

# Face Forward: Prepare for Future Workforce Challenges Today!

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## What We Will Discuss:

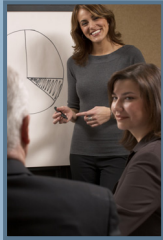
- An overview of the unique characteristics and attributes of each of the four generations in the workforce today
- The workplace challenges that will exist for the next decade as the generational divide continues to grow
- Food for thought and strategies to help you attract, retain and motivate these diverse groups of employees
- Legal issues to keep in mind when implementing new strategies and programs



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# Why This Matters

- For the first time in history, the workforce spans four generations
- Businesses must recognize and adapt to the varying expectations and behaviors of each of these groups, with particular emphasis on Gen X and Gen Y (the younger generations)\*
  - People are an organization’s most valuable resource
  - Talent is and will continue to be in short supply\*\*
  - “War” to attract and retain from a limited talent pool



\* 2006 survey by Lee Hecht Harrison, career management company found 60 percent of employers reported experiencing tension between employees of different generations

\*\* 2006 survey by Lee Hecht Harrison, two experienced workers leave the workforce for every one who enters it

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# The Four Generations

Generation Name	Percentage of Population	Number in the Workforce	Birth Years
Builders/ Traditionalists	20	*75 million (steadily declining)	1922-1945 Age: 60+
Baby Boomers	30	*80 million	1946-1964 Age: 42-60
Generation X	23	*46 million	1965-1980 Age: 27-41
Generation Y/ Nexters	27	*75 million	1980-2000 Age: Under 27

\*Numbers as of 2005

## Characteristics of Builders/Traditionalists (Age 60+)

- Declining in number as members of this group continue to retire
- Very strong work ethic shaped by the Great Depression
- Loyal
- Comfortable with top-down management and prefer it
- Motivated by a job well-done

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## Characteristics of Boomers

- Optimistic and idealistic
- Extremely competitive
- Resistant to change
- Problem solvers
- Respond best to symbols of recognition: titles, more money, and “special perks”
- Pursuit of personal gratification not the common good
- Feel that younger generations need to “put in their time”

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## Characteristics of Generation X

- Latchkey kids = independent and entrepreneurial
- No loyalty and very skeptical
- Often have weak people skills/don't particularly enjoy working on teams
- Place a VERY high value on balance – expectation that work will not interfere with life
- See freedom as the ultimate reward – do not like to be micromanaged
- Like informality and not impressed with titles, hierarchies or rules
- “Options” Generation

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## Characteristics of Generation Y

- Coddled most of their lives and look for personal fulfillment in the workplace
- Born with technology so they are cyber communicators and very tech savvy
- Place a high value on work/life balance
- Want to make a difference
- Require mentoring and desire immediate supervision
- Enjoy working on teams/very group-oriented
- Multi-taskers
- “Speak their mind” mentality



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## Understand Yourself

- Understand how your own generational experiences impact your ideas and attitudes
- Be prepared to make changes in both your own personal approach as well as operational changes in your organization to accommodate these generational differences

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## Developing Solutions for the Decade Ahead

- Develop a new “value proposition” between employer and employee
- Develop messages and strategies deliberately tailored to the characteristics of each of the four generations



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# Communication

- Need to develop “key” message points:
  - With **Builders**: they are respected and their perseverance is valued
  - With **Boomers**: communicate respect, choose face to face conversations and give them full attention
  - With **Gen X**: acknowledge the value of their time, i.e. overtime not communicated as “mandatory” but rather position that a certain amount of work needs to get done
  - With **Gen Y**: Invest in them and set forth very clear goals and objectives

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# Invest in Professional Development

- Appeal to the younger generations’ need for self-reliance and meaning in their work
  - Gen X:
    - Do not micromanage
    - Provide opportunities that challenge them and allow them to grow professionally
  - Gen Y:
    - Resources to assist them with growth including access to mentors including reverse mentoring programs
    - Provide them the opportunity to work in groups whenever possible

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## Compensation/Rewards

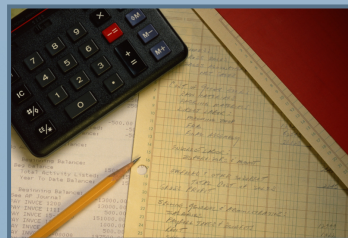
- If you are a Boomer: Get over the “pay your dues” mentality
- Revamp your current system – think about what motivates the generation and use the right rewards
  - Think short term, i.e. Gen X not interested in long-term or putting in their time and waiting for rewards later – they don’t want a year-end bonus, but would prefer a ½ day off this Friday

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## Compensation/Rewards

- Consider restructuring your bonus and/or compensation system to reward productivity rather than hours (as applicable)



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## Provide Balance and Flexibility

- Builders/Traditionalists need/want to work part-time and are willing to take lower skilled positions to stay in workforce-if provided, this group of workers will ease the short-term labor shortage
- For Gen X and Gen Y, MUST offer flexible work arrangements and other accommodations including telecommuting, job-sharing, flexible work weeks/hours, etc.

