years old. Do people differ simply because they are young or old, or do they also differ according to generational group? Consider that as younger people we often act as if we "have all the answers." Later in life, we seem to discover that we have far fewer answers than we had earlier. For most of us, chronological maturity seems to bring humility and a certain mellowing of the self-righteous certainty of our younger years. The difference between the certainty of younger and older people is related to age and stage rather than to generation.

In my youth, many of my Baby Boomer friends belonged to Pollution Probe and marched for civil rights and disarmament. This generation's concerns and activities are strikingly similar to those of members of Generation Y who are taking strong leadership positions on global warming, recycling, child labour, international human rights, and world peace.

In my review of the work of dozens of writers it was quite common to read statements about generational characteristics or values presented as fact, with no data or references given to support them. The majority of the authors of available publications are Baby Boomers. Perhaps one of the characteristics of this (i.e., my own) generation is that we are quite accustomed to being pretty sure of ourselves! We grew up learning how to compete with others for space in the sandbox and time on the swing set. Rarely does anyone dare to question Boomers' "right to be right"!

To illustrate, a point of cross-generational friction at work can be choice of clothing and style of dress. Torn jeans, body piercing (in many places other than the ears!), bare midriffs, and low-hung pants are all trademarks of Gen Ys and some Gen Xs. Boomers and Traditionalists are likely to dress more conservatively. Who is right and what is right when it comes to choice of clothing at work has been the topic of many committee meetings, policy changes by management, and behind-the-back whispering. What each generation thinks is appropriate dress and what this opinion is based on speaks to the values of each group. Employers often try to create compromise dress codes to tell employees what they must wear and cannot wear on the job.

Generalizations versus Stereotypes

The goal of this book is to support employees and employers in increasing their understanding of the needs and priorities of all four generations in today's workplace in order to establish ways of bridging differences and creating harmony. Generalizations are helpful to this process. Stereotyping is not. Simply stated, a generalization is a statement that is true *most of the time, but NOT all of the time*. For example, if I were to say, "Men are taller than women," you would likely say, "Yes, this is generally true, but there are

exceptions. Some women are taller than men." The generalization is helpful in establishing the differences between men and women. A stereotype is a statement that puts a negative or critical cast on a person or group. Let's look at some generational stereotypes.

Generational Stereotypes

Traditionalists	• Old-school • Techno-phobic • Ultra-conservative • Rigid or rule-driven
Baby Boomers	• Workaholics • Highly competitive and driven • Ambitious and power-hungry • Materialistic
Generation Xers	• Slackers • "What's in it for me?" • Don't want to pay their dues to get ahead
Generation Yers	• Little respect for authority • Too outspoken and too direct • Disloyal to employers but very loyal to friends

Okay, now, admit it. When you read the items in this list you likely said to yourself at least once, "Yup, that's true." Stereotypes may be true of a small number of people, but they are not true generally (the reverse of a generalization). Because of their negative and devaluing nature, generational stereotypes should be avoided, as they are of no help to us in bridging generations at work.

Characteristics of Four Generations

> *Parents often talk about the younger generation as if they didn't have anything to do with it.*
>
> Haim Ginott

The diagram below illustrates some of the commonly listed characteristics of each of the four generations in today's workplace.

Traditionalists
- value job and organizational stability
- demonstrate good judgement
- have a strong commitment to their employer
- are conservative socially and politically

Baby Boomers
- are motivated by status/promotion and salary
- need work-life balance
- have a strong work ethic
- identify strongly with job role
- believe in systems, policies, and planning

Gen X
- value work-life balance
- are loyal to their team and co-workers
- are independent and self-reliant
- value feedback and recognition
- believe in spontaneous action and negotiation

Gen Y
- value immediate feedback and coaching
- value friendships and teamwork
- are motivated by money and work that makes a difference
- have good information-processing, technology skills
- value work-life balance
- believe in cooperation and partnerships