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## People Management/Legal Issues



- Avoid “Human Resource Malpractice”
  - If people are your greatest asset, remember to walk the walk
- Easy questions to avoid big problems
  - Is it fair?
  - Will the employee(s) be surprised?

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## People Management/Legal Issues

- Expect greater use of statutory rights
  - Builder Generation
    - Be aware of assumptions that create age discrimination risk
      - Don't assume an older worker will not want a lower pay, lower-hour or lower-status job
      - Careful with suggesting retirement
      - Be very careful of impact of reductions in force
    - Consider disability discrimination protection
      - Must provide reasonable accommodation to allow a qualified worker to perform the job
    - Consider FMLA leave rights

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## People Management/Legal Issues

- Expect greater use of statutory rights
  - Boomers – Civil Rights Era
    - Have lived through major workplace changes
      - Glass ceiling
      - Sex discrimination
      - Race discrimination
      - Lesbian/gay rights
    - Likely to have widely varying views
      - Spectrum from oppressed white male to “entitlement” or chip on shoulder mentality
    - May need leave to care for older parents

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## People Management/Legal Issues

- Expect greater use of statutory rights
  - Gen X
    - Aware of legal protections and not deterred by loyalty
      - Willing to exercise right to file claims of discrimination
    - Use of FMLA to create balance
      - Men and women
    - Re-evaluate rules/policies
      - What can be loosened
      - What must be reinforced
      - Then be consistent

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## People Management/Legal Issues

- Expect greater use of statutory rights
  - Gen Y
    - Not afraid to speak their mind
      - Educate younger work force about no harassment
      - Educate regarding blogging policies and email use
      - Create the environment that they praise the company not blast it on their Facebook site
      - Create internal outlets for venting issues/offering ideas
        - Real open door
        - Grievance policies

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## People Management/Legal Issues



- Beyond the generations
  - Increased diversity in the workplace
  - Increased telecommuting
  - Aging population
  - Changing family structure
  - Global economy
  - Skilled workforce shortage
  - Immigration

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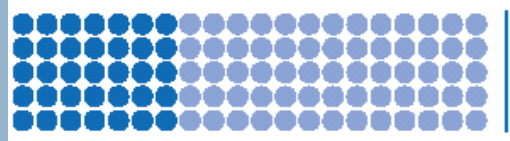
## People Management/Legal Issues

- Consider each generation's needs (and your own orientation) when communicating
  - Share goals/expectations
  - Get input
  - Mix generations
- Quality Communication is THE key to successfully blending the generations and to avoiding legal trouble

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# Employment lawsuits are common



35%

**Companies experiencing an EPL charge or lawsuit in the past five years**

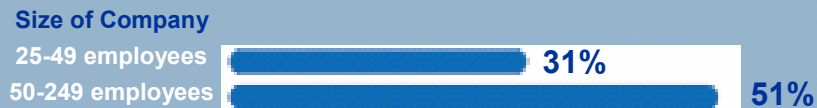
\* According to the 2005 Chubb Private Company Risk Survey

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# Are companies financially prepared?

**Executives concerned about the financial impact of an EPL lawsuit:**



\* According to the 2005 Chubb Private Company Risk Survey

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## Employment Claims are Costly

- 34% reported costs ranging from \$11,000 to \$300,000.
- The average cost for this group was:

**\$74,400**

\* According to the 2005 Chubb Private Company Risk Survey

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## Prepare for the future ...

- With your attorney and insurance agent, conduct a thorough risk assessment of your employment practices exposures and insurance coverage.
- With your attorney develop a corporate training program that provides employment discrimination, harassment, and diversity training.
- Look for an Employment Practices Liability Insurance carrier that can tailor its coverage to fit the needs of your business and also offer you loss prevention services.

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Now let's go to the questions....

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## Round Tables



- How will the presentation content impact my business in the next decade?
- What specific strategies am I able to take home with me and apply to my business?

